

2014 EARNINGS PRESENTATION



Dr. Pamela Ingrid Lim, 31,
Dentist



Tess Atienza, 55,
Future Retiree



Mikki and Nina Cuence, 30, with
daughter Maya, 2

"COL FINANCIAL WAS BUILT ON THE FOUNDATION THAT
EVERY FILIPINO DESERVES TO BE RICH."

- EDWARD K. LEE, CHAIRMAN & FOUNDER



Carl Stephen Ong, 29,
Entrepreneur



Rose Fres Fausto, Author and Columnist with her sons Martin
22, Enrique 19, and Anton 15

Celebrating a
RICHER LIFE.

Invest and Build
Genuine wealth
with the
Philippines' most
trusted Online
Stockbroker

Investor Presentation Highlights



**COMPANY
OVERVIEW**



**FINANCIAL & OPERATING
HIGHLIGHTS**



**GROWTH
PLANS**

Company Overview

Established and licensed by the SEC in 1999

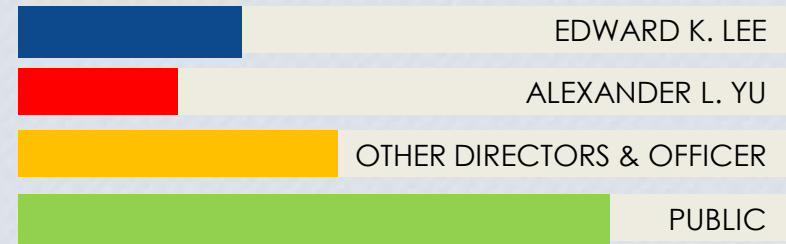
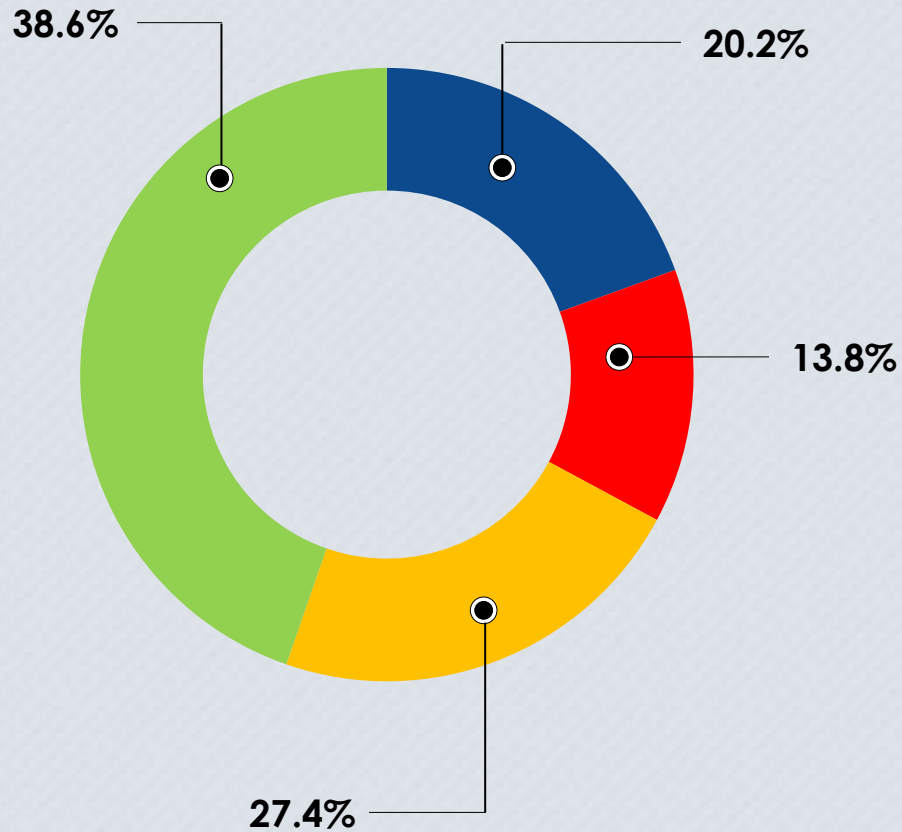
The leading and fastest-growing online stockbroker in the Philippines

Focused on tapping the underserved retail investor base in the stock market

Founder (Edward K. Lee) retains a 20.2% stake and actively manages the Company



Ownership Structure



OUTSTANDING SHARES	474.8Mil
FREE FLOAT	183.22Mil
MARKET CAP*	Php7.2Bil

*AS OF END DECEMBER 2014

Business Objective

To be the preferred source of financial services, a trusted provider of guidance and investment and a strong organization committed to delivering great value to its customers.

Our goal is to be the
Champion of the Filipino Investor

Leading and Fastest Growing Online Stockbroker in the Philippines In Terms of Numbers of Accounts. . .

2013 Rank	Broker Name	Total Accounts		% Change	% of Total Accounts Online
		2012	2013		
1	COL Financial	46,444	83,540	79.9%	64.6%
2	BPI Securities	19,721	25,775	30.7%	19.9%
3	First Metro	6,638	9,995	50.6%	7.7%
4	Accord Capital	2,870	6,022	109.8%	4.7%
	Others	2,543	3,923	54.3%	3.0%
	Total	78,216	129,255	65.3%	100.0%

SOURCE: PSE

...And in Terms of Value and Volume of Transactions

Rank		Broker Name	Value TO (PhpBil)			% of Online Value TO	No. of Trades ('000)			No. of Online Transactions
Value TO	No. of Trades		2012	2013	% Change		2012	2013	% Change	
1	1	COL Financial	150.4	182.9	21.7%	75.4%	2,664.5	3,262.0	22.4%	78.8%
2	2	BPI Securities	24.5	26.6	8.3%	11.0%	331.1	408.2	23.3%	9.9%
3	3	First Metro	15.1	20.1	33.2%	8.3%	140.8	283.6	101.4%	6.8%
4	8	Accord Capital	1.4	8.6	512.4%	3.5%	6.4	105.3	83.7%	2.5%
5	4	F. Yap	2.3	1.4	-40.9%	0.6%	57.3	9.5	49.1%	0.2%
		Others	2.1	3.0	43.5%	1.2%	41.2	72.3	75.4%	1.7%
		Total	195.7	242.5	23.9%	100.0%	3,241.4	4,140.9	27.8%	100.0%

SOURCE: PSE

Also Amongst the Biggest Philippine-Based Brokers

2014 Rank	Broker Name	2014 Value Turnover (PhpBil)	% of Total
1	Deutsche Regis Partners Inc.	433.64	10.18
2	CLSA Philippines, Inc.	370.14	8.69
3	UBS Securities Philippines Inc.	340.33	7.99
4	Maybank ATR Kim Eng Securities, Inc.	295.49	6.94
5	Macquarie Capital Securities (Phil), Inc.	282.62	6.63
6	Credit Suisse Securities (Phil), Inc.	227.56	5.34
7	Philippine Equity Partners, Inc.	225.43	5.29
8	COL Financial Group, Inc.	172.99	4.06
9	SB Equities, Inc.	167.16	3.92
10	J.P. Morgan Securities (Phil), Inc.	143.51	3.37

SOURCE: PSE

Corporate Milestones



1999

AUGUST

Became licensed by the SEC to conduct business as a broker and of securities in the Philippines



2001-02

MARCH

The COL PH online trading platform became operational

APRIL

Citiseconline HK Ltd. (COL HK) became a trading participant of the HK Exchange

MAY

The COL HK platform was launched



2005-06

NOVEMBER

The COL PH Trading platform was officially launched to the public

JULY

COL listing in the PSE via initial public offering (IPO)

DECEMBER

PSE approved COL's application as a trading participant of the PSE



2008-09

AUGUST

Launch of the COL Easy Investment Program

FEBRUARY

COL operates its seat at the PSE



2010

APRIL

Launch of the full service independent advisory team called the Private Clients Group (PCG)



2012

MARCH

SEC approves the change in the corporate name to COL Financial Group, Inc.

APRIL

Launch of the new COL website with streaming data

DECEMBER

PSE awarded the first Bell award on Good Governance



2013

NOVEMBER

Awarded for the second time in a row the Bell Award on Good Governance

DECEMBER

Signed MOA with iRemit to tap OFWs



2014

JAN-NOV

Signed MOAs with majority of the Asset Mgt. Cos to distribute their funds

JULY

SEC grants Mutual Fund Distributor License

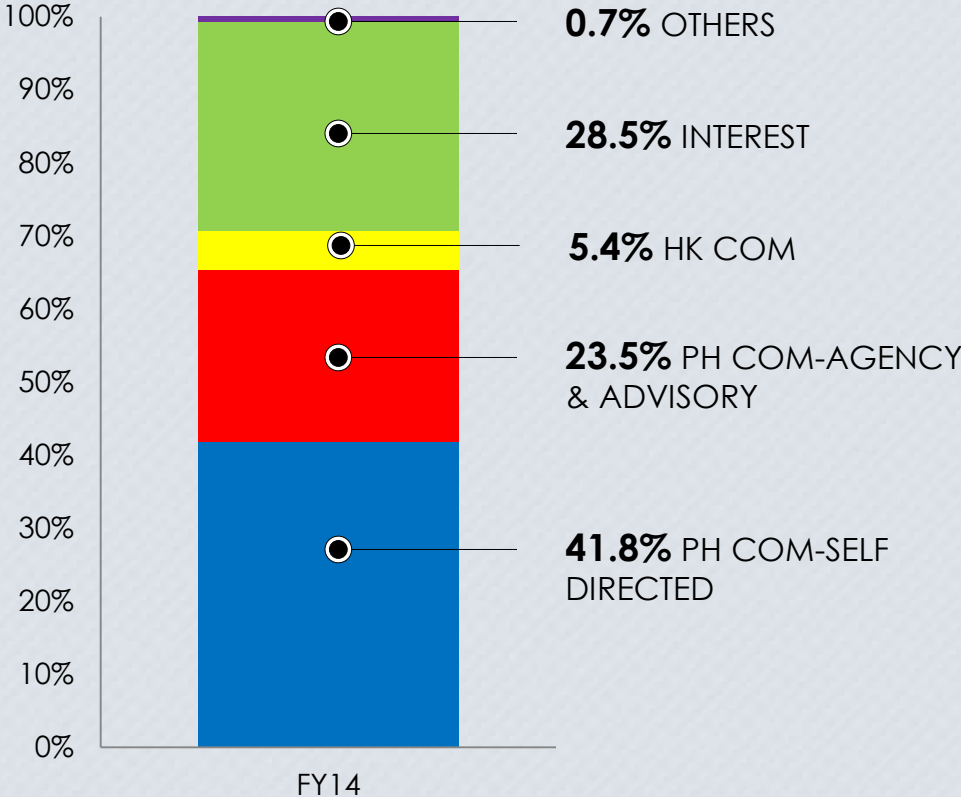
Launched COL iPhone App

SEPTEMBER

Opened the Makati Investor Center

Bulk of Revenues Generated From Philippine Operations

REVENUE BREAKDOWN



COL's Philippine operations account for 94.5% of revenues, while its HK operations account for the balance.

Commissions from both Philippines and HK account for 70.7% of revenues.

Interest income from margin loans and cash accounts for 28.5% of revenues.

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Key Highlights

POSITIVE

- 4Q14 operating results continued to rebound
- Results outperformed the PSE
- Balance sheet remained healthy
- Strong growth in new accounts and healthy net new asset flows
- Market share increased while market leadership position maintained

NEGATIVE

- 2014 net profits still fell Y/Y due to weak 1H14 numbers resulting from lower market volumes, and the booking of non-recurring fringe benefit taxes

4Q14 Net Income Almost Doubled

4Q14 net income improved significantly by 97.9% to Php13.0 Mil.

Consolidated revenues increased by 36.3% Y/Y largely driven by the 52.6% jump in commission revenues.

Operating profit increased by 39.8% to Php26.8 Mil. Excluding Php30.4 Mil worth of non-recurring fringe benefits taxes which was booked due to the change in tax regulation concerning the exercise of stock options, operating profit increased by 198.6%, while core net income rose by 561.1% to Php43.4 Mil.

Income taxes increased marginally by 9.4% to Php13.8 Mil.

CONSOLIDATED INCOME STATEMENT (IN PHP MIL)

	4Q13	4Q14	Change	
			Amount	%
Income				
Commissions	88.5	135.1	46.6	52.6%
Interest	47.2	51.1	3.9	8.3%
Other income	1.5	0.7	(0.7)	-49.9%
Total	137.2	187.0	49.8	36.3%
Expenses				
Commission expenses	15.3	22.5	7.1	46.6%
Personnel costs	65.4	61.4	(4.0)	-6.2%
Professional fees	6.3	8.0	1.7	26.6%
Stock exch. dues & fees	4.2	5.7	1.5	35.7%
Communication	6.6	6.3	(0.3)	-4.8%
Rentals & utilities	4.2	4.5	0.3	7.4%
Depreciation	3.9	3.7	(0.2)	-4.6%
Advertising & marketing	3.1	3.5	0.4	13.4%
Others	8.4	14.2	5.8	68.3%
Fringe benefits tax	0.0	30.4	30.4	-
Total	118.1	160.2	42.1	35.7%
PRE-TAX INCOME (LOSS)	19.2	26.8	7.6	39.8%
TAXES	12.6	13.8	1.2	9.4%
NET INCOME (LOSS)	6.6	13.0	6.4	97.9%
CORE NET INCOME (LOSS)	6.6	43.4	36.9	561.1%

Philippines Rebounded

Revenues increased as the Philippines continued to rebound.

Philippine revenues rose by 41.3% to Php181.1 Mil, largely driven by the 63.7% increase in commissions.

Interest income from local operations was up by 8.3% Php51.1 Mil largely as a result of the increase in COL's cash position.

HK revenues remained weak, down by 32.0% to Php6.2 Mil. However, HK's share in revenues fell to only 3.3% during 4Q14 minimizing impact on consolidated revenues.

REVENUE BREAKDOWN (IN PHP MIL)

	4Q13	4Q14	Change	
			Amount	%
Philippines				
Commission	79.0	129.4	50.4	63.7%
Self-directed	50.0	85.5	35.6	71.2%
Agency & advisory	29.1	43.9	14.8	50.9%
Interest	47.2	51.1	3.9	8.3%
Others	2.0	0.6	(1.3)	-67.2%
Philippine Revenues	128.1	181.1	53.0	41.3%
Hong Kong				
Commission	9.5	5.7	(3.8)	-39.7%
Interest	0.0	0.0	0.0	-
Others	(0.5)	0.4	0.9	-190.8%
HK Revenues	9.1	6.2	(2.9)	-32.0%
Revenue Share				
Philippines	93.4%	96.7%		
HK	6.6%	3.3%		
Self-directed	63.2%	66.1%		
Agency & advisory	36.8%	33.9%		

2014 Net Income Fell 13.6% Y/Y

However, due to weak trading volumes during 1H14, 2014 net income still dropped 13.6% Y/Y to Php262.3 Mil.

Consolidated revenues fell 4.0% Y/Y largely as a result of the weaker commission revenues during the first half.

Operating expenses rose 4.4% largely due to start-up expenses related to the fund distribution business and the booking of Php30.4 Mil worth of fringe benefit taxes.

Operating profits fell by 11.7%. However, excluding fringe benefit taxes, operating profits dropped by only 4.2%, while core net income fell by a slower 3.6% to Php292.7 Mil.

CONSOLIDATED INCOME STATEMENT (IN PHP MIL)

	2013	2014	Change	
			Amount	%
Income				
Commissions	540.5	503.4	(37.1)	-6.9%
Interest	198.7	203.1	4.5	2.3%
Other income	1.8	5.0	3.2	182.0%
Total	741.0	711.6	(29.4)	-4.0%
Expenses				
Commission expenses	111.6	85.3	(26.2)	-23.5%
Personnel costs	109.0	107.0	(2.0)	-1.8%
Professional fees	19.7	23.5	3.8	19.3%
Stock exch. dues & fees	21.5	20.7	(0.8)	-3.8%
Communication	24.6	24.7	0.0	0.1%
Rentals & utilities	16.2	17.6	1.4	8.9%
Depreciation	15.7	15.2	(0.5)	-3.1%
Advertising & marketing	10.1	9.7	(0.3)	-3.0%
Others	26.7	36.3	10.2	39.2%
Fringe benefit tax	0.0	30.4	30.4	-
Total	355.0	370.6	15.6	4.4%
PRE-TAX INCOME (LOSS)	386.0	341.0	(45.0)	-11.7%
TAXES	82.4	78.7	(3.7)	-4.5%
NET INCOME (LOSS)	303.6	262.3	(41.3)	-13.6%
CORE NET INCOME (LOSS)	303.6	292.7	(10.9)	-3.6%
EPS – Basic	0.65	0.56	(0.09)	-13.8%
EPS – Fully diluted	0.64	0.55	(0.09)	-14.1%

Philippines & HK Down

Revenues fell by 4.0% Y/Y to Php711.6 Mil as the rebound in Philippine operations during 2H14 was not enough to offset lower trading volumes during 1H14 and the weakness of HK.

Philippine revenues dropped 3.4% to Php672.4 Mil as commissions declined 6.3% to Php464.3 Mil, dragged by the 31.2% drop registered in 1H14.

Interest income from local operations was flat at Php203.1 Mil as lower yield on cash placements was offset by the increase in COL's cash position.

HK revenues were down 5.5% due to the 5.5% drop in commission revenues.

REVENUE BREAKDOWN (IN PHP MIL)

	2013	2014	Change	
			Amount	%
Philippines				
Commission	496.1	464.6	(31.4)	-6.3%
<i>Self-directed</i>	298.0	297.6	(0.4)	-0.1%
<i>Agency & advisory</i>	198.1	167.0	(31.0)	-15.7%
Interest	198.7	203.1	4.5	2.3%
Others	1.7	4.7	3.0	177.9%
Philippine Revenues	696.4	672.4	(24.0)	-3.4%
Hong Kong				
Commission	44.5	38.8	(5.7)	-12.8%
Interest	0.0	0.0	0.0	
Others	0.1	0.4	0.3	248.3%
HK Revenues	44.6	39.1	(5.5)	-12.2%
Revenue Share				
Philippines	94.0%	94.5%		
HK	6.0%	5.5%		
Self-directed	60.1%	64.1%		
Agency & advisory	39.9%	35.9%		

ROAE Remained Healthy

Operating profits fell by 11.7% Y/Y to Php341.0 Mil, largely pulled down by the 27.3% drop in operating profits during 1H14 and the booking of Php30.4 Mil worth of non-recurring fringe benefit taxes.

Margins fell as a result of the drop in operating profits.

ROAE remained healthy at 20.3% despite the significant drop in margins as COL benefited from an increase in leverage.

SELECTED FINANCIAL INDICATORS

	2013	2014	Change	
			Amount	%
Operating Profits				
Philippines	368.9	329.4	(39.6)	-10.7%
Hong Kong	17.3	11.7	(5.6)	-32.5%
Total	386.2	341.0	(45.2)	-11.7%
Operating Margins				
Philippines	53.0%	49.0%		
Hong Kong	38.8%	29.9%		
Consolidated	52.1%	47.9%		
EBITDA Margin	54.3%	50.3%		
Net Margin	41.0%	36.9%		
Asset Turnover	16.4%	12.7%		
Asset/Equity	3.5	5.0		
ROAE	23.6%	20.3%		

Strong and Highly Liquid Balance Sheet

COL remained cash rich and debt free.

Total assets grew by 32.3% to Php6.4 Bil largely driven by the 44.6% increase in cash.

Receivables increased 6.4% to Php1.4 Bil due to higher transaction values compared to end 2013.

Trade payables grew 45.4% to Php4.9Bil largely due to the increase of COL's client cash.

Stockholders' equity fell 2.0% to Php1.3 Bil largely due to payment of Php0.60/sh of cash dividends, offset by the booking of Php262.3 Mil in profits.

BVPS fell to Php2.69/sh due to the increase in outstanding shares resulting from the exercise of stock options.

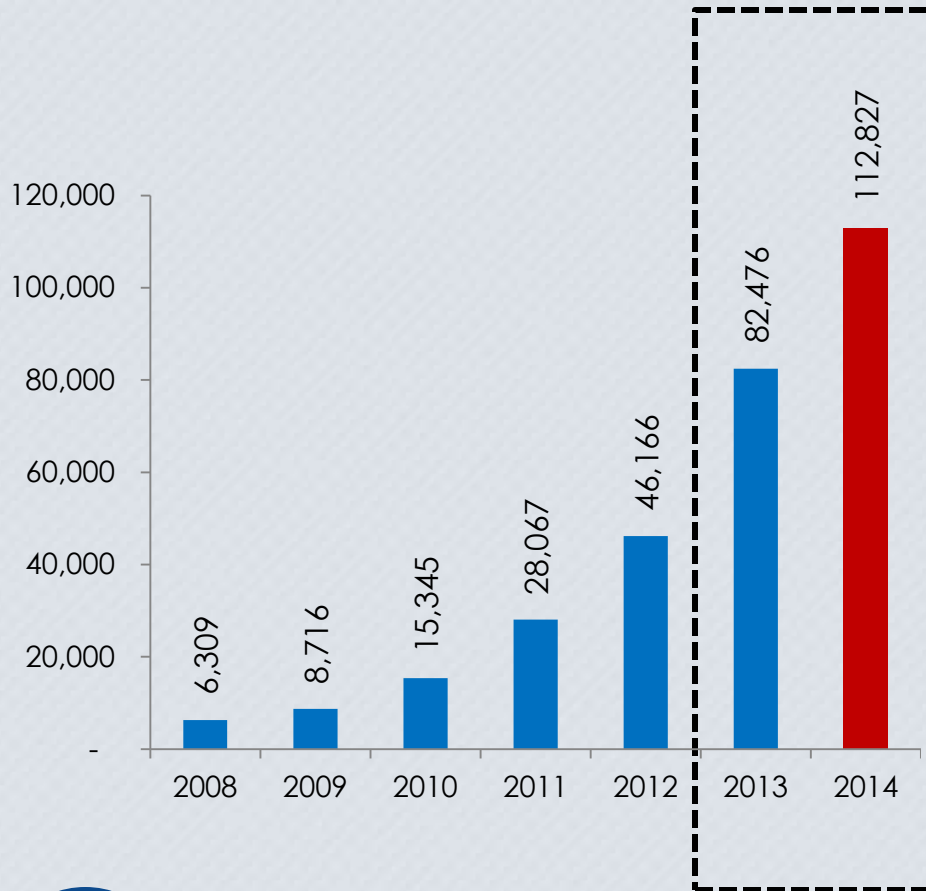
CONSOLIDATED BALANCE SHEET (IN PHP MIL)

	12/31/13	12/31/14	Change	
			Amount	%
Cash & equivalents	3,316.1	4,794.3	1,478.2	44.6%
Receivables	1,351.9	1,438.4	86.6	6.4%
Other current assets	16.2	23.8	7.6	47.0%
Property & equipment – net	39.1	35.8	(3.2)	-8.3%
Other non-current assets – net	84.6	69.1	(15.6)	-18.4%
TOTAL ASSETS	4,807.8	6,361.4	1,553.6	32.3%
Trade payables	3,398.8	4,940.9	1,542.2	45.4%
Other current liabilities	78.4	115.8	37.4	47.8%
Non-current liabilities	27.6	28.2	0.6	2.1%
Total Liabilities	3,504.8	5,085.0	1,580.2	45.1%
Total Stockholders' Equity	1,303.0	1,276.5	(26.6)	-2.0%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	4,807.8	6,361.4	1,553.6	32.3%
BVPS	2.78	2.69		

Sustained Customer Growth

CLIENT BASE

+36.8%

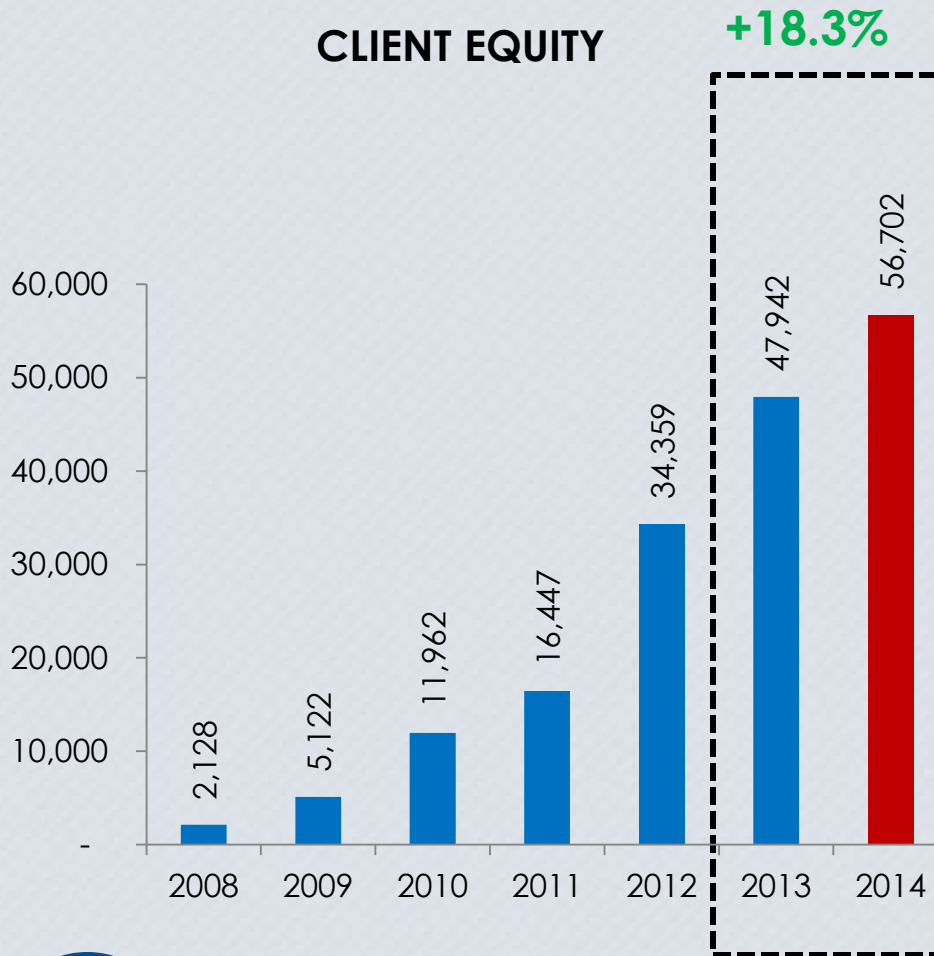


COL's client base grew by 36.8% Y/Y to 112,827 as of end 2014.

Average monthly additions remained strong at 2,529.

Sustained Customer Growth

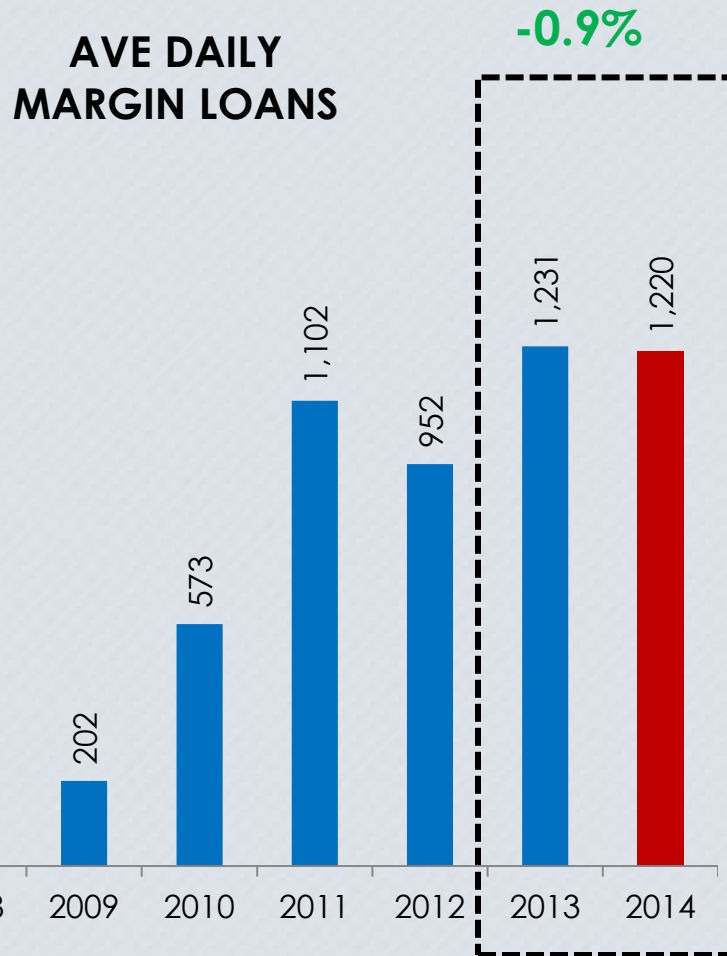
CLIENT EQUITY



Client equity grew by 18.3% Y/Y to Php56.7 Bil.

Net new flow of clients reached Php12.0 Bil in 2014.

Margin Loans Flat



Average daily margin loans were flat at Php1.2 Bil.

As of end 2014, the total number of approved margin accounts reached 1,117, up 6.8% Y/Y.

Meanwhile, 31.2% of approved margin accounts utilized their margin lines in 2014, down from 37.2% in 2013.

Gaining Market Share

COL's 2014 average daily turnover fell 5.4% Y/Y to Php714.8 Mil. Nevertheless, the drop was smaller compared to the 16.4% drop in the PSE's average daily turnover.

COL's market share in terms of value turnover also improved to 4.1% for the whole market. Share of value turnover for local investors reach a new all time high of 8.2%.

Share of number of transactions fell slightly to 21.8%. Nevertheless, COL maintained its leadership position in terms of volume of transactions.

COMPARATIVE PERFORMANCE (COL VS. PSE)

	2013	2014	Amount	%
PSE Ave. Daily T/O (PhpMil)	10,521.4	8,800.4	(1,721.0)	-16.4%
COL Ave. Daily T/O (PhpMil)	755.9	714.8	(41.1)	-5.4%
COL Market Share (Total)	3.6%	4.1%		
COL Market Share (Local)	7.5%	8.2%		
PSE Ranking	9	8		
No. of Transactions – PSE ('000)	14,128.6	18,506.1	4,377.6	31.0%
No. of Transactions – COL ('000)	3,262.3	4,038.3	776.0	23.8%
COL Market Shares	23.1%	21.8%		
PSE Ranking	1	1		

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**COMPANY
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**GROWTH
PLANS**

Pro Active Growth Plans

Maintain leadership by focusing on our consistent, long-term strategic goals

Priorities	Statement	Strategies
Expand Client Acquisition	#1. Continue to be the leading asset gatherer in the brokerage industry	<ul style="list-style-type: none"> • Set up more investor centers • Enter into tie-ups to expand market reach • Hold more investor education seminars <ul style="list-style-type: none"> ○ Frequency and type • Offer more products and services that will address the needs of more investors <ul style="list-style-type: none"> ○ Active and passive ○ Conservative to aggressive ○ Basic to sophisticated
Maintain a Mutually Beneficial Relationship	#2. Offer progressive client solutions that not only create value for the targeted client segments but also produce a profitable relationship for COL	
Long-Term Client Relationship	#3. Maintain long-term client relationships and exploit the power of COL promoters	
Expense Discipline	#4. Capitalize on operating leverage and increase profitability through our unique business model	<ul style="list-style-type: none"> • Focus on efficient means to grow revenues & profitability
Effective Capital Management	#5. Maintain a strong balance sheet and be good stewards of stockholder values	<ul style="list-style-type: none"> • ROE greater than 20%

Updates on Growth Plans

DISTRIBUTION OF THIRD PARTY FUNDS

- COL will soon be able to offer various types of professionally managed funds through its platform
- At present, COL has signed MOAs with six mutual fund companies which together account for 92.1% of the AUM of the mutual fund industry
- The SEC also granted COL a license to distribute the mutual funds of all six companies
- We are currently in the final stages of testing

Thank You

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