

1Q12 EARNINGS RESULTS

May 2012

A screenshot of the COL Financial Philippines website homepage. The page features a blue header with the company logo and navigation links. The main content area includes a welcome message, a family riding bicycles, and several promotional banners for investment programs and seminars.

COL FINANCIAL PHILIPPINES

USERNAME: PASSWORD: [Forgot your password?](#)

Why COL | New To Investing | Products & Services | Active Trading | Open an Account

Welcome to COL Financial
Established, Experienced & Committed
To keep you ahead of your investments
Invest and Grow with The Philippines' No.1 Online Stockbroker
★★★★★
[Open an Account](#)

Easy Investment Program »
The COL Easy Investment Program gives investors a simple and more convenient way of investing in the stock market regardless of age, income or experience using cost averaging. [Learn more about this program today »](#)

Investor Education »
Learn more about stock market investing through COL's Investor Seminar Series. Attend our free introductory seminars and discover what you need to know to stay ahead with your investments. [Register here for our seminar programs »](#)

Free 7-Day Trial »
Experience firsthand open access to COL Financial's Web platform and run through most of the function and features you can get when you open an account. [Register here for a free 7-day trial »](#)



Investor Presentation Highlights

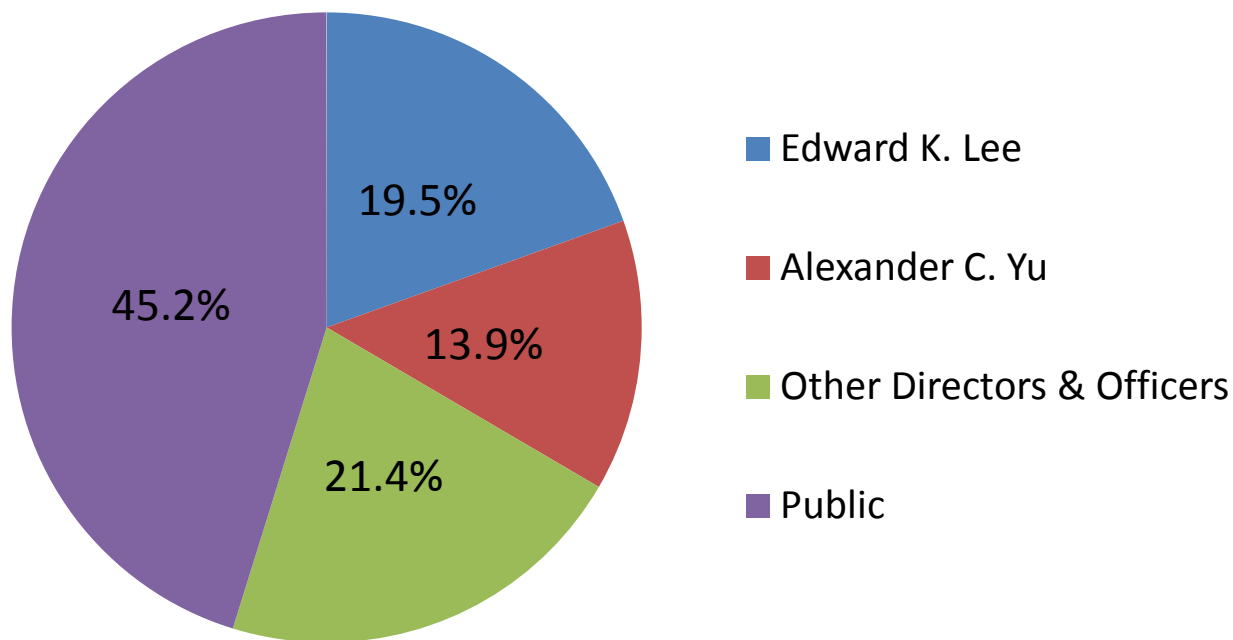
1	Company Overview
2	1Q12 Financial & Operating Highlights
3	Updates on Growth Strategy

Company Overview



- Established and licensed by the SEC in 1999
- The leading and fastest growing online stockbroker
- Highly successful in building an organization that taps the underserved retail investor base in the stock market
- Founder (Edward K. Lee) retains 19.5% stake and actively manages the Company

Ownership Structure



Outstanding Shares	466.8Mil
Free Float	211.1Mil
Market Cap *	Php 10.6Bil

** As of end – March 2012*

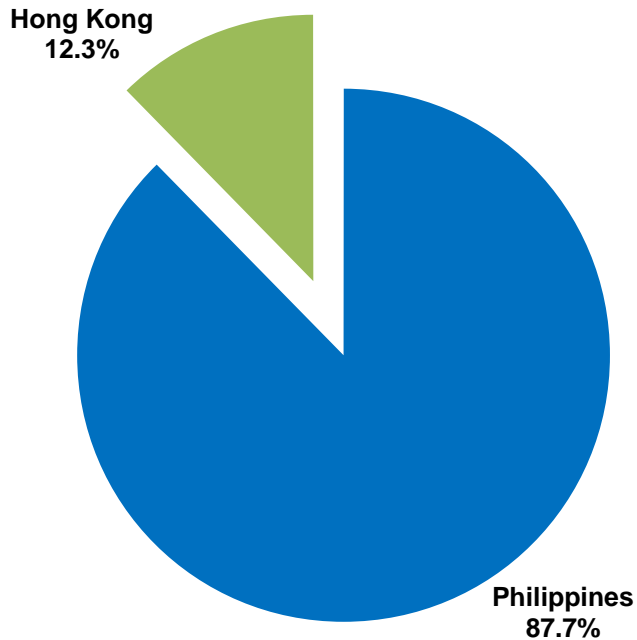
Business Objective

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

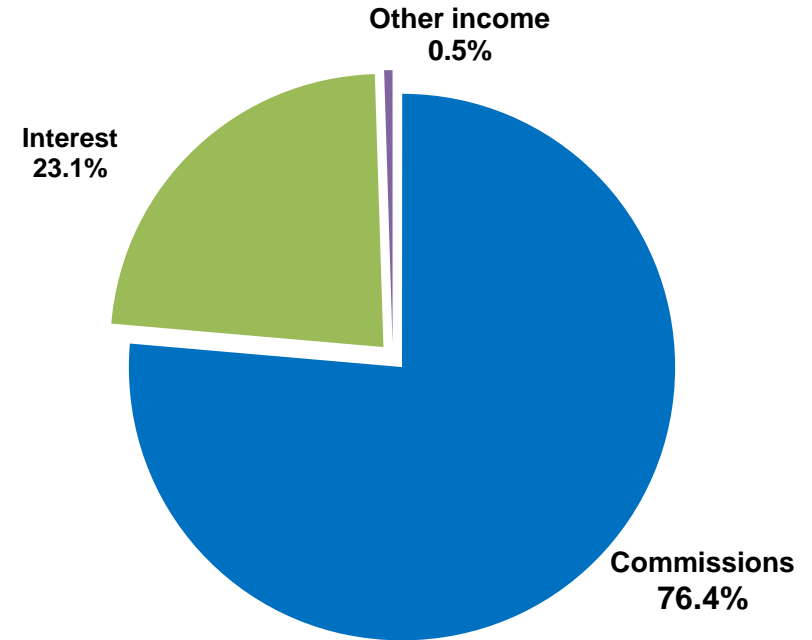
Our goal is to be the champion of the Filipino investor.

Commissions from the Philippines Account for Bulk of Revenues

Revenues according to Geography



Sources of Revenues



Corporate Milestones

MARCH 2001

The COL PH online trading platform became operational.

APRIL 2002

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

MAY 2002

The COLHK platform was launched.



JANUARY 2008

Received the PSE Outstanding Domestic IPO Award for 2006 and special recognition for Active Investor Education. COL was ranked by the PSE as the #1 Online Stockbroker in the Philippines for most number of trades transacted.

AUGUST 2008

Launch of the COL Easy Investment Program.

FEBRUARY 2009

COL operates its seat at the PSE.

JULY 2011

Opening of the COL Business and Data Center in Ayala Triangle Tower 1, Makati.

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012

AUGUST 1999

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



NOVEMBER 2005

The COL PH Trading Platform was officially launched to the public.

JULY 2006

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

NOVEMBER 2006

The COL Investor Education Series comprised of free basic and advanced technical seminars was launched.

Margin Financing was launched.

DECEMBER 2006

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

APRIL 2010

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

DECEMBER 2010

COL PRO, the first real-time, customizable, all-in-one trading application, was provided to high-value customers for more efficient transacting.



FEBRUARY 2012

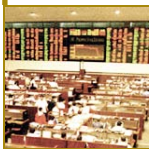
Launched the Relationship Manager services for high value customers.

MARCH 2012

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

APRIL 2012

Launch of the new COL website with streaming data.



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1Q12 Net Income Higher by 57.8%

COL FINANCIAL GROUP, INC				
Consolidated Income Statement (In PhpMil)				
	1Q11	1Q12	Change	
			Amount	%
INCOME				
Commissions	99.3	156.0	56.7	57.0%
Interest	43.8	47.2	3.5	7.9%
Other income	8.6	1.0	(7.6)	-88.3%
Total	151.7	204.2	52.5	34.6%
EXPENSES				
Commission expenses	11.9	22.4	10.5	88.0%
Personnel costs	13.5	16.1	2.6	19.2%
Professional fees	5.5	6.8	1.3	23.2%
Stock exchange dues and fees	3.2	5.2	2.0	64.6%
Communication	3.6	5.5	1.9	53.9%
Rentals and utilities	2.8	3.8	1.0	33.6%
Depreciation	2.5	4.2	1.8	72.2%
Stock option expense	0.4	1.3	0.9	197.1%
Others	6.6	8.8	2.3	34.7%
	50.0	74.1	24.2	48.4%
PRE-TAX INCOME (LOSS)	101.7	130.1	28.3	27.9%
TAXES	19.7	0.6	(19.1)	-97.0%
NET INCOME (LOSS)	82.0	129.5	47.4	57.8%
EPS				
EPS - Basic	0.19	0.28	0.09	47.4%
EPS - Fully diluted	0.17	0.27	0.10	58.8%

- Consolidated net income up 57.8% to Php129.5 Mil
- Revenues increase 34.6% largely driven by strength of Philippine operations.
- Growth in costs outpaced revenues largely due to the increasing share of our lower margin HNW & Institutional business. This is evidenced in the 88% increase in commission expenses.
- Personnel costs rose 19.2% while professional fees rose 23.2% largely due to increase in capacity and realignment of pay (larger share of fixed pay relative to bonuses).
- Significant increase in depreciation due to recently completed capacity expansion program.
- Provision for taxes drop by Php19.1 Mil due to the exercise of 8.3 Mil worth of stock options, leading to an increase in unbooked tax deductible expenses.

Philippines Drive 34.6% Increase in Revenues

COL FINANCIAL GROUP, INC				
Revenue Breakdown (In PhpMil)				
Philippines	1Q11	1Q12	Change	
			Amount	%
Commission	70.5	130.8	60.3	85.6%
Regular accounts	50.7	85.7	35.0	69.0%
HNW & Inst'l accounts	19.8	45.1	25.3	127.8%
Interest	43.8	47.2	3.5	7.9%
Others	9.0	1.0	-8.0	-88.8%
Philippine Revenues	123.2	179.0	55.8	45.3%
Hong Kong				
Commission	28.9	25.2	-3.7	-12.8%
Interest	0.0	0.0	0.0	-34.7%
Others	-0.4	0.0	0.4	-101.1%
Hong Kong Revenues	28.5	25.2	-3.3	-11.6%
Consolidated Revenues	151.7	204.2	52.5	34.6%

- Strong growth of Philippine revenues more than offset weakness of HK revenues. Philippine revenues rose 45.3% to Php179.0 Mil while HK revenues dropped 11.6% to Php25.2 Mil. As of 1Q12, the Philippine accounted for 87.7% of revenues, up from 81.2% during 1Q11.
- Commission from local operations grew 85.6% to Php130.8 Mil driven by strong performance of the local market and the expansion of COL's client base.
- Commission from the HNW & Institutional group grew at a faster pace of 127.8% to Php45.1 Mil. The said group accounted for 34.5% of Philippine commission revenues during 1Q12, up from 28.1% during 1Q11.
- Interest income rose by 7.9% to Php47.2 Mil as higher income from cash placements more than offset the impact of lower margin utilization.
- Commission from HK fell 12.8% to Php25.2 Mil due to the weakness of the HK market, prompting clients to shift funds to the Philippines.

ROAE Improves Despite Decline in Margins

COL FINANCIAL GROUP, INC				
Selected Financial Indicators				
	1Q11	1Q12	Change	
			Amount	%
Operating Profits				
Philippines	83.7	115.0	31.3	37.4%
Hong Kong	18.0	15.1	-2.9	-16.4%
Total	101.7	130.1	28.3	27.9%
Operating Margins				
Philippines	68.0%	64.2%		
Hong Kong	63.2%	59.8%		
Consolidated	67.1%	63.7%		
EBITDA Margin	69.0%	66.4%		
Net Margin	54.1%	63.4%		
Asset Turnover*	24.0%	20.0%		
Asset/Equity	2.5	3.6		
ROAE*	30.7%	42.8%		

*Annualized

- Operating profits grew by 27.9% to Php130.1 Mil as the 37.4% increase in operating profits from the Philippines more than offset the 16.4% drop in operating profits from HK. During 1Q12, the Philippines accounted for 88.4% of operating profits, up from 82.3% during 1Q11.
- Operating margin fell from 67.1% to 63.7% as margins from both the Philippines and HK dropped.
- Operating margin from Philippine operations fell due to the increasing share of our lower margin HNW & Institutional business.
- Operating margin from HK operations fell due to weakness in revenues.
- Despite the drop in margin, ROAE improved to 42.8% from 30.7% as leverage increased and due to the drop in provision for income taxes.

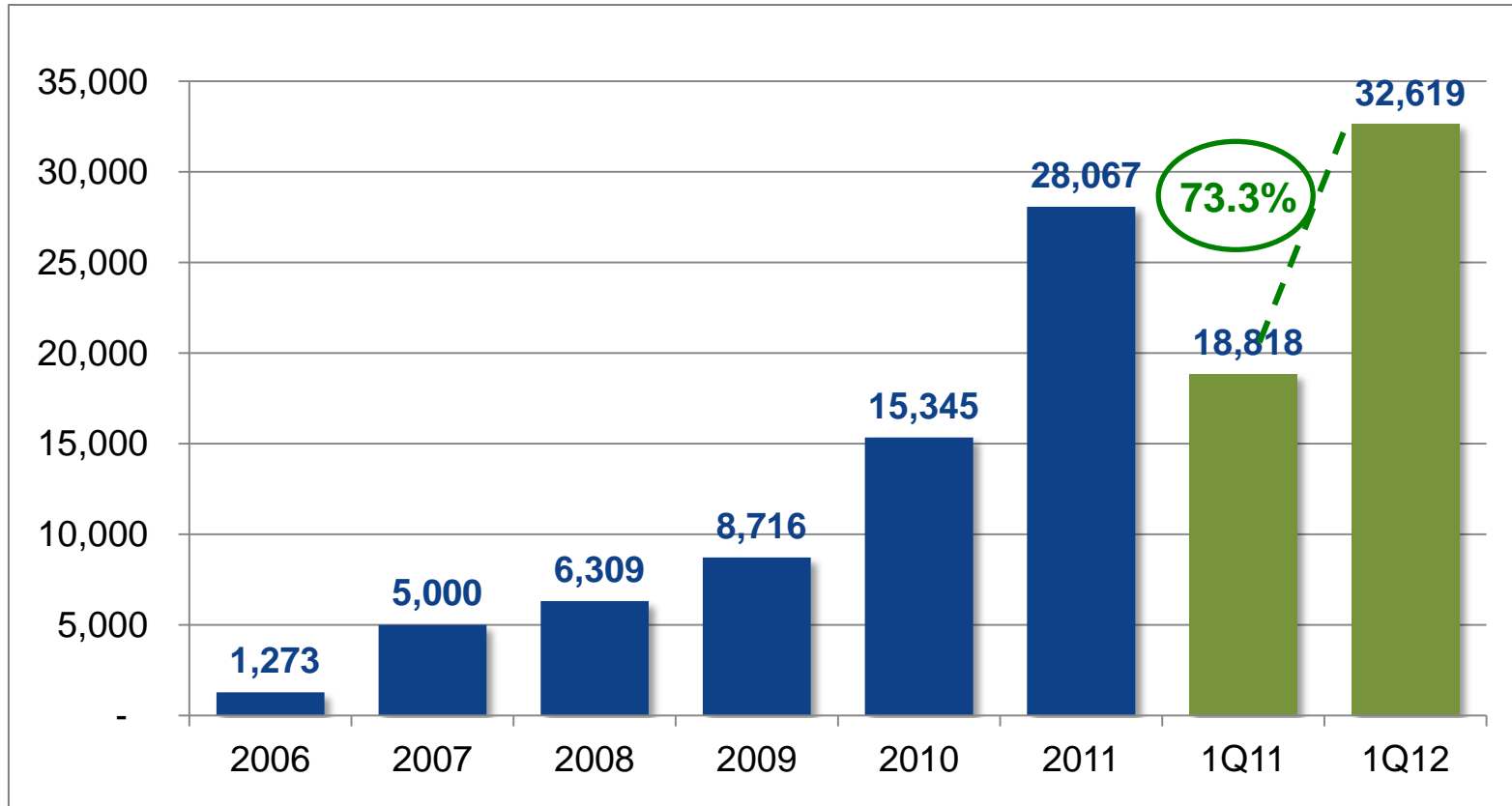
Strong and Highly Liquid Balance Sheet

COL FINANCIAL GROUP, INC				
Consolidated Balance Sheet (In PhpMil)				
	12/31/11	3/31/12	Change	
			Amount	%
ASSETS				
Current Assets				
Cash and cash equivalents	2,188.9	2,730.0	541.0	24.7%
Trade Receivables	1,160.7	1,208.6	47.9	4.1%
Other Receivables	8.1	11.0	2.9	35.3%
Financial Assets at FVPL	1.3	0.5	-0.8	-63.1%
Prepayments	2.2	6.4	4.2	191.7%
	3,361.3	3,956.5	595.2	17.7%
Non-Current Assets				
Property and Equipment-net	41.7	45.0	3.3	7.9%
Stock Exchange Trading Right	23.0	22.7	-0.4	-1.6%
Deferred Tax Assets	75.2	55.9	-19.3	-25.7%
Other Non-Current Assets	8.6	11.3	2.6	30.5%
	148.6	134.8	-13.7	-9.2%
TOTAL ASSETS	3,509.8	4,091.4	581.5	16.6%
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Trade payables	2,133.5	2,634.3	500.8	23.5%
Dividends payable	0.0	280.1	280.1	-
Other current liabilities	75.2	45.9	-29.3	-39.0%
	2,208.7	2,960.3	751.6	34.0%
Non-Current Liabilities				
Retirement obligation	6.2	6.2	0.0	0.0%
Total Liabilities	2,214.9	2,966.5	751.6	33.9%
Stockholders' Equity	1,295.0	1,124.9	-170.1	-13.1%

- Strong, highly liquid balance sheet.
- Significant increase in cash position due to steep rise in clients' cash position from Php1.9 Bil as of end 2011 to Php2.4 Bil as of end March 2012.
- No interest bearing debt outstanding.
- Stockholders' equity fell by 13.1% to Php1.1 Bil due to the declaration of Php0.60/sh worth of cash dividends, partly offset by the booking of 1Q12 net income of Php129.5 Mil.

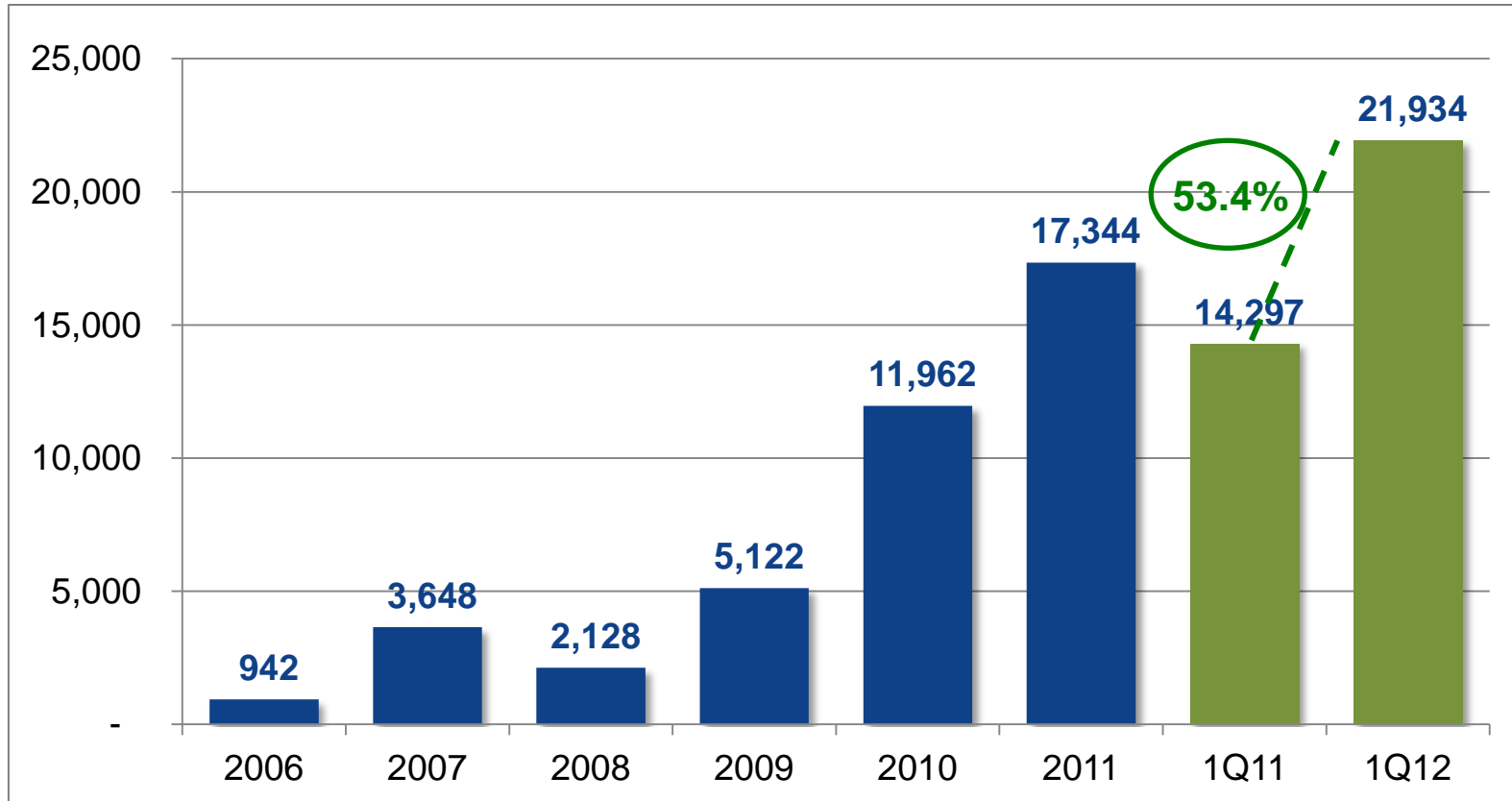
Sustained Customer Growth

Client Base



Sustained Customer Growth

Client Equity (PhpMil)

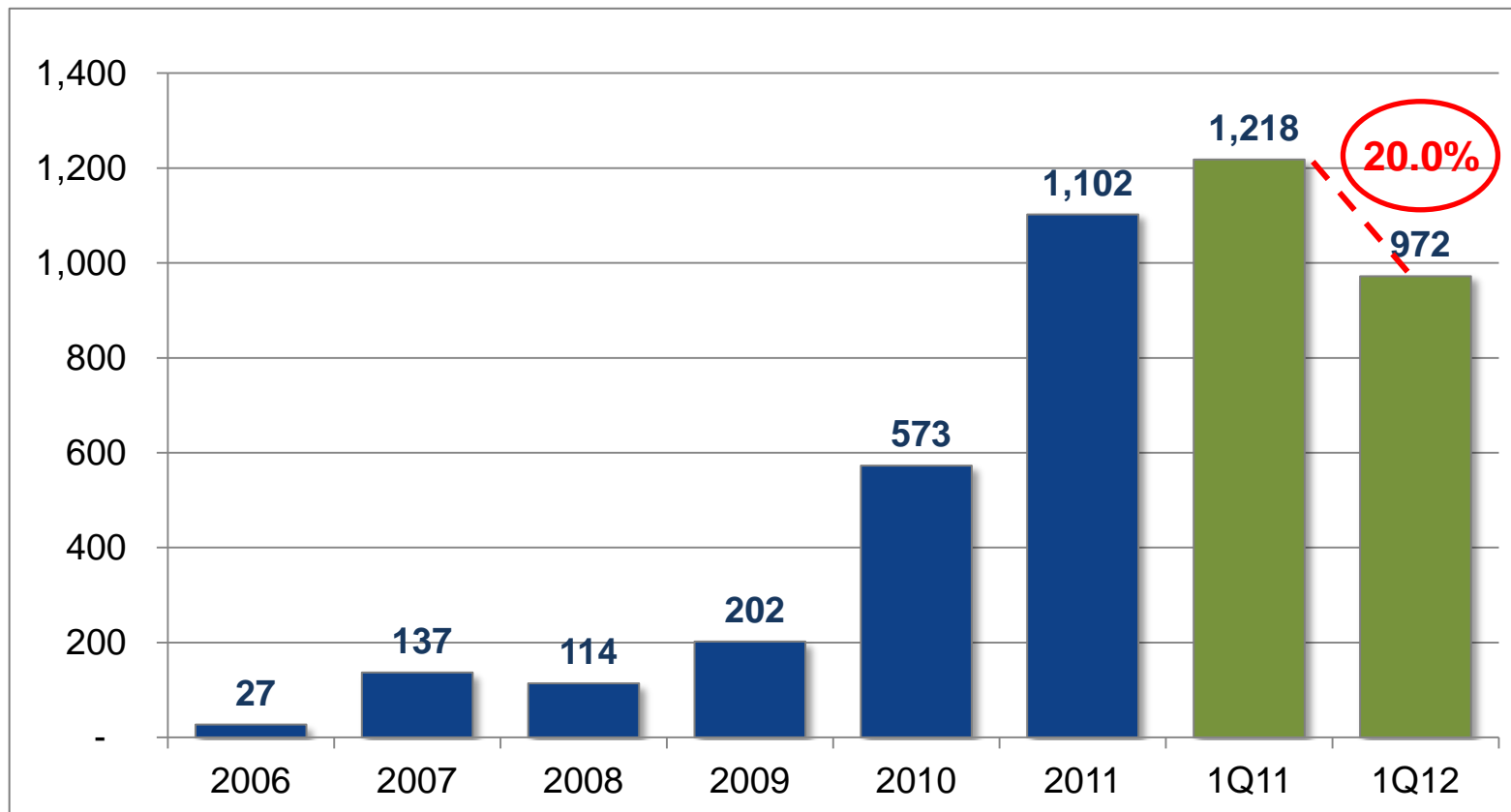


Comparative Performance (COL vs. PSE)

	1Q11	1Q12	Change	
			Amount	%
PSE Ave. Daily T/O (PhpMil)	5,089.6	7,845.6	2,756.0	54.1%
Col Ave. Daily T/O (PhpMil)	408.0	763.9	355.9	87.2%
Col Market Share	4.0%	4.3%		
PSE Ranking	8	7		
No. of Transactions – PSE ('000)	1,882.0	3,407.0	1,525.0	81.0%
No. of Transactions – COL ('000)	355.0	797.0	442.0	124.5%
COL Market Share	18.9%	23.4%		
PSE Ranking	1	1		

Margins Loans Drop

Average Daily Margin Loans



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Updates on Growth Strategy

- **Capacity expansion completed**
 - Total capex of Php35 Mil spent in 2011 and 1Q12 to upgrade both hardware and network infrastructure
 - Front end capacity now up to 100,000 clients
 - Technological improvements were also implemented to increase efficiency in servicing clients (ex. Client deposits and withdrawals, specialized services for certain client segments)
- **Recently changed company name to COL Financial Group Inc.**
 - To give us more leeway in providing other services to clients

Updates on Growth Strategy

- **Increase frequency and menu of seminars for clients**
 - Basic seminar currently only conducted 3X a week, and waitlist of 1 month
 - Menu currently limited to basic stock market, EIP, technical analysis, and fundamental analysis seminars.
- **Increase awareness regarding the use of margin**
 - Only 200 to 300 out of 800 clients with margin facilities utilize margin
 - Only 20% of total margin loan granted are utilized by clients

Updates on Growth Strategy

- **Focus on improving customer loyalty**
 - Continuous improvement of website features
 - Roll out of new products and services
- **Implementation of focused marketing campaigns**
 - To improve our ability to attract new clients in a more efficient manner



THANK YOU.