

2012 Earnings Results

March 2013



Investor Presentation Highlights

1. Company Overview

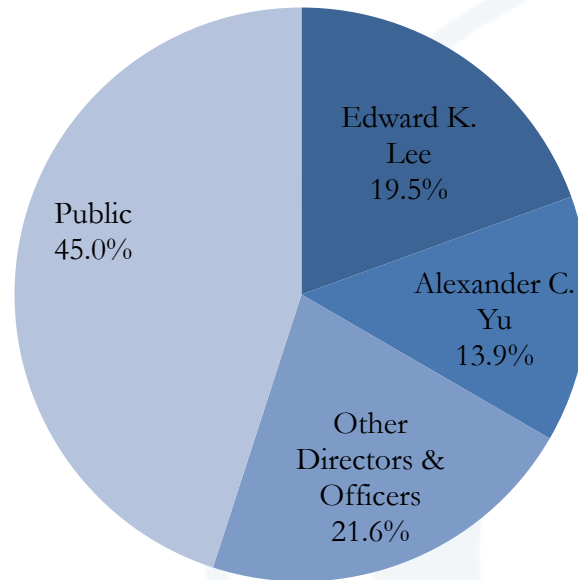
2. Financial & Operating Highlights

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 19.5% stake and actively manages the Company

Ownership Structure



*As of end-December 2012

Outstanding Shares	467.8 Mil
Free Float	210.6 Mil
Market Cap*	Php9.1 Bil

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.

Investor Presentation Highlights

1. Company Overview

2. Financial & Operating Highlights

Key Highlights

- Positives:
 - Growing client base and equity, including cash deposits
 - Highly liquid & healthy balance sheet
 - 4Q12 results were up y/y
 - Margin utilization continued to recover in 4Q12
 - HK operations rebounded q/q
- Negatives:
 - HK full year operating profits down
 - Philippine full year operating profits flat due to higher operating expenses and larger share of lower margin agency and advisory business

FY12 Net Income Down by 8.6%

COL FINANCIAL GROUP, INC

Consolidated Income Statement (In PhpMil)

	FY11	FY12	Change	
			Amount	%
INCOME				
Commissions	444.7	463.3	18.6	4.2%
Interest	187.3	184.1	-3.2	-1.7%
Other income	26.7	3.5	-23.2	-86.9%
Total	658.7	650.9	-7.8	-1.2%
EXPENSES				
Commission expenses	57.4	88.9	31.4	54.7%
Personnel costs	95.0	101.4	6.4	6.7%
Professional fees	21.3	22.8	1.4	6.7%
Stock exchange dues and fees	14.2	17.4	3.1	22.1%
Communication	17.0	20.2	3.3	19.4%
Rentals and utilities	12.8	15.5	2.7	20.9%
Depreciation	12.1	14.3	2.1	17.5%
Stock option expense	6.0	1.7	-4.2	-70.9%
Others	21.0	29.5	8.5	40.5%
	256.9	311.7	54.8	21.3%
PRE-TAX INCOME (LOSS)	401.7	339.2	-62.5	-15.6%
TAXES	66.9	33.3	-33.6	-50.2%
NET INCOME (LOSS)	334.8	305.9	-28.9	-8.6%
EPS - Basic	0.74	0.66	-0.08	-10.8%
EPS - Fully diluted	0.72	0.65	-0.07	-9.7%

- Consolidated net income fell 8.6% to Php305.9 Mil.
- Revenues fell 1.2% as the strength of Philippine operations was not enough to offset the weakness of HK. Revenues were also negatively affected by the lower average utilization of margin facilities (partly offset by higher interest income from cash placements) and the absence of trading gains.
- Pre-tax income fell by 15.6% to Php339.2 Mil due to weakness in revenues and as costs increased due to the expansion of COL's Philippine operations.
- Commission expenses rose 54.7% to Php88.9 Mil largely due to the significant growth of the agency and advisory business coming from a low base in 2011.
- Communication (+19.4%), rentals & utilities (+20.9%), and depreciation expenses (+17.5%) rose significantly due to the increase in capacity.

Strength of Philippines Not Enough to Offset Weakness of HK

COL FINANCIAL GROUP, INC Revenue Breakdown (In PhpMil)

Philippines	FY11	FY12	Amount	%
Commission	327.2	406.5	79.3	24.2%
<i>Regular accounts</i>	232.8	265.4	32.6	14.0%
<i>Agency & advisory</i>	94.5	141.1	46.6	49.3%
Interest	187.2	184.1	-3.2	-1.7%
Others	26.8	2.5	-24.4	-90.8%
Philippine Revenues	541.3	593.1	51.7	9.6%
Hong Kong				
Commission	88.6	56.8	-31.8	-35.9%
Interest	0.0	0.0	0.0	-100.0%
Others	0.3	1.0	0.8	268.8%
Hong Kong Revenues	88.9	57.8	-31.0	-34.9%
Consolidated Revenues	658.7	650.9	-7.8	-1.2%
Revenue Share				
Philippines	82.2%	91.1%		
HK	17.8%	8.9%		

- Revenues fell by 1.2% to Php650.9 Mil as the strong performance of Philippine operations was not enough to offset the poor performance of HK operations. Revenues in 2011 also benefited from the booking of trading gains.
- Revenues from the Philippines grew 9.6% to Php593.1 Mil largely driven by the 24.2% growth of commissions to Php406.5 Mil.
- Commissions of the agency & advisory business grew by a faster pace of 49.3% to Php141.1 Mil, coming from a low base in 2011.
- Interest income was down slightly by 1.7% to Php184.1 Mil largely due to the lower average utilization of margin facility by clients. This was partly offset by higher income from cash placements. On the positive side, average margin utilization improved for a second quarter in a row during 4Q12 and is already higher compared to the 4Q11 average.

Strength of Philippines Not Enough to Offset Weakness of HK

COL FINANCIAL GROUP, INC

Revenue Breakdown (In PhpMil)

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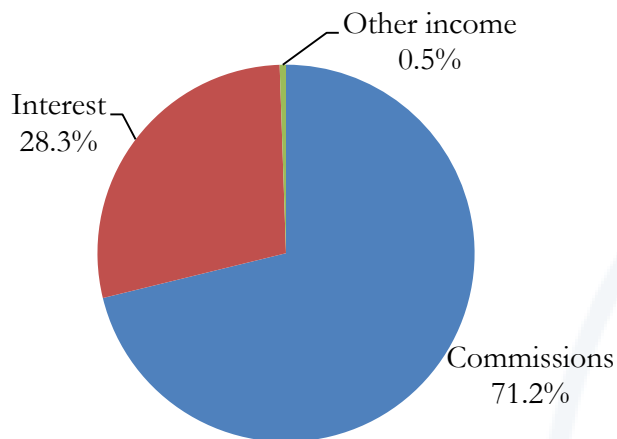
Revenue Share

Philippines	82.2%	91.1%
HK	17.8%	8.9%

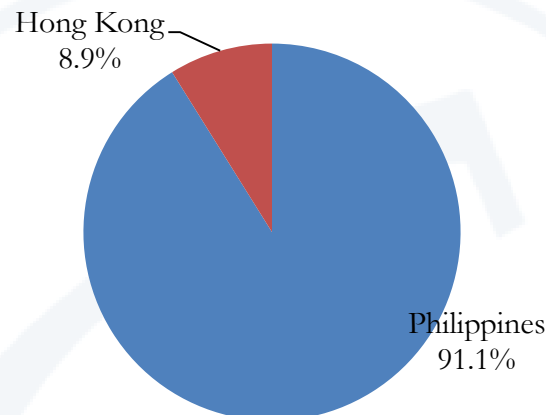
- Other income fell by 90.8% to Php2.5 Mil due to the absence of trading gains.
- Commission from HK fell 34.9% to Php57.8 Mil due to the weakness of the HK market, prompting clients to shift funds to the Philippines. As a result, HK's share of total revenues halved to 8.9% in 2012 from 17.8% in 2011.

Commissions from the Philippines Account for a Growing Share of Revenues

Sources of Revenues



Revenues According to Geography



Sources of Revenues

	FY11	FY12
Commissions	67.5%	71.2%
Interest	28.4%	28.3%
Other income	4.1%	0.5%
Total	100.0%	100.0%

Revenues (According to Geography)

	FY11	FY12
Philippines	85.9%	91.1%
Hong Kong	14.1%	8.9%
Total	100.0%	100.0%

Operating Profits Pulled Down by HK and Higher Costs in Philippines

COL FINANCIAL GROUP, INC

Selected Financial Indicators

	FY11	FY12	Amount	%
Operating Profits				
Philippines	320.5	314.7	-5.8	-1.8%
Hong Kong	81.2	24.5	-56.8	-69.8%
Total	401.7	339.2	-62.6	-15.6%
Operating Margins				
Philippines	59.2%	53.1%		
Hong Kong	91.4%	42.4%		
Consolidated	63.8%	52.1%		
EBITDA Margin	63.7%	54.6%		
Net Margin	50.8%	47.0%		
Asset Turnover	22.0%	16.8%		
Asset/Equity	2.7	3.3		
ROAE	27.7%	23.7%		

- Operating profits fell by 15.6% to Php339.2 Mil due to the weak performance of HK and as costs from Philippine operations increased due to COL's capacity expansion program.
- Operating margin fell from 63.8% to 52.1% as margins from both the Philippines and HK dropped.
- Operating margin from Philippine operations fell largely due to the growing share of our lower margin agency business. During FY12, the agency business accounted for 34.7% of local commissions, up from 28.9% during FY11. Margin also fell as fixed operating expenses increased due to COL's capacity expansion program.
- Operating margin from HK operations fell due to weakness in revenues and fixed nature of operating expenses.

Operating Profits Pulled Down by HK and Higher Costs in Philippines

COL FINANCIAL GROUP, INC

Selected Financial Indicators

	FY11	FY12	Amount	%
Operating Profits				
Philippines	320.5	314.7	-5.8	-1.8%
Hong Kong	81.2	24.5	-56.8	-69.8%
Total	401.7	339.2	-62.6	-15.6%
Operating Margins				
Philippines	59.2%	53.1%		
Hong Kong	91.4%	42.4%		
Consolidated	63.8%	52.1%		
EBITDA Margin	63.7%	54.6%		
Net Margin	50.8%	47.0%		
Asset Turnover	22.0%	16.8%		
Asset/Equity	2.7	3.3		
ROAE	27.7%	23.7%		

- Despite the significant drop in operating margin, net margin fell by a smaller amount of 380 basis points as provision for taxes dropped by 50.2% due to the favorable impact of the exercise of stock options on tax expenses.
- ROAE deteriorated to 23.7% from 27.7% as margins, revenue generation (as measured by asset turnover) weakened, partly offset by higher leverage.

4Q12 Results Paint a More Positive Picture

COL FINANCIAL GROUP, INC

Revenue Breakdown (In PhpMil)

	4Q11	4Q12	Change	
			Amount	%
Philippines				
Commission	73.9	105.9	31.9	43.2%
<i>Regular accounts</i>	48.7	64.3	15.6	31.9%
<i>Agency & advisory</i>	25.2	41.6	16.4	65.0%
Interest	45.3	46.4	1.1	2.5%
Others	1.7	0.9	-0.8	-45.8%
Philippine Revenues	121.0	153.2	32.3	26.7%
Hong Kong				
Commission	24.7	12.9	-11.7	-47.7%
Interest	0.0	0.0	0.0	-100.0%
Others	-0.5	1.0	1.5	-289.7%
Hong Kong Revenues	24.1	13.9	-10.2	-42.3%
Consolidated Revenues	145.1	167.1	22.1	15.2%
Revenue Share				
Philippines	83.4%	91.7%		
HK	16.6%	8.3%		

- Although FY12 full year results were weak, COL's earnings performance was very strong during 4Q12.
- During 4Q12, consolidated revenues rose by 15.2% to Php167.1 Mil as revenues from the Philippines jumped 26.7% to Php153.2 Mil. Although revenues from HK dropped by 42.3% y/y to Php13.9 Mil, 4Q12 revenues actually improved by 35.1% compared to Php10.3 Mil during 3Q12.
- Philippine commissions rose 43.2% to Php105.9 Mil as trading activity of local retail investors in the PSE recovered and as COL benefited from the continuous growth of its client base.
- Interest income from local operations rose by 2.5% to Php46.4 Mil due to higher margin utilization by clients and as COL's cash position increased. This was partly offset by lower yields on cash placements resulting from the BSP's move to reduce interest rates.
- Commission from HK fell 47.7% to Php12.9 Mil as the high level of volatility discouraged clients from trading the HK market, prompting them to shift their attention to the Philippine market instead.

4Q12 Results Paint a More Positive Picture

COL FINANCIAL GROUP, INC

Selected Financial Indicators

	4Q11	4Q12	Change	
			Amount	%
Operating Profits				
Philippines	28.6	44.8	16.2	56.5%
Hong Kong	14.6	5.3	-9.3	-63.6%
Total	43.2	50.1	6.9	16.0%
Operating Margins				
Philippines	23.6%	29.2%		
Hong Kong	60.5%	38.2%		
Consolidated	29.8%	30.0%		

- Operating profits rose by 16.0% to Php50.1 Mil during 4Q12, driven by the strong performance of the Philippines, offsetting the weak performance of HK.
- Operating margin improved slightly to 30.0% from 29.8%. Operating margin of Philippines increased to 29.2% offsetting the drop in HK's operating margin to 38.2% from 60.5%.
- Operating margin from Philippine operations jumped as growth in revenues outpaced that of expenses. Personnel cost and professional fees actually fell due to COL's effort to smoothen costs throughout the year. Recall that personnel cost and professional fees were up by 16.8% during the first nine months of the year.

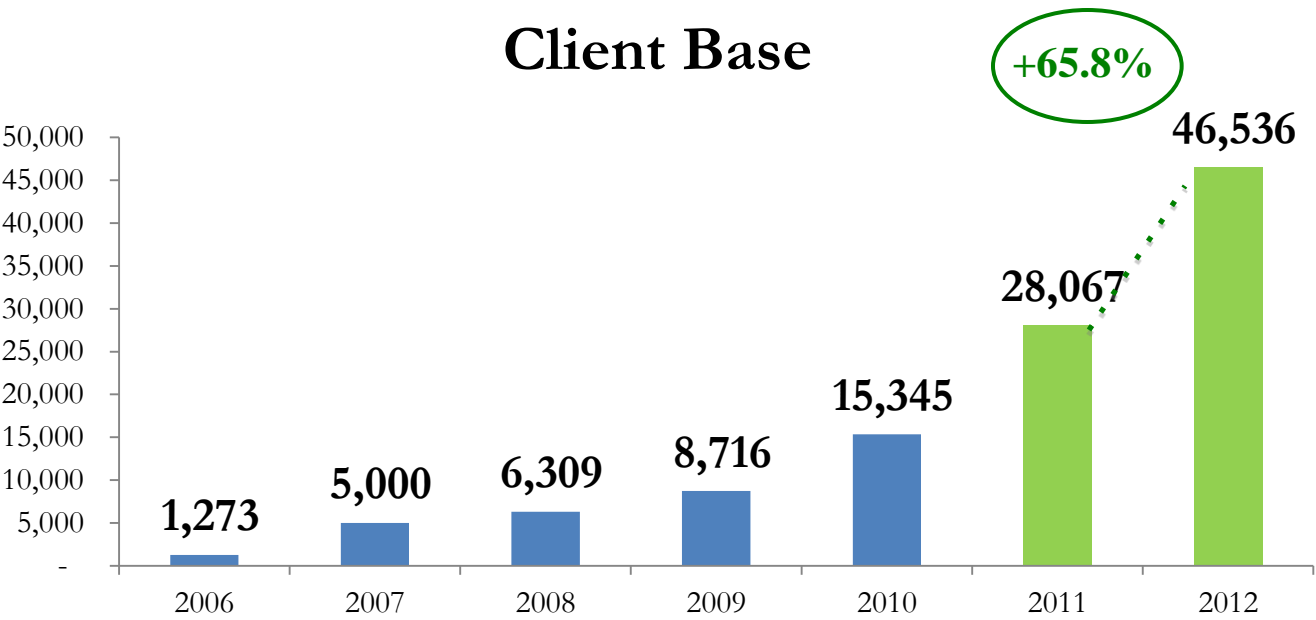
Strong and Highly Liquid Balance Sheet

COL FINANCIAL GROUP, INC Consolidated Balance Sheet (In PhpMil)

	12/31/11	12/31/12	Change	
			Amount	%
ASSETS				
Current Assets				
Cash and cash equivalents	2,188.9	2,647.3	458.3	20.9%
Trade Receivables	1,160.7	1,444.3	283.6	24.4%
Other Receivables	8.1	5.0	-3.2	-38.8%
Financial Assets at FVPL	1.3	2.7	1.4	107.8%
Prepayments	2.2	2.4	0.2	9.3%
	3,361.3	4,101.7	740.4	22.0%
Non-Current Assets				
Property and Equipment-net	41.7	38.4	-3.3	-8.0%
Stock Exchange Trading Right	23.0	22.0	-1.1	-4.7%
Deferred Tax Assets	75.2	57.8	-17.4	-23.1%
Other Non-Current Assets	8.6	9.2	0.5	6.2%
	148.6	127.3	-21.3	-14.3%
TOTAL ASSETS	3,509.8	4,229.0	719.1	20.5%
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Trade payables	2,133.5	2,859.9	726.3	34.0%
Dividends payable	0.0	11.6	11.6	-
Other current liabilities	75.2	64.9	-10.3	-13.7%
	2,208.7	2,936.3	727.6	32.9%
Non-Current Liabilities				
Retirement obligation	6.2	10.7	4.5	73.5%
Total Liabilities	2,214.9	2,947.0	732.1	33.1%
Stockholders' Equity	1,295.0	1,282.0	-13.0	-1.0%

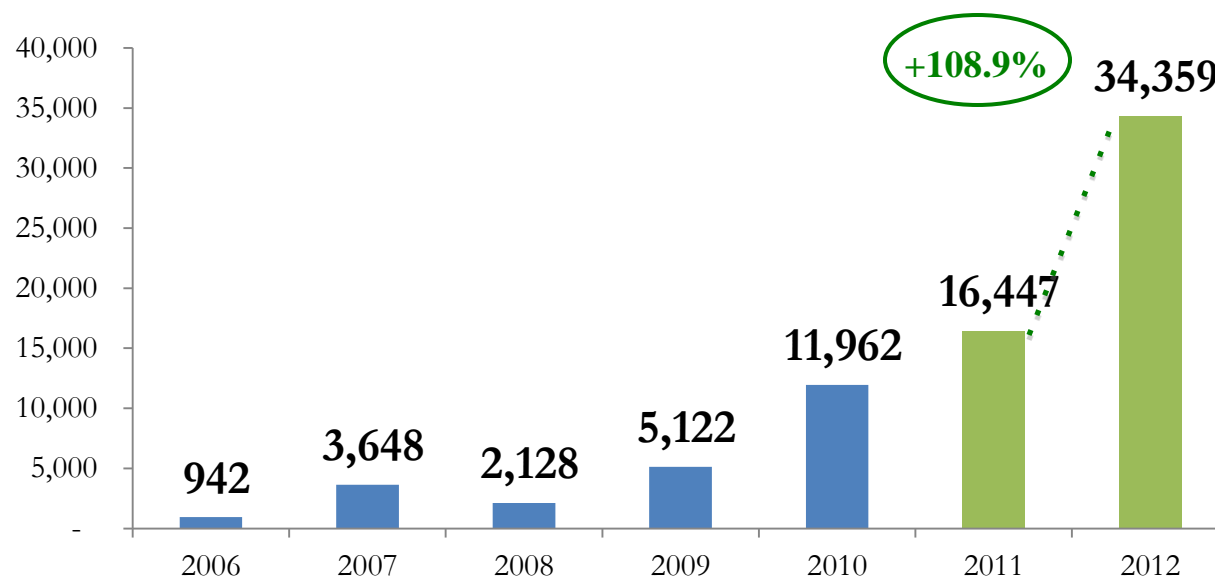
- COL's balance sheet remained strong, with high levels of cash and no debts.
- Trade payables grew by 34.0% to Php2.9 Bil due to the strong growth in our client base, which led to an increase in the amount of cash balances in clients' portfolio. As of end 2012, total cash of clients amounted to Php2.7 Bil, up 40.0% compared to end 2011 level of Php1.9 Bil.
- Trade receivables increased by 24.4% to Php1.4 Bil largely due to the higher utilization of margin loans.
- High cash balances of clients allowed COL to increase its cash position by 20.9% to Php2.6 Bil as of end 2012.
- Stockholders' equity was flat as the payment of Php280 Mil worth of cash dividends during the year was offset by the booking of Php305.9 Mil worth of profits.

Sustained Customer Growth



Sustained Customer Growth

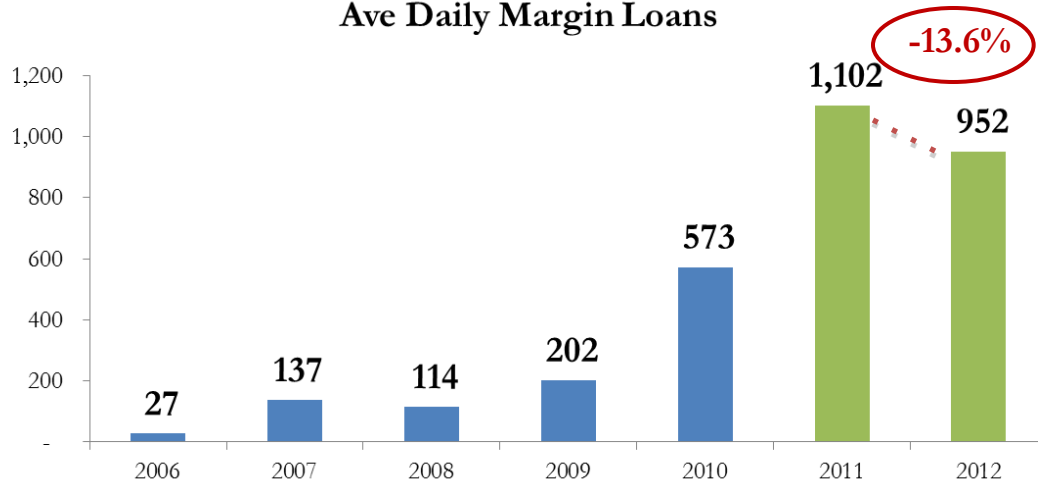
Client Equity (PhpMil)



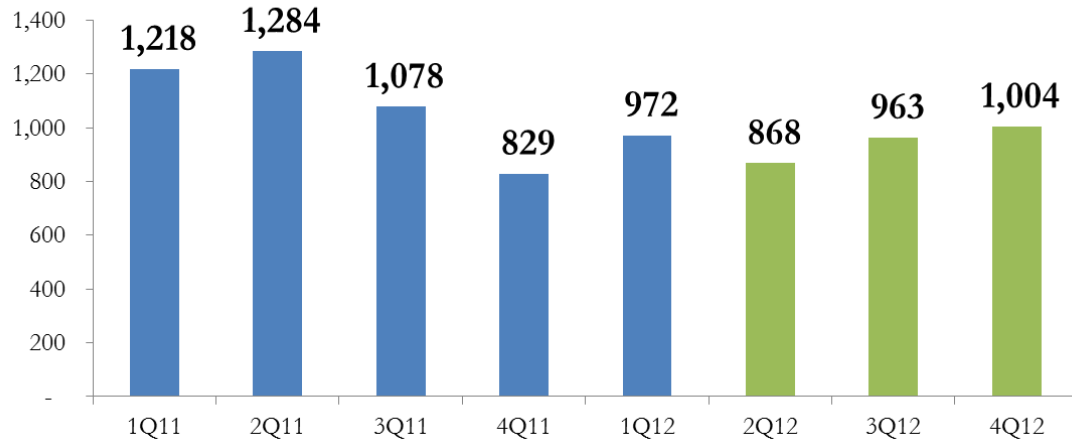
** End 2012 balance includes Php7.3 Bil worth of SMC preferred shares of institutional clients which may be withdrawn anytime.*

Margin Loans Drop, Although Continuing to Show Signs of Bottoming Out

Ave Daily Margin Loans



Ave Daily Margin Loans



- For FY12, average daily margin loans fell by 13.6% to Php952 Mil.
- However, on a quarter on quarter basis, average daily margin loans continued to improve, rising by 4.3% to Php1.0 Bil during 4Q12 from Php963 Mil during 3Q12 and Php868 Mil during 2Q12. In fact, the 4Q12 average is up by 21.2% compared to the 4Q11 average.

Growing Number of Margin Accounts & Value of Margin Granted Paying Off

Period	2010	2011	1Q12	2Q12	3Q12	4Q12
Approved Margin Accounts	690	841	868	882	890	900
Accounts Utilizing Margin	302	314	287	264	294	283
<i>% Utilization</i>	<i>43.8%</i>	<i>37.3%</i>	<i>33.1%</i>	<i>29.9%</i>	<i>33.0%</i>	<i>31.4%</i>
Value of Margin Granted (<i>PhpMil</i>)	3,102	4,012	4,105	4,185	4,220	4,387
<i>% Utilization</i>	<i>18.5%</i>	<i>27.5%</i>	<i>23.7%</i>	<i>20.7%</i>	<i>22.8%</i>	<i>22.9%</i>

Comparative Performance (COL vs. PSE)

	2011	2012	Amount	%
PSE Ave. Daily T/O (PhpMil)	5,713.2	7,261.1	1,547.9	27.1%
COL Ave. Daily T/O (PhpMil)	491.5	616.0	124.5	25.3%
COL Market Share	4.3%	4.2%		
PSE Ranking	8	7		
No. of Transactions - PSE ('000)	8,246.5	11,490.5	3,243.9	39.3%
No. of Transactions - COL ('000)	1,726.6	2,664.5	938.0	54.3%
COL Market Share	20.9%	23.4%		
PSE Ranking	1	1		

THANK YOU

