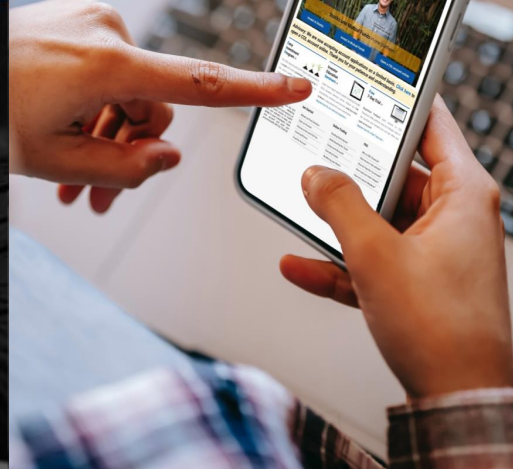
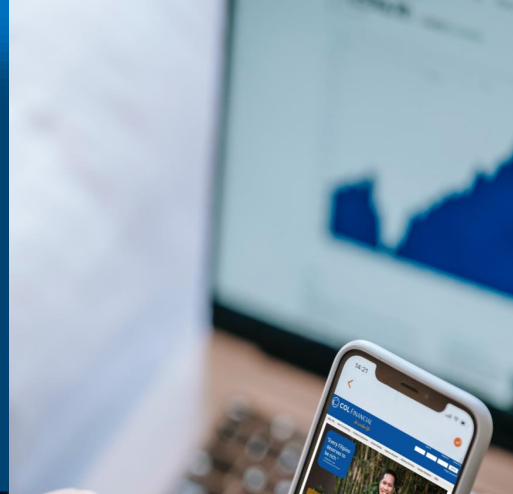




9M23 COL Investor Presentation



Company Overview



Established and licensed by the SEC in 1999



The **leading online stockbroker** in the Philippines

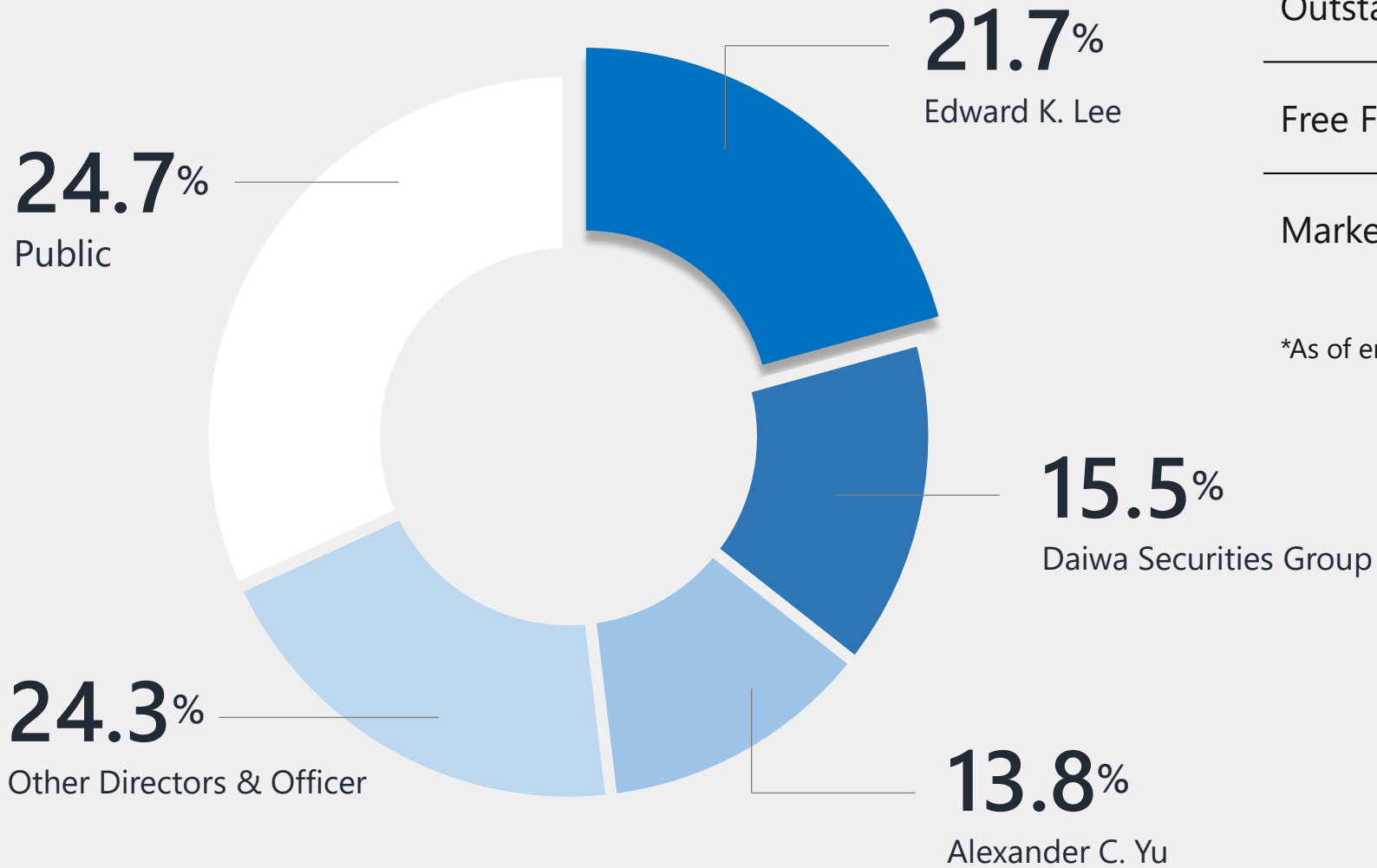


Focused on tapping the underserved retail investor base in the stock market



Founder (Edward K. Lee) retains a 21.7% stake and actively manages the Company





Outstanding Shares

4.76 Bil

Free Float

1.18 Bil

Market Cap*

Php14.04 Bil

*As of end September 2023

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 **Champion of the Filipino Investor**

COL Milestones

1999

Licensed by the SEC to conduct business as a **broker and seller of securities** in the Philippines

2000-2001

Began operating the COL PH online trading platform



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

Launched the COL HK platform

2006

Listed in the PSE at Php0.136/sh



2008

Launched the COL Easy Investment Program (EIP)



2010

Launched the full-service agency and advisory team called the COL Private Clients Group (PCG)

 COL PRIVATE CLIENTS

COL Milestones

2012

Officially changed corporate name to **COL Financial Group Inc.**



2014

Granted a **Mutual Fund Distributor License** by the SEC

2015

Launched **COL Fund Source** - the first fund supermarket in the country



2017

Japan's **Daiwa Securities Group, Inc.** acquired a **14.9% stake** in the company



2021

Started distributing **Feeder Funds**

2022

70% owned **COL Investment Management (CMI)** launched its first product – **the COL Equity Index Unitized Mutual Fund**

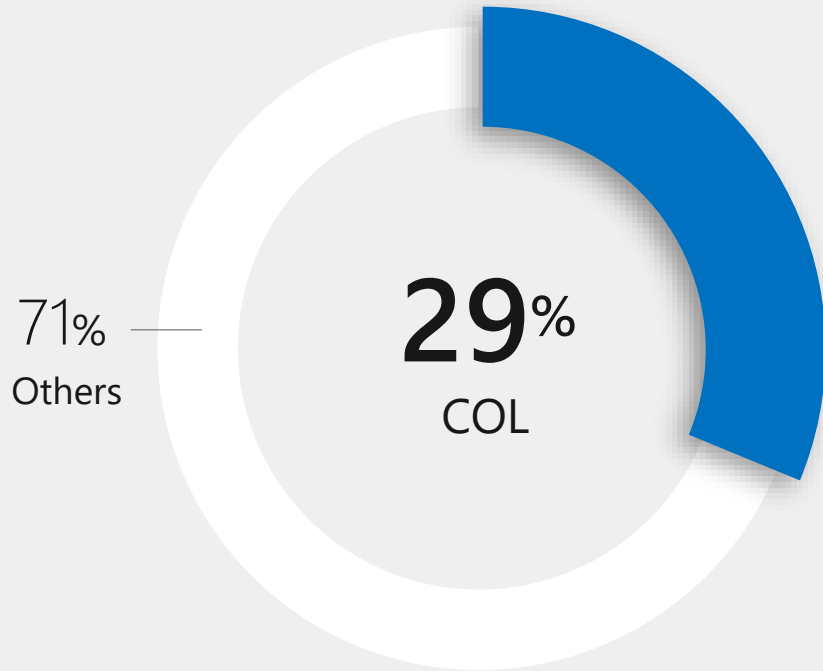
Among the Biggest Philippine Based **Stockbrokers**

9M23 Rank	Broker Name	9M23 Value Turnover (Php Bil)	% of Total
1	UBS Securities Philippines Inc	216.4	8.9
2	BPI Securities Corp	166.3	6.9
3	CLSA Philippines Inc	158.3	6.5
4	BDO Securities Corp	128.6	5.3
5	Maybank Securities, Inc	120.2	5.0
6	First Metro Securities Brokerage, Inc	118.7	4.9
7	Regis Partners, Inc	116.6	4.8
8	Mandarin Securities Corp	111.8	4.6
9	J.P. Morgan Securities Philippines, Inc	100.1	4.1
10	COL Financial Group, Inc	97.3	4.0

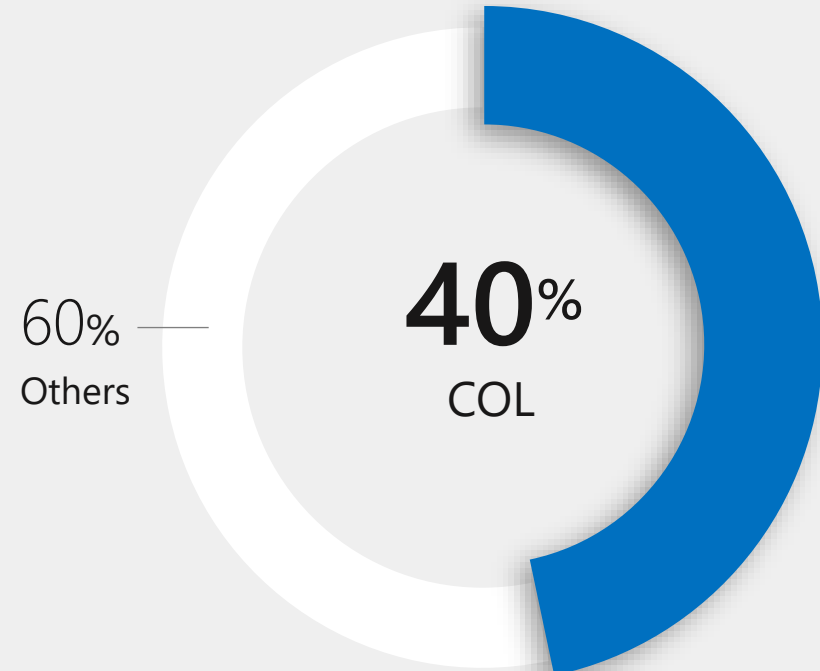
Source: PSE

The Biggest Philippine Based **Stockbroker**

Total Accounts (as of 2022)



Total Online Accounts (as of 2022)



Source: PSE

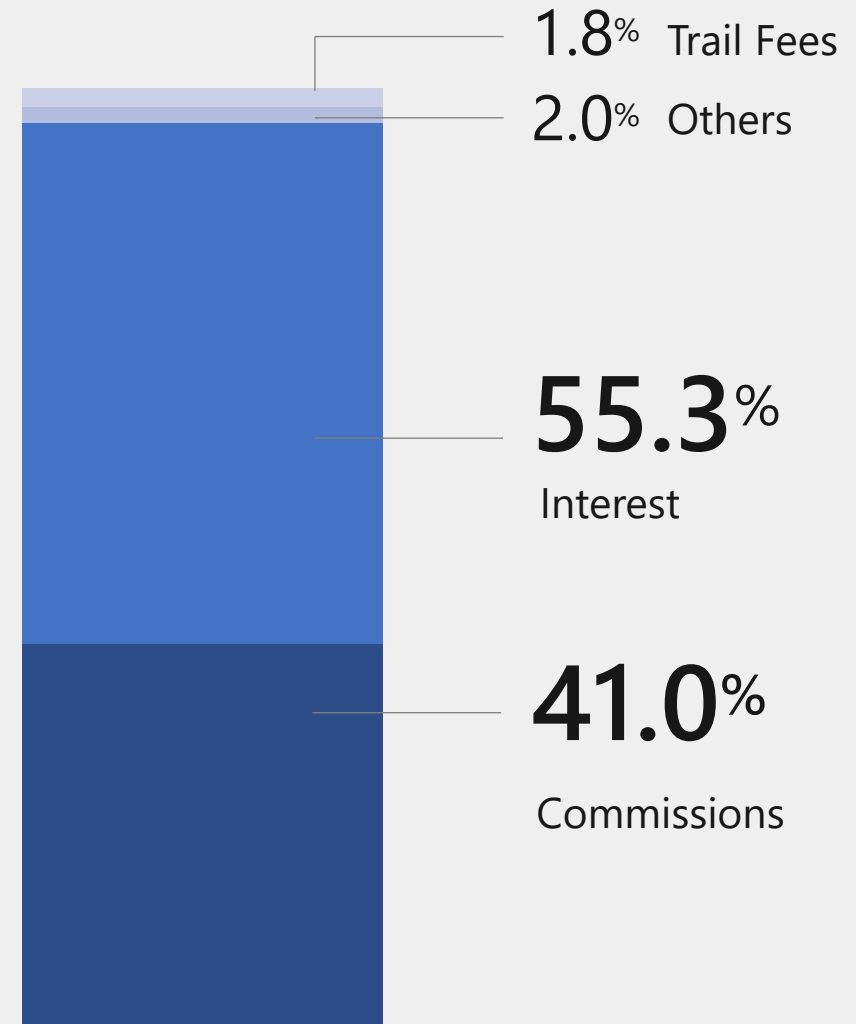
Bulk of Revenues Generated from Commissions and Interest

Commissions accounted for 41.0% of revenues.

Interest income from margin loans and cash placements accounted for 55.3% of revenues.

Trailer fees from the distribution of mutual funds accounted for 1.8% of revenues.

Revenue Breakdown 9M23



Key Operating Highlights

Positives

1. Net income jumped 94.9%, already above 2022 full year total
2. Higher interest income offset lower commission revenues
3. Commission revenues up Q/Q
4. Client base continued to grow
5. MF net sales still positive despite challenging operating environment

Negatives

1. Commission revenues fell sharply
2. Rank and market share in the PSE slipped
3. Net new cash inflow turned negative for the second quarter in a row

9M23 Net Income

+94.9% Y/Y

9M23 net income jumped 94.9% to Php404.4 Mil as higher interest income offset lower commission revenues. YTD profits were also already 67.8% higher than 2022 full year net income of Php241.0 Mil.

Pro forma consolidated revenues rose 39.8% to Php815.4 Mil largely due to the 164.7% increase in interest income to Php521.2 Mil. Commissions fell 26.4% due to lackluster trading volume.

Operating profits increased by a faster 86.1% to Php508.2 Mil as operating expenses were down by 0.9%.

Taxes increased by a slower pace of 58.0% compared to operating profits due to the larger share of interest income which is taxed at a lower rate.

On a recurring basis, profits grew by 89.1% as COL booked a Php6.4 Mil loss on sale of investment securities last year.

Pro Forma Consolidated Income Statement (Php Mil)

	9M22	9M23	Change	
			Amount	%
Income				
Commissions	367.7	270.7	(97.0)	-26.4%
Interest	196.9	521.2	324.3	164.7%
Trailer Fees	16.8	16.5	(0.3)	-1.6%
Other income	1.7	7.0	5.3	310.8%
Total	583.2	815.4	232.3	39.8%
Expenses				
Commission expenses	22.6	19.5	(3.1)	-13.9%
Personnel costs	108.2	118.0	9.8	9.1%
Professional fees	33.8	36.0	2.2	6.6%
Stock exch. dues & fees	18.6	16.3	(2.3)	-12.4%
Communication	31.6	30.4	(1.3)	-4.1%
Rentals & utilities	8.3	9.2	0.9	11.4%
Depreciation	40.3	36.6	(3.6)	-9.0%
Advertising & marketing	3.8	4.9	1.1	29.0%
Others	42.8	36.3	(6.5)	-15.2%
Total	310.0	307.3	(2.8)	-0.9%
Pre-Tax Income	273.1	508.2	235.0	86.1%
Taxes	65.7	103.8	38.1	58.0%
Net Income	207.5	404.4	196.9	94.9%
Recurring Net Income	213.9	404.4	190.5	89.1%

Commissions Hurt by Weak Investor Interest

Revenues grew 39.8% despite lower commissions due to higher interest income.

Commission revenues fell by 26.4% to Php270.7 Mil as stocks suffered from weak investor interest. Note that average daily value turnover in the PSE fell by 8.3% to Php6.6 Bil, while value traded by local investors (which is COL's target market) fell by an even faster pace of 32.5%.

Trail fees also fell slightly, by 1.6% to Php16.5 Mil.

On the positive side, interest income jumped by 164.7% to Php521.2 Mil. This was largely due to the steep rise in interest rates, with average yield increasing by around 340 basis points to 5.1%. Margin loans likewise increased.

Self-directed clients continued to account for the lion's share of total commission revenues at 77.9%.

Because of the significant increase in interest income, the share of core commission revenues and trailer fees fell to 35.2% of total revenues.

Pro Forma Revenue Breakdown (Php Mil)

	9M22	9M23	Change Amount	%
Revenue Breakdown				
Commission	367.7	270.7	(97.0)	-26.4%
<i>PH-Self-directed</i>	299.6	208.4	(91.2)	-30.4%
<i>PH- Agency & advisory</i>	65.7	59.7	(6.0)	-9.1%
<i>HK & others</i>	2.5	2.6	0.1	5.8%
Interest	196.9	521.2	324.3	164.7%
<i>Margin</i>	42.3	53.6	11.3	26.8%
<i>Placements</i>	154.6	467.5	312.9	202.4%
Trailer Fees	16.8	16.5	(0.3)	-1.6%
Others	1.7	7.0	5.3	310.8%
Total Revenues	583.2	815.4	232.3	39.8%
Revenue Share				
Commission	63.1%	33.2%		
<i>Self-directed (incl HK)</i>	82.1%	77.9%		
<i>Agency & advisory</i>	17.9%	22.1%		
Interest	33.8%	63.9%		
<i>Margin</i>	21.5%	10.3%		
<i>Placements</i>	78.5%	89.7%		
Trailer Fees	2.9%	2.0%		

3Q23 Net Income

+86.4% Y/Y

3Q23 net income jumped 86.4% to Php128.1 Mil as higher interest income offset lower commission revenues.

Pro forma consolidated revenues rose 30.1% to Php253.4 Mil largely due to the 96.7% increase in interest income to Php169.8 Mil. Commissions fell 23.6% due to lackluster trading volume. On the positive side, commissions were higher by 19.9% on a Q/Q basis.

Operating profits jumped by 75.8% to Php157.2 Mil as operating expenses fell by 8.8%. The steep drop was partly due to the booking of Php6.4 Mil loss on sale of investment securities last year. Excluding the said amount, operating expenses were down 2.9%.

Taxes increased by a slower pace of 40.8% compared to operating profits due to the lower tax rate imposed on interest income.

Recurring net income which excludes losses on the sale of investment securities grew by 70.5%.

Pro Forma Consolidated Income Statement (Php Mil)

	3Q22	3Q23	Change	
			Amount	%
Income				
Commissions	102.1	78.0	(24.1)	-23.6%
Interest	86.3	169.8	83.4	96.7%
Trailer Fees	5.4	5.5	0.1	1.0%
Other income	0.9	0.1	(0.8)	-83.9%
Total	194.7	253.4	58.7	30.1%
Expenses				
Commission expenses	6.4	6.9	0.5	7.2%
Personnel costs	34.0	34.2	0.3	0.7%
Professional fees	11.3	11.0	(0.4)	-3.2%
Stock exch. dues & fees	6.1	5.6	(0.5)	-9.0%
Communication	10.2	10.1	(0.0)	-0.3%
Rentals & utilities	3.4	2.8	(0.6)	-17.9%
Depreciation	12.9	12.1	(0.8)	-6.4%
Advertising & marketing	0.9	0.8	(0.1)	-14.6%
Others	19.8	12.4	(7.5)	-37.6%
Total	105.1	95.9	(9.3)	-8.8%
Pre-Tax Income	89.6	157.5	67.9	75.8%
Taxes	20.9	29.4	8.5	40.8%
Net Income	68.7	128.1	59.4	86.4%
Recurring Net Income	75.2	128.1	53.0	70.5%

Controlled Growth of Expenses

Operating expenses were up single digit despite higher fixed operating costs due to lower trading related expenses.

Trading related expenses fell 13.2% to Php35.8 Mil due to lower trading activity.

Meanwhile, fixed operating expenses increased by 3.5% due to higher personnel costs and professional fees, higher rentals and utilities, and advertising and marketing brought about by rising inflation and the reopening of the economy. This was partly offset by lower communication cost and depreciation expenses.

Pro Forma Breakdown of Expenses (Php Mil)

	9M22	9M23	Change	
			Amount	%
Trading Related Expenses				
Commission expenses	22.6	19.5	-3.1	-13.9%
Stock exch. dues & fees	18.6	16.3	-2.3	-12.4%
Total	41.2	35.8	-5.4	-13.2%
Fixed Operating Expenses				
Personnel costs	108.2	118.0	9.8	9.1%
Professional fees	33.8	36.0	2.2	6.6%
Communication	31.6	30.4	-1.3	-4.1%
Rentals & utilities	8.3	9.2	0.9	11.4%
Depreciation	40.3	36.6	-3.6	-9.0%
Advertising & Mktg	3.8	4.9	1.1	29.0%
Others	36.4	36.3	-0.1	-0.2%
Total	262.4	271.5	9.1	3.5%
Total Expenses	303.6	307.3	3.7	1.2%

ROAE Improved to 26.0%

Annualized ROAE improved from 13.7% to 26.0%.

Profitability improved as revenues increased, leading to higher margins and asset turnover.

Margins improved as growth in revenues outpaced the increase in operating expenses due to the highly leveraged nature of the stockbrokerage business.

Asset turnover increased due to higher yield on cash and investment securities, more than offsetting the drop in trading volumes.

The improvement and margins and asset turnover was partly offset by the drop in leverage as stockholders' equity increased by a faster pace relative to liabilities.

Selected Financial Ratios

	9M22	9M23
Operating Profit Margin	46.8%	62.3%
EBITDA Margin	53.7%	66.8%
Net Margin	35.6%	49.6%
Asset Turnover	6.0%	8.0%
Asset/Equity	6.7	6.4
ROAE	13.7%	26.0%

Rank Slips to Number 10

COL's average daily turnover fell 27.9% to Php526.2 Mil. This was steeper than the PSE's 8.3% decline as value turnover of local investors fell by 32.5% Y/Y.

COL's market share in terms of value turnover also fell to 4.0% for the whole market from 5.1% during the same period last year. This was largely due to the increase in foreign investors' share of total value turnover to 53% from 45% Y/Y. There were also special block sales that were transacted by brokers that have special relationships with listed companies. Nevertheless, COL's share of local value turnover still increased to 9.9% from 9.3%.

Due to the lower value turnover, COL's rank slipped to number 10 from number 4.

Comparative Performance (COL vs. PSE)

	9M22	9M23	Change	
			Amount	%
PSE Ave. Daily T/O (PhpMil)	7,158.5	6,563.3	(595.2)	-8.3%
COL Ave. Daily T/O (PhpMil)	729.6	526.2	(203.4)	-27.9%
COL Market Share (Total)	5.1%	4.0%		
COL Market Share (Local)	9.3%	9.9%		
PSE Ranking	4	10		
No. of Transactions - PSE ('000)	29,393	21,862	(7,530.8)	-25.6%
No. of Transactions - COL ('000)	4,163	2,800	(1,362.9)	-32.7%
COL Market Share	14.2%	12.8%		
PSE Ranking	1	1		

Strong Balance Sheet

Cash & cash equivalents fell slightly by 6.4% to Php9.9 Bil. This was largely due to the payment of cash dividends and the decline in customers' excess cash position.

Trade receivables fell by 21.1% to Php940.7 Mil. This was largely due to the 13.8% YTD decrease in margin loans to Php887.4Mil. However, receivables from the clearing house also fell by 76.3% to Php27.1 Mil while receivables from other brokers dropped by 46.4% to Php25.4 Mil.

Trade payables also decreased by 10.5% to Php9.7 Bil largely due the drop in customers' cash position compared to end December.

Stockholders' equity was up by 3.7% to Php2.0 Bil due to the booking of Php276.3Mil in profits, partly offset by the payment of Php199.9 Mil in cash dividends. BVPS likewise increased to Php0.427/sh.

Pro Forma Consolidated Balance Sheet (Php Mil)

	12/31/22	9/30/23	Change	
			Amount	%
Cash & cash equivalents	10,524.3	11,896.9	1,372.6	13.0%
Trade receivables	1,192.0	920.4	-271.5	-22.8%
Inv't sec at amortized cost	200.2	0.0	-200.2	-100.0%
Other current assets	174.0	194.1	20.0	11.5%
HTM investments	800.5	800.5	0.0	0.0%
PPE – net	108.0	90.7	-17.2	-15.9%
Other non-current assets – net	86.0	86.9	1.0	1.1%
Total Assets	13,084.9	13,989.5	904.7	6.9%
Trade payables	10,888.8	11,645.9	757.1	7.0%
Other current liabilities	125.3	69.9	-55.4	-44.2%
Non-current liabilities	97.8	93.2	-4.7	-4.8%
Total Liabilities	11,112.0	11,809.0	697.1	6.3%
Total Stockholders' Equity	1,972.9	2,180.5	207.6	10.5%
Total Liabilities and Stockholder's Equity	13,084.9	13,989.5	904.7	6.9%
BVPS	0.411	0.455	0.044	10.6%

Customer Base

Up Y/Y

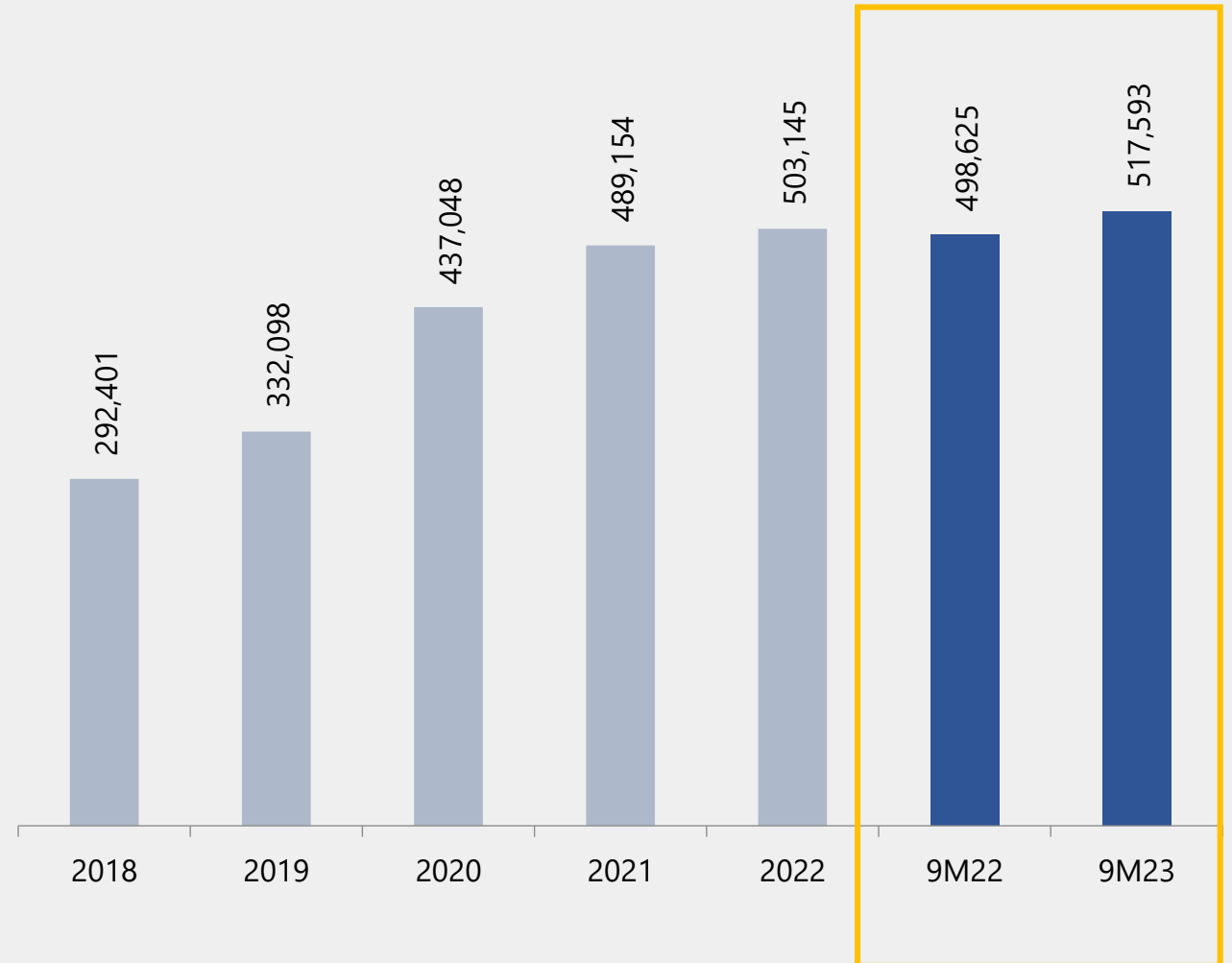
COL's client base grew by 3.8% Y/Y to 517,593 as of end September 2023.

Average monthly additions reached 1,581 during the past 12 months and 1,385 during the quarter.

During the third quarter, average monthly additions improved from only 1,284 during the second quarter.

Client Base

▲ +3.8%



Client Equity Up on Higher Asset Values

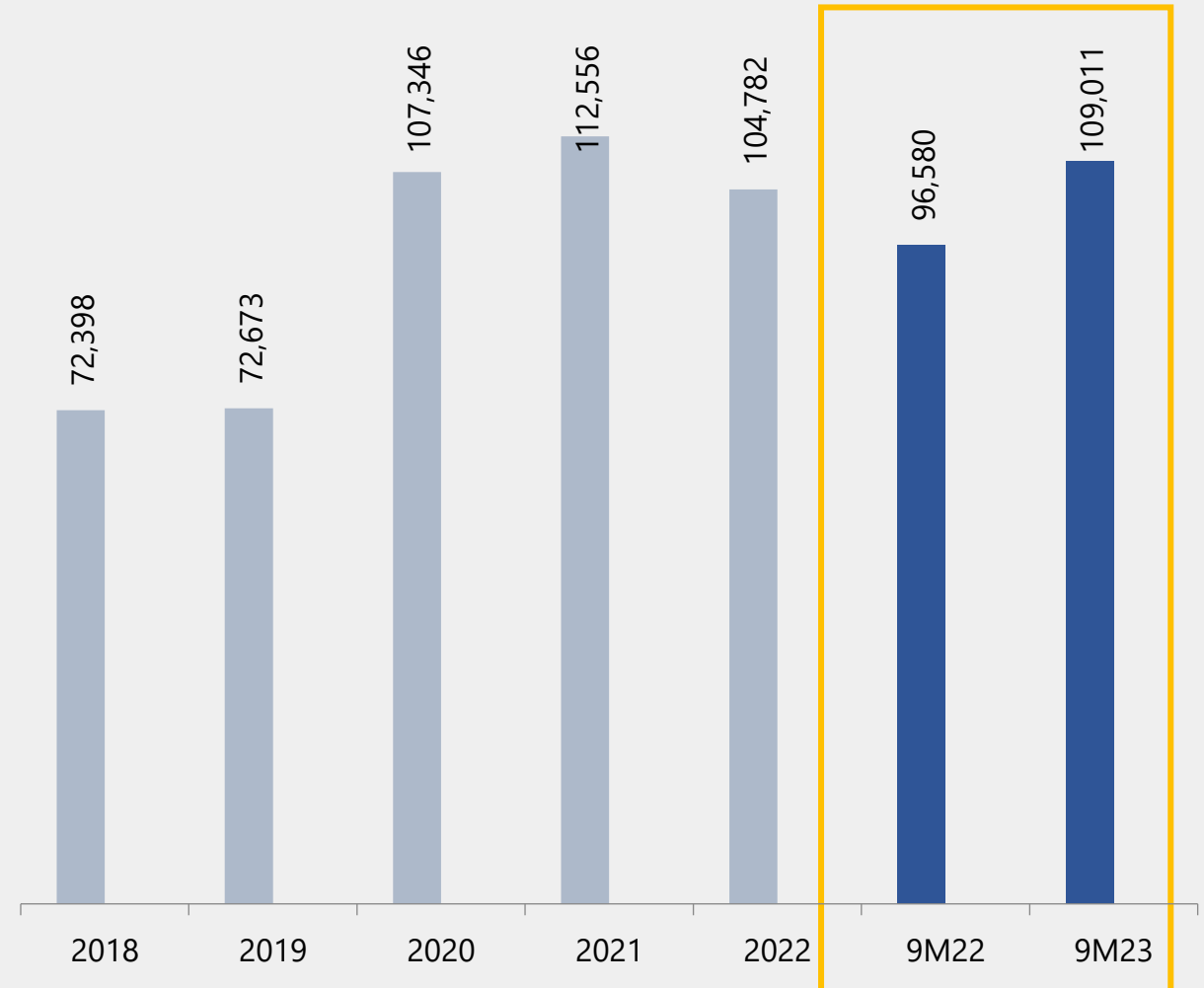
Client equity was up 12.9% Y/Y to Php109.0 Bil as of end September 2023.

Client equity increased largely due to higher asset values. As of end September, the PSEi index was up 10.1% compared to the same period last year.

However, COL registered a net cash outflow from retail clients amounting to Php1.7 Bil during the past twelve months, and Php201.7 Mil during the third quarter alone.

Client Equity (Php Mil)

▲ +12.9%

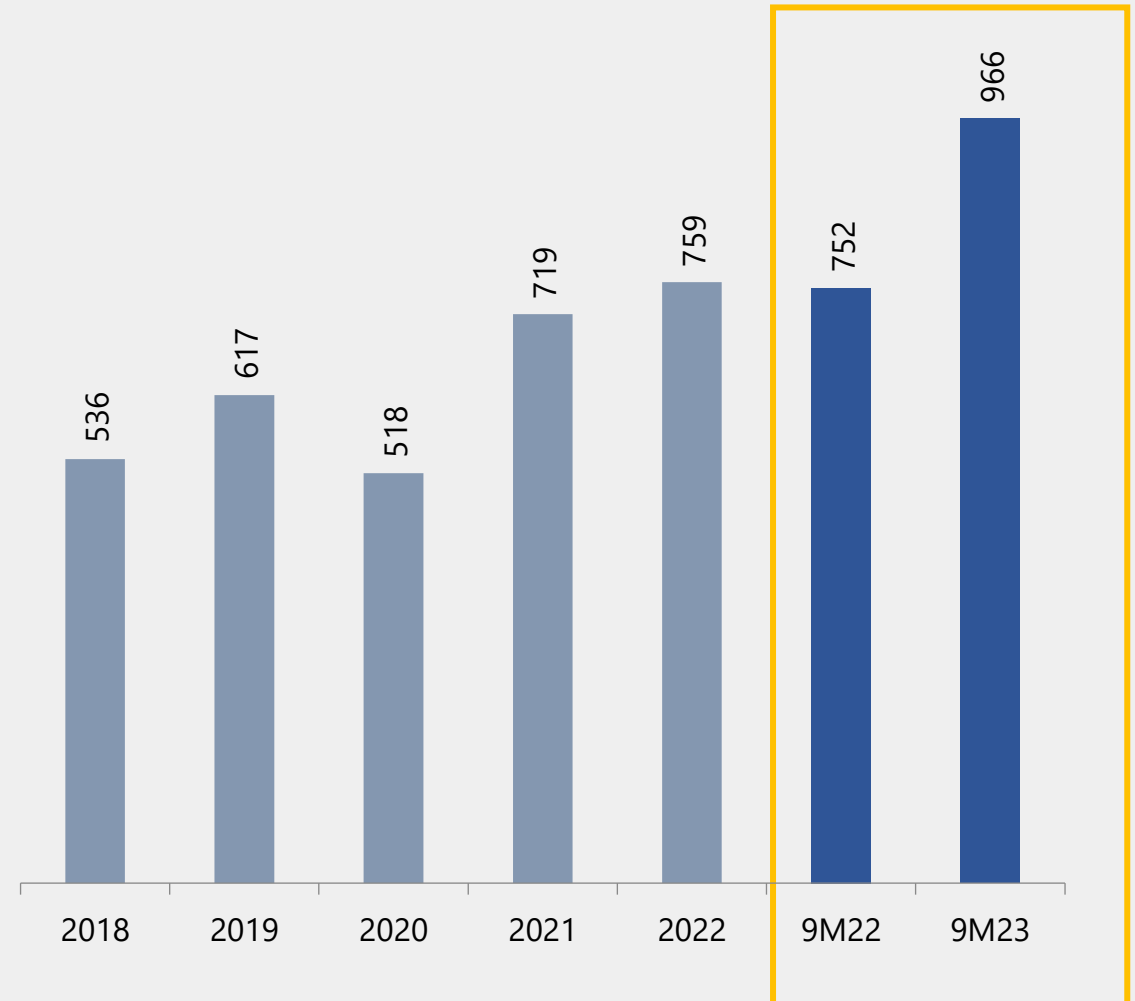


Margin Loans Up

Average daily margin loans increased by 25.9% to Php966 Mil Y/Y.

Ave Daily Margin Loans (Php Mil)

▲ +25.9%



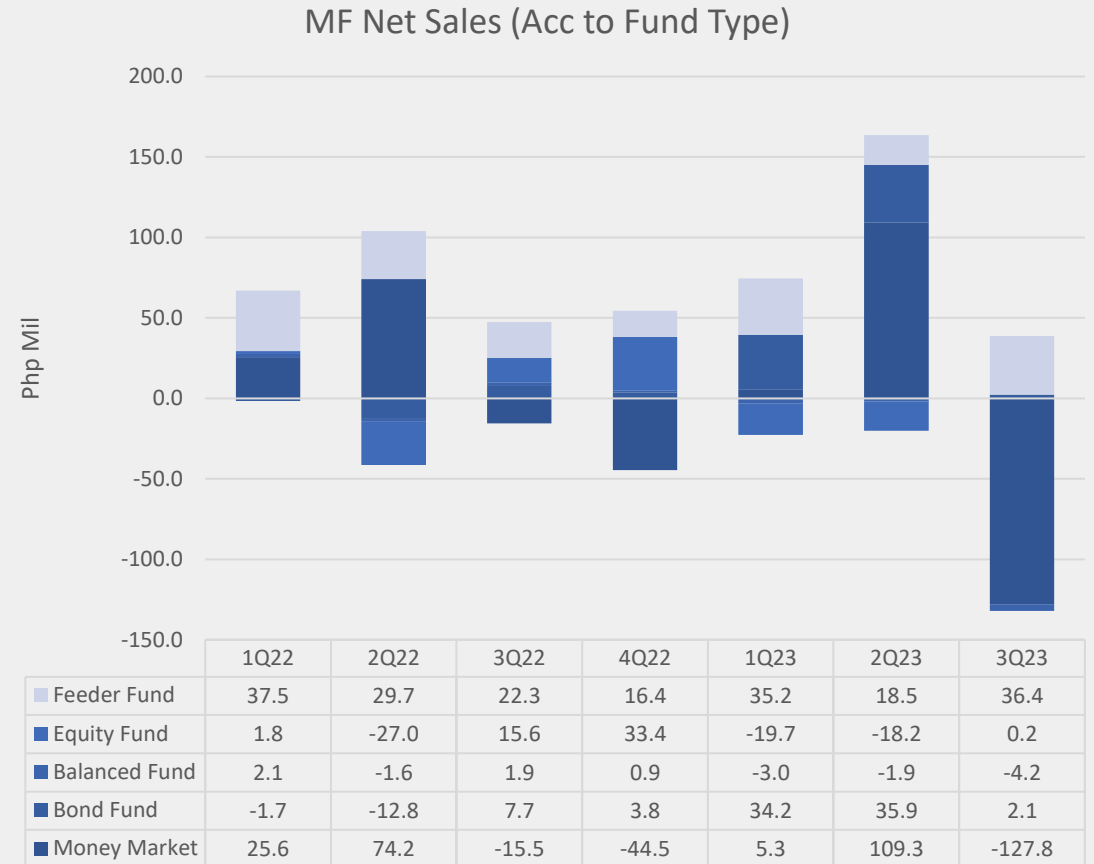
MF Net Sales **still Positive** due to Bond and Feeder Funds

COL's MF distribution business still generated net sales of Php102.1 Mil during 9M23 despite the challenging operating environment. This was due to the popularity of bond funds, and feeder funds. Excluding money market funds, net sales amounted to Php115.4 Mil.

Bond funds accounted for Php72.2 Mil of total net sales, while feeder funds accounted for Php90.0 Mil.

Balanced and equity funds suffered from net outflows amounting to Php46.8 Mil.

Money market funds also saw a net outflow of Php13.3 Mil. For the third quarter alone, money market funds suffered from a net outflow of Php127.8 Mil.



COL Accounted for 3.7% of Industry Equity Fund Sales

2021 Net Sales (in Php Mil, Acc to Type of Fund)

Net Sales	Industry	COL	% Share
Money Market	50,773.2	-10.5	0.0%
Bond	-1,543.0	-11.6	0.8%
Balanced	-397.1	15.6	-3.9%
Equity fund	4,820.3	178.6	3.7%
Feeder fund*	4,804.3	75.2	1.6%
Total	58,457.6	247.4	0.4%

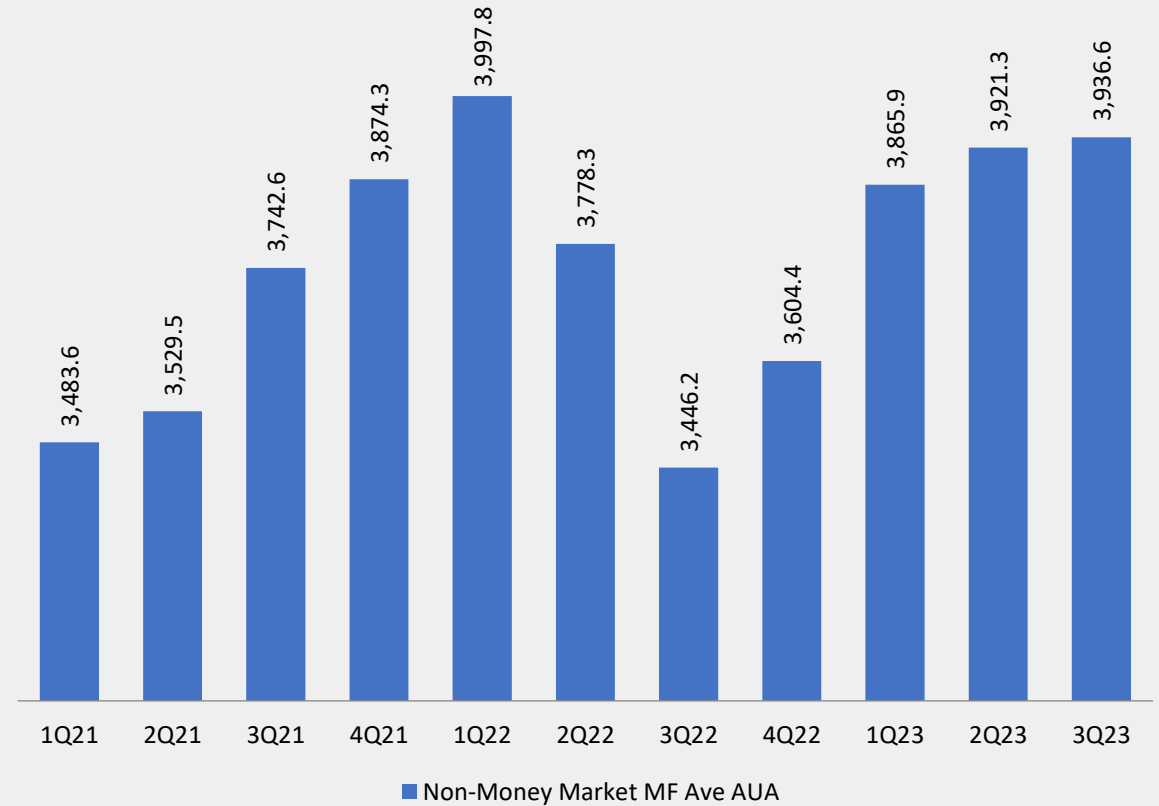
*2H21 only

Average AUA Continued to Recover

Average non-money market AUA increased during 3Q23. However, trail fees were flattish as the increase in AUA was not enough to offset the Y/Y decline registered in 1Q23.

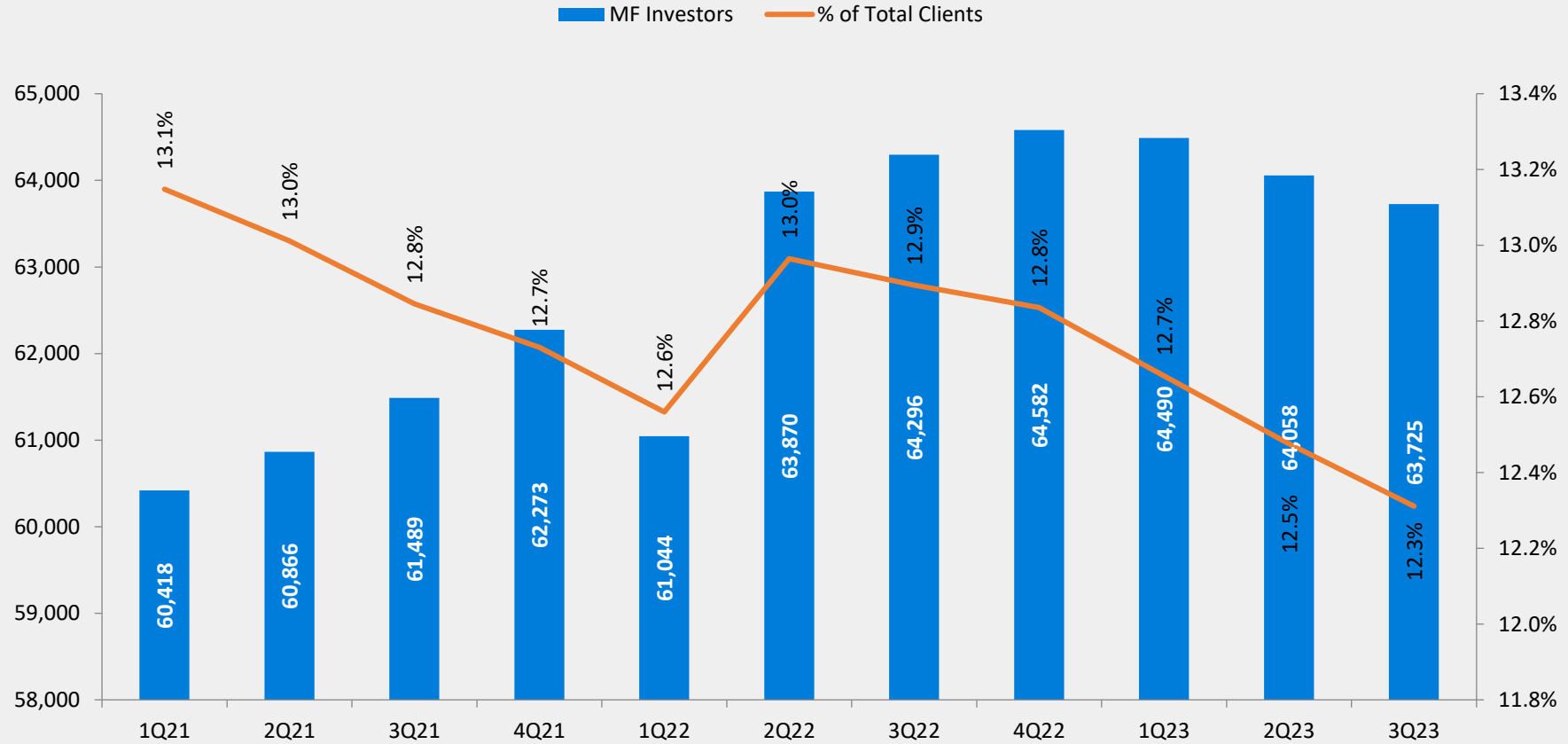
Average non-money market AUA improved Q/Q for the fourth quarter in a row largely due to positive net sales.

Average AUA (Non-Money Market Funds Only, in Php Mil)



Source: COL estimates

Clients Owning MFs Slipped



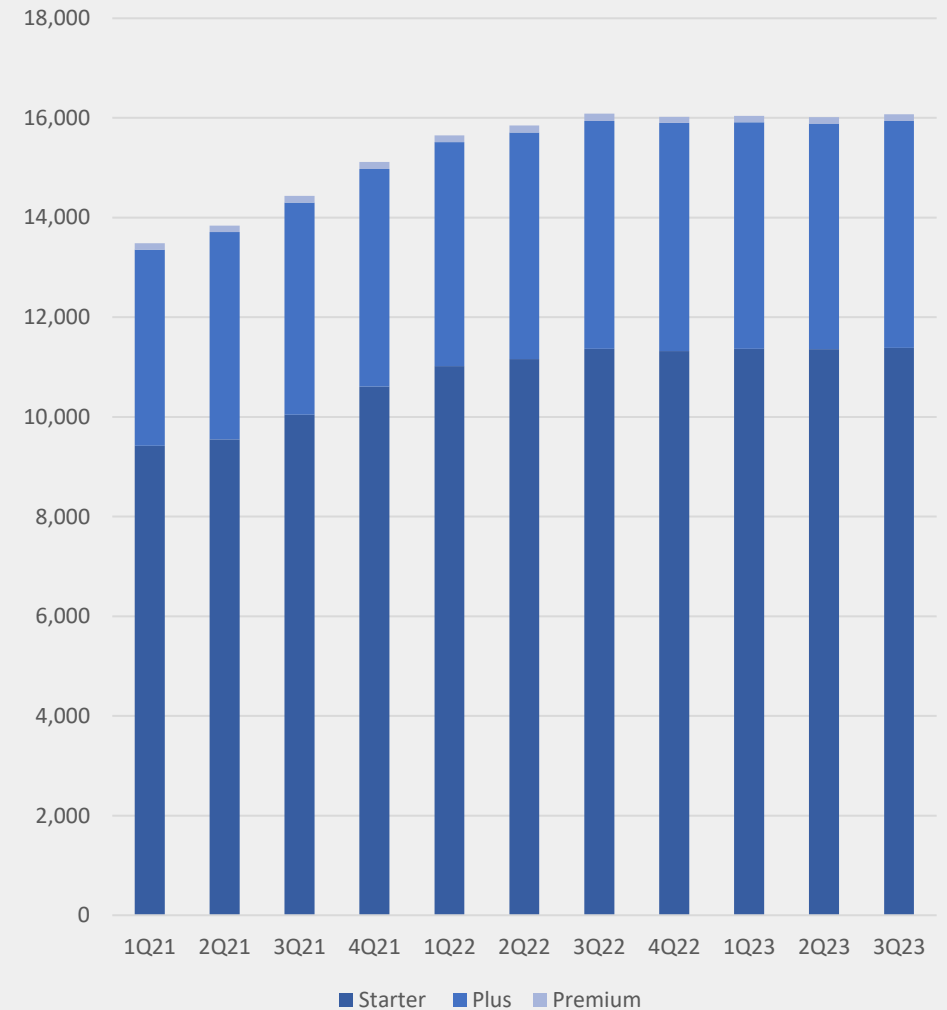
MF only Clients **Flat**

The number of clients who only owned MFs was flat.

As of end September, there were 16,071 clients who only owned MFs, almost flat on a Y/Y and Q/Q basis.

Of the said number, 11,385 or 70.8% were Starter clients while 4,555 or 28.3% were Plus clients.

MF Only Clients





COL FINANCIAL

for a richer life

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