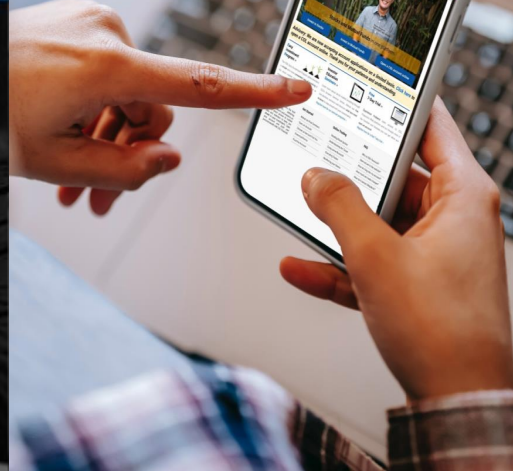
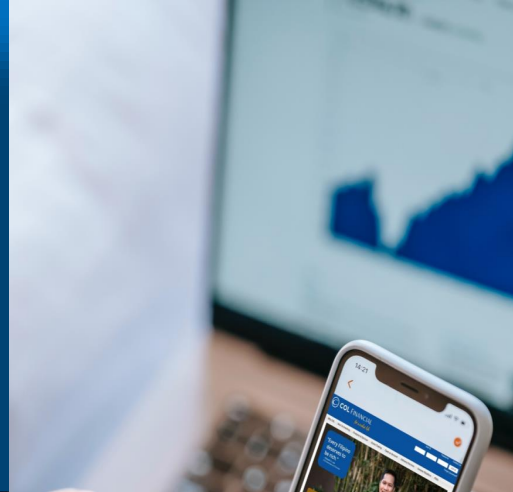




# 2021 COL Investor Presentation



# Company Overview



Established and licensed by the SEC in 1999



The **leading** and **fastest-growing online stockbroker** in the Philippines

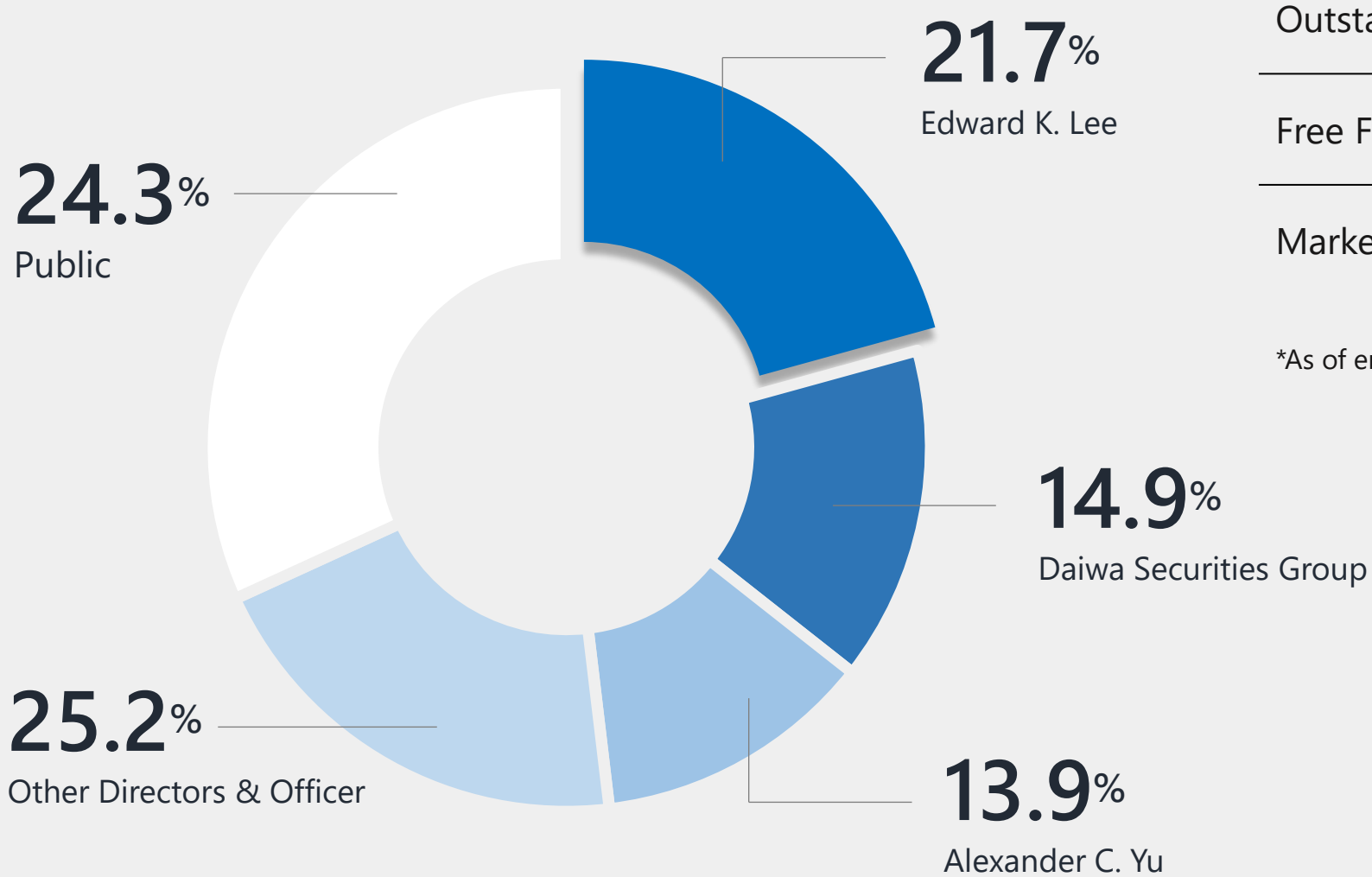


Focused on tapping the underserved retail investor base in the stock market



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





Outstanding Shares

4.76 Bil

Free Float

1.16 Bil

Market Cap\*

Php19.8 Bil

\*As of end 2021



# 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



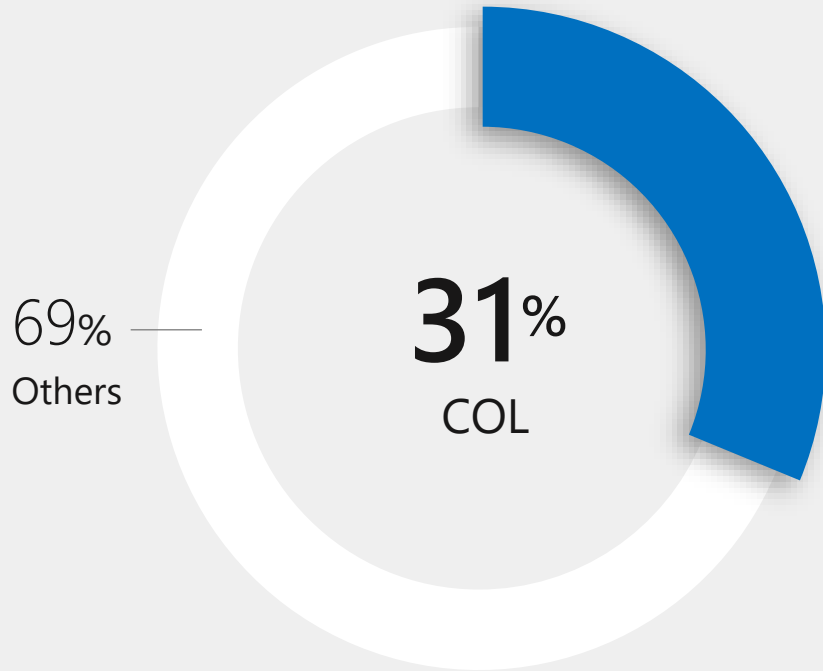
# The Biggest Philippine Based Stockbroker

2021 Rank	Broker Name	2021 Value Turnover (Php Bil)	% of Total
<b>1</b>	<b>COL Financial Group, Inc.</b>	<b>381.6</b>	<b>8.6</b>
2	CLSA Philippines Inc	216.3	6.5
3	UBS Securities Philippines Inc	198.2	6.2
4	BDO Securities Corp	197.6	6.2
5	Mandarin Securities Corp	131.6	5.8
6	Credit Suisse Securities (Phil) Inc	129.2	4.1
7	BPI Securities Corp	127.6	4.1
8	First Metro Sec. Brgke. Corp	124.7	3.8
9	J.P. Morgan Securities Philippines Inc	117.8	3.7
10	Papa Securities Corp	107.9	3.6

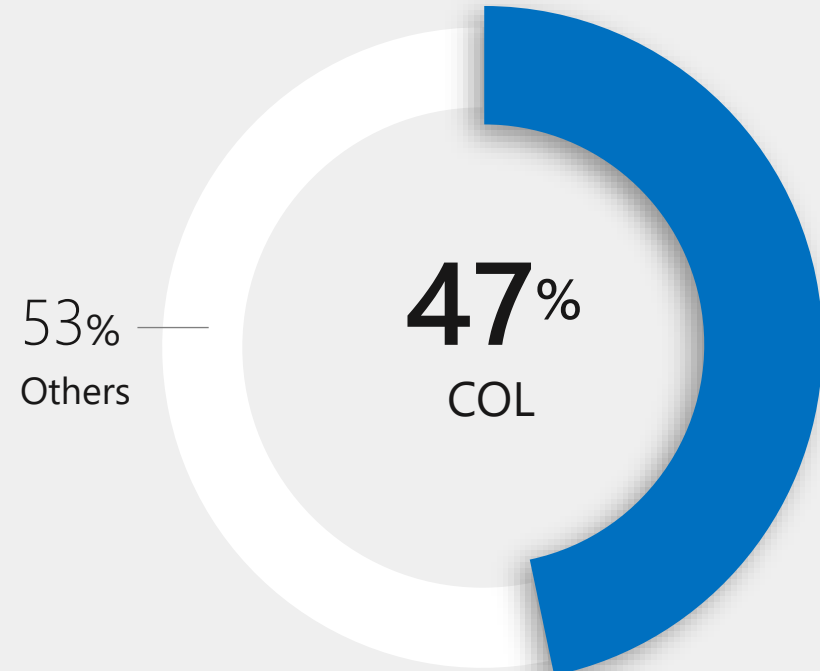
Source: PSE

# The Biggest Philippine Based **Stockbroker**

Total Accounts (as of 2020)



Total Online Accounts (as of 2020)



Source: PSE



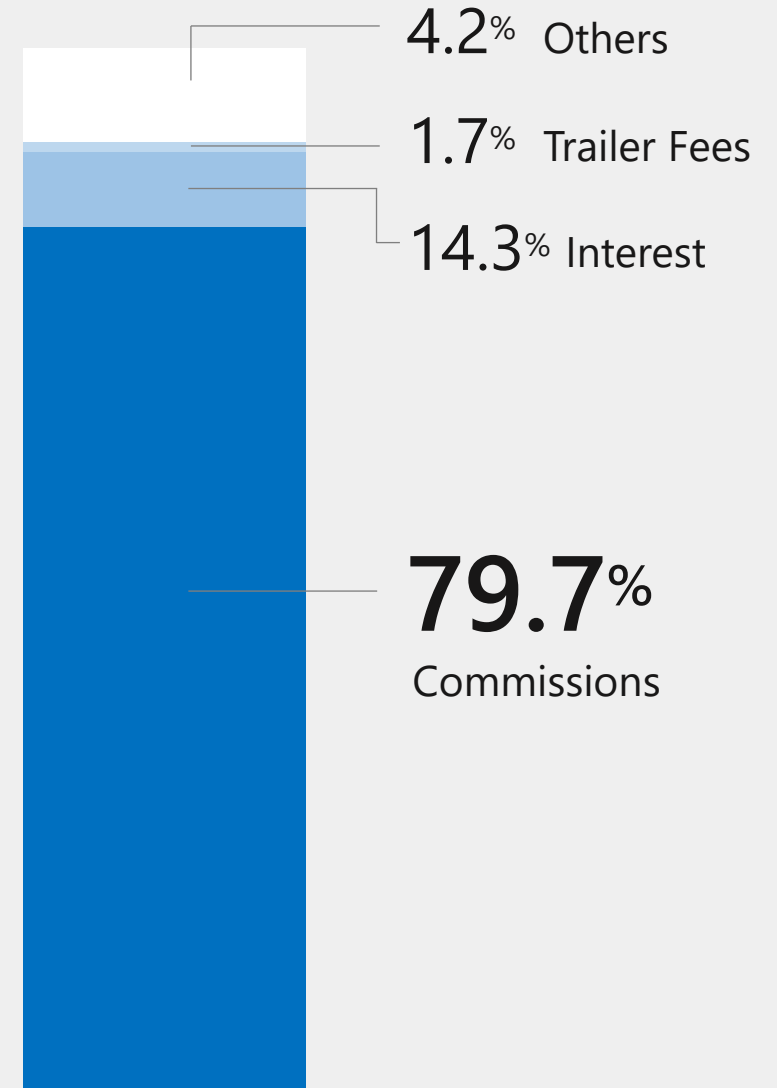
# Bulk of Revenues Generated from Commissions and Interest

Commissions from both Philippines and HK account for 79.7% of revenues.

Interest income from margin loans and cash placements account for 14.3% of revenues.

Trailer fees from the distribution of mutual funds account for 1.7% of revenues.

## Revenue Breakdown 2021



# Key Operating Highlights

## Positives

1. Record revenues and profits
2. Maintained rank as the country's number one stockbroker

## Negatives

1. Low interest rates hurt interest income

# 2021 Net Income

## +38% Y/Y

2021 net income jumped by 37.7% to a record Php581.5 Mil, exceeding the pre-pandemic peak of Php512.7 Mil registered in 2018.

Pro forma consolidated revenues were up 19.8% to Php1.3 Bil, also a record high. Growth was led by the significant jump in commissions, trailer fees, and the booking of Php53.8 Mil in other income.

Operating profits were up by a faster 31.8% to Php759.2 Mil as operating expenses increased by only 5.5%.

Profits also benefited from the reduction in effective tax rate from 26.7% to 23.4%, largely due to the passage of the CREATE bill.

## Pro Forma Consolidated Income Statement (Php Mil)

	Change			
	2020	2021	Amount	%
<b>Income</b>				
Commissions	793.9	1,013.0	219.1	27.6%
Interest	246.4	182.1	(64.4)	-26.1%
Trailer Fees	17.3	21.5	4.2	24.5%
Other income	3.1	53.8	50.7	1653.8%
<b>Total</b>	<b>1,060.7</b>	<b>1,270.4</b>	<b>209.7</b>	<b>19.8%</b>
<b>Expenses</b>				
Commission expenses	27.7	36.3	8.6	31.0%
Personnel costs	201.9	231.1	29.3	14.5%
Professional fees	52.0	54.6	2.6	4.9%
Stock exch. dues & fees	33.8	36.8	3.1	9.0%
Communication	35.4	42.6	7.2	20.2%
Rentals & utilities	8.7	7.9	(0.8)	-9.3%
Depreciation	64.2	61.0	(3.2)	-4.9%
Advertising & marketing	5.0	3.3	(1.7)	-33.7%
Others	55.9	37.5	(18.4)	-32.9%
<b>Total</b>	<b>484.6</b>	<b>511.2</b>	<b>26.6</b>	<b>5.5%</b>
Pre-Tax Income	576.0	759.2	183.1	31.8%
Taxes	153.8	177.6	23.8	15.5%
<b>Net Income</b>	<b>422.2</b>	<b>581.5</b>	<b>159.3</b>	<b>37.7%</b>

# Most Revenue Items Up

Revenues grew by 19.8% led by the significant increase in commissions and other income.

Commission revenues increased 27.6% to Php1.0 Bil, as commissions from both self-directed clients and the agency and advisory group improved by 28.9% and 28.1% respectively.

Other income grew significantly from Php3.1 Mil to Php53.8 Mil as COL booked a Php52.2 Mil gain from the sale of financial assets.

Trailer fees rose by 24.5% due to an increase in assets under administration.

Interest income fell by 26.1%, largely due to the 39.6% decline in interest income from placements. Yields fell significantly due to the BSP's loose monetary policy and banks' ample liquidity. Lower interest income from placements was partly offset by the 42.7% increase in interest income from margin loans.

## Pro Forma Revenue Breakdown (Php Mil)

	2020	2021	Change Amount	%
<b>Revenue Breakdown</b>				
Commission	793.9	1,013.0	219.1	27.6%
<i>PH-Self-directed</i>	700.7	903.4	202.7	28.9%
<i>PH- Agency &amp; advisory</i>	81.2	104.0	22.8	28.1%
<i>HK &amp; others</i>	6.2	4.4	12.1	2.7
Interest	246.4	182.1	(64.4)	-26.1%
<i>Margin</i>	39.9	57.3	17.4	43.7%
<i>Placements</i>	206.6	124.7	(81.8)	-39.6%
Trailer Fees	17.3	21.5	4.2	24.5%
Others	3.1	53.8	50.7	1653.8%
<b>Total Revenues</b>	<b>1,060.7</b>	<b>1,270.4</b>	<b>209.7</b>	<b>19.8%</b>
<b>Revenue Share</b>				
Commission	74.8%	79.7%		
<i>Self-directed (incl HK)</i>	89.0%	89.6%		
<i>Agency &amp; advisory</i>	10.2%	10.3%		
Interest	23.2%	14.3%		
<i>Margin</i>	16.2%	31.5%		
<i>Placements</i>	83.8%	68.5%		
Trailer Fees	1.6%	1.7%		

# Most Revenue Items Up

Self-directed clients continued to account for the lion's share of total commission revenues at 89.6%.

Core commission revenues and trailer fees accounted for 82.1% of total revenues, up from 68.1% during the same period last year.

## Pro Forma Revenue Breakdown (Php Mil)

	2020	2021	Change Amount	%
<b>Revenue Breakdown</b>				
Commission	793.9	1,013.0	219.1	27.6%
<i>PH-Self-directed</i>	700.7	903.4	202.7	28.9%
<i>PH- Agency &amp; advisory</i>	81.2	104.0	22.8	28.1%
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<b>Revenue Share</b>				
Commission	74.8%	79.7%		
<i>Self-directed (incl HK)</i>	89.0%	89.6%		
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Interest	23.2%	14.3%		
<i>Margin</i>	16.2%	31.5%		
<i>Placements</i>	83.8%	68.5%		
Trailer Fees	1.6%	1.7%		

## Manageable Fixed Expenses

Operating expenses increased by 5.5%, largely driven by the 18.9% increase in trading related expenses.

Trading related expenses rose due to higher trading activity.

Fixed operating expenses were up slightly by 3.5% to Php438.1 Mil, as higher personnel costs, professional fees and communication expenses were offset by lower rentals & utilities, depreciation, advertising & marketing, and other expenses.

## Pro Forma Breakdown of Expenses (Php Mil)

	2020	2021	Change	
			Amount	%
<b>Trading Related Expenses</b>				
Commission expenses	27.7	36.3	8.6	31.0%
<i>Agency &amp; Advisory</i>	25.1	35.0	9.9	-60.4%
<i>CROs &amp; Others</i>	2.6	1.3	-1.3	-151.4%
Stock exch. dues & fees	33.8	36.8	3.1	9.0%
<b>Total</b>	<b>61.5</b>	<b>73.1</b>	<b>11.6</b>	<b>18.9%</b>
<b>Fixed Operating Expenses</b>				
Personnel costs	201.9	231.1	29.3	14.5%
Professional fees	52.0	54.6	2.6	4.9%
Communication	35.4	42.6	7.2	20.2%
Rentals & utilities	8.7	7.9	-0.8	-9.3%
Depreciation	64.2	61.0	-3.2	-4.9%
Advertising & Mktg	5.0	3.3	-1.7	-33.7%
Others	55.9	37.5	-18.4	-32.9%
<b>Total</b>	<b>423.1</b>	<b>438.1</b>	<b>14.9</b>	<b>3.5%</b>
<b>Total Expenses</b>	<b>484.6</b>	<b>511.2</b>	<b>26.6</b>	<b>5.5%</b>



# ROAE Jumped to 29.6%

ROAE improved from 29.6% to 23.6%.

The improvement in profitability was driven by an increase in margins and higher asset turnover.

Margins improved due to the strong growth in revenues, and the highly leveraged nature of the stockbrokerage business.

Asset turnover increased due to the higher trading activity of clients, partly offset by the lower yields on cash placements.

## Selected Financial Ratios

	2020	2021
Operating Profit Margin	54.3%	59.8%
EBITDA Margin	61.5%	64.6%
Net Margin	39.8%	45.8%
Asset Turnover	8.9%	9.5%
Asset/Equity	7.5	6.2
ROAE	23.6%	29.6%

# Still Number 1

COL's average daily turnover grew strongly by 26.1% to Php1.5 Bil in 2021, outpacing the 22.5% growth in the PSE's average daily turnover.

Coupled with the growing share of local investors, COL's market share in terms of value turnover improved to 8.5% for the whole market from 8.3% in 2020. This allowed COL to maintain its rank as the number 1 broker in terms of value turnover in the PSE for the second year in a row.

## Comparative Performance (COL vs. PSE)

	2020	2021	Change	
			Amount	%
PSE Ave. Daily T/O (PhpMil)	7,348.2	9,002.1	1,653.9	22.5%
COL Ave. Daily T/O (PhpMil)	1,219.9	1,538.6	318.7	26.1%
COL Market Share (Total)	8.3%	8.5%		
COL Market Share (Local)	15.6%	13.2%		
PSE Ranking	1	1		
No. of Transactions - PSE ('000)	54,076	57,431	3,354.5	6.2%
No. of Transactions - COL ('000)	12,485	13,221	736.1	5.9%
COL Market Share	23.1%	23.0%		
PSE Ranking	1	1		

# Strong Balance Sheet

Cash & cash equivalents decreased by 70.0% to Php1.7 Bil. This was largely due to the placement of more funds in investment securities to earn higher yields. Note that investment securities at amortized cost increased by 52.1% to Php9.3 Bil while HTM investments increased by 66.6% to Php500.2 Mil.

Moreover, clients deployed a larger portion of their portfolio in the market compared to end 2021. This was also the main reason for the 7.9% drop in trade payables to Php10.6 Bil.

Trade receivables fell by 15.1% to Php958.8 Mil largely due to the drop in receivables from the clearing house as selling transactions as of end 2021 were much less compared to end 2020.

Stockholders' equity increased by 14.8% to Php2.1 Bil due to the booking of Php581.5 Mil in profits, less Php309.4 Mil in cash dividends.

BVPS increased to Php0.044/sh.

## Pro Forma Consolidated Balance Sheet (Php Mil)

	12/31/20	12/31/21	Change	
			Amount	%
Cash & cash equivalents	5,782.4	1,733.5	-4,048.9	-70.0%
Trade receivables	1,129.9	958.8	-171.1	-15.1%
Inv't sec at amortized cost	6,163.0	9,374.3	3,211.2	52.1%
Other current assets	80.3	232.8	152.5	190.0%
HTM investments	300.2	500.2	200.0	66.6%
PPE – net	129.7	95.1	-34.6	-26.7%
Other non-current assets – net	109.6	86.2	-23.4	-21.4%
<b>Total Assets</b>	<b>13,695.1</b>	<b>12,980.8</b>	<b>-714.3</b>	<b>-5.2%</b>
Trade payables	11,500.9	10,590.2	-910.7	-7.9%
Other current liabilities	271.0	185.6	-85.4	-31.5%
Non-current liabilities	94.5	106.1	11.7	12.4%
Total Liabilities	11,866.3	10,881.9	-984.4	-8.3%
Total Stockholders' Equity	1,828.7	2,098.9	270.1	14.8%
<b>Total Liabilities and Stockholder's Equity</b>	<b>13,695.1</b>	<b>12,980.8</b>	<b>-714.3</b>	<b>-5.2%</b>
BVPS	0.038	0.044	0.006	15.0%

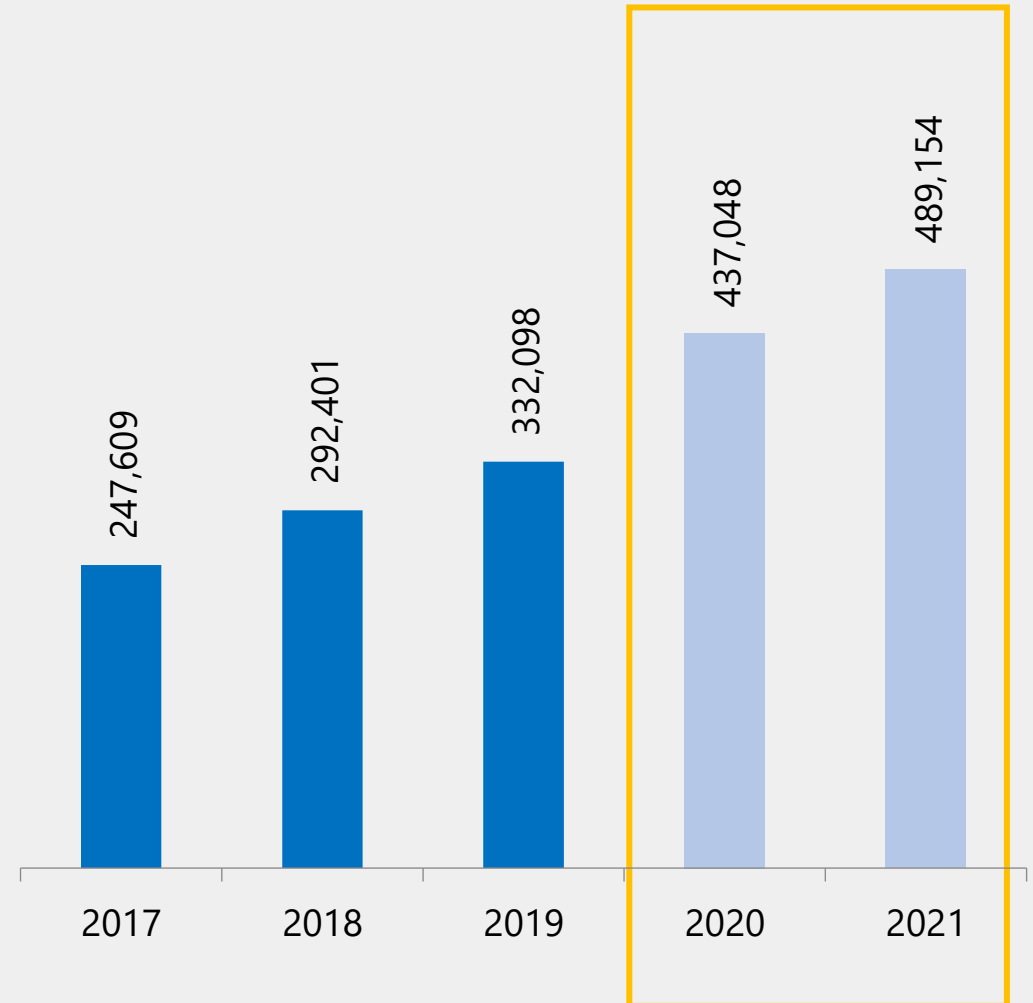
# Significant Customer Growth

COL's client base grew by 11.9% Y/Y to 489,154 as of end 2021.

Average monthly additions during the past 12 months reached 4,342.

## Client Base

▲ +11.9%



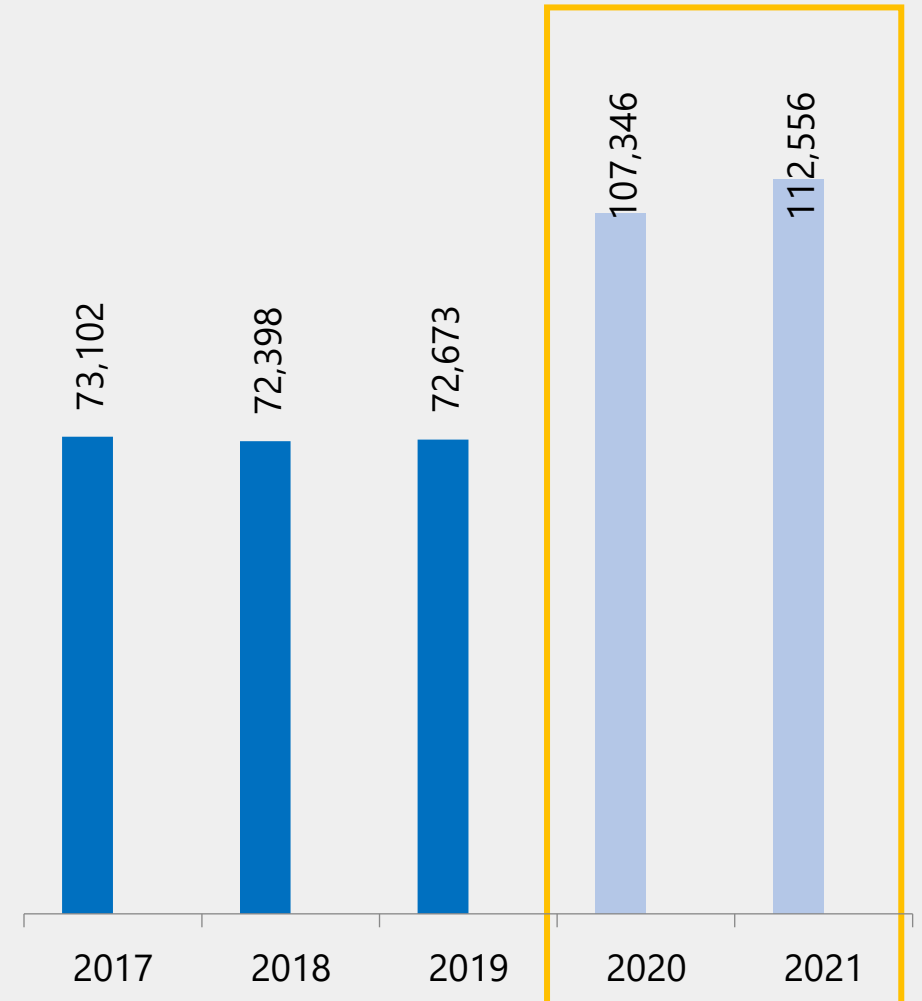
## Client Equity up largely on Higher Deposits

Client equity was up 4.9% Y/Y to Php112.6 Bil as of end 2021.

Net new cash inflows from retail clients reached Php7.7 Bil during the past twelve months and was responsible for the increase in client equity as prices of local stocks were flattish Y/Y.

### Client Equity (Php Mil)

▲ +4.8%



# Margin Loans Up

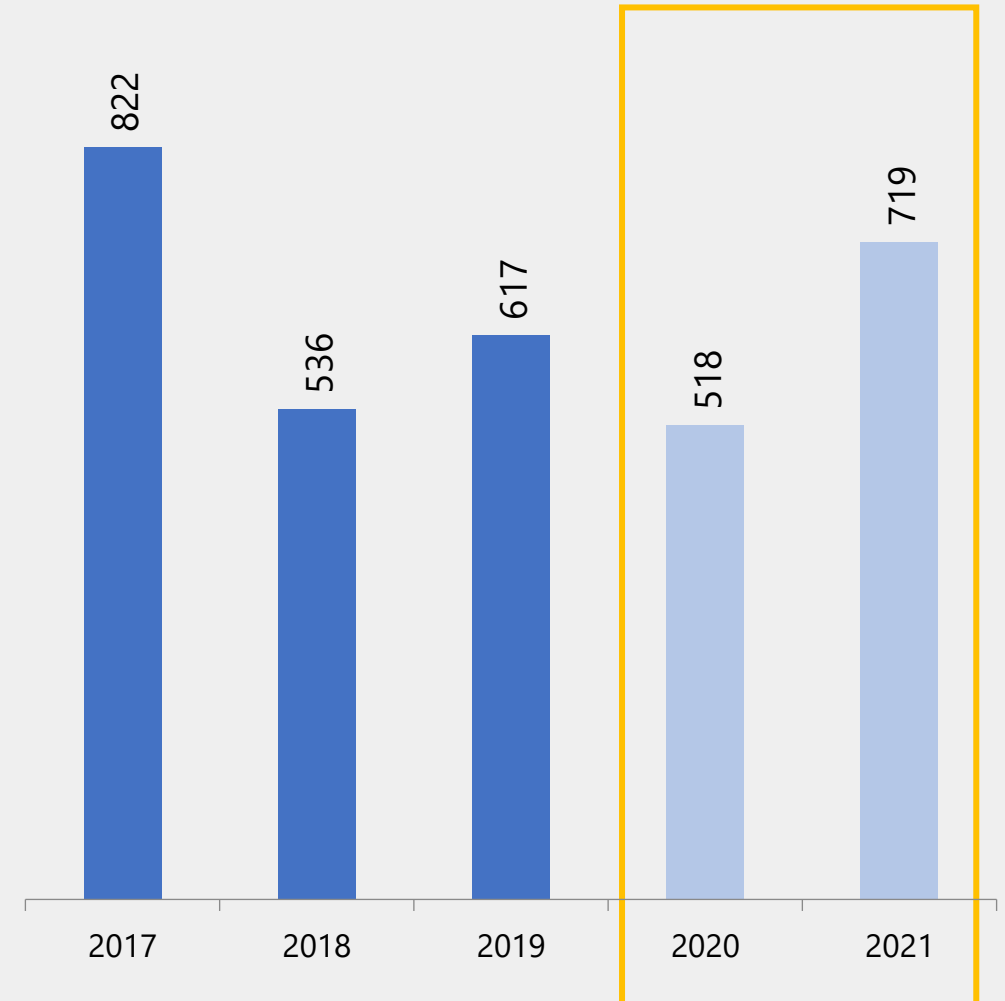
Average daily margin loans increased by 38.7% to Php719 Mil Y/Y.

As of end 2021, the total number of approved margin accounts was 1,226, higher by 1.4% compared to the same period last year.

Only 32.1% of approved margin accounts utilized their margin lines. In terms of value of margin granted, 13.0% was utilized during the period in review.

## Ave Daily Margin Loans (Php Mil)

▲ +38.7%





# COL Accounted for 3.7% of Industry Equity Fund Sales

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

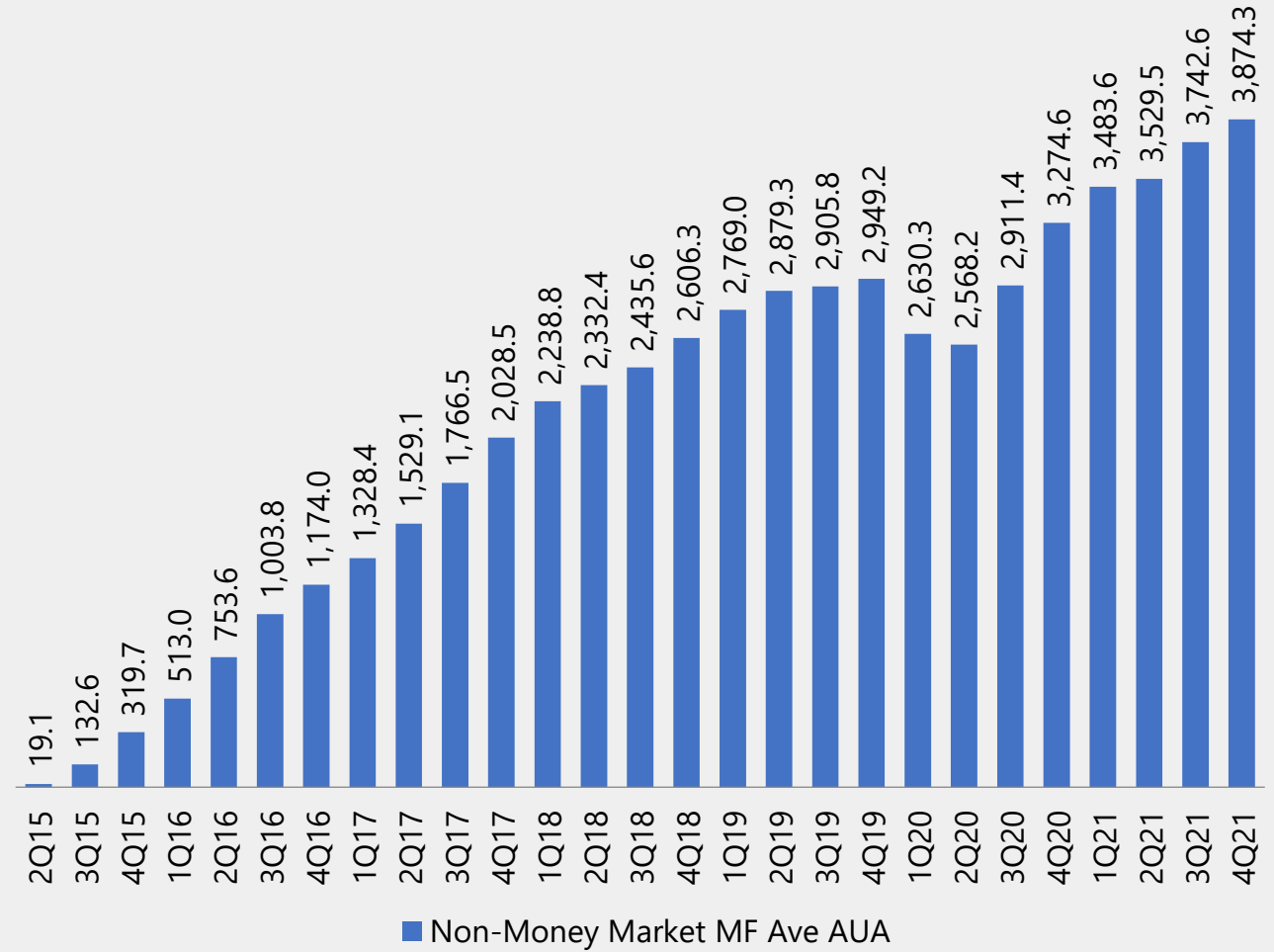
Net Sales	Industry	COL	% Share
Money Market	50,773.2	-10.5	0.0%
Bond	-1,543.0	-11.6	0.8%
Balanced	-397.1	15.6	-3.9%
Equity fund	4,820.3	178.6	3.7%
Feeder fund*	4,804.3	75.2	1.6%
<b>Total</b>	<b>58,457.6</b>	<b>247.4</b>	<b>0.4%</b>

\*2H21 only

# Average AUA Up

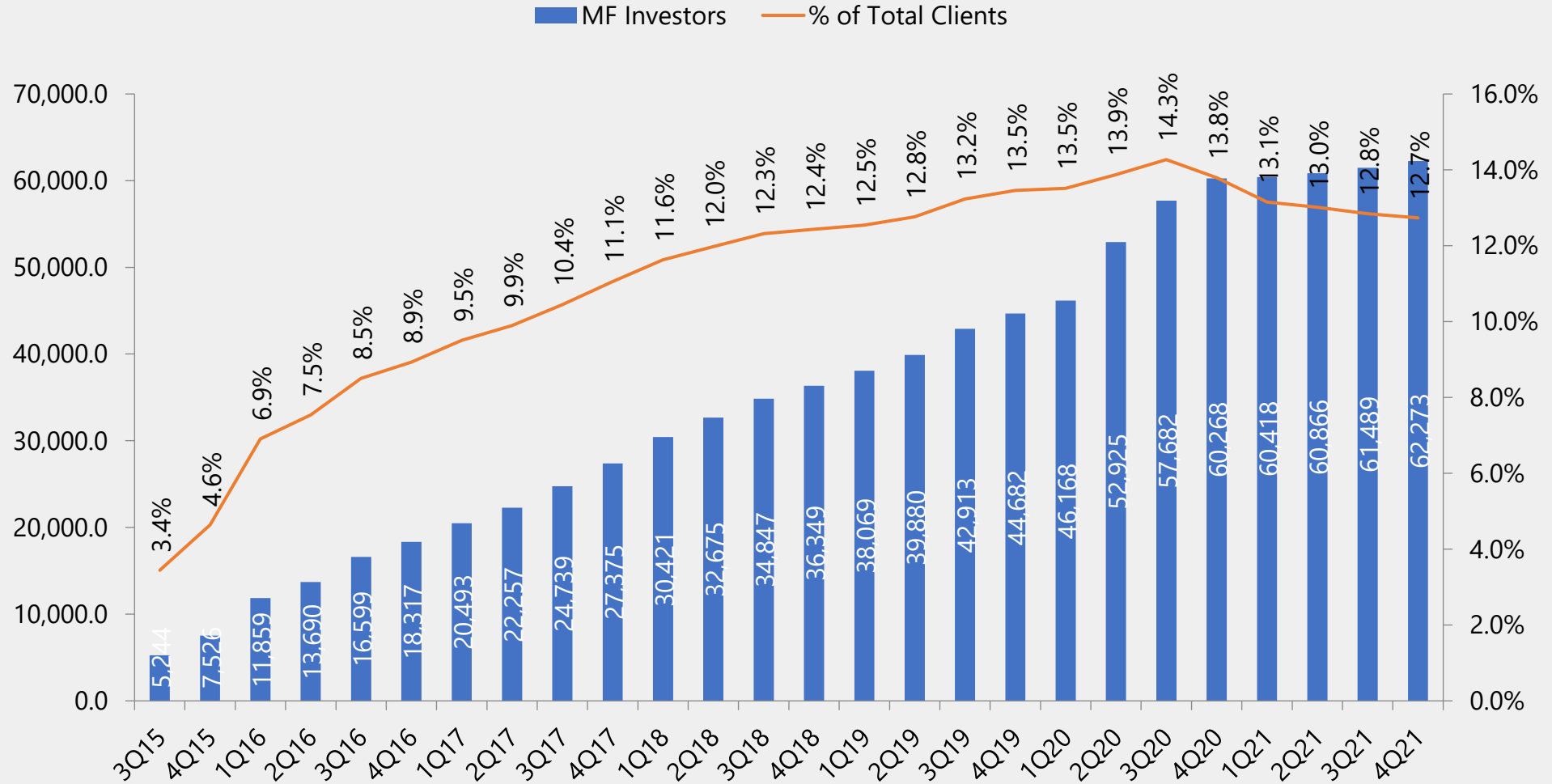
Trailer fees up due to increase in average AUA on a Y/Y basis.

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



Source: PIFA, COL estimates

# Growing Number, but lower Percentage of Clients Owned MFs





**COL FINANCIAL**

*for a richer life*

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