



1Q 2022 COL Investor Presentation



Company Overview



Established and licensed by the SEC in 1999



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

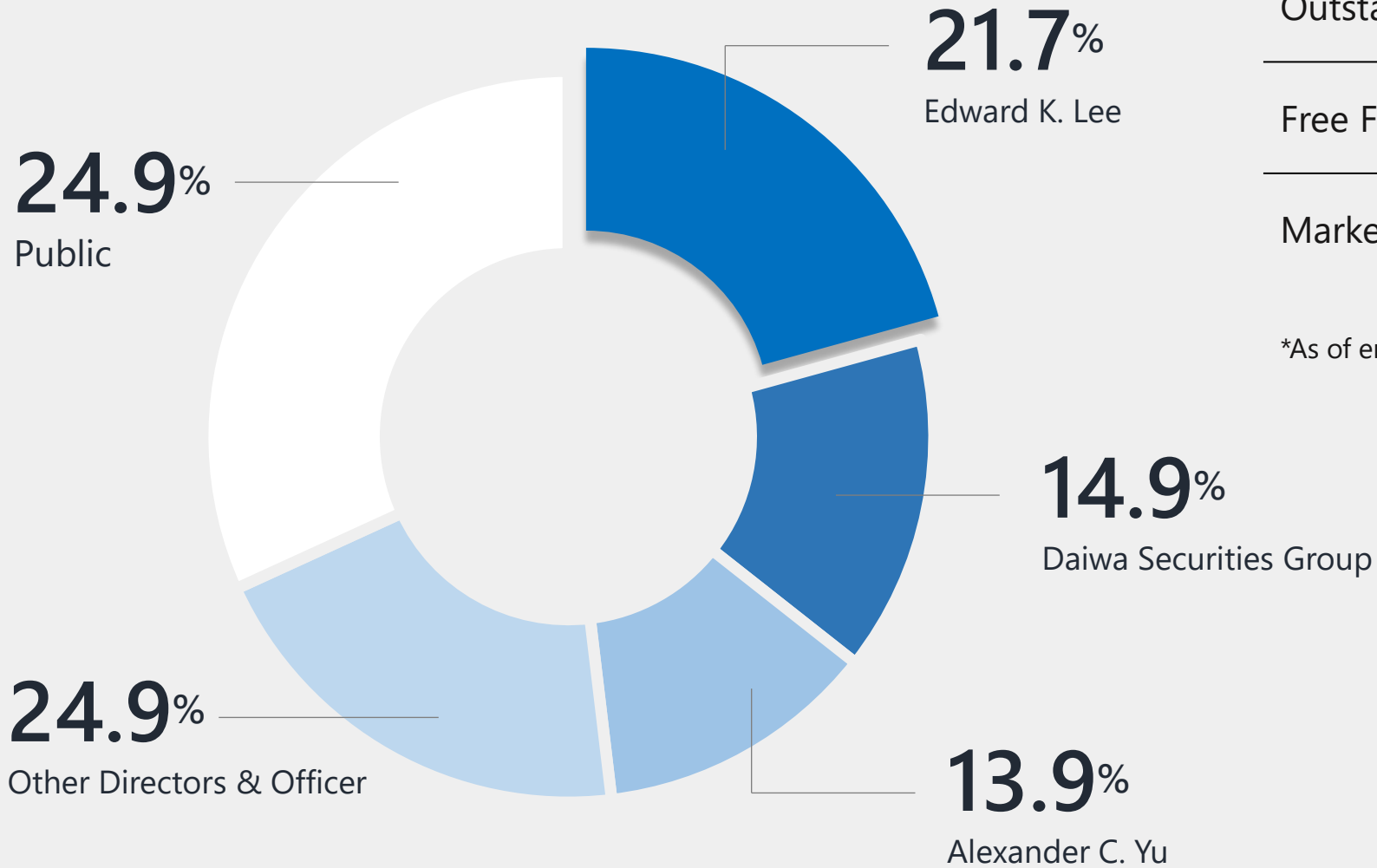


Focused on tapping the underserved retail investor base in the stock market



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*

Php18.2 Bil

*As of end March 2022

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



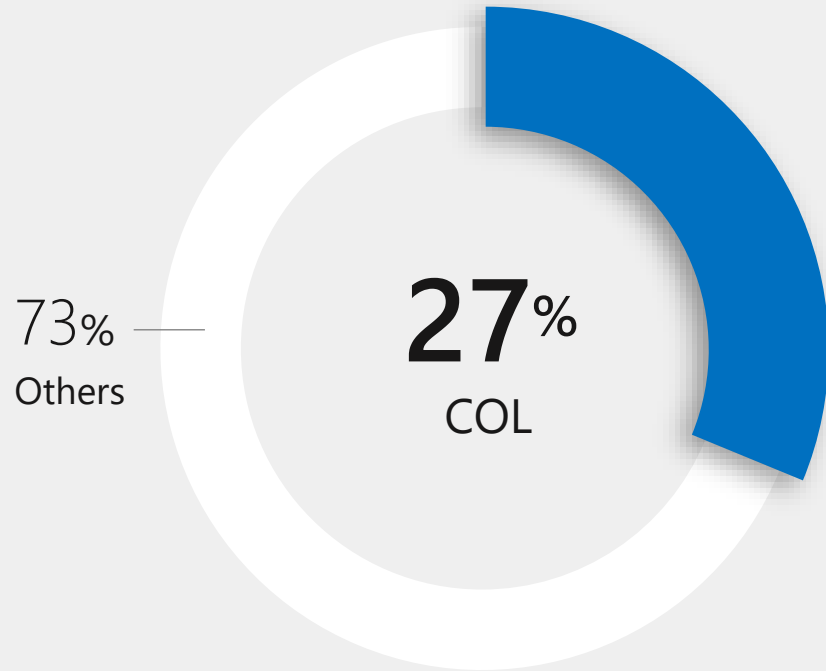
The Biggest Philippine Based **Stockbroker**

1Q22 Rank	Broker Name	1Q22 Value Turnover (Php Bil)	% of Total
1	CLSA Philippines Inc	71.8	7.2
2	UBS Securities Philippines Inc	65.4	6.6
3	COL Financial Group, Inc	62.1	6.3
4	Mandarin Securities Corp	51.6	5.2
5	Macquarie Capital Securities (Phil) Inc	51.3	5.2
6	Regis Partners, Inc	43.4	4.4
7	Credit Suisse Securities (Phil) Inc	40.1	4.0
8	First Metro Securities Brokerage, Corp	39.7	4.0
9	J.P. Morgan Securities Philippines Inc	38.9	3.9
10	Philippine Equity Partners, Inc	38.1	3.8

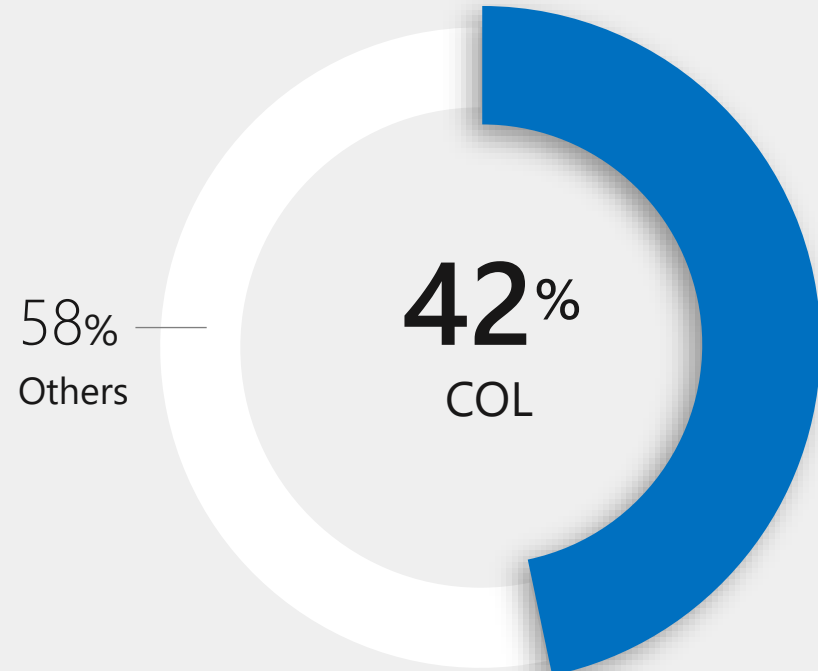
Source: PSE

The Biggest Philippine Based **Stockbroker**

Total Accounts (as of 2021)



Total Online Accounts (as of 2021)



Source: PSE

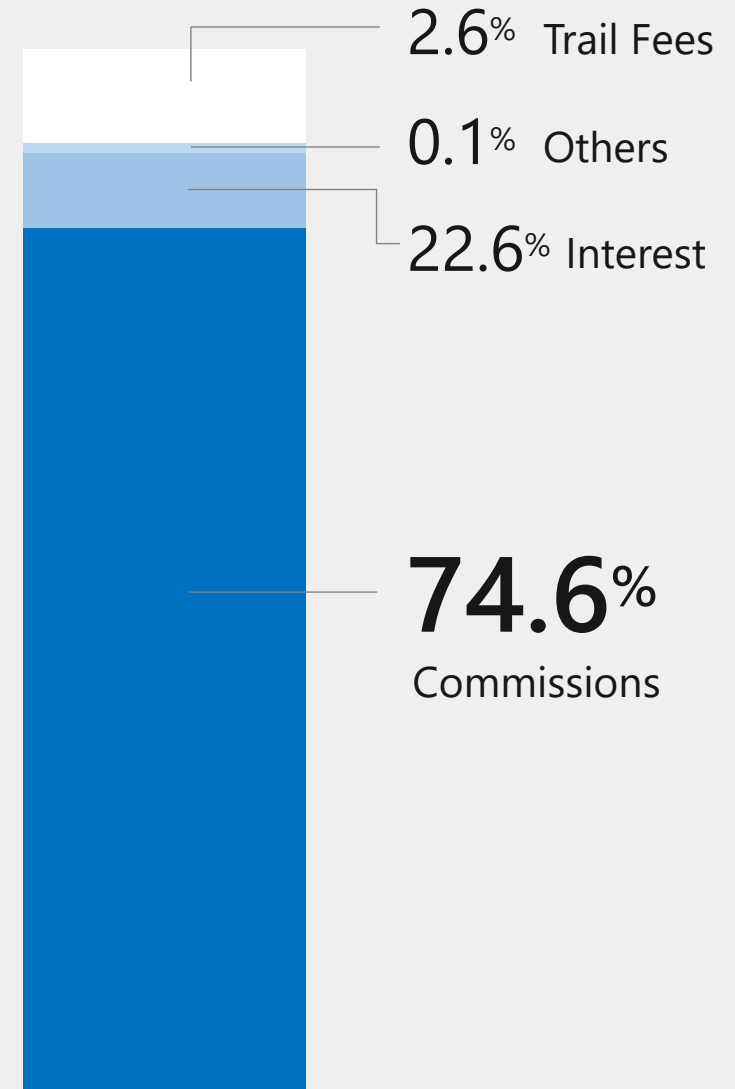
Bulk of Revenues Generated from Commissions and Interest

Commissions accounted for 74.6% of revenues.

Interest income from margin loans and cash placements accounted for 22.6% of revenues.

Trailer fees from the distribution of mutual funds accounted for 2.6% of revenues.

Revenue Breakdown 2021



Key Operating Highlights

Positives

1. Interest income stabilized and grew y/y
2. Trail fee remained stable and grew y/y
3. Margin utilization rate increased

Negatives

1. Commission revenues and net income fell sharply, as market conditions normalized
2. Rank and market share in the PSE slipped

1Q22 Net Income

-74.9% Y/Y

1Q22 net income fell by 74.9% to Php91.8 Mil due to the significant decline in commissions to a normalized level.

Pro forma consolidated revenues were down 60.4% to Php223.5 Mil as commissions fell by 64.3% and due to the absence of other income. This was partly offset by the 24.8% increase in interest income and 13.5% rise in trailer fees.

Operating profits fell by a faster 73.6% to Php121.9 Mil as operating expenses remained flat despite the drop in revenues.

Pro Forma Consolidated Income Statement (Php Mil)

	1Q21	1Q22	Change	
			Amount	%
Income				
Commissions	467.6	166.8	(300.8)	-64.3%
Interest	40.6	50.6	10.0	24.8%
Trailer Fees	5.1	5.8	0.7	13.5%
Other income	50.6	0.3	(50.2)	-99.4%
Total	563.8	223.5	(340.3)	-60.4%
Expenses				
Commission expenses	8.0	10.4	2.4	29.8%
Personnel costs	31.5	33.9	2.4	7.6%
Professional fees	12.3	10.7	(1.6)	-13.1%
Stock exch. dues & fees	14.6	7.2	(7.4)	-50.6%
Communication	10.1	10.8	0.7	7.2%
Rentals & utilities	2.0	2.3	0.3	14.5%
Depreciation	15.9	14.0	(1.9)	-12.0%
Advertising & marketing	0.8	1.5	0.7	80.1%
Others	7.0	10.8	3.8	54.4%
Total	102.2	101.6	(0.7)	-0.6%
Pre-Tax Income	461.6	121.9	(339.7)	-73.6%
Taxes	96.3	30.1	(66.2)	-68.7%
Net Income	365.3	91.8	(273.5)	-74.9%

Commissions Normalized

Revenues fell by 60.4% due to the significant decline in commissions and the absence of other income.

Commission revenues fell by 64.3% to Php166.8 Mil, as commissions from self-directed clients normalized to Php136.8 Mil coming from an abnormally high base last year. Recall that speculative issues traded actively in January of last year.

The decline in commission from self-directed clients was partly offset by the 24.1% increase in commissions from the agency and advisory group to Php29.2 Mil.

Revenues last year also benefited from the booking of Php50.2 Mil gain from the sale of financial assets which did not recur this year.

Pro Forma Revenue Breakdown (Php Mil)

	1Q21	1Q22	Change Amount	%
Revenue Breakdown				
Commission	467.6	166.8	(300.8)	-64.3%
<i>PH-Self-directed</i>	441.3	136.8	(304.5)	-69.0%
<i>PH- Agency & advisory</i>	23.6	29.2	5.7	24.1%
<i>HK & others</i>	2.7	0.7	(2.0)	-73.9%
Interest	40.6	50.6	10.0	24.8%
<i>Margin</i>	12.3	15.1	2.8	22.9%
<i>Placements</i>	28.3	35.5	7.2	25.6%
Trailer Fees	5.1	5.8	0.7	13.5%
Others	50.6	0.3	(50.2)	-99.4%
Total Revenues	563.8	223.5	(340.3)	-60.4%
Revenue Share				
Commission	82.9%	74.6%		
<i>Self-directed (incl HK)</i>	95.0%	82.5%		
<i>Agency & advisory</i>	5.0%	17.5%		
Interest	7.2%	22.6%		
<i>Margin</i>	30.3%	29.8%		
<i>Placements</i>	69.7%	70.2%		
Trailer Fees	0.9%	2.6%		

Commissions Normalized

On the positive side, interest income finally stabilized and increased by 24.8%. Interest income from cash placements grew by 25.6% as more funds were placed in higher yielding instruments and as interest rates stopped falling. Interest income from margin lending also rose by 22.9% due to the higher value of margin loans availed by clients.

Trailer fees rose by 13.5% due to an increase in assets under administration.

Self-directed clients continued to account for the lion's share of total commission revenues at 82.5%.

Core commission revenues and trailer fees accounted for 77.2% of total revenues.

Pro Forma Revenue Breakdown (Php Mil)

	1Q21	1Q22	Change Amount	%
Revenue Breakdown				
Commission	467.6	166.8	(300.8)	-64.3%
<i>PH-Self-directed</i>	441.3	136.8	(304.5)	-69.0%
<i>PH- Agency & advisory</i>	23.6	29.2	5.7	24.1%
<i>HK & others</i>	2.7	0.7	(2.0)	-73.9%
Interest	40.6	50.6	10.0	24.8%
<i>Margin</i>	12.3	15.1	2.8	22.9%
<i>Placements</i>	28.3	35.5	7.2	25.6%
Trailer Fees	5.1	5.8	0.7	13.5%
Others	50.6	0.3	(50.2)	-99.4%
Total Revenues	563.8	223.5	(340.3)	-60.4%
Revenue Share				
Commission	82.9%	74.6%		
<i>Self-directed (incl HK)</i>	95.0%	82.5%		
<i>Agency & advisory</i>	5.0%	17.5%		
Interest	7.2%	22.6%		
<i>Margin</i>	30.3%	29.8%		
<i>Placements</i>	69.7%	70.2%		
Trailer Fees	0.9%	2.6%		

Flattish Expenses

Operating expenses were flat, as higher fixed operating expenses were completely offset by lower trading related expenses.

Fixed operating expenses were up by 5.4% to Php83.9 Mil, due to higher personnel costs, communication, rental and utilities, advertising and marketing, and other expenses.

Meanwhile, trading related expenses fell 22.0% to Php17.6 Mil due to lower trading activity.

Pro Forma Breakdown of Expenses (Php Mil)

	1Q21	1Q22	Change	
			Amount	%
Trading Related Expenses				
Commission expenses	8.0	10.4	2.4	29.8%
<i>Agency & Advisory</i>	7.5	10.3	2.8	37.4%
<i>CROs & Others</i>	0.6	0.1	(0.4)	-73.5%
Stock exch. dues & fees	14.6	7.2	(7.4)	-50.6%
Total	22.6	17.6	(5.0)	-22.0%
Fixed Operating Expenses				
Personnel costs	31.5	33.9	2.4	7.6%
Professional fees	12.3	10.7	(1.6)	-13.1%
Communication	10.1	10.8	0.7	7.2%
Rentals & utilities	2.0	2.3	0.3	14.5%
Depreciation	15.9	14.0	(1.9)	-12.0%
Advertising & Mktg	0.8	1.5	0.7	80.1%
Others	7.0	10.8	3.8	54.4%
Total	79.6	83.9	4.3	5.4%
Total Expenses	102.2	101.6	(0.7)	-0.6%

ROAE Normalized to 17.1%

ROAE normalized from 72.6% to 17.1%.

Profitability deteriorated as commissions fell, leading to weaker margins and lower asset turnover.

Margins dropped as operating expenses remained largely the same even with the decline in trading volumes, due to the highly leveraged nature of the stockbrokerage business.

Asset turnover fell largely due to the normalization of clients' trading activity.

Selected Financial Ratios

	1Q21	1Q22
Operating Profit Margin	81.9%	54.6%
EBITDA Margin	84.7%	60.8%
Net Margin	64.8%	41.1%
Asset Turnover	16.1%	6.5%
Asset/Equity	6.5	6.7
ROAE	72.6%	17.1%

Now Number 3

COL's average daily turnover fell by 65.4% to Php1.0 Bil in 1Q22. Although the drop was much steeper than the PSE's 26.0% decline in average daily turnover, the said level is still higher than the pre-pandemic average.

COL's market share in terms of value turnover normalized to 6.3% for the whole market from 13.4% during the same period last year. As a result, COL's rank slipped to number 3 after being the number 1 broker in the PSE for two years in a row.

Comparative Performance (COL vs. PSE)

	1Q21	1Q22	Change	
			Amount	%
PSE Ave. Daily T/O (PhpMil)	10,989.7	8,130.1	(2,859.6)	-26.0%
COL Ave. Daily T/O (PhpMil)	2,946.5	1,018.02	(1,928.5)	-65.4%
COL Market Share (Total)	13.4%	6.3%		
COL Market Share (Local)	18.2%	10.6%		
PSE Ranking	1	3		
No. of Transactions - PSE ('000)	21,593	11,460	(10,132.9)	-46.9%
No. of Transactions - COL ('000)	6,473	1,824	(4,649.4)	-71.8%
COL Market Share	30.0%	15.9%		
PSE Ranking	1	1		

Strong Balance Sheet

Cash & cash equivalents decreased by 13.2% to Php1.5 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 17.7% to Php11.0 Bil while HTM investments increased by 19.5% to Php597.8 Mil.

Trade receivables increased by 13.5% to Php1.1 Bil largely due to the higher unsettled buying transaction of post-paid clients and higher availment of margin loans as of end March compared to end December.

Trade payables increased by 14.8% to Php12.2 Bil largely due the increase in clients' cash position.

Stockholders' equity increased by 4.5% to Php2.2 Bil due to the booking of Php91.8 Mil in profits.

BVPS increased to Php0.046/sh.

Pro Forma Consolidated Balance Sheet (Php Mil)

	12/31/21	3/31/22	Change	
			Amount	%
Cash & cash equivalents	1,733.5	1,504.0	-229.4	-13.2%
Trade receivables	958.8	1,088.6	129.8	13.5%
Inv't sec at amortized cost	9,374.3	11,031.1	1,656.8	17.7%
Other current assets	232.8	205.7	-27.1	-11.7%
HTM investments	500.2	597.8	97.6	19.5%
PPE – net	95.1	88.6	-6.5	-6.8%
Other non-current assets – net	86.2	85.1	-1.1	-1.3%
Total Assets	12,980.8	14,600.9	1,620.1	12.5%
Trade payables	10,590.2	12,160.7	1,570.5	14.8%
Other current liabilities	185.6	139.2	-46.4	-25.0%
Non-current liabilities	106.1	108.2	2.1	1.9%
Total Liabilities	10,881.9	12,408.1	1,526.2	14.0%
Total Stockholders' Equity	2,098.9	2,192.8	93.9	4.5%
Total Liabilities and Stockholder's Equity	12,980.8	14,600.9	1,620.1	12.5%
BVPS	0.044	0.046	0.002	4.5%

Customer Base

Up Y/Y, Down Q/Q

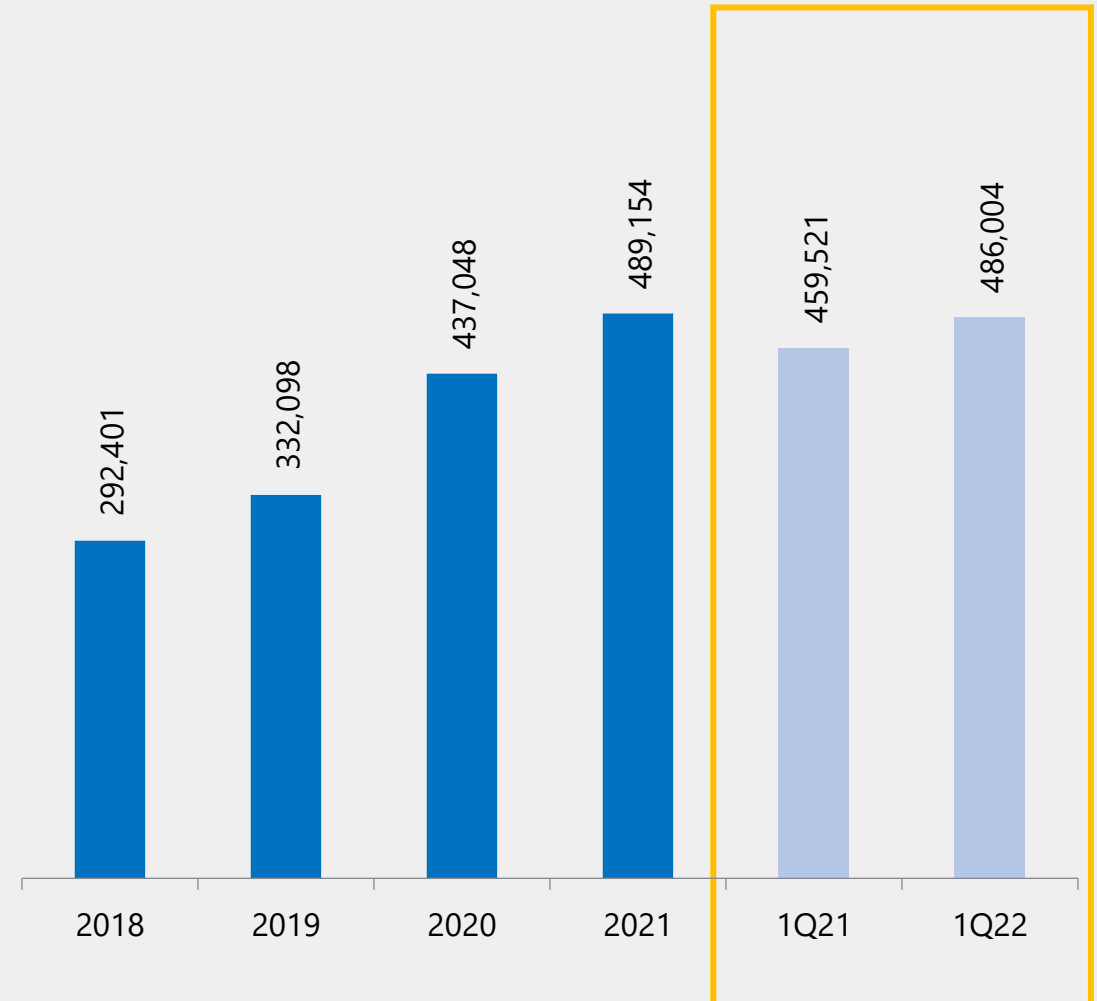
COL's client base grew by 5.8% Y/Y to 486,004 as of end March 2022.

Average monthly additions during the past 12 months reached 2,207.

However, compared to end 2021, the number of clients fell slightly by 3,150. The drop was due to the suspension of 14,439 dormant accounts in January. Excluding the impact of the said suspensions, the number of accounts grew by 9,990 Q/Q.

Client Base

▲ +5.8%



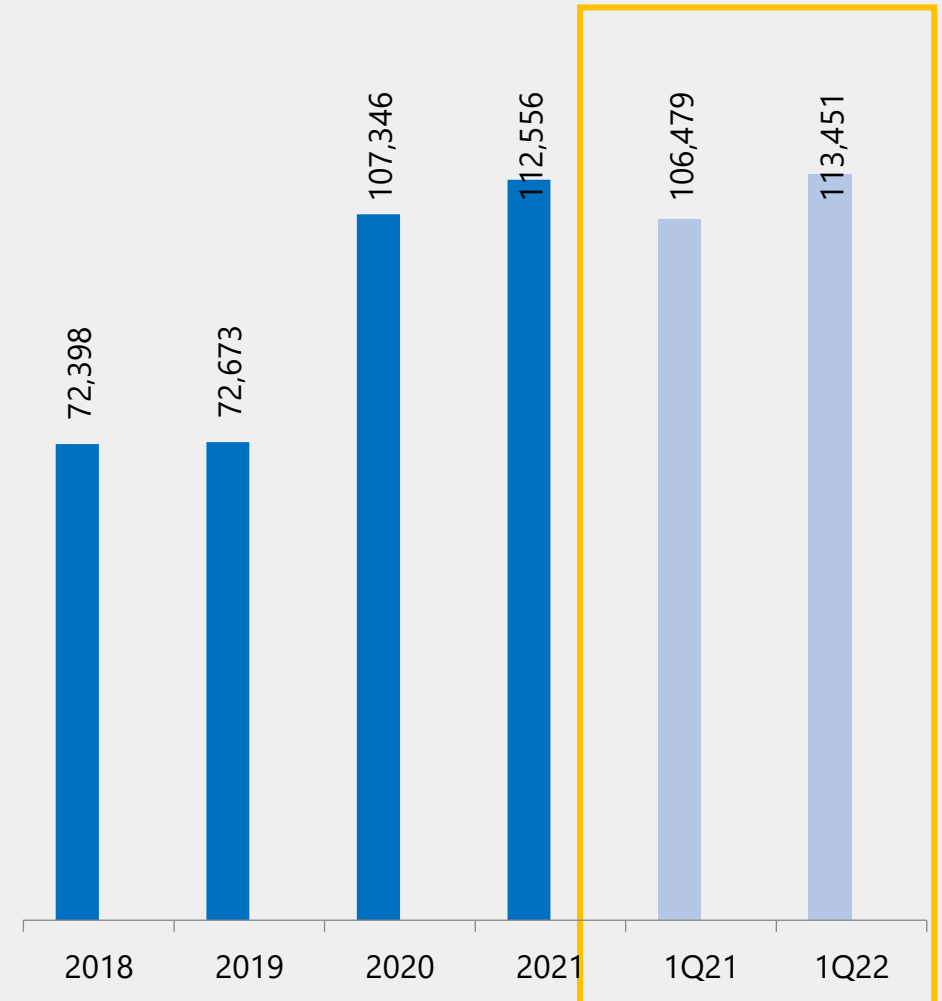
Client Equity Up on Higher Deposits and Asset Values

Client equity was up 6.5% Y/Y to Php113.5 Bil as of end March 2022.

Client equity increased due to new deposits from clients and higher asset values. Net new cash inflows from retail clients reached Php4.2 Bil during the past twelve months while the PSEi index was higher by 11.8% during the same period last year.

Client Equity (Php Mil)

▲ +6.5%



Margin Loans Up

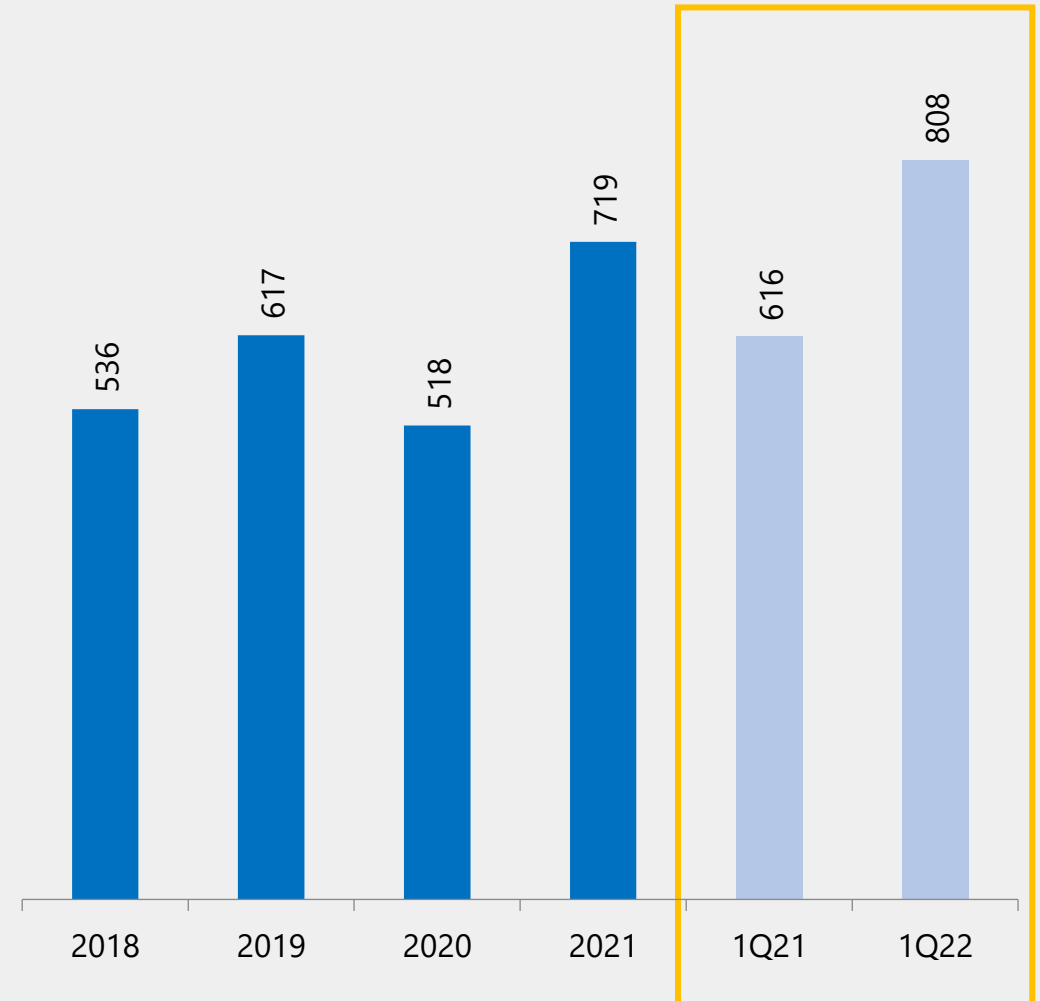
Average daily margin loans increased by 31.3% to Php808 Mil Y/Y.

As of end March, the total number of approved margin accounts was 1,210, slightly lower compared to 1,248 during the same period last year.

However, more clients utilized their margin lines at 31.9% vs 26.8%. In terms of value of margin granted, 14.2% was utilized during the period in review, up from 11.3% Y/Y.

Ave Daily Margin Loans (Php Mil)

▲ +31.3%



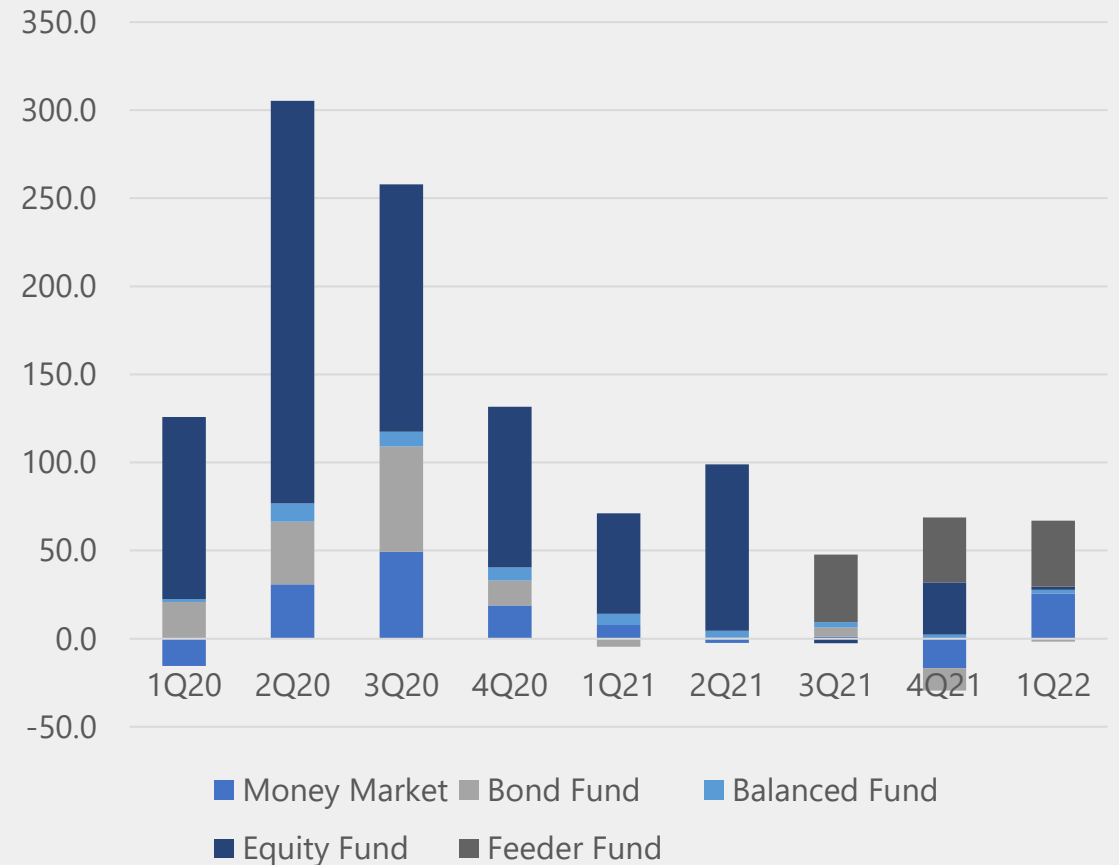
MF Net Sales Up due to Feeder Funds

COL's MF distribution business still generated net sales of Php65.3 Mil during 1Q22, almost the same levels as 1Q21, due to the introduction of Feeder Funds.

Around Php37.5 Mil or 57.5% to total net sales generated during the period were attributable to the distribution of Feeder Funds that were launched only in July last year and January this year.

Other funds suffered from lackluster sales due to rising interest rates and uncertainty caused by rising inflation, Fed rate hikes and the war in Ukraine.

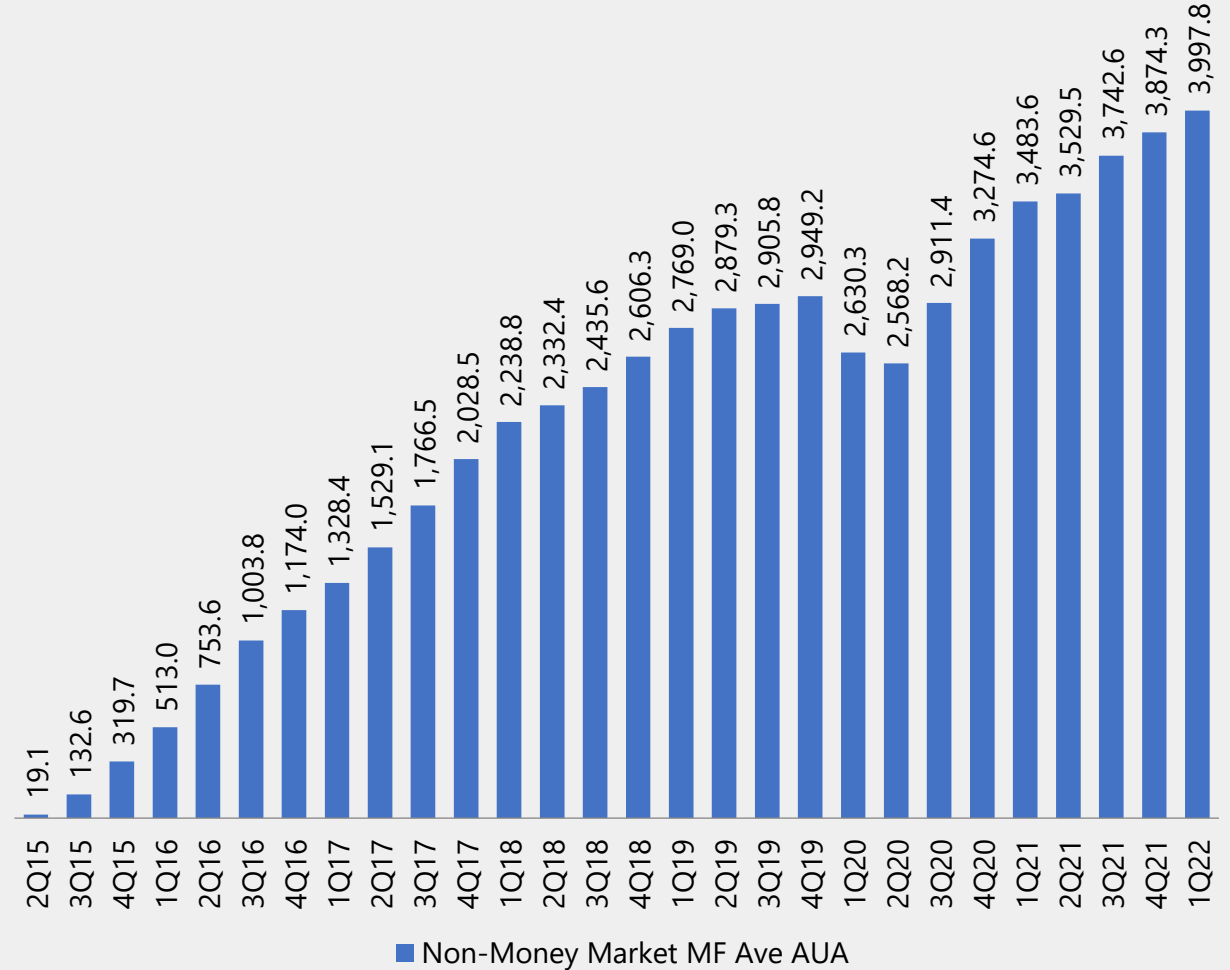
MF Net Sales (Php Mil)



Average AUA Up

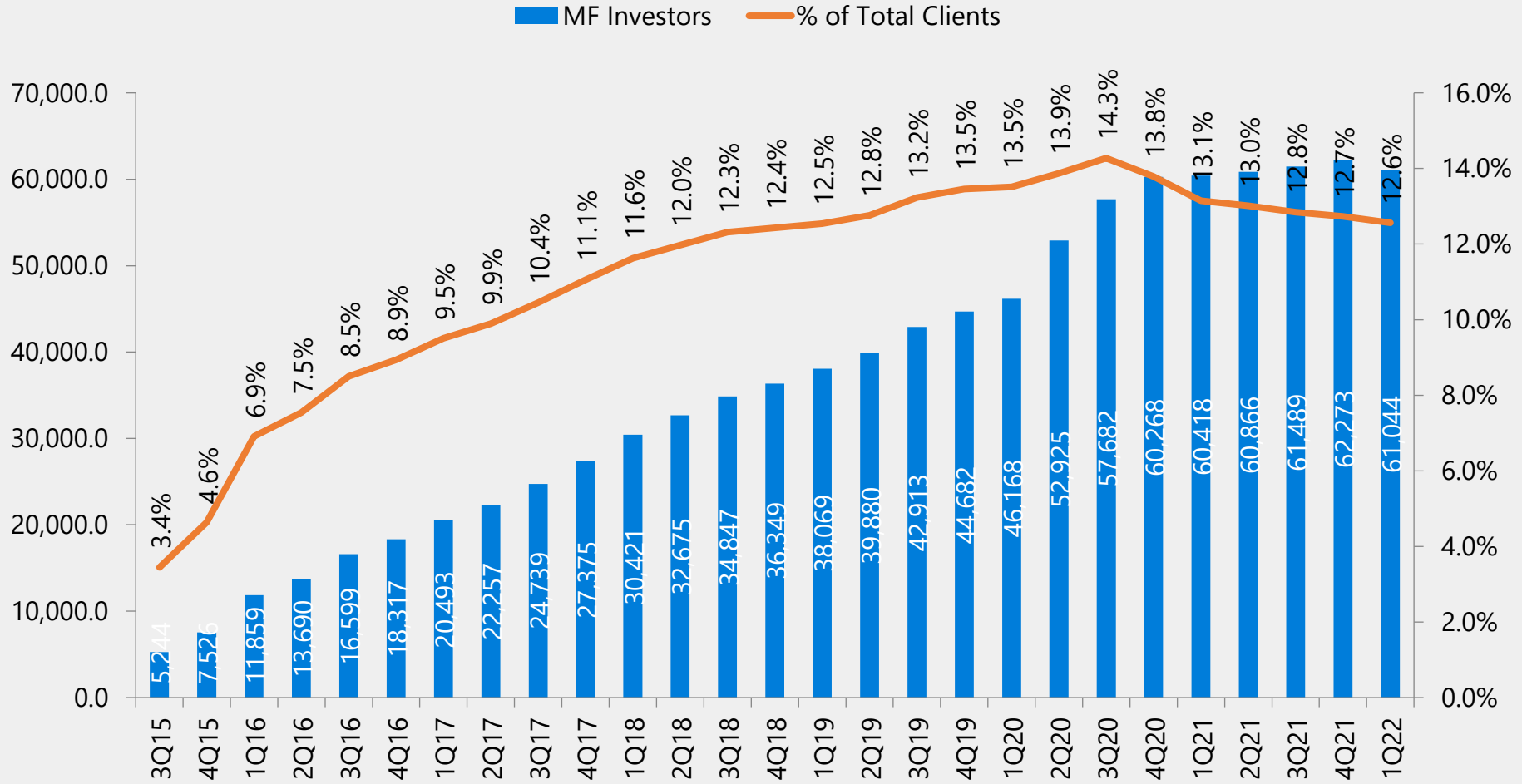
Trailer fees up due to increase in average AUA on a Y/Y basis.

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



Source: COL estimates

Lower Percentage of Clients Owned MFs. . .

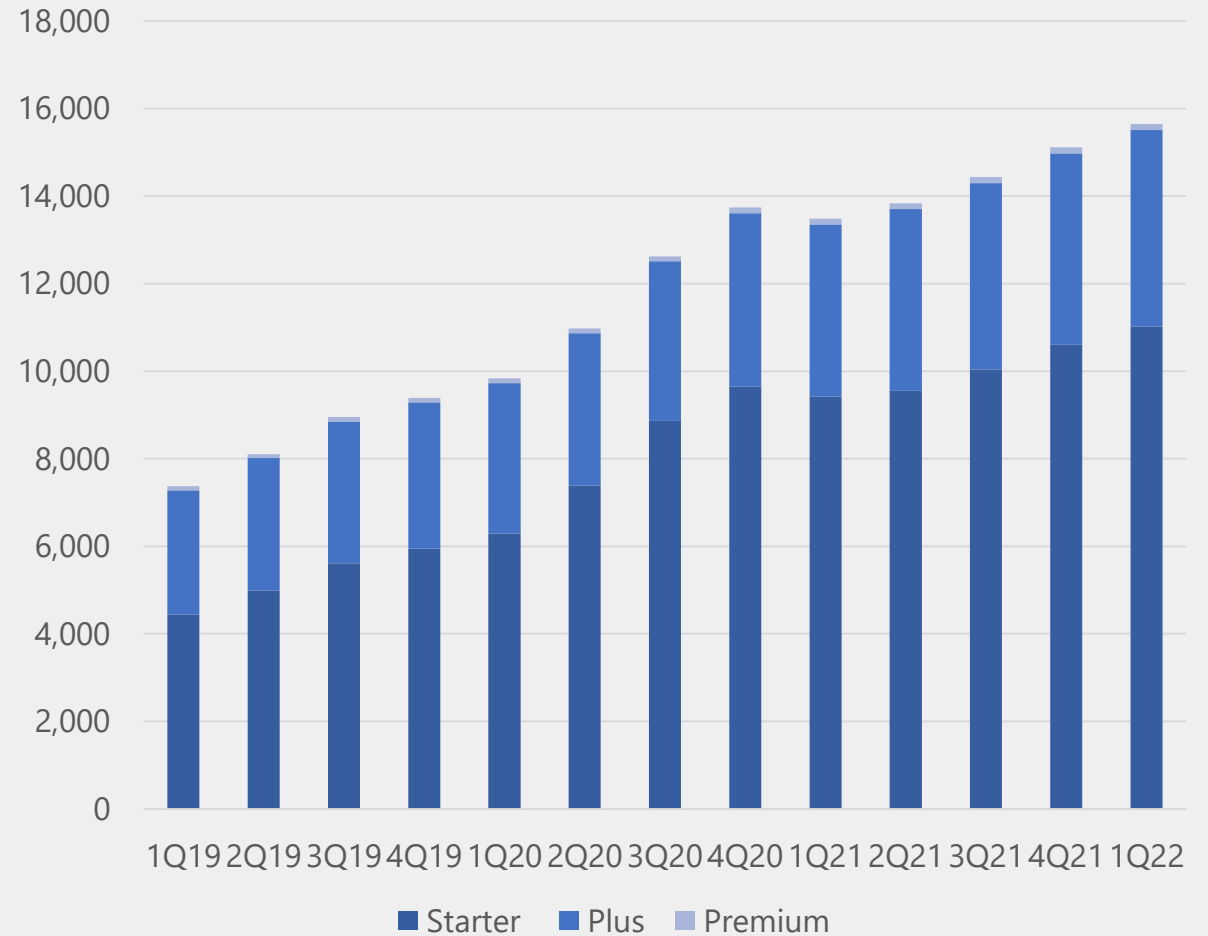


... But MF only Clients Continued to Grow

Although the number of clients who owned MFs fell in general, the number of clients who only owned MFs continued to increase.

As of end March, there were 15,651 clients who only owned MFs, up 16.0% Y/Y and 3.5% Q/Q. Of the said number 11,018 or 70.4% were Starter clients while 4,494 or 28.7% were Plus clients.

MF Only Clients





COL FINANCIAL

for a richer life

Disclaimer

This presentation was prepared solely and exclusively for discussion purposes. This presentation and/or any part thereof may not be reproduced, disclosed or used without the prior written consent of COL Financial (the "Company").

This presentation, as well as discussions arising therefrom, may contain statements relating to future expectations and/or projections of the Company by its management team, with respect to the Company. These statements are: (i) presented on the basis of current assumptions which the Company's management team believes to be reasonable and presumed correct based on available data at the time these were made, (ii) based on assumptions regarding the Company's present and future business strategies, and the environment in which it will operate in the future, (iii) a reflection of our current views with respect to future events and not a guarantee of future performance, and (iv) subject to certain factors which may cause some or all of the assumptions not to occur or cause actual results to diverge significantly from those projected. Any and all forward looking statements made by the Company or any persons acting on its behalf are deemed qualified in their entirety by these cautionary statements .

This presentation is solely for informational purposes and should in no way be construed as a solicitation or an offer to buy or sell securities or related financial instruments of the Company.