

COVER SHEET

A 1 9 9 9 1 0 0 6 5

S.E.C. Registration Number

COL FINANCIAL GROUP, INC.

(Company's Full Name)

24 F EAST TOWER PSE CENTRE
EXCHANGE ROAD ORTIGAS CENTER
PASIG CITY

(Business Address: No. Street City/Town/Province)

Atty. Sharon T. Lim

Contact Person

8636-5411

Company Telephone Number

1 2 3 1

Month Day
Fiscal Year

SEC Form 20-IS
Definitive Information Statement

FORM TYPE

0 3

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Dept. Requiring this Doc.

Amended Articles Number/Section

Amended Articles Number/Section

Total Number of Stockholders

Total Number of Stockholders

Total Amount of Borrowings

Domestic

Domestic

Foreign

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document I.D.

Document I.D.

Cashier

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

COL FINANCIAL GROUP, INC.
24/F East Tower, Philippine Stock Exchange Centre,
Exchange Road, Ortigas Center,
Pasig City Philippines

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Stockholders' Meeting of COL Financial Group, Inc. ("COL", the "Corporation, or the "Company"), will be conducted virtually on 21 May 2021, Friday, at 3:00 P.M. through <https://shareholders.colfinancial.com>.

The Agenda of the Meeting is as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 2 June 2020
4. President's Report
5. Ratification of all Acts and Proceedings of the Board of Directors and Management from 1 January 2020 up to 31 December 2020
6. Approval of the 2020 Audited Financial Statements
7. Election of the Board of Directors
8. Appointment of External Auditors
9. Other Matters
10. Adjournment

Only stockholders of record at the close of business on 16 April 2021 are entitled to notice of, and to vote at, said meeting and any adjournment thereof. As per By-Laws, the Stock and Transfer Books of the Corporation will be closed from 17 April 2021 to 23 April 2021.

Given the current circumstances, stockholders may only attend the meeting by remote communication. The meeting will be streamed live, and stockholders who wish to attend the meeting must register at <https://shareholders.colfinancial.com> or before 6 May 2021. Registration shall be subject to validation procedures.

Stockholders who wish to cast their votes may vote electronically in absentia using the same platform, or through proxy by appointing the Chairman of the meeting.

Stockholders may also send their duly accomplished proxies on or before the close of business hours on 6 May 2021 through email at corporatesecretary@colfinancial.com

The procedures for attendance and voting during the 2021 ASM are set forth in the Information Statement.


SHARON T. LIM
Corporate Secretary

PROXY

The undersigned stockholder of COL FINANCIAL GROUP, INC., (the "Corporation") hereby appoints the Chairman of the meeting as attorney and proxy, with power of substitution, to represent and vote all shares registered in my name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Corporation on May 21, 2021, and at any adjournments thereof for the purpose of acting on the following matters:

Item	Vote		
1. Approval of the Minutes of the 2020 Meeting	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Abstain
2. Approval of the President's Report	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Abstain
3. Ratification of all Acts and Proceedings of the Board of Directors and Management	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Abstain
4. Approval of the 2020 Audited Financial Statements	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Abstain
5. Election of Directors			
<input type="radio"/> Distribute my votes equally among the candidates			
<input type="radio"/> Cumulate my votes (indicate no. of votes)*			
<i>*Your maximum no. of votes is equivalent to your shares x 11, e.g. 100 shares x 11= 1,100 votes. You can distribute your votes equally among the candidates or cumulate your votes (give all your votes to one or several candidates in any manner, provided that your total number of votes does not exceed your maximum no. of votes.) Fractional votes are not allowed.</i>			
Edward K. Lee _____	Alexander C. Yu _____		
Conrado F. Bate _____	Paulwell Han _____		
Kido Hokushin _____	Hernan G. Lim _____		
Raymond C. Yu _____	Wellington C. Yu _____		
Arthur G. Gindap (Independent) _____	Betty C. Siy-Yap (Independent) _____		
Roberto C. Benares (Independent) _____			
6. Appointment of SyCip Gorres Velayo & Co. as the external auditor of the Company	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Abstain
7. At his discretion, the proxy is authorized to vote upon such other matters as may properly come before the meeting	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Abstain

This proxy supersedes any previous proxies executed by the undersigned and shall continue to be in effect until withdrawn by notice delivered to the Secretary of the Corporation, but shall not apply in instances wherein the undersigned personally attends the meeting.

Signature above Printed Name of Stockholder

Total No. of Shares Owned

Date

THIS PROXY MUST BE RECEIVED BY THE OFFICE OF THE CORPORATE SECRETARY THROUGH EMAIL AT CORPORATESECRETARY@COLFINANCIAL.COM ON OR BEFORE MAY 6, 2021 (FRIDAY). FOR CORPORATE STOCKHOLDERS, PLEASE ATTACH A COPY OF THE SECRETARY'S CERTIFICATE ON THE AUTHORITY OF THE SIGNATORY TO APPOINT THE PROXY AND SIGN THIS FORM.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED 'FOR' THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

A STOCKHOLDER GIVING PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

- Preliminary Information Statement
 Definitive Information Statement

2. Name of Registrant as specified in its charter: COL Financial Group, Inc.

3. Metro Manila, Philippines

Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: A199910065

5. BIR Tax Identification Code: 203-523-208

6. 24/F East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City 1605

Address of principal office

Postal Code

7. Registrant's telephone number, including area code: (632) 8636-5411

8. Date, time and place of the meeting of security holders:

Date : 21 May 2021

Time : 3:00 PM

Place : East Tower, Philippine Stock Exchange Centre, Exchange Road,
Ortigas Center, Pasig City
*(in light of the current circumstances, shareholders may only attend
by remote communication)*

Web Address : https://shareholders.colfinancial.com
*(for participation by remote communication and voting in absentia,
subject to validation procedures)*

9. Approximate date on which the Information Statement is first to be sent or given to security holders: 29 April 2021

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class

Number of Shares of Common Stock
Outstanding or Amount of Debt Outstanding
as of 31 March 2021

Common

4,760,000,000

11. Are any or all of registrant's securities listed in a Stock Exchange? Yes No

Name of Exchange: Philippine Stock Exchange

Class : Common shares

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. DATE, TIME, AND PLACE OF MEETING OF SECURITY HOLDERS

- (a) Date: 21 May 2021
Time: 3:00 p.m.
Place: East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City (in light of the current circumstances, shareholders may only attend by remote communication)
Web Address: <https://shareholders.colfinancial.com> (for participation by remote communication and voting in absentia, subject to validation procedures)
- (b) Approximate date on which copies of the information statement are first to be sent or given to security holders: 29 April 2021

**WE ARE NOT ASKING YOU FOR A PROXY AND
YOU ARE NOT REQUESTED TO SEND US A PROXY**

Item 2. DISSENTERS' RIGHT OF APPRAISAL

Section 80, Title X of the Revised Corporation Code provides that a stockholder may exercise his right of appraisal in any of the following instances: (a) in case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; (c) in case of merger or consolidation; and (d) in case of investment of corporate funds for any purpose other than the primary purpose of the corporation. Section 81, Title X of the Revised Corporation Code further states that only a dissenting stockholder who voted against the proposed corporate action may exercise the right of appraisal.

COL Financial Group, Inc. ("COL", the "Corporation, or the "Company") adopts the procedures laid out in Title X of the Revised Corporation Code for a valid exercise of appraisal right.

Item 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

- (a) No current director or officer of COL, or nominee for election as director of the Corporation or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.
- (b) The Corporation has not received any information in writing from any person who intends to oppose any action to be taken at the Annual Stockholders' Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

- (a) **Class of Voting Securities** : Common shares
- Number of Shares Outstanding as of 23 April 2021** : 4,760,000,000
- Number of votes entitled** : One (1) vote per share

The Corporation's By-Laws provide that one share entitles the holder thereof to one vote, except in the election of the members of the Board where any stockholder can cumulate his votes.

(b) **Record Date**

Stockholders of record as of **16 April 2021** ("Record Date") are entitled to notice and to vote at the Company's Annual Stockholders' Meeting.

(c) **Manner of Voting**

A stockholder entitled to vote at a meeting has the right to vote in person or by proxy. With respect to the election of directors, in accordance with Section 23 of the Revised Corporation Code, a stockholder with the number of shares held in his name in the Corporation's stock books as of the Record Date may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the total number of directors to be elected; Provided, however, that no delinquent stocks shall be voted.

A stockholder may vote electronically in absentia using the web address <https://shareholders.colfinancial.com>. A stockholder voting electronically in absentia shall be deemed present for the purposes of quorum. Please refer to Annex 'H' for information on electronic voting in absentia.

(This space is intentionally left blank.)

(d) **Security Ownership of Record and Beneficial Owners of more than 5% of the Corporation's voting securities as of 31 March 2021 are as follows:**

Title of Class	Name, Address of Record Owner and Relationship with the Issuer	Name of Beneficial Owners and Relationship with Record Owner	Citizenship	No. of Shares Held Directly (D) or under PCD (P)	Percent (%)
Common	PCD Nominee Corp (Filipino) G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati	Various	Filipino	1,699,994,660 (D)	35.71
			Non-Filipino	905,070,290 (D)	19.01
	Daiwa Securities Group, Inc.¹ GranTokyo North Tower, 9-1, Marunouchi 1-chrome		Japanese	709,240,000 (D)	14.90
	Lee, Edward K. Mahogany St., Makati City	Lee, Edward K.	Filipino	622,500,000 (D)	21.65
	Lee, Lydia Mahogany St., Makati City			307,563,000 (P)	
	Lee, Edmund C. Mahogany St., Makati City			10,000,000 (D)	
	Lee, Eleanore C. or Lee, Edmund C. Mahogany St., Makati City			40,578,000 (P)	
	ELLE & Co., Inc.² 2701C East Tower, PSE Centre, Exchange Rd, Ortigas Center, Pasig			20,400,000 (P)	
				20,000,000 (P)	
	Yu, Alexander C. Ortega St., San Juan City	Yu, Alexander C.	Filipino	9,515,000 (P)	13.91
	Ng, Elizabeth Ortega St., San Juan City			200,000,000 (D)	
	Yu, Adrian Alexander C. Ortega St., San Juan City			336,468,250 (P)	
	Yu, Michelle C. Ortega St., San Juan City			23,072,000 (P)	
	Yu, Tiffany Ann C. Ortega St., San Juan City			32,063,000 (P)	
	Han, Paulwell G/F Broom Road, Happy Valley, Hong Kong			40,578,000 (P)	
		30,000,000 (P)	Chinese	1,000,000 (D)	8.39
			398,158,750 (P)		

**No other single individual has reached more than 5% - 10% of the total outstanding shares of COL.*

¹ The Board of Directors of Daiwa Securities Group, Inc., ("Daiwa") has the power to decide how COL shares held by Daiwa are to be voted.

² Mr. Edward K. Lee, Chairman of the Board of ELLEE & Co., Inc. ("Ellee"), has been named and appointed to exercise Ellee's voting power.

Security Ownership of Management (as of 31 March 2021)

Title of Class	Name of Owner	Position	Citizenship	Total No. of Shares	Percent (%)
Common	Edward K. Lee	Chairman	Filipino	1,030,556,000	21.65
Common	Alexander C. Yu	Vice-Chairman	Filipino	662,181,250	13.91
Common	Conrado F. Bate	Director/President/CEO	Filipino	205,282,590	4.31
Common	Paulwell Han	Director	Chinese	399,158,750	8.39
Common	Kido Hokushin	Director	Japanese	10	0.00
Common	Hernan G. Lim	Director	Filipino	175,261,850	3.68
Common	Raymond C. Yu	Director	Filipino	223,239,400	4.69
Common	Wellington C. Yu	Director	Filipino	100,000	0.00
Common	Arthur Gindap	Independent Director	Filipino	1,000	0.00
Common	Betty C. Siy-Yap	Independent Director	Filipino	1,000	0.00
Common	Roberto C. Beñares	Independent Director	Filipino	1,000	0.00
Common	Catherine L. Ong	Director/SVP/Treasurer	Filipino	89,828,000	1.89
Common	Juan G. Barredo	VP/Head of Sales and Customer Support	Filipino	10,250,500	0.22
Common	Nikos J. Bautista	VP/Chief Technology Officer	Filipino	11,602,000	0.24
Common	April Lynn L. Tan	VP/Head of Research	Filipino	17,080,000	0.36
Common	Lorena E. Velarde	VP/Financial Controller	Filipino	6,500,000	0.14
Common	Melissa O. Ng	AVP/Head of Operations	Chinese	2,657,500	0.06
Common	Sharon T. Lim	AVP/Head of Legal and Compliance Departments	Filipino	792,500	0.02
Common	Gabriel Jose E. Mendiola	AVP - Software Development	Filipino	43,325,000	0.91
Common	Joyce G. Chan	AVP - Customer Support	Filipino	4,025,000	0.08
Common	Key Officers and Directors (as a group)			2,881,843,350	60.54

(e) **Changes in Control**

There were no persons holding more than five percent (5%) of a class of shares under a voting trust or similar agreement.

The Corporation is not aware of any voting trust agreement or any other similar agreement, which may result in a change of control in the Corporation. No change in control of the Corporation has occurred since the beginning of its last fiscal year.

Item 5. DIRECTORS AND EXECUTIVE OFFICERS

(a) The Board of Directors/Nominees for Election at the Annual Stockholders' Meeting

i. Directors and Executive Officers

Pursuant to the Corporation's By-Laws, the Directors are elected at the Annual Stockholders' Meeting by stockholders entitled to vote. Each Director holds office until the next annual election when his successor is duly elected, unless he resigns, dies, or is removed prior to such election.

The nominees for election to the Board of Directors on 21 May 2021 are the following:

1. Edward K. Lee
2. Alexander C. Yu
3. Conrado F. Bate
4. Paulwell Han
5. Kido Hokushin
6. Hernan G. Lim
7. Arthur G. Gindap
8. Raymond C. Yu
9. Wellington C. Yu
10. Betty C. Siy-Yap
11. Roberto C. Benares

A summary of the qualifications of the incumbent directors, nominees for directors for election at the annual stockholders' meeting and incumbent officers is attached as **Annex "A"**. The certification on whether any of the directors works in government is attached as **Annex "B"**.

ii. Independent Directors

The nominees for election as Independent Directors of the Board of Directors on 21 May 2021 are as follows:

Nominees for Independent Director (a)	Person/Group recommending nomination (b)	Relation of (a) and (b)
Arthur G. Gindap*	Conrado F. Bate	None
Betty C. Siy-Yap**	Conrado F. Bate	None
Roberto C. Benares**	Conrado F. Bate	None

**first appointed in March 2019*

***first appointed in February 2021*

In approving the nominations for Independent Directors, the Nomination Committee took into consideration the guidelines prescribed in SRC Rule 38, SEC Memorandum Circular No. 16 series of 2006, and SEC Memorandum Circular No. 19 series of 2016, on the nomination of Independent Directors. The Nomination Committee is composed of Mr. Arthur G. Gindap, as Chairman, and Mr. Alexander C. Yu and Atty. Sharon T. Lim, as members.

The Certifications of each of the Independent Directors are attached as **Annex "C"**.

iii. Guidelines or criteria followed in the conduct of the nomination and election of Independent Director/s

Article III, Section 2(a) of the Corporation's By-Laws states that:

"Nomination and Procedure for Election of Independent Directors – Nomination of Independent Director/s shall be conducted by a Nomination Committee prior to a stockholders' meeting. All nominations of Independent Directors shall be made in writing and signed by the nominating stockholders and shall include the acceptance and conformity by the would-be nominees.

The Nomination Committee (the "Committee") shall have at least three (3) members, one of whom shall be an Independent Director. It shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly disclosed in the Corporation's information or proxy statement or such other reports required by the Securities and Exchange Commission (the "SEC").

The Committee shall pre-screen the qualification and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for Independent Director(s).

After nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for Independent Directors (as required under Part IV (A) and (C) of Annex "C" of the SRC Rule 12 of the Implementing Rules and Regulations of the Securities Regulation Code), including, but not limited to, the following information:

- (i) Name, age, and citizenship;
- (ii) List of positions and offices that each such nominee held, or will hold, if known, with the corporation;
- (iii) Business experience during the past five (5) years;
- (iv) Directorship held in other companies;
- (v) Involvement in legal proceedings; and
- (vi) Security ownership.

The list shall be made available to the SEC and to all stockholders through the filing and distribution of the Information Statement or in such other reports required by the SEC. The name of the person or group of persons who recommended the nomination of the Independent Director shall be identified in such report including any relationship with the nominee.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

The Chairman of the stockholders' meeting has the responsibility to inform all stockholders in attendance of the mandatory requirement of electing Independent Director/s and to ensure that an Independent Director/s is elected during the stockholders' meeting.

Specific slots for Independent Directors shall not be filled-up by unqualified nominees. In case of failure of election for Independent Directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy. Any controversy or issue arising from the selection, nomination, or election of Independent Directors shall be resolved by the SEC by appointing Independent Directors from the list of nominees submitted by the stockholders (As amended on 10 March 2006)."

iv. Significant Employees

No single person is considered to have made a significant contribution to the business since COL considers the collective efforts of all its employees as instrumental to the overall success of the Corporation's performance.

v. Family Relationships

Mr. Alexander C. Yu & Mr. Raymond C. Yu and Mr. Edward K. Lee & Ms. Catherine L. Ong are siblings. Aside from them, there are no other family relationships either by consanguinity or affinity up to the fourth (4th) civil degree among its directors, executive officers, and nominees for election as directors.

vi. Involvement in Legal Proceedings

The Corporation is not aware of any of the following events having occurred during the past five (5) years up to the date of this report that are material to an evaluation of the ability or integrity of any director, nominee for election as director, executive officer, underwriter, or controlling person of the Corporation:

- (1) Any bankruptcy petition filed by or against any business of which any of the above persons was a general partner or executive officer either at the time of bankruptcy or within two (2) years prior to that time;
- (2) Any order or judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting the involvement of any of the above persons in any type of business, securities, commodities, or banking activities; and
- (3) Any findings by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of the above persons has violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

COL is not involved in, nor are any of their properties subject to, any material legal proceedings that could potentially affect their operations and financial capabilities.

(b) Resignation of Directors

Mr. Khoo Boo Boon passed away last December 2020. Ms. Catherine L. Ong, on the other hand, stepped down as director of the Corporation last 26 February 2021. Neither of these resignations is due to a disagreement with the Corporation on any matter relating to the Corporation's operations, policies, or practices. None of the current directors as of the date of this have declined to stand for re-election.

(c) Certain Relationships and Related Transactions

Transactions between related parties are based on terms similar to those offered to nonrelated parties. The transactions are done in the normal conduct of operations and are recorded in the same manner as transactions that are entered into with other parties.

Item 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

(a) Compensation of Executives

Below is a summary of the guaranteed pay of the five highest-paid executive officers and the Corporation's executives and officers as a group:

SUMMARY COMPENSATION TABLE			
Annual Compensation			
(in P Million)	Annual Salary 2021 (est.)	Annual Salary 2020	Annual Salary 2019
a) Chief Executive Officer and the Four Most Compensated Executives:			
<i>Conrado F. Bate</i> President & CEO <i>Catherine L. Ong</i> SVP/Treasurer <i>Juan G. Barredo</i> VP- Head of Sales and Customer Support <i>Lorena E. Velarde</i> VP- Financial Controller <i>April Lynn L. Tan</i> VP- Head of Research			
All above-named Executives and Officers as a Group	P27.56	P24.77	P24.76
b) All other Executives and Officers as a Group	P15.22	P15.66	P14.89

(b) Compensation of Directors

Each director is entitled to a reasonable per diem, which amount shall, according to Article III, Section 8 of the Corporation's By-laws, not exceed ten percent (10%) of the net income before income tax of the Corporation during the previous year.

Below is a summary of the per diem given to the directors of the Corporation as a group:

	Year Ended 31 December (in P million)	
	2020	2019
Per diem to the Board of Directors as a group	1.75	1.75

Aside from this, directors do not receive any other form of remuneration in their capacity as such directors.

(c) Warrants and Options

There are no outstanding warrants or options held by directors or officers. There are no actions to be taken with regard to election, any bonus or profit-sharing, change in pension / retirement plan, granting of or extension of any options, warrants, or rights to purchase any securities.

Item 7. INDEPENDENT PUBLIC ACCOUNTANTS

- (a) The accounting firm Sycip, Gorres, Velayo & Co., (“SGV”) served as COL's external auditor for the last fiscal year. The Board of Directors intends to nominate SGV for re-appointment this fiscal year.

Representatives of SGV are expected to be present at the stockholders' meeting and will be available to respond to appropriate questions. They will have the opportunity to make a statement if they so desire.

As of 31 December 2020, SGV has been COL's external auditor for the past twenty-one (21) years. It assigns a different engagement partner to conduct its annual audit in compliance with the requirement of SRC Rule 68, Paragraph 3 (Qualifications of Independent Auditors). For the audit year 2020, Ms. Janeth T. Nuñez-Javier has been assigned as the Partner-in-charge for COL.

(b) **Changes in and Disagreements with Accountants**

There are no disagreements with SGV on accounting and financial disclosure for the last five (5) years.

(c) **Audit and Audit-Related Fees**

The following table sets out the aggregate fees billed for each of the last two (2) fiscal years for professional services rendered by SGV:

	Year Ended 31 December (in ₱ million)	
	2020	2019
Audit and Audit-Related Fees in connection with the annual review of the Group's financial statements	1.75	1.72
Tax Fees	None	None

Appointment of COL's external auditor and its audit fees are upon recommendation of the Audit Committee. All services rendered by SGV have prior approval of the President as recommended by the Audit Committee. Actual work by SGV proceeds thereafter. In 2020, the Audit Committee was chaired by Mr. Khoo Boo Boon with Mr. Wellington C. Yu, Mr. Raymond C. Yu and Mr. Hernan G. Lim as members.

Item 8. COMPENSATION PLANS

No action is to be taken with respect to any plan to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

There is no action to be taken with respect to the authorization or issuance of any securities other than for exchange of outstanding securities of the registrant.

Item 10. MODIFICATION OR EXCHANGE OF SECURITIES

There is no action with respect to the modification of any class of securities in exchange for outstanding securities of another class.

Item 11. FINANCIAL AND OTHER INFORMATION

The Corporation's audited financial statements as of 31 December 2020 are attached hereto as **Annex "G"**. On the other hand, Management's Discussion and Analysis of financial conditions and results of operations, market price of shares and dividends and other information related to the Corporation's financial information are attached hereto as **Annex "D"**.

Item 12. MERGERS, CONSOLIDATIONS, ACQUISITIONS AND SIMILAR MATTERS

There is no action taken by the Corporation with respect to any merger, consolidation, or acquisition.

Item 13. ACQUISITION OR DISPOSITION OF PROPERTY

There is no action taken with respect to the acquisition or disposition of any property.

Item 14. RESTATEMENT OF ACCOUNTS

There is no action taken with respect to the restatement of any asset, capital, or surplus account.

D. OTHER MATTERS

Item 15. ACTION WITH RESPECT TO REPORTS

The following matters are on the Agenda of the Annual Stockholders' Meeting for the approval of the stockholders:

- (a) Approval of the Annual Report and the Corporation's Audited Financial Statements as of 31 December 2020 containing the performance of the Corporation and its financial condition;
- (b) Approval of the Minutes of the Previous Annual Stockholders' Meeting (*See Annex "E"*);
- (c) Approval of the 2020 Report of the President; and
- (d) Ratification of all Acts, Proceedings of the Board of Directors and Management for the period 1 January 2020 up to 31 December 2020 (*See Annex "F"*).

Item 16. MATTERS NOT REQUIRED TO BE SUBMITTED

There are no matters or actions to be taken up in the meeting that will not require the vote of the stockholders as of the record date.

Item 17. AMENDMENT OF CHARTER, BY-LAWS OR OTHER DOCUMENTS

There are no actions to be taken with respect to the amendment of the articles of incorporation or by-laws of the Corporation.

Item 18. OTHER PROPOSED ACTION

There are no actions to be taken with respect to any other matter.

Item 19. VOTING PROCEDURES

(a) Vote required for approval and election

Article II of the By-Laws of the Corporation provides that in all regular or special meeting of stockholders, a majority of outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until requisite amount of stock shall be present.

With regard to the election of members of the Board of Directors, the nominees receiving the highest number of votes shall be declared elected pursuant to Section 23 of the Revised Corporation Code. With respect to the ratification of Board actions, a majority vote is required.

(b) Method by which votes will be counted

The method by which the votes will be counted shall be by shares and not per capita. Any stockholder may accumulate his vote as provided in the Revised Corporation Code. Only the personnel of the office of the Corporate Secretary and the Stock Transfer Agent are authorized to count the votes.

To ensure the safety and health of the Company's shareholders, the Company will dispense with the physical attendance at the meeting and allow shareholders to attend only by remote communication through <https://shareholders.colfinancial.com>. Voting shall be done electronically in absentia through the same platform or by voting through the Chairman of the meeting as proxy. A stockholder voting electronically in absentia will be deemed present at the meeting for purposes of quorum.

To enable the Company to perform validation procedures, identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders must complete the registration requirements in said portal by 6 May 2021. Information on participation through remote communication and electronic voting in absentia are included in Annex "H."

Proxies must be submitted by email to corporatesecretary@colfinancial.com on or before 6 May 2021.

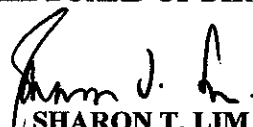
THE REGISTRANT WILL PROVIDE WITHOUT CHARGE TO EACH PERSON UPON WRITTEN REQUEST OF ANY SUCH PERSON, A COPY OF THE REGISTRANT'S ANNUAL REPORT OR SEC FORM 17-A. SUCH WRITTEN REQUEST SHOULD BE ADDRESSED TO THE FOLLOWING:

ATTY. SHARON T. LIM
CORPORATE SECRETARY
24/F EAST TOWER, PSE CENTRE,
EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY

After reasonable inquiry and to the best of my knowledge and belief, I hereby certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on 23 April 2021.

COL Financial Group, Inc.

FOR THE BOARD OF DIRECTORS


SHARON T. LIM
Corporate Secretary

ANNEX "A"
DIRECTORS AND EXECUTIVE OFFICERS

The names of the incumbent and nominee directors and key executive officers of the Company, their respective ages, periods of service, directorships in other reporting companies, and positions held in the last five years, are as follows:

MEMBERS OF THE BOARD

Edward K. Lee

Chairman and Founder

Edward K. Lee, 66, Filipino, took Bachelor of Science in Industrial Management Engineering at De La Salle University. He is concurrently the Founder and Chairman of the Board of COL, COL Securities (HK) Limited, CTS Global Equity Group, Inc (formerly, Citisecurities, Inc.), Caylum Trading Institute, and COL Investment Management, Inc. Mr. Lee served as a nominee of CTS Global Equity Group, Inc. (formerly, Citisecurities, Inc.) to the Manila Stock Exchange and presently to the Philippine Stock Exchange. He was elected as one of the Governors of the Philippine Stock Exchange and was the Chairman of the Computerization committee of the Manila Stock Exchange and PSE in 1994. He went on to become a member of the Board of Directors of A. Soriano Corporation serving for two terms. Mr. Lee was also nominated as a finalist to the 2007 Entrepreneur of the Year Philippines by Ernst & Young. In 2015, he was awarded with the Theodore Vail Most Outstanding JA Alumni Awardee. From 2016 to 2019, he was appointed as an official board member of JA Asia Pacific.

Alexander C. Yu

Vice-Chairman

Alexander C. Yu, 65, Filipino, is a Bachelor of Science in Mechanical Engineering graduate of De La Salle University. He is currently the Vice Chairman of COL since 1999 and the Vice Chairman and Treasurer of CTS Global Equity Group, Inc (formerly, Citisecurities, Inc.) since 1986. He is also currently a Director of COL Securities (HK) Limited since 2001, elected as Director of Caylum Trading Institute in 2013, and Director and Treasurer of Winner Industrial Corp. for more than 10 years. In 1997, he served as a Director of A. Soriano Corporation.

Conrado F. Bate

President and Chief Executive Officer

Conrado F. Bate, 58, Filipino, is a Bachelor of Arts in Economics and Bachelor of Science in Marketing Management graduate of De La Salle University. He is currently the President and Chief Executive Officer of COL and serves as director for COL Investment Management, Inc. He has extensive experience in the Philippine stock brokerage and fund management industry. Prior positions that he held include: Vice President of JP Morgan Philippines in 2002, President and CEO of Abacus Securities Corporation from 1995 to 1997, and Vice President of Fund Management Division of Philamlife Insurance Company from 1990 to 1995. Mr. Bate was a member of the Board of Directors of the Philippine Stock Exchange (2005 to 2006) and served as its Chairman of the Investor Education Committee and Member of the Legislative Committee. He was an independent director of the ATR Kim Eng Asset Management from 2005 to 2010 and serves in the same capacity for Corston-Smith Asset Management Sdn. Bhd. from February 2009 to present.

Wellington C. Yu
Director

Wellington C. Yu, 77, Filipino, finished his BS Chemical Engineering at De La Salle University in 1965 and his MBA and MS Chemical Engineering from the University of Pittsburgh. He is Dean Emeritus of the College of Business of De La Salle University. He was the Senior Vice President of Tropical Rent-A-Car in Hawaii from 1986 to 1990 and President of Suntrips, Inc. of San Jose, California from 1990 to 1997. In 2012, Xavier School San Juan awarded the “Exemplary Alumnus” title to Dean Yu.

Raymond C. Yu
Director

Raymond C. Yu, 67, Filipino, is a Bachelor of Science in Commerce graduate of De La Salle University in 1974. He is currently the President of Winner Industrial Corporation, elected as a director of Caylum Trading Institute in 2013 and a director for more than 16 years of the following corporations: CTS Global Equity Group, Inc (formerly, Citisecurities, Inc.), Cedarside Holdings Corp., Cedarside Industries, Inc., Barrington Carpets, Inc., and Citimex, Inc.

Hernan G. Lim
Director

Hernan G. Lim, 68, Filipino, is currently the President of Hoc Po Feeds Corporation and HGL Development Corporation. Mr. Lim is a Director of Caylum Trading Institute since 2013 and has also been a Director of Citimex, Inc., CTS Global Equity Group, Inc. (formerly, Citisecurities, Inc.), and Barrington Carpets, Inc. for more than 10 years. He holds a Bachelor of Science degree in Electronics and Communications Engineering from the University of Santo Tomas. He also took the Basic Management Course at the Asian Institute of Management.

Paulwell Han
Director

Paulwell Han, 61, Chinese, is a graduate of Business Finance at San Francisco State University, USA. He is currently the Director and General Manager of different corporations located in Hong Kong, namely: Etta Trading Company Limited, Yee Ting Tong Company Limited, Tecworld Investment Co., Ltd., Silver Jubilee Co., Ltd., and Sunning Restaurant.

Hokushin Kido
Director

Hokushin Kido, 43, Japanese, was elected as director on May 15, 2017. He is currently responsible for managing the banking portfolio of the Investment Management Department of Daiwa Next Bank. Previously, he was the head of Global Business Development Section in International Business Planning Department of Daiwa Securities Group Inc., where he promoted international alliance and investment strategy. He has extensive experience in the sales and trading business since he started his career in Daiwa Securities Group Inc. in 2002. He earned his BA in English at Kansai Gaidai University, and his MBA at the University of North Carolina Kenan-Flagler Business School.

Arthur G. Gindap
Independent Director

Arthur G. Gindap, 59, Filipino, is the Senior Vice President & Business Unit General Manager of Robinsons Hotels & Resorts. From 2004 to 2018, he was the Vice President & Regional General Manager of Philippines and Thailand and the Vice President of Global Operations & Customer

Service of the Ascott Limited. Mr. Gindap has over 30 years of experience in the hotel and hospitality industry. Mr. Gindap graduated from Sheridan College in Canada with a degree in Hotel and Restaurant Administration.

Betty C. Siy-Yap
Independent Director

Betty C. Siy-Yap, 59, Filipino, is the SVP and Chief Finance Officer and Chief Risk Officer of Manila Electric Company. She sits in the board of several companies including, among others, Clark Electric Distribution Corporation, CIS Bayad Center, Inc., Meralco Industrial Engineering Services Corporation, MERALCO PowerGen Corporation, and MRail, Inc. She is the President of Lighthouse Overseas Insurance Limited, a Trustee of the Meralco Pension Fund and One Meralco Foundation, Inc., and the Treasurer of First Pacific Leadership Academy, Inc. and MVP Sports Foundation, Inc. She was previously a Director of Rockwell Land Corporation, a member of the Market Governance Board of the Philippine Dealing Exchange Corp., Vice Chairman of the Board of Accountancy of the Professional Regulation Commission, and a Partner of SyCip Gorres Velayo & Co. Ms. Siy-Yap holds a Bachelor of Science in Business Administration and Accountancy from the University of the Philippines and a Master's in Business Administration from J.L. Kellogg School of Management at Northwestern University/The Hong Kong University of Science and Technology.

Roberto C. Benares
Independent Director

Roberto C. Benares, 68, Filipino, currently sits at the Board of Directors of Bank of Commerce, BlastAsia Corporation, and Quokka Development Corporation. He served as the President and CEO of Bank of Commerce from 2013 to 2018 and as Executive Director and later on Managing Director of Maybank ATR Kim Eng Capital Partners, Inc. from 2001 to 2013. Over the years, Mr. Benares held various positions at Asian Alliance Investment as Managing Director, Insular Investment & Trust Corporation as Executive Vice President, Philamlife as Vice President, and United Coconut Planters Bank as Vice President for Account Management. Mr. Benares holds a degree of BS Mechanical Engineering from De La Salle University and has a Master's Degree in Business Management at the Asian Institute of Management.

EXECUTIVE OFFICERS

The key members of the management team, aside from those above mentioned, are as follows:

Catherine L. Ong
Senior Vice President, Chief Financial Officer, and Treasurer

Catherine L. Ong, 69, Filipino, COL's SVP – Chief Financial Officer, is also the Chairman of COL Equity Index Unitized Mutual Fund, Inc. and COL Cash Management Unitized Mutual Fund, Inc., the SVP – Chief Operating Officer of CTS Global Equity Group, Inc (formerly, Citisecurities, Inc.) and Executive Vice President and Treasurer of Cedarside Industries, Inc., Barrington Carpets, Inc., and Citimex, Inc. She has held the latter position for more than 20 years. She was formerly a director of COL. She has extensive experience in banking, having held various positions in Metropolitan Bank and Trust Company (Metrobank). She was an Assistant Vice President and Area Supervisor of Metrobank and served as a Director of Metrobank's subsidiary, Pan Philippines Life Insurance Corp. (now known as Philippine Axa Life). Ms. Ong graduated from the Philippine Women's University with a Bachelor of Science Degree in Business Administration, Major in Accounting.

Juan G. Barredo

Vice President and Chief Customer Experience Officer

Juan “Juanis” G. Barredo, 53, Filipino, Vice President and Chief Customer Experience Officer for COL, oversees the positive operations of COL's Business Center, its Sales division as well as its Premium and Retail Customer Service divisions. He also spearheads the COL Investor Seminar Series, the flagship investor education program of the Company, geared to empower COL customers and the investing public to build their knowledge base through a series of progressive stock market training sessions so that they can confidently invest in the Philippine Stock Market. He has addressed an audience of over 200,000 people nationwide with topics ranging from the basics of stock market investing to introductory and advanced technical analysis seminars. Mr. Barredo holds a Bachelor of Arts degree in Philosophy from De La Salle University in 1990 and is a Certified Securities Representative.

Nikos J. Bautista

Vice President and Chief Technology Officer

Nikos J. Bautista, 52, Filipino, is the Chief Technology Officer of COL. He was also a consultant and a committee member for the Trading System Project of the PSE which was launched successfully mid-2010 and for various projects of the PDEX. He was with the I.T. Department of the PSE as manager, in charge of all the I.T.-related activities of the Exchange from 1993 to 1997. In 1997, he joined Computershare, an Australian-based software development Company specializing in trading systems wherein he took charge of all technical aspects of the business. In 2000, he put up a software development company, Finatechs, Inc., where he served as its President and Chief Executive Officer until 2003. Mr. Bautista is a graduate of De La Salle University with a Bachelor of Computer Science Degree with Masteral Courses in Computer Science.

Lorena E. Velarde

Vice President and Financial Controller

Lorena E. Velarde, 50, Filipino, was appointed as Financial Controller of COL in 2010 after having served as the Company's Head of Accounting from 2001 to 2009. She is concurrently the Associated Person of CTS Global Equity Group, Inc (formerly, Citisecurities, Inc.) and the Treasurer of COL Investment Management, Inc., COL Equity Index Unitized Mutual Fund, Inc., and COL Cash Management Unitized Mutual Fund, Inc.. She was previously the Accounting Department Head of CTS Global Equity Group, Inc (formerly, Citisecurities, Inc.) and Citisec Asset Management, Inc., the fund manager for Citisec Growth and Income Fund, Inc. Before that, she was a Senior Associate in-charge at SyCip Gorres Velayo & Co. which provided her extensive training in tax, accounting and financial reporting. Ms. Velarde graduated from the University of Santo Tomas with a Bachelor of Science Degree in Commerce Major in Accounting in 1991 and became a Certified Public Accountant on the same year.

April Lynn L. Tan

Vice President and Head of Research Department

April Lynn L. Tan, 46, Filipino, has been the head of COL's Research Team since 2003. She is also the Company's chief equity strategist and is a Certified Securities Representative and a Certified Investment Solicitor. She has been doing equities research since 1996 when she joined the research team of Citisecurities, Inc. (now CTS Global Equity Group, Inc.). In 2020, she was voted as “Best Strategist” by the “Fund Managers’ Association of the Philippines”. Outside of her work as an analyst, April writes a weekly column named “Intelligent Investing” for the Philippine Daily Inquirer and hosts the TV show “Insight with April Lee Tan” for ANC. She is an active member of the CFA Society of the Philippines and was the President of the Society from 2009 to 2016. Under her leadership, CFA Philippines won the “Global CFA Institute Research Challenge” thrice and several Society Excellence Awards including the “Most Outstanding Society” for its size. Ms. Tan holds a

Bachelor of Science Degree in Management Engineering from the Ateneo de Manila University. In 2000, she earned the right to use the Chartered Financial Analyst (CFA) designation.

Melissa O. Ng

Assistant Vice President and Head of Operations Department

Melissa O. Ng, 48, Chinese, graduated with a degree of Bachelor of Science in Applied Economics and a Bachelor of Science Degree in Business Management from De La Salle University. She earned her MBA (Silver Medalist) from De La Salle University in 2000. She has been with the Company since 2007 and has previous banking experience from Security Bank and Union Bank of the Philippines.

Sharon T. Lim

Assistant Vice President and Head of Legal and Compliance Departments

Sharon T. Lim, 41, Filipino, started with the Company in 2011 as Compliance and Legal Officer and was appointed as AVP and Head of Legal and Compliance Departments in 2016. She was appointed as Corporate Secretary on November 2018 and also serves as the Corporate Secretary of CTS Global Equity Group, Inc. (formerly Citisecurities, Inc.), COL Equity Index Unitized Mutual Fund, Inc., COL Cash Management Unitized Mutual Fund, Inc., and COL Investment Management, Inc. She was the Head of COL's Human Resources Department from 2016 to 2019. Atty. Lim was previously a Senior Associate of Puyat, Jacinto, and Santos Law Offices and an Associate of Picazo Buyco Tan Fider and Santos Law Offices. She graduated with a degree of Bachelor of Science in Management Engineering from the Ateneo de Manila University, Bachelor of Laws from the University of the Philippines, and Master of Laws (Corporate & Financial Services Law) from the National University of Singapore. She was admitted to the Philippine Bar in 2007, is a licensed Associated Person and Certified Information Privacy Manager.

Gabriel Jose E. Mendiola

Assistant Vice President - Software Development

Gabriel Jose E. Mendiola, 39, Filipino is the AVP – Software Development of COL. He started working at the Company in 2007 as the I.T. Manager, and is currently in charge of the design, development, and evaluation of computer software or systems used by the Company. He is also involved in dictating technical standard, tools, and platforms. Before joining the Company, he worked at Unisys Philippines, Ltd. and at GXS Philippines, Inc. as Senior Software Engineer. Mr. Mendiola is a Computer Science – Information Technology graduate of De LaSalle University.

Joyce G. Chan

Assistant Vice President – Head of Customer Support

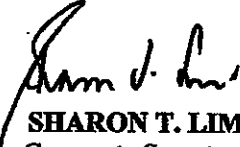
Joyce G. Chan, 36, Filipino graduated with a Bachelor of Arts degree in Communications from Ateneo De Manila University. She started as a Management Associate with the Philam Group of Companies before becoming a Corporate Trainer and Development Officer. She joined COL in 2010 as a Sales Manager and has since then handled the Sales and Customer Support teams in COL. She is a Certified Securities Representative, Certified Investment Solicitor, and a Fellow in the Life Management Institute with Honors.

ANNEX "B"
CERTIFICATION ON
GOVERNMENT EMPLOYMENT

CERTIFICATION


This is to certify that, upon review of the records of COL Financial Group, Inc. (the Corporation) in my possession, none of the members of the Corporation's Board of Directors, including its Independent Directors, are employed by any government agency.

This certification is issued this 13 April 2021 at Pasig City, Philippines.


SHARON T. LIM
Corporate Secretary

Subscribed and sworn to before me this 14th April 2021 at Pasig City, affiant exhibiting to me her Passport No. P1784587A issued at DFA NCR East on 27 January 2017.

Doc No. 460;
Page No. 67 ;
Book No. III ;
Series of 2021.


ATTY. STEPHANIE FAVE B. REYES
For the Cities of Pasig, San Juan
and Municipality of Pateros
Expiring on 31 December 2020
Appointment No. 61 (2019-2020) Pasig City
Roll No. 64239
PTR No. 5242827/01.05.21/Pasig City
IBP LRN 13768/RSM
MCLE Compliance No. VI-0014740/11.13.18
2703C East Tower PSE Centre, Exchange Rd.,
Ortigas Center, Pasig City

Annex "C"

CERTIFICATION OF INDEPENDENT DIRECTORS

I, ARTHUR G. GINDAP, Filipino, of legal age and a resident of Unit CC-1B 110/115 Upper McKinley Road, McKinley Town Center, Fort Bonifacio, Taguig, Metro Manila 1630, after having been duly sworn in accordance with law do hereby declare that:

1. I am an independent director of COL Financial Group, Inc. and have been its independent director since 2019.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Robinsons Hotels and Resorts	Senior Vice President, Business Unit General Manager	2018 - Present

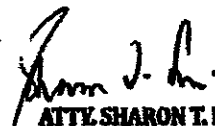
3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of COL Financial Group, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any of the directors, officers or substantial shareholder of COL Financial Group, Inc. and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the corporate secretary of COL Financial Group, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this APR 13 2021, at Pasig City.


ARTHUR G. GINDAP
Affiant

SUBSCRIBED AND SWORN TO BEFORE ME this APR 13 2021 at Pasig City, affiant exhibited to me his Driver's License No. N03-94174273 valid until 15 September 2023.

Doc. No. 100 ;
Page No. 21 ;
Book No. 6 ;
Series of 2021.


ATTY. SHARON T. LIM
Notary Public for the Cities of Pasig,
San Juan and Municipality of Pateros
Until 12-31-21/Appt. No. 103 (2020-2021)
2703C East Tower, Phil. Stock Exchange Centre,
Exchange Rd., Ortigas Center, Pasig City 1605
Roll No. 53601/IBP No. 135384/12-17-20/RSM
PTR No. 5242826/01-05-21/Pasig City
MCLE Compliance No. VI-0010529/04-14-22/Pasig

CERTIFICATION OF INDEPENDENT DIRECTORS

1. **BETTY C. SIY-YAP**, Filipino, of legal age and resident of 7 Caroline Street, Parkway Village, Quezon City, after having been duly sworn in accordance with law do hereby declare that:


1. I am nominated as an independent director of COL Financial Group, Inc.
2. I am affiliated with the companies or organizations indicated in Annex C-2-a.
3. I possess all qualifications and none of the disqualifications to serve as an Independent Director of COL Financial Group, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I am not related to any of the directors, officers or substantial shareholder of COL Financial Group, Inc. and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the corporate secretary of COL Financial Group, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this APR 13 2021, at Pasig City.


BETTY C. SIY-YAP
Affiant

SUBSCRIBED AND SWORN TO BEFORE ME this APR 13 2021, at Pasig City, affiant exhibited to me her PhilHealth ID Number 19-090352236-8.

Doc. No. 99 ;
Page No. 21 ;
Book No. 6 ;
Series of 2021


ATTY. SHARON T. LIM
Notary Public for the Cities of Pasig,
San Juan and Municipality of Pateros
Until 12-31-21/Appt. No. 103 (2020-2021)
2709C East Tower, Phil. Stock Exchange Centre,
Exchange Rd., Ortigas Center, Pasig City 1605
Roll No. 53601/IBP No. 135384/12-17-20/RSM
PTR No. 5242826/01-05-21/Pasig City
MCLE Compliance No. V1-0010529/04-14-22/Pasig

ANNEX "C-2-a"

Company/Organization	Position/Relationship	Period of Service
Radius Telecoms, Inc.	Director	2020 to present
Meralco Financial Services Corporation	Chairman; Director	2020 to present
Meralco Industrial Engineering Services	Director	2020 to present
MIESCOR Logistics, Inc.	Director	2020 to present
MIESCOR Builders, Inc.	Director	2020 to present
MRail, Inc.	Director	2011 to present
Shin Clark Power Holdings, Inc.	Director; Treasurer; Chief Finance Officer	2019 to present
MSpectrum, Inc.	Director	2016 to present
Meralco PowerGen Corporation	Director	2004 to present
MGen Renewable Energy, Inc.	Director	2019 to present
Nortezol III, Inc.	Director	2019 to present
LagunaSol Corporation	Director	2020 to present
Calamba Aero Power Corporation	Director	2011 to present
Atimonan Land Ventures Development Corporation	Director	2011 to present
Atimonan One Energy, Inc.	Director	2013 to present
MPG Holdings Phils., Inc.	Director; President	2013 to present
MPG Mauban LP Corporation (Limited Partner)	Director	2013 to present
Redondo Peninsula Energy, Inc.	Director	2011 to present
eSakay, Inc.	Director	2018 to present
Immaculate Conception Academy	Trustee	July 2019 to present
Ateneo de Manila University	Member, Finance and Budget Committee	July 2020 to present
Union Galvasteel Corporation	Director	August 2020 to present

Luigs

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **ROBERTO C. BENARES**, Filipino, of legal age and resident of 37 Solar Street, Bel-Air Village, Makati City, after having been duly sworn in accordance with law do hereby declare that:

1. I am an independent director of COL Financial Group, Inc.
2. I am affiliated with the following companies or organizations:

Name of Office	Position	Inclusive Dates
Bank of Commerce	Director	29 Apr 2013 - Present
Quokka Development Corp.	Chairman/ Director	2013 - Present
Quokka Corp.	Director	2006 - Present
Pattern Farms Design, Inc.	Director	1990 - Present

3. I possess all qualifications and none of the disqualifications to serve as an Independent Director of COL Financial Group, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I am related to the following director/ officer/ substantial shareholder of COL Financial Group, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/ Officer/ Substantial Shareholder	Company	Nature of Relationship
n/a		


5. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the corporate secretary of COL Financial Group, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this 25th February 2021, at Pasig City.


ROBERTO C. BENARES
 Affiant

SUBSCRIBED AND SWORN TO BEFORE ME this 25th day of February 2021, at Pasig City, affiant exhibited to me his DRIVER'S LICENSE NO. NY-22-200020 i EXPIRING ON JANUARY 1, 2022

Doc. No. 68 ;
 Page No. 15 ;
 Book No. 6 ;
 Series of 2021.


ATTY. SHARON T. LIM
 Notary Public for the Cities of Pasig,
 San Juan and Municipality of Pateros
 Until 12-31-21/App't. No. 103 (2020-2021)
 2703C East Tower, Phil. Stock Exchange Centre,
 Exchange Rd., Ortigas Center, Pasig City 1605
 Roll No. 53601/IBP No. 135304/12-17-20/RSM
 PTR No. 5242826/01-05-21/Pasig City
 MCLE Compliance No. VI-0010529/04-14-22/Pasig

ANNEX “D” MANAGEMENT REPORT

Management's Discussion and Analysis (MD&A) of Financial Condition and Results of Operations

The following is a discussion and analysis of the financial performance of COL Financial and its subsidiaries collectively referred to as “The Group”. The discussion aims to provide readers with an appreciation of its business model and the key factors underlying its financial results. The MD&A should be read in conjunction with the audited consolidated financial statements of the Group filed as part of this report.

A. Company Overview

COL Financial Group, Inc. (“COL”, “COL Financial” or the “Parent Company”), a publicly listed company in the Philippine Stock Exchange (PSE), is the leading online financial services provider in the Philippines. Incorporated on August 16, 1999, COL aims to be the most trusted wealth-building partner of every Filipino, providing practical and ethical financial products through value-driven and innovative solutions to help its customers achieve their financial goals.

After completing and passing the rigid regulatory requirements, COL launched its proprietary online trading platform in January 2001. Through www.colfinancial.com, COL offers real-time market information and execution, superior investing tools and functionalities, and comprehensive stock market research and analysis to guide independent investors in making well-informed investment decisions.

To provide investors with online access to the HK stock market, COL established its wholly-owned foreign subsidiary COL Securities (HK) Limited (the “HK Subsidiary” or “COLHK”) on June 20, 2001. COLHK customers’ access to the global markets was further expanded when COLHK entered into a non-disclosed broker account with Interactive Brokers (IB) in August 2014, which allowed its customers to gain access and electronically trade global equity markets including but not limited to Japan, USA, Singapore, Germany, and China (via Shanghai-Hong Kong Stock Connect).

As part of its commitment to provide more useful products and services to help its customers build genuine wealth, COL launched the Philippines’ first and leading online mutual fund supermarket in July 2015, giving investors access to a wide selection of mutual funds with no sales-load or transaction fees.

To diversify COL’s portfolio as a one-stop shop online platform for capital market products, it set up its own asset management firm in 2019, COL Investment Management Inc. (CIMI), to serve as the fund manager for COL Equity Index Unitized Mutual Fund Inc. (CEIUMF) and COL Cash Management Unitized Mutual Fund Inc. (CCMUF). These subsidiaries are still in pre-operating stages as of end 2020, as the approvals of their applications for secondary registration with the SEC were only issued the last week of December 2020.

Today, COL has reached hundreds of thousands of Filipinos worldwide over the span of two decades, as it remains committed to help more and more Filipinos take control of their financial future through investing.

B. Business Model

COL Financial derives a significant proportion of its revenues from its stock brokerage business in the Philippines. Most of the revenues generated from its Philippine operations include:

- (1) commission generated from stock trades,
- (2) interest income from margin financing, and
- (3) interest income made from short-term placements.

COL also derives revenues from the trail fees arising from its fund distribution business and from commissions earned by its stock brokerage business in HK through its wholly-owned subsidiary COLHK.

With its solid foundation deeply rooted in its core values of passion, integrity, commitment, excellence, and teamwork, COL is well-positioned to capitalize both on the anticipated development of the capital markets as well as the vast opportunities of increasing the retail investor base in the Philippines.

C. Industry and Economic Review

The Philippine stock market as measured by the Philippine Stock Exchange Index (PSEi) had a volatile performance in 2020. After falling by as much as 41.0% during the first quarter, the market rallied strongly beginning the middle of March, ending the year at 7,139.71, down by only 8.6% for the year.

The Philippine stock market initially fell due to the coronavirus pandemic, which negatively affected the outlook of domestic and global economies. To control the spread of the virus and to prevent health care systems from being overwhelmed, governments in the Philippines and around the world, imposed lockdowns to restrict people's mobility.

However, starting in the middle of March, global equity markets including the Philippine stock market began to go up. Aside from cheap valuations, sentiment for stocks improved due to the highly favorable monetary policy of global central banks, led by the U.S. Fed which aggressively cut rates and bought back bonds among other things. Global central banks acted swiftly to prevent liquidity from drying up which usually happens when there is a crisis. Moreover, the resulting drop in interest rates would result to a decline in borrowing costs, encouraging individuals and corporates to spend, partly offsetting the negative impact of the COVID-19 pandemic on the economy. Finally, low interest rates make stocks more attractive to investors given the minimal returns of fixed income products.

In the Philippines, our very own Bangko Sentral ng Pilipinas (BSP) cut benchmark rates by a total of 200 basis points and reduced banks' reserve requirement ratio (RRR) from 14.0% to 12.0%. This helped push down the 10-year bond rate by a total of 146 basis points for the year to only 3.0% as of end December 2020.

Also fueling the market's strong performance were signs that countries around the world were controlling the spread of the virus, allowing economies to reopen. After placing Luzon and most parts of the country under a very strict enhanced community quarantine (ECQ) mid- March, the Philippine government began to slowly reopen the economy in the middle of May, allowing more businesses to resume operations.

Most importantly, in early November, several drug companies (Moderna, Astra Zeneca, Pfizer) announced favorable efficacy results on the phase 3 trials of their COVID-19 vaccines. This was the major catalyst for the stock market's strong performance in the fourth quarter as investors ignored bad

news and focused on the growing likelihood that conditions would start normalizing in 2021 due to the availability of vaccines.

Despite the stock market's strong performance beginning the middle of March, average daily value turnover in the PSE was flat year on year at ₱7.30 billion. Due to the steep decline in share prices and the strict lockdown that was implemented in March, retail investor participation picked up significantly in the Philippines. However, this was offset by the sharp decline in foreign investor participation to 47.0% in 2020 from 57.0% in 2019. Foreign investors also remained net sellers of Philippine stocks by ₱125.00 billion during the period in review. Consequently, stock brokers that focused on retail investors did well while those that focused on foreign investors did poorly.

Like the Philippine stock market and other markets around the world, the HK stock market fell in the early part of the year due to the coronavirus pandemic. However, after rebounding in the second quarter, the HK market moved sideways for the rest of the year, with the three major HK indices - The Hang Seng index (HSI), the Hang Seng China Affiliate Corp. Index (HSCCI), and the Hang Seng China Enterprise Index (HSCEI) – ending 2020 lower by 3.5%, 15.8% and 4.1% compared to their end 2019 levels, respectively. Nevertheless, average daily value turnover in HK still increased strongly by 47.9% to HKD129.10 billion.

D. Business Review

1. Key Performance Indicators

COL is committed to maximize profitability through the efficient use of its capital resources with the ultimate objective of increasing shareholder value. Consequently, COL regularly monitors and reviews the effectiveness of its corporate activities and key performance indicators, which are considered important in measuring the success of implemented financial and operating strategies and concomitant action plans. Set out below are some of its key performance indicators:

	2020	2019
Number of Customer Accounts	438,306	333,171
Customers' Net Equity (in millions)	₱107,755.76	₱73,109.98
Revenues (in millions)	₱1,086.34	₱1,103.47
Return on Average Equity (ROE)	24.0%	26.9%
Risk Based Capital Adequacy Ratio*	353.0%	532.0%
Liquid Capital** (in millions)	HKD26.30	HKD29.00

* Parent Company only

**HK Subsidiary

COL was a major beneficiary of the growing number of mass retail investors in the country. For the year 2020, the Parent Company had a net addition of almost 105,000 accounts and ended the year with more than 438,000 **customer accounts**, higher by 31.6% year-on-year. Aside from the growing popularity of stock trading among retail investors, COL benefited from its strong brand equity, being one of the oldest and largest online stockbrokers in the country. The Parent Company also continues to benefit from its various marketing campaigns aimed at encouraging Filipinos to save and invest through education. In 2020, COL ended the year as the number one stockbroker in the PSE in terms of value turnover, notwithstanding the coronavirus pandemic.

Customers' net equity jumped by 47.4% to ₱107.76 billion as of end 2020 from ₱73.11 billion as of end 2019. Due to the significant growth of COL's client base, the Parent Company saw net new flows amounting to ₱20.97 billion, which more than offset the negative impact of volatile market conditions on the value of consolidated customers' net equity.

Revenues fell slightly, by 1.6% in 2020 to ₱1.09 billion. The drop in revenues was largely due to the 53.3% year-on-year decline in interest income to ₱246.45 million, as average bank deposit rates fell sharply in 2020. On the positive side, this was largely offset by the 47.3% jump in commission revenues to ₱793.89 million resulting from the significant increase in COL's value turnover. Meanwhile, trail fees earned from the distribution of mutual funds were flat at ₱17.3 million as the average non-money market assets under administration (AUA) were also flat at around ₱2.90 billion for both years. Notwithstanding the flattish revenues in 2020, core commission revenues and trail fees accounted for 74.6% of total revenues, up from 50.4% in 2019.

The slight drop in revenues coupled with higher expenses resulted to a 7.5% decline in net income attributable to shareholders to ₱424.31 million. Consequently, **return on average equity (ROE)** fell to 24.0% in 2020 from 26.9% in 2019.

In 2020, both COL and its HK subsidiary continued to meet the stringent rules of regulators in the Philippines and Hong Kong. As of end December 2020, the Parent Company's Risk Based Capital Adequacy Ratio (RBCA) reached 353.0%, well above the minimum requirement of 110.0%. Meanwhile, COL HK had HKD26.30 million of liquid capital. This is also well above the minimum requirement of HKD3.0 million or 5% of adjusted liabilities.

2. Other Financial Soundness Indicators

	2020	2019	Formula
Profitability ratios:			
Return on assets	3.1%	4.5%	Net income/Total assets
Net profit margin	39.1%	41.6%	Net income/Net sales
Solvency and liquidity ratios:			
Current ratio	1.12	1.17	Current assets/Current liabilities
Debt to equity ratio	6.72	4.92	Total liabilities/Stockholders' equity
Quick ratio	1.10	1.12	Liquid assets/Current liabilities

3. Material Changes in Financial Condition

a. 2020 vs. 2019

COL's asset base grew by 34.9% in 2020 to ₱13.70 billion compared to its end 2019 level of ₱10.15 billion. Assets grew largely due to the significant increase in COL's client base and the resulting increase in their equity positions, including their cash balances. This was also reflected in the ₱3.31 billion or 40.5% growth in trade payables to ₱11.50 billion as of end 2020, which is largely comprised of customers' unused cash balances.

Cash and cash equivalents (including cash in segregated account and short-term cash deposits) fell by 32.5% to ₱5.78 billion from ₱8.56 billion. The drop was largely due to management's decision to buy more short-term Government- issued treasury bills to boost interest income given the very low yields on time deposits. As of end 2020, COL owned ₱6.16 billion worth of treasury bills as reflected by the significant jump in investment securities at amortized cost from only ₱200.35 million as of end 2019 to ₱6.46 billion as of end 2020.

Meanwhile, trade receivables increased by 30.7% to ₱1.13 billion. This was largely due to the unsettled receivable from clearing houses amounting to ₱314.42 million as of end 2020 from ₱124.66 million as of end 2019 arising from the selling transactions of customers. These receivables were collected within the first week of January 2021. Margin availments of COL's customers also increased by 21.1% to ₱697.96 million.

Other receivables fell by 20.9% to ₱38.03 million mainly due to lower accrued interest income on short and long-term placements, brought about by the steep decline in interest rates. This was partly offset by the increase in the amount of receivables from fund houses for the redemption proceeds which were settled after the reporting period.

Property and equipment fell by 22.8% to ₱114.81 million due to minimal capital expenditures amounting to only ₱14.06 million during the year versus ₱44.58 million in 2019, and the booking of ₱59.07 million in depreciation expenses. Out of this, ₱11.74 million or 83.0% of the total capital outlay in 2020 was allotted to beef up the hardware requirements of COL to complement the growth in the number of customers and trading volume. Further, the Parent Company completed in 2019 the construction of its off-site Data Center, resulting to much lower spending on furniture, fixtures and equipment and leasehold improvements in 2020.

Other noncurrent assets fell by 10.6% to ₱69.04 million. This was largely due to the write-off of costs related to the development of COL's mobile application since the contracted developer failed to deliver an acceptable product despite numerous revisions and extensions of the project deadline.

Total liabilities increased by 41.2% to ₱11.87 billion as of end 2020. The increase was largely due to the 40.5% growth in trade payables to ₱11.50 billion, which accounted for 96.9% of total liabilities. As mentioned earlier, the significant growth in COL's client base resulted to an increase in their equity positions, including their cash balances which in turn was reflected in higher trade payable.

Other current liabilities jumped by 138.0% to ₱202.22 million primarily due to higher unposted customer deposits received after the processing cut-off period and accrued expenses, taxes and fees resulting from higher trading volumes.

Shareholders' equity increased by 4.9% to ₱1.81 billion due to the booking of ₱424.31 million in net income attributable to equity holders of the Parent Company in 2020, which was partly offset by the payment of ₱333.20 million worth of cash dividends to shareholders.

b. 2019 vs. 2018

COL's asset base fell by 8.7% in 2019 to ₱10.15 billion compared to its end 2018 level of ₱11.12 billion. Assets fell largely due to the 11.3% decline in cash and cash equivalents (including cash in segregated account and short-term cash deposits) to ₱8.56 billion.

Cash and cash equivalents fell by 7.5% from ₱8.90 billion as of end 2018, to ₱8.23 billion as of end 2019 largely due to the decline in clients' net outstanding cash balances.

Meanwhile, trade receivables increased by 6.6% largely due to the unsettled receivable from clearing houses amounting to ₱124.66 million as of end 2019 from nil as of end of 2018 arising from the selling transactions of customers. These receivables were collected within the first week of January 2020. Margin availments of the Parent Company's customers also increased to ₱576.34 million from ₱511.80 million which offset the withdrawal of customer funds of the HK Subsidiary from its account with Interactive Brokers.

Other receivables fell by 7.6% to ₱48.07 million mainly due to lower accrued interest income on short and long-term placements, brought about by the drop in the size of placements.

Property and equipment increased significantly by 95.5% to ₱148.64 million due to capital expenditures amounting to ₱44.58 million incurred by the Parent Company to continuously improve its IT infrastructure. This entailed the purchase of computers, servers, and other related accessories and the renovation of its leased premises. In 2019, the Parent Company already

completed the construction of its off-site Data Center, which will function as the Business Continuity Center (BCC) in case of failures in the office and production site due to natural or man-made disasters that would render operation on its primary sites not possible. The Group also adopted the new accounting standard, Philippine Financial Reporting Standards (PFRS) 16, *Leases* which requires the recognition of right-of-use assets amounting to ₱56.32 million on the leased office premises, warehouse, data centers and parking units currently in use by the Group.

Other noncurrent assets increased by 1.5% to ₱77.22 million. This is largely attributable to development costs related to the Parent Company's mobile software application and contributions to Clearing and Trade Guarantee Fund or CTGF.

Similar to total assets, total liabilities fell by 10.8% to ₱8.40 billion as of end 2019. The drop was largely due to the 11.6% decline in trade payables, which accounted for 97.4% of total liabilities. As of end 2019, trade payables fell to ₱8.19 billion from ₱9.25 billion as of end 2018 as clients' outstanding cash balances declined.

Other current liabilities decreased by 20.7% to ₱84.97 million primarily due to lower accrued bonuses of COL's employees.

Shareholders' equity increased marginally by 1.8% to ₱1.75 billion due to the booking of ₱458.37 million in net income in 2019, which was largely offset by the payment of ₱404.60 million worth of cash dividends to shareholders.

4. *Material Changes in the Results of Operations*

a. 2020 vs. 2019

COL's consolidated revenues in 2020 fell by 1.5% to ₱1.09 billion. Cost of services dropped by 1.7% to ₱207.23 million while operating expenses increased by 11.0% to ₱284.13 million. Provision for income taxes declined by 10.6% to ₱153.83 million. Given weaker revenues and higher operating expenses, net income fell by 7.9% to ₱422.21 million.

COL's consolidated revenues fell marginally by 1.5% to ₱1.09 billion. Revenues fell as the strong growth in commission revenues was not enough to offset the steep drop in interest income as yields on bank deposits and short-term fixed income products fell to record lows.

Commission revenues increased strongly, by 47.3% to ₱793.89 million, as COL benefited from the growing popularity of stock trading among mass retail investors. This raised COL's share in the PSE's value turnover to 8.3% in 2020 from 5.6% in 2019, allowing it to end the year as the number one stockbroker in the local stock exchange.

Meanwhile, trail fees earned from the distribution of mutual funds were flat at ₱17.26 million as the average non-money market assets under administration (AUA) were also flat at around ₱2.90 billion. Nevertheless, the number of clients investing in mutual funds continued to grow, increasing by 34.9% to reach 60,268 as of end 2020 from 44,682 as of end 2019.

Unfortunately, the strong growth in commission revenues was not enough to offset the steep drop in interest income. Despite having a higher cash position, COL's interest income fell by 53.3% to ₱246.45 million. Interest income on investments of unused cash amounting to ₱206.56 million fell by 56.9% as yields on bank deposits and short-term fixed income products fell to record lows due to the BSP's aggressive monetary policy and banks' poor lending appetite. Recall that the BSP reduced the banks' reserve requirement ratio by 200 basis points and cut the benchmark interest rates also by a total of 200 basis points in 2020 to help stimulate the economy which was hurt by the coronavirus pandemic. Meanwhile, bank lending fell by 0.7% in 2020, a first in 14 years, as banks tightened their lending standards amidst higher risk of defaults. Interest on

margin lending, likewise, decreased by 17.1% to ₱39.89 million due to the decrease in the average margin utilization to ₱511.34 million in 2020 compared to its year ago level of ₱616.64 million.

Cost of services fell by 1.7% to ₱207.23 million largely due to the 31.4% drop in commission expenses to ₱27.71 million. Commission expenses fell as the agency and advisory business accounted for a smaller share of total volumes. The decrease in commission expenses was partly offset by the increase in trade related expenses such as stock exchange dues and fees which was up by 61.0% to ₱52.02 million.

Operating expenses were higher by 11.0% to ₱284.13 million. Operating expenses increased largely due to 35.1% increase in personnel costs, professional fees, and management bonus to ₱172.75 million and the 9.2% increase in depreciation and amortization expenses to ₱64.04 million (including depreciation expense from right-of-use assets). In 2020, a bigger portion of the Parent Company's personnel costs was allocated to operating expenses due to the shift in most of its end-to-end business processes to digital platforms to meet the changing business requirements because of the restrictions and limitations in delivering services to its customers because of the pandemic.

On the other hand, various expenses fell sharply as most of the Parent Company's employees were ordered to work from home to protect them from catching the virus. Security and messengerial fell 29.0% to ₱4.71 million, power, light and water was down by 27.1% to ₱4.01 million, while office supplies dropped by 43.1% to ₱2.07 million.

Advertising and marketing expense also fell sharply by 67.9% to ₱5.05 million. Aside from the high base in 2019 which was COL's 20th year anniversary, most marketing activities were done online in 2020, leading to significant cost savings.

Representation and entertainment expense also dropped by 90.8% to ₱287,338 as meetings were mostly done virtually in 2020 to reduce the risk of catching the virus.

Due to the aforementioned factors, operating income fell by 6.5% to ₱594.98 million. Meanwhile, pre-tax profits fell by a faster pace of 8.6% to ₱576.04 million. This was largely due to management's decision to write-off ₱12.41 million in costs related to the development of COL's mobile application during the year since the contracted developer failed to deliver an acceptable product despite numerous revisions and extensions of the project deadline.

Consolidated net income dropped by a slightly slower pace of 7.9% to ₱422.21 million as provision for income tax fell by 10.6% to ₱153.83 million largely due to lower amount of final taxes paid on interest income from placements.

b. 2019 vs. 2018

COL's consolidated revenues in 2019 fell by 6.5% to ₱1.10 billion. Cost of services dropped by 13.5% to ₱210.81 million while operating expenses increased by 5.8% to ₱255.98 million. Provision for income taxes declined by 19.7% to ₱172.02 million. Given weaker revenues and higher operating expenses, net income fell by 10.6% to ₱458.37 million.

COL's consolidated revenues fell as the strong growth in interest income and trail fees was not enough to offset the double-digit decline in commission revenues, trading gains and other income.

Interest income grew strongly as higher interest rates and the tight liquidity condition of banks during the first half of the year resulted to higher bank deposit rates. Recall that high inflation in 2018 prompted the BSP to raise interest rates by a total of 175 basis points during the said year.

Meanwhile, banks were suffering from tight liquidity as their loans to deposit ratios were already very high. Given the high interest rate environment, COL's total interest income increased by 25.0% to ₱527.72 million despite COL's lower cash position in 2019.

Meanwhile, trail fees earned from the distribution of mutual funds continued to grow, increasing by another 17.9% to ₱17.34 million. More COL clients invested in mutual funds, reaching 44,682 as of end 2019, up from 36,349 as of end 2018. This was largely responsible for the increase in average AUA by 13.0% year-on-year to ₱3.20 billion.

However, commission revenues were weak, dropping by 23.3% to ₱539.05 million. Commission revenue fell as COL's share in the PSE's value turnover fell to 5.6% in 2019 from 7.5% in 2018. Compared to 2018, market activity shifted to more large cap index names which retail investors do not actively trade.

Cost of services fell by 13.5% to ₱210.81 million largely due to the 33.4% drop in commission expenses to ₱40.39 million. Aside from the overall decline in value turnover, the commission sharing scheme was also restructured.

Operating expenses were up by 5.6% to ₱255.98 million. Operating expenses increased largely due to depreciation and amortization expenses which more than doubled to ₱58.68 million in 2019 from ₱25.81 million in 2018 due to the high capex spent during the past few years and the recognition of depreciation expense from right-of-use assets amounting to ₱26.21 million in compliance with PFRS 16.

Personnel costs, professional fees, and bonuses, which account for 48.8% of operating expenses, fell by 5.1% to ₱127.85 million. Although personnel costs and professional fees combined were flat year-on-year at ₱110.96 million, this was offset by the 31.6% drop in bonuses in 2019 to ₱16.89 million.

Advertising and marketing expenses increased by 35.6% to ₱15.72 million. The Parent Company spent more in 2019 in celebration of COL's 20th anniversary. It also continued to spend on creating and distributing digital content to promote the COL brand and to reach a larger number of prospective customers.

As discussed earlier, depreciation and amortization jumped by 127.3% to ₱58.68 million in 2019 from ₱25.81 million in 2018 due to large capital expenditures for the past few years and the adoption of PFRS 16. Note that COL invested more on its IT infrastructure in line with efforts to continuously improve the service quality it provides to its customers. It also opened a number of Investor Centers in key cities outside Metro Manila during the past few years. From 2017 to 2019, total capital expenditures reached ₱135.10 million.

Due to the aforementioned factors, and the low base effect created by the reversal in 2018 of the allowance on impairment losses amounting to ₱13.72 million on the initial contribution to the CTGF and the recognition as other income of the monthly contributions previously charged to expenses amounting to ₱21.51 million in 2018, operating income fell by ₱96.27 million or 13.2% to ₱630.39 million. Net income dropped by a slower pace of 10.6% to ₱458.37 million as provision for income tax fell by 19.7% to ₱172.02 million.

5. Other Matters

- a. COL is not aware of any known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity. The Group has not defaulted in paying its obligations, which arise mostly from withdrawals made by customers. In addition, obligations of the Parent Company are fully funded in compliance with the Securities Regulation Code (SRC) Rule 49.2 while COLHK Subsidiary maintains a fund for the

exclusive benefit of its customers in compliance with the regulations of the Securities and Futures Commission of Hong Kong.

- b. COL is not aware of any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.
- c. COL is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Group with other persons created during the reporting period.
- d. COL is not aware of any material commitments for capital expenditures.
- e. COL is not aware of any known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations of the Group.
- f. COL is not aware of any significant elements of income or loss that did not arise from the Group's continuing operations.
- g. COL is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations of the Group.

E. Prospects for the Future

1. Near-Term Prospects

Stock brokers in the Philippine stock market are expected to encounter both challenges and opportunities in 2021. Although the Philippine economy is expected to recover this year from a very weak 2020, the country is still suffering from high inflation, rising infections and delays in the roll out of vaccines, negatively affecting the pace of the recovery. This in turn is hurting sentiment for local stocks, especially from foreign investors who continue to reduce their positions in the local market.

On the positive side, stock brokers catering to retail investors continue to benefit from the growing number of mass retail investors. Also, there are more companies planning to list in 2021 which should help boost value turnover and growth the size of the market capitalization of the local stock market.

Meanwhile, COL's HK operations will most likely remain a small contributor to total revenue in 2021 as we focus our resources on our Philippine business.

2. Medium to Long-Term Prospects

The medium to long term outlook of the Philippine market remains very attractive. Once the country overcomes the pandemic induced crisis, the economy is expected to maintain its above average growth pace, driven by the Philippines' favorable demographics, the significant size of our resilient OFW remittances and the attractive growth prospects of our BPO sector. The passage of the Tax Reform for Acceleration and Inclusion (TRAIN) law in 2017 will also provide the government with enough funds to boost spending on education, health care and infrastructure, while the passage of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) bill in 2021 will boost corporate earnings and improve the Philippines' competitiveness in attracting more foreign direct investments, helping create more jobs for Filipinos.

Meanwhile, the Philippine Stock Exchange has various initiatives that should help boost activity in the local stock market. Among them are the relaxation of listing rules, and allowing short selling. Coupled with the very low penetration rate of retail investors in the stock market and the economy's

favorable growth outlook, the said factors should bode well for the performance of the Philippine stock market and for COL going forward.

F. Market Price and Dividends

1. *Market Information*

The common shares of COL Financial were listed at the PSE on July 12, 2006 under the ticker symbol "COL". The total number of outstanding shares of COL as of December 31, 2020 is 476,000,000 with a market capitalization of ₱16.18 billion as of the end of 2020, based on the closing price of ₱34.00 per share.

The high and low sales prices of COL shares transacted at the PSE for each quarter within the last two (2) years are as follows:

	2020		2019	
	High	Low	High	Low
1 st Quarter	18.50	15.00	19.20	16.00
2 nd Quarter	17.70	14.90	19.20	18.50
3 rd Quarter	27.00	17.50	18.80	18.20
4 th Quarter	34.00	25.60	18.66	18.00

On December 28, 2020, the SEC approved the amendment of the Articles of Incorporation of the Parent Company which includes, among others, a 10-for-1 stock split. Thus, Article Seventh was amended as follows:

From	To
That the authorized capital stock of said corporation is ONE BILLION PESOS (1,000,000,000.00), Philippine currency, and said capital stock is divided into ONE BILLION (1,000,000,000) shares of common stock with a par value of ONE PESO (₱1.00) per share.	That the authorized capital stock of said corporation is ONE BILLION PESOS (1,000,000,000.00), Philippine currency, and said capital stock is divided into TEN BILLION (10,000,000,000) shares of common stock with a par value of TEN CENTAVOS (₱0.10) per share.

This change was implemented by the PSE on January 12, 2021.

The high and low prices of COL at the PSE on April 23, 2021 were ₱3.95 and ₱3.93, respectively.

2. *Holder of Common Equity*

As of March 31, 2021, there are thirty-two (34) holders of common shares of COL. The top twenty (20) common shareholders of the Parent Company are as follows:

	Name	No. of Common Shares Total	Percentage of Total Shares Outstanding held by each
1	PCD Nominee Corporation	2,560,231,910	53.7864
2	PCD Nominee Corporation	1,303,229,040	27.3788
3	Lee, Edward K.	622,500,000	13.0777
4	Yu, Alexander C.	200,000,000	4.2017

	Name	No. of Common Shares Total	Percentage of Total Shares Outstanding held by each
5	Ang, Valentina L.	50,000,000	1.0504
6	Lee, Lydia	10,000,000	0.2101
7	Tan, Jessalynn L.	10,000,000	0.2101
8	Lim, Hernan G.	1,000,000	0.0210
9	Yu, Raymond C.	1,000,000	0.0210
10	Han, Paulwell	1,000,000	0.0210
11	Ong, Catherine L.	500,000	0.0105
12	Barretto, Serafin Jr. P.	120,000	0.0025
13	Estacion, Manuel	100,000	0.0021
14	Yu, Wellington C. Or Yu, Victoria O.	100,000	0.0021
15	Villanueva, Myra P.	60,000	0.0013
16	Filio, Sernando	50,000	0.0011
17	Gara, Rosario	50,000	0.0011
18	Khoo Boo Boon	10,000	0.0002
19	Hapi Iloilo Corporation	10,000	0.0002
20	Litman, Joel A.	10,000	0.0002
	TOTAL	4,759,970,950	99.9994

3. Dividends

a. Cash Dividends

Year	Amount / Share	Type	Ex-Date	Record Date	Payment Date
2020	₱0.18	Regular	April 27, 2020	April 30, 2020	May 27, 2020
	₱0.52	Special	April 27, 2020	April 30, 2020	May 27, 2020
2019	₱0.21	Regular	April 11, 2019	April 16, 2019	May 3, 2019
	₱0.64	Special	April 11, 2019	April 16, 2019	May 3, 2019

b. Dividend Policy

The Board of Directors of COL, in its meeting held on April 26, 2007, approved a policy of declaring an annual regular cash dividend of twenty per cent (20%) of its net income. The payment of dividends shall be taken out of the unappropriated retained earnings of the Parent Company. There are no restrictions that limit payment of dividends on common shares.

4. Recent Sales of Unregistered or Exempt Securities

There was no sale of unregistered or exempt securities as of December 31, 2020.

5. Discussion on Compliance with leading practice on Corporate Governance

- a. Compliance with the Parent Company's Corporate Governance Manual is being monitored regularly by the Compliance Officer. Orientation and workshop meetings are held to operationalize the Manual. As a guide, the Parent Company uses the Corporate Governance Scorecard for Publicly-listed Companies as its evaluation system to measure level of compliance with its Manual.
- b. A continuing and on-going review and evaluation of the Parent Company's key result areas and key performance indicators of all its departments are being closely monitored to ensure

that measures are being undertaken to fully comply with the Company's adopted leading practices on good governance.

- c. There are no deviations from the Parent Company's Manual on Corporate Governance that it is aware of.
- d. The Parent Company continues to review and evaluate its policies and measures being undertaken to continue to adhere to the principles and practices of good corporate governance.

ANNEX "E"

COL FINANCIAL GROUP, INC.
Annual Stockholders' Meeting
2 June 2020, Tuesday, 2:00 P.M.
conducted virtually via <https://shareholders.colfinancial.com>

<i>Shareholders Present:</i>	<i>No. of Outstanding and Voting Shares</i>	<i>Percentage of Total</i>
	412,991,289	86.76%

1. Call to Order and Proof of Notice

The Chairman of the Board called the meeting to order. The Corporate Secretary ("Secretary") reported that on 13 March 2020, copies of the Definitive Information Statement, together with the Notice and Agenda for the Stockholders' Meeting then scheduled for 3 April 2020 and the Audited Consolidated Financial Statements were sent to the Securities and Exchange Commission ("SEC"), the Philippine Stock Exchange, the Corporation's stock transfer agent Professional Stock Transfer, Inc., and all stockholders as of then record date of 13 March 2020.

The Secretary also reported that on 16 March 2020, in light of the declared enhanced community quarantine over Metro Manila, the Board decided to postpone the Stockholder's Meeting until further notice.

The Secretary further stated that on 4 May 2020, the Corporation filed with the SEC an amended Definitive Information Statement to reflect the new meeting date of 2 June 2020 as well as the revised methods by which the stockholders may attend and vote during the Meeting. Pursuant to the SEC Notice dated 20 April 2020, stockholders as of record date of 15 May 2020 were notified of the meeting as follows:

- the Notice of the Meeting was published in the print and on-line business sections of the Daily Tribune and Business World on 7 and 8 May 2020; and
- electronic copies of the Amended Information Statement were also made available through the Company's website, the ASM Portal, and the PSE Edge.

2. Determination of Quorum, Instruction on Rules of Conduct, and Voting Procedures

The Secretary certified that there was a quorum for the meeting with stockholders owning Four Hundred Twelve Million Nine Hundred Ninety-One Thousand Two Hundred Eighty-Nine (412,991,289) shares constituting Eighty-Six point Seventy-Six percent (86.76%) of the subscribed and outstanding capital stock entitled to vote who are present in the meeting.

The Chairman noted that although the Corporation is holding the meeting in a virtual format because of government regulations that prevent the holding of in-person meetings, it strived to provide the shareholders the opportunity to participate in the meeting to the same extent possible as in an in-person meeting.

Thereafter, the Secretary explained that the rules of conduct and voting procedures were set forth in the Definitive Information Statement which formed part of the Notice of Annual Stockholders meeting. She highlighted the following points:

- Stockholders who registered in the ASM Portal by 22 May 2020 may send their questions or comments to the Board either by email to corporatesecretary@colfinancial.com or by inputting their questions or comments directly in the ASM Portal.
- There are 6 resolutions, excluding the election of directors, proposed for adoption by the stockholders. Each proposed resolution will be shown on the screen as the same is being taken up.
- Stockholders could cast their votes on the proposed resolutions and in the election of directors beginning 26 May 2020 through the ASM Portal. The polls will remain open until 3PM of 2 June 2020 for stockholders who successfully registered in the Portal to cast their digital ballots.
- The votes cast as of 1 June 2020 after the end of the proxy validation process have been tabulated. These votes are from stockholders owning Four Hundred Twelve Thousand Nine Hundred Ninety-One Thousand Two Hundred and Eighty-Nine (412,991,289) representing one hundred percent (100%) of the total voting shares represented in this meeting and Eighty-six point Seventy-Six (86.76%) percent of the total outstanding voting shares, which preliminary tabulation will be referred when reporting the voting results during the meeting. However, the results of the final tabulation of votes, with full details of the affirmative and negative votes and abstentions, will be reflected in the minutes.

3. Approval of the Minutes of the Previous Meeting

The Chairman presented the minutes of the previous stockholders' meeting held on 29 March 2019. Upon motion made and duly seconded, the stockholders passed and approved the following resolution:

"RESOLVED, that the minutes of the meeting of the stockholders held on 29 March 2019 be, as it is hereby confirmed, ratified and approved."

As tabulated by the Secretary, the votes on the motion for the approval of the minutes of the 29 March 2019 Stockholders' Meeting were as follows:

	Yes	No	Abstain
Approval of the Minutes of the Previous Meeting	412,991,289	-	-

4. President's Report for 2019

Upon motion made and duly seconded, the stockholders passed and approved the following resolution:

"RESOLVED, that the stockholders of the Corporation hereby adopt the report of the President for the year 2019."

As tabulated by the Secretary, the votes on the motion for the adoption of the President's Report for 2019 were as follows:

	Yes	No	Abstain
Adoption of the 2019 President's Report	412,991,289	-	-

5. Ratification of all Acts, Investments, and Resolutions of the Board of Directors and Management from 29 March 2019 up to 31 December 2019

Upon motion made and duly seconded, the stockholders passed and approved the following resolution:

"RESOLVED, that all acts, investments, and resolutions of the Board of Directors and Management from 29 March 2019 up to 31 December 2019 be, as they are hereby confirmed, ratified, and approved."

As tabulated by the Secretary, the votes on the motion for the ratification of all acts, investments, and resolutions of the Board of Directors and Management were as follows:

	Yes	No	Abstain
Ratification of all acts, investments, and resolutions of the Board and Management from 29 March 2019 up to 31 December 2019	412,991,289	-	-

6. Approval of the 2019 Audited Financial Statements

Upon motion made and duly seconded, the stockholders passed and approved the following resolution:

"RESOLVED, that the audited financial statements for the year ended December 31, 2019 be, as the same are, hereby approved."

As tabulated by the Secretary, the votes on the motion for the approval of the 2018 Audited Financial Statements were as follows:

	Yes	No	Abstain
Approval of the 2019 Audited Financial Statements	412,991,289	-	-

7. Election of Directors for the year 2020 – 2021

The next item in the agenda was the election of Directors for the year 2020-2021. On behalf of the Nominations Committee, the Secretary reported that the committee received nominations for and pre-screened the following 11 persons as members of the Corporation's Board of Directors:

Mr. Edward K. Lee
Mr. Alexander C. Yu
Mr. Conrado F. Bate
Mr. Hernan G. Lim
Mr. Raymond C. Yu
Mr. Wellington C. Yu
Mr. Paulwell Han
Mr. Arthur Gerrard Gindap
Mr. Khoo Boo Boon
Ms. Catherine L. Ong
Mr. Hokushin Kido

Out of 11 nominees, 2 were nominated for the position of independent director, namely, Mr. Khoo Boo Boon and Mr. Arthur G. Gindap.

The Chairman requested the Secretary to report on the results of the election. In response, the Secretary reported that based on the partial tabulation of votes, each of the nominees of directors garnered at least 395,926,519 votes. The Secretary certified that each nominee received sufficient votes for election to the Board.

Upon motion made and duly seconded, the stockholders passed and approved the following resolution:

"RESOLVED, to elect the following as directors of the Corporation for the year 2020-2021:

Mr. Edward K. Lee
Mr. Alexander C. Yu
Mr. Conrado F. Bate
Mr. Hernan G. Lim
Mr. Raymond C. Yu
Mr. Wellington C. Yu
Mr. Paulwell Han
Mr. Arthur Gerrard Gindap
Mr. Khoo Boo Boon
Ms. Catherine L. Ong
Mr. Hokushin Kido"

After final tabulation by the Secretary, it was determined that each nominee received the following number of votes:

	Yes	No	Abstain
1. Edward K. Lee	490,463,394	-	-
2. Alexander C. Yu	412,086,089	-	-

	Yes	No	Abstain
3. Conrado F. Bate	410,775,594	-	-
4. Hernan G. Lim	396,776,519	-	-
5. Raymond C. Yu	396,026,519	-	-
6. Wellington C. Yu	396,776,519	-	-
7. Paulwell Han	396,026,519	-	-
8. Arthur Gerrard Gindap	395,926,519	-	-
9. Khoo Boo Boon	396,026,519	-	-
10. Catherine L. Ong	407,199,019	-	-
11. Hokushin Kido	396,026,519	-	-

8. Approval of the Amendment of Articles IV And VII of the Corporation's Articles of Incorporation

Upon motion made and duly seconded, the stockholders passed and approved the following resolutions:

"RESOLVED, that the following amendments of Articles IV and VII of the Corporation's Articles of Incorporation be, as the same are hereby approved:

FOURTH: That the corporation shall have a perpetual existence.

x x x

SEVENTH: That the authorized capital stock of said corporation is ONE BILLION PESOS (1,000,000,000.00), Philippine currency, and said capital stock is divided into TEN BILLION (10,000,000,000) shares of common stock with a par value of TEN CENTAVOS (0.10) per share."

As tabulated by the Secretary, the votes on the motion for the amendment of Articles IV and VII of the Corporation's Articles of Incorporation were as follows:

	Yes	No	Abstain
1. Approval of the amendments of Articles IV (Perpetual Term)	412,991,289	-	-
2. Approval of the amendments of Articles IV (Stock Split)	412,991,289	-	-

9. Appointment of External Auditor

Upon motion made and duly seconded, the stockholders re-appointed Sycip, Gorres & Velayo as the Company's external auditor by approving the following resolution:

"RESOLVED, that SGV & Company, Certified Public Accountants, be, as they are hereby, re-appointed as external auditors of the Company for the year 2020-2021."

As tabulated by the Secretary, the votes on the motion for re-appointment of the external auditor of the Company for the year 2020-2021 were as follows:

	Yes	No	Abstain
Appointment of External Auditor	412,991,289	-	-

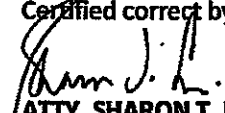
10. Other Matters and Adjournment

The Chairman informed the stockholders that the Board approved the declaration of cash dividends to all stockholders of record as of 30 April 2020, as follows: Php0.18 as regular cash dividend and Php0.52 as special cash dividend or a total of Php0.70 for the year.

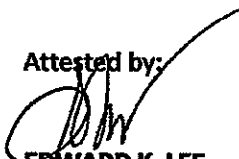
The Chairman then entertained questions received through the ASM Portal.

There being no other matters to take up and upon motion duly seconded, the meeting was adjourned.

Certified correct by:


ATTY. SHARON T. LIM
Corporate Secretary

Attested by:


EDWARD K. LEE
Chairman

ANNEX “F”
SUMMARY OF ACTS OF THE BOARD OF DIRECTORS FOR THE YEAR 2020
FOR RATIFICATION OF STOCKHOLDERS

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>
20 Jan 2020	Regular BOD Meeting	1	“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is authorized to apply for and obtain Cash Management Services (CMS) including Electronic Banking Services (EBS) offered by Maybank Philippines, Inc., hereinafter referred to as the “Bank” and open and maintain the required accounts such as but not limited to the following: Deposit Accounts, Current Accounts and/or Trust Accounts (collectively, the “Deposit Account/s”) which may be necessary and required for the efficient operation of the CMS and EBS with the Bank, Marikina Branch, or any other branch of the Bank where it shall require the signatures of any two (2) of the following signatories;

<u>Name</u>	<u>Position</u>
Edward K. Lee	Chairman
Alexander C. Yu	Vice-Chairman
Conrado F. Bate	President & CEO
Catherine L. Ong	SVP / CFO and Treasurer
Juan G. Barredo	Vice President
April Lynn L. Tan	Vice President

RESOLVED FURTHER, that the above signatories shall be authorized to sign the Maybank2E- Regional Cash- User Profile & Access Matrix Form, which may be amended by the Corporation from time to time, subject to the Bank’s terms and conditions.

RESOLVED FURTHER, that the above signatories are authorized to execute, sign and deliver any or all paper and documents required for the acceptance of the CMS and EBS and the opening and efficient operation and maintenance of the CMS, EBS and the Deposit Accounts in behalf of the Corporation, including all checks, withdrawal slips, drafts and other acceptable orders for the payment of money drawn against the Deposit Account/s; endorse checks, drafts and other instruments for deposit to the credit of the Corporation and/or for collection for the account of the Corporation.

RESOLVED FURTHER, that the named signatories signing in the manner indicated above are likewise authorized and empowered by the Corporation to transact corporate business of whatever kind or nature with or through the Bank, at any time and for such amount/s and under such terms as may be determined by said officers including, but without limiting the generality of the foregoing, the authority to invest the funds of the Corporation, through the investment outlets / deposit products of the Bank such as time deposits, money market, fixed income securities, or trust and other deposit placements; borrow, apply for, negotiate and/or secure credit accommodations/facilities from the Bank such as letters of credit, loans, etc., under such terms and conditions deemed by said officers to be advantageous to the Corporation, effect amendments, renewals or extensions thereof, with or without security, and/or bind the Corporation as guarantor or surety to the obligation of third persons to the Bank; assign, mortgage or otherwise hypothecate any and all properties of the Corporation, real or personal, to secure the due and full payment of the obligations of the Corporation and/or third parties to the Bank; make, execute and/or deliver to the Bank any and all documents / agreements / negotiable instruments necessary to effect the corporate transactions that may be entered into by said officer with the Bank, such as investment agreements, letters of credit, draft, bills of exchange, trust receipts, undertakings, guaranties, surety agreements, assignments, pledges, mortgages and to rent a safety deposit box, etc.; enter into settlements with the Bank in all matters affecting the corporate transactions made in accordance with the authorities granted herein.

RESOLVED FURTHER, that any one (1) of the aforementioned signatories is duly authorized to sign singly all withdrawals or disbursements in the amount of Fifty Thousand Pesos (Php50,000.00) or less.

Date Meeting Resolution
No.

Resolution

RESOLVED FURTHER, that for purposes of the operation of the Corporation's checking account under the Check Cutting System, the Corporation hereby authorizes the Bank to prepare the details of the checks on the basis of a list of payees to be provided by the Corporation, payable on such dates and for such amounts as may hereafter be directed by the Corporation in writing and duly transmitted to and received by the Bank.

RESOLVED, AS IT IS HEREBY RESOLVED, that for Corporate Checks, the Bank is hereby authorized to affix the digital signatures of the Corporation's signatories on the checks for the purpose of giving effect thereto via the Bank's electronic signature printer.

RESOLVED, AS IT IS HEREBY RESOLVED, that for Manager's Checks, the Bank is hereby authorized to affix the digital signatures of the Bank's signatories on the checks for the purpose of giving effect thereto via the Bank's electronic signature printer.

RESOLVED, FURTHER, that the Bank be authorized to recognize and accept checks bearing the digital signature/s of the abovementioned authorized signatories and hereby holds the Bank free and harmless from any loss, damage or liability that may arise therefrom.

RESOLVED, FURTHER, that with above authorized signatories, the Corporation is authorized to enter into a facsimile/email instruction agreement with the Bank pertaining to or in connection with the Corporation's availment of above-mentioned services and/or deposit accounts of the Corporation with the Bank, under such terms and conditions the Corporation and the Bank may agree, as evidenced by the pertinent agreement entered by the Corporation and the Bank.

RESOLVED FINALLY, that any and all corporate transactions entered into by above named officers of the Corporation pursuant to the foregoing resolutions, shall be valid and binding against the Corporation and its successors and assigns until the Bank shall have received a notarized Corporate Secretary's Certification of a Board Resolution of the Corporation revoking or modifying the aforesaid Board Resolutions."

20 Jan Regular BOD 2
2020 Meeting

"RESOLVED, that COL Financial Group, Inc. (the "Corporation") hereby designates Asia United Bank and/or any of its branches (the "Bank") as a depository bank of the Corporation, and the officers, employees, and agents of the Corporation are authorized to deposit any of the Corporation's funds in the Bank, and the Bank is hereby authorized to pay, encash or otherwise honor and charge to this Corporation any and all checks, bills of exchange, orders or other instruments for the payment of money or withdrawal of funds when signed, made, drawn, accepted or endorsed on behalf of or in the name of the Corporation by any two (2) of the following officers:

<u>Name</u>	<u>Position</u>
Edward K. Lee	Chairman
Alexander C. Yu	Vice-Chairman
Conrado F. Bate	President & CEO
Catherine L. Ong	SVP / CFO and Treasurer
Juan G. Barredo	Vice President
April Lynn L. Tan	Vice President

RESOLVED FURTHER, that any two (2) of the above named officers are hereby authorized to apply, negotiate for and obtain credit facilities with the Bank in such amount as the Corporation may deem necessary under such terms and conditions as may be approved by the Bank, including the renewal, extension and/or increases thereof and to make and deliver notes, drafts, acceptances, waivers (including, but not limited to the secrecy of bank deposits), agreements and any other obligation of this Corporation, in the form satisfactory to the Bank and as security therefore, to assign, mortgage, pledge, or otherwise encumber

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>
			<p>corporate assets, securities, receivables, deposits, contract rights and equipment now held or may be held by and belonging to the Corporation and acceptable to the Bank;</p> <p>RESOLVED FURTHER, that Ms. Catherine L. Ong is hereby authorized to apply for and access the Corporation's account through the Bank's electronic banking services such as internet banking and mobile banking systems in as far as the following transactions are concerned, thereby waiving the dual signature requirement for Corporate Account:</p> <ol style="list-style-type: none"> 1. Account History Inquiry 2. Account Balance Inquiry <p>RESOLVED FINALLY, that all foregoing authorities shall remain in full force and effect unless revoked by a subsequent certification from the Corporate Secretary, duly notarized and actually received by the Bank at its office wherein the account/s of the Corporation is/are then maintained, setting forth a resolution to that effect, certified to have been adopted by the Board of Directors of the Corporation, provided that such subsequent certification shall not be effective with respect to any exercise of any of the foregoing authorities granted herein prior to the receipt thereof, nor with respect to any checks or other instruments for the payment of money or withdrawal of funds dated prior to the date of such certification but presented to the Bank after receipt of the same. Further, the Bank is hereby authorized at all times to rely upon the latest certification received by it when so certified by the Corporate Secretary of the Corporation."</p>
07 Feb 2020	Regular BOD Meeting	3	<p>"RESOLVED, that the Annual Stockholders' Meeting of the Corporation be scheduled on April 3, 2020;</p> <p>RESOLVED, FURTHER, that the closing of the stock & transfer book shall be on March 13, 2020 to March 20, 2020."</p>
07 Feb 2020	Regular BOD Meeting	4	<p>"RESOLVED, that COL Financial Group, Inc. (the "Corporation") hereby authorizes the amendment of Article IV and VII of its Articles of Incorporation, as follows:</p> <p>FOURTH: - That the corporation shall have a perpetual existence.</p> <p>SEVENTH: - That the authorized capital stock of said corporation is One Billion Pesos (1,000,000,000.00), Philippine currency, and said capital stock shall be divided into <u>Ten Billion (10,000,000,000)</u> shares of common stock with par value of <u>Ten Centavos (P0.10)</u> per share.</p> <p>xxx"</p>
07 Feb 2020	Regular BOD Meeting	5	<p>"RESOLVED, as it is hereby resolved, that COL Financial Group, Inc. (the "Corporation") shall transact with BDO Unibank, Inc. or any of its branches, its subsidiaries, affiliates and non-bank financial institutions, such as BDO Leasing and Finance, Inc., BDO Rental, Inc., BDO Private Bank, Inc., BDO Insurance Brokers Inc., and BDO Securities Corporation, [singularly or collectively referred to as "the Bank"] for the obtainment of loan facilities and availment of banking products and services;</p> <p>RESOLVED, FURTHER, as it is hereby resolved, that in this regard, the Corporation shall be authorized to do the following:</p> <ol style="list-style-type: none"> 1. <u>Open And Maintain Depository Accounts.</u> To open, maintain and manage in the name of the Corporation, any number of peso or foreign currency savings / current / time and other accounts with the Bank or any of its branches ("Depository Accounts"), and in this regard, to: <ol style="list-style-type: none"> 1a. Deposit to and withdraw from the Depository Accounts, in whatever form and manner, and in such amount as the Corporation may deem appropriate or necessary;

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>
			<p>1b. Transfer from and to the Depository Accounts to other corporate, partnership, cooperative and/or individual accounts under different account names being maintained at branch of account or other Bank branches.</p> <p>1c. Close the Depository Account and ask, demand, sue for, collect, and receive the proceeds of the Depository Account in the name of the Corporation;</p> <p>1d. Receive, accept, endorse and negotiate all checks, drafts, or orders of payment payable to the Corporation or its order which may require the Corporation's endorsement;</p> <p>1e. Request for issuance of certificates of bank deposits/placements in favor of various institutions, both government and/or private, relative to the Corporation's accounts and authorizing the Bank to disclose any and all information relative thereto as requested by the addressee institution;</p> <p>1f. Consent to or allow the (a) enrollment, use, and aggregation of the Corporation's Depository Accounts with the Bank for purposes of compliance by its subsidiaries and/or affiliates with any average daily balance requirement (ADB) of the Bank; and (b) enrollment and use of the Corporation's Depository Accounts with the Bank to serve as debit account/s to fund the needs/requirements of its subsidiaries and/or affiliates, subject to existing policies of the Bank thereon;</p> <p>2. <u>Open and Maintain Corporate Card Account.</u> To apply, establish, maintain and manage in the name of the Corporation, any number of Corporate Card account of any Card brand / product offered by the Bank, including but not limited to Purchasing, Distribution and Fleet Card, with the Bank or any of its branches, hereinafter to be referred to as "Corporate Card Accounts", and in this regard, to:</p> <p>2a. Authorize the Bank to issue Corporate Cards from said Corporate Card Accounts to the Corporation's qualified officers or employees ("Assignees");</p> <p>2b. Fully pay and settle any and all purchases made and/or expenses incurred by said Assignees through the use of the issued Corporate Cards, including interest and service charges that may accrue thereto;</p> <p>3. <u>Avail of Products and Services.</u> To apply for, avail, and/or register for any and all products and services offered by the Bank, including but not limited to:</p> <p>3a. Balance inquiries, bills payments, funds transfers from and to the Depository Accounts to other corporations, partnerships, cooperatives and/or individuals;</p> <p>3b. Merchant affiliation to honor and accept credit cards and/or ATM / debit cards and/or other types of cards for transactions that will pass through the Bank's Point-of-Sale (POS) terminals and/or for internet transactions and/or other payment platforms;</p> <p>3c. Products and services offered by the Bank's Transaction Banking Group, such as integrated disbursement services (IDS), payment collection services, payroll services, Cash Card services, electronic banking services, corporate internet banking (CIB) services, collection and disbursement services, liquidity management, account services, retail products, and such other existing and future products and services and in this regard, to:</p> <p>i. Enroll, dis-enroll, re-enroll the following:</p> <ul style="list-style-type: none"> • Depository Account/s in and from CIB • Corporation System Administrator authorized to do and perform acts allowed under the Bank's terms and conditions governing CIB; • Merchant/subscriber and/or third party accounts in CIB for bills/other payment purposes; <p>3d. Products and services offered by the Bank's Trust and Investments Group and in this regard, to:</p> <p>i. Open and maintain an Investment Management Account (IMA), retirement funds and other Trust Banking Products;</p> <p>ii. Appoint the Bank as the (a) Investment Manager of the IMA, (b)</p>

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>
			Trustee and/or Manager of the retirement fund and other managed funds and/or banking products and services;
			iii. Allow as Investment Manager to directly invest its fund under the IMA and other managed funds and/or trust banking products and services in government securities, including Special Deposit Account (SDA), of Bangko Sentral ng Pilipinas (BSP) and other investment instruments;
			iv. Designate members and signatories for the Retirement Committee as well as the Retirement Plan.
			3e. Products and services offered by the Bank's Treasury Group and in this regard, to:
			i. Purchase, sell and invest in debt securities and other money market instruments and products such as but not limited to, government securities and corporate papers including those issued by the Bank and to execute, deliver and perform any and all agreements, instruments, documents as may be necessary to effect such transactions;
			ii. Enter into foreign exchange dealings as well as derivative transactions and contracts with the Bank such as buying and selling of foreign exchange, under spot, swaps, options, and forwards transactions.
			iii. Appoint authorized trader/s of the Corporation to deal with the Bank in relation to the foregoing transactions.
			For the purpose of investments or dealings in or purchase of government securities, to appoint the Bank as the Corporation's true and lawful attorney, to act for its name and in its behalf in transacting business directly or indirectly with the appropriate government securities registry and/or a third party custodian duly accredited by the BSP in accordance with the relevant BSP regulations, to do and perform every act necessary that the Corporation might or could do in reference to any and all corporate and government securities holdings of the Corporation.
		4.	<u>Avail of Credit and Lease Facilities.</u> To apply for, negotiate and obtain loans, credit and/or lease accommodations or facilities, such as letters of credit, trust receipts, bills purchases, foreign exchange settlement lines from time to time in amounts which may be required by the Corporation, which authority shall include extensions, renewals, re-availments, increases, excess / over-availments, roll-overs, restructurings, novations, amendments or conversions into other credit form or type, and in this regard, to:
			4a. Execute, sign and deliver from time to time the relevant loan, lease agreements, promissory note/s, disclosure statements, lease schedules, trust receipts and any and all other documents pertinent and necessary to implement the accommodations / facilities referred hereto;
			4b. Lease from and/or sell to BDO Leasing and Finance, Inc. and/or BDO Rental, Inc. real and/or personal property (such as motor vehicle/s, vessels, aircraft, equipments and/or machinery) including availment from said corporation's facilities such as Installment Paper Purchase, factoring, floor stock financing, assignment of trade receivables and sale-and-lease back transactions.
		5.	<u>Mortgage, Pledge, Assign Corporation Property.</u> To mortgage, pledge, assign or otherwise encumber properties of the Corporation, whether real or personal, as collaterals for credit accommodations extended by the Bank.
		6.	<u>Issue Instructions, Letters, and/or Notices.</u> The Bank is hereby authorized to honor and implement the Corporation's scanned and/or faxed instructions, letters, and/or notices ("Instructions"), which shall constitute as final and conclusive evidence thereof in relation to any and all transactions contemplated herein notwithstanding any disruption, corruption and/or modification thereof arising from any electronic medium used and/or viruses or similar programs. The Corporation (a) undertakes to submit to the Bank the original copies of each Instructions within five (5) banking days from issuance thereof and (b) warrants and assumes full and unconditional responsibility to the correctness and validity of any instructions, letters,

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>
-------------	----------------	-----------------------	-------------------

and/or notices issued, including any addition, variations and/or modifications by the Bank, without notice to Corporation, of the terms and conditions of its acceptance thereof.

7. Appoint and Constitute Attorney-In-Fact. To appoint and constitute the Bank as its attorney-in-fact, with full powers of substitution, to register the lease, sale, mortgage, pledge, assignment and/or encumbrance as well cancellation thereof with any and all appropriate government offices / agencies; The Corporation hereby declares that the power of attorney to be coupled with interest and is irrevocable until all obligations secured by the aforementioned properties of the Corporation are fully paid to the entire satisfaction of the Bank

RESOLVED, FURTHER, that any two (2) of the following officers of the Corporation:

<u>Name</u>	<u>Position</u>
Edward K. Lee	Chairman
Alexander C. Yu	Vice-Chairman
Conrado F. Bate	President & CEO
Catherine L. Ong	SVP / CFO and Treasurer
Juan G. Barredo	Vice President
April Lynn L. Tan	Vice President

shall be authorized on behalf of the Corporation to enter into the above-specified arrangements with the Bank under such terms and conditions as the said individuals may deem necessary and to accordingly execute, sign, deliver and/or perform any and all contracts, instruments, documents or writings with or to the Bank that may be necessary for the implementation of the foregoing transactions. Provided, further, that the aforementioned officers are hereby authorized with full powers of substitution, to receive, for and on behalf of the Corporation any and all of the mortgaged / pledged / assigned and / encumbered property/ies of the Corporation upon full payment to the entire satisfaction of the Bank of the obligations secured thereby.

RESOLVED, that all transactions, warranties, representations, covenants, dealing and agreements by the Corporation through the above named individuals with the Bank prior to the approval of this Resolution are all hereby approved, confirmed and ratified to be the valid and binding acts, representation, warranties and covenants of the Corporation as they may lawfully do or cause to be done by virtue of authorities given to them.

RESOLVED, FINALLY, that the foregoing Resolutions shall remain valid and subsisting unless otherwise revoked or amended in writing by the Corporation and duly served on the Bank.”

07 Feb 2020	Regular BOD Meeting	6
----------------	------------------------	---

“RESOLVED, that Metropolitan Bank & Trust Company (hereinafter called “Metrobank”) be, and is hereby, designated as depository of the funds/monies of COL Financial Group, Inc. (the “Corporation”), and that the Corporation be, and is hereby, authorized to open and/or maintain and operate savings, time, current and/or trust accounts (“Account/s”) with Metrobank Head Office, and/or any of its branches;

RESOLVED, FURTHER, that any two (2) of the following officers, with their specimen signatures below, be authorized, for and on behalf of the Corporation:
(i) to sign, execute and/or deliver any and all documents, papers, instruments, forms, agreements or contracts in connection with or as may be required by, appropriate, necessary, and/or incidental to:

(a) the opening, closing, operation and/or management of any and all Account/s of the Corporation with or investment of any funds of the Corporation through Metrobank;

(b) the availment by the Corporation of any and all services/facilities of Metrobank, and the operation and/or management of the said services/facilities; and

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>
-------------	----------------	-----------------------	-------------------

(c) the Corporation’s application for and enrollment in electronic banking channels and other electronic delivery channels and to give any and all instructions pertaining thereto, including the appointment of its System Administrator who would then appoint the Corporation’s Users, responsible for the operation, maintenance, use and/or management of the said electronic banking/delivery channels.

(ii) to withdraw or transfer the funds/monies of the Corporation by checks, receipts, drafts, bills of exchange, withdrawal slips, orders for payment or otherwise;

(iii) to sign, endorse, draw, accept, make, execute and/or deliver, for negotiation, payment, deposit or collection, checks, receipts, drafts, bills of exchange, orders for payment, to initiate credit-related transactions such as letter of credit, promissory notes, request for financing subject to availability of credit lines with Metrobank at the time of availment, and/or other similar instruments in connection with the said account(s)/funds; and

(iv) to close the account(s), receive the balance(s) thereof and sign any and all documents which Metrobank may require in connection therewith:

<u>Name</u>	<u>Position</u>
Edward K. Lee	Chairman
Alexander C. Yu	Vice-Chairman
Conrado F. Bate	President & CEO
Catherine L. Ong	SVP / CFO and Treasurer
Juan G. Barredo	Vice President
April Lynn L. Tan	Vice President

RESOLVED, FURTHER, that any one (1) of the aforementioned signatories is duly authorized to sign singly all withdrawals or disbursements in the amount of Fifty Thousand Pesos (Php50,000.00) or less;

RESOLVED, FURTHERMORE, that Metrobank, its directors, officers, employees, agents or authorized representatives (“Metrobank Group”) are each entitled and authorized to rely on these instructions as valid, binding and effective upon the Corporation and that Metrobank Group shall not be liable for any act done or suffered by them in reliance of the above instructions, it being understood that any and all risks and costs arising from the above instructions shall be for Corporation’s sole and exclusive account.”

07 Feb 2020	Regular BOD Meeting	7
-------------	---------------------	---

“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) be, as it is hereby authorized to borrow, obtain and/or contract for loans/credit lines/credit accommodations from Metropolitan Bank & Trust Company (“Metrobank”) Head Office and/or any of its branches up to the aggregate principal amount of Pesos: Five Hundred Million (Php500,000,000.00) or its Foreign Currency Equivalent, under such terms and conditions as may be imposed by Metrobank;

RESOLVED, FURTHER, that any two (2) of the following officers be, as they are hereby, authorized, for and on behalf of the Corporation, (i) to sign, execute and/or deliver applications for loans/credit lines/credit accommodations, credit line/loan agreements, promissory notes, drafts, letters of credit, trust receipts, indemnity agreements, undertakings, and any and all documents, papers, instruments, forms, agreements or contracts related to or in connection therewith, including the extension(s), renewal(s), amendment(s), modification(s) or novation(s) thereof and/or increase(s)/addition(s) thereto; (ii) to assign, discount and/or negotiate/endorse and/or deliver checks, drafts and/or commercial papers/instruments; (iii) to assign, transfer, pledge, mortgage and/or encumber the Corporation’s savings/current/time/trust accounts, shares of stocks, bonds, securities, real or personal properties, rights and/or other assets as security for the above mentioned loans/credit lines/credit accommodations, including the extension(s), renewal(s), amendment(s), modification(s) or novation(s) thereof and/or increase(s)/ addition(s) thereto, and to sign, execute and/or deliver the corresponding deeds of assignment, real estate mortgages, chattel mortgages, pledge agreements, and such other document, papers, instruments, forms, agreements, deeds or contracts related or connected therewith; (iv) to sign, execute and/or deliver debt restructuring agreements, assignments of properties

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>
-------------	----------------	-----------------------	-------------------

(real and personal) in payment of the loans/credit lines/credit accommodations (“Dacion en Pago”) and all other documents/agreements/deeds for the settlement/payment of the loans/credit lines/credit accommodations of the Corporation with Metrobank; and (v) to do all acts/things as may be appropriate and/or required by the foregoing powers/transactions authorized above:

<u>Name</u>	<u>Position</u>
Edward K. Lee	Chairman
Alexander C. Yu	Vice-Chairman
Conrado F. Bate	President & CEO
Catherine L. Ong	SVP / CFO and Treasurer
Juan G. Barredo	Vice President
April Lynn L. Tan	Vice President

RESOLVED, FURTHERMORE, that Metrobank, its directors, officers, employees, agents or authorized representatives (“Metrobank Group”) are each entitled and authorized to rely on these instructions as valid, binding and effective upon the Corporation and that Metrobank Group shall not be liable for any act done or suffered by them in reliance of the above instructions, it being understood that any and all risks and costs arising from the above instructions shall be for Corporation’s sole and exclusive account;

RESOLVED, FINALLY, that all things/acts done and documents executed and entered into by the aforementioned signatories pursuant to and in accordance with the foregoing authorities are hereby affirmed, confirmed and ratified. Likewise all things/acts done and documents executed and entered into on behalf of the Corporation prior to this Resolution are hereby affirmed, confirmed and ratified.”

21 Feb 2020	Regular BOD Meeting	8	“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) hereby authorizes any one (1) of following persons to sign singly certifications related to the account status of the Corporation’s customers, including, among others, certification/s on the existence or non-existence of such accounts, statement/s of accounts/ledgers, among others:
-------------	---------------------	---	--

<u>Name</u>	<u>Designation</u>
Catherine L. Ong	SVP / CFO and Treasurer
Melissa O. Ng	AVP – Head of Operations
Michelle Anne O. Cantimbuhan	Operations Officer

06 Mar 2020	Regular BOD Meeting	9	“RESOLVED, as it is hereby resolved, that COL Financial Group, Inc. hereby authorizes SGV & Co. to release on March 6, 2020 the audited financial statements of the Group and the Parent Company as of December 31, 2019 and 2018 and for each of the three (3) years in the period ended December 31, 2019.”
-------------	---------------------	---	---

06 Mar 2020	Regular BOD Meeting	10	“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is authorized to issue sub-proxies to vote the shares held by the clients of the Corporation for all PSE listed companies during their annual stockholders’ meetings for the year 2020, including all and any adjournments or postponements thereof;
-------------	---------------------	----	--

RESOLVED, FURTHER, that the Board of Directors of the Corporation hereby authorizes Ms. Catherine L. Ong to sign and execute the above-mentioned sub-proxies.”

06 Mar 2020	Regular BOD Meeting	11	“WHEREAS, COL Financial Group, Inc. (the “Corporation”) recognizes the need to ensure the continuity of its business and guarantee the safety of its employees despite the current outbreak of the coronavirus disease (COVID-19);
-------------	---------------------	----	--

RESOLVED THEREFORE, that effective 12 March 2020 up to and including 31 March 2020, for all transactions with banks regulated by the Bangko Sentral ng Pilipinas, any one (1) of the following officers (“Officers”) of the Corporation shall be authorized to sign singly all withdrawals or disbursements in the amount of FIVE HUNDRED THOUSAND PESOS (Php 500,000.00) or less;

<u>Name</u>	<u>Position</u>
-------------	-----------------

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>															
			Edward K. Lee Alexander C. Yu Conrado F. Bate Catherine L. Ong Juan G. Barredo April Lynn L. Tan															
			Chairman Vice-Chairman President & CEO SVP / CFO and Treasurer Vice President Vice President															
			RESOLVED FURTHER, that the above resolution shall automatically lapse on 1 April 2020;															
			RESOLVED FURTHERMORE, that from 1 April 2020 onwards, the Corporation authorizes the Officers to sign as follows:															
			a. Any one (1) of the Officers is duly authorized to sign singly all withdrawals or disbursements in the amount of Fifty Thousand Pesos (Php50,000.00) or less; and															
			b. All other withdrawals or disbursements in excess of Fifty Thousand Pesos (Php50,000.00) shall require the joint signatures of any two (2) of the Officers."															
06 Mar 2020	Regular BOD Meeting	12	"RESOLVED, that COL Financial Group, Inc. (the "Corporation") is authorized to issue a proxy to vote 11,607,455 shares held by the clients of the Corporation for the special stockholders' meeting of Xurpas Inc. on 24 March 2020 or any adjournments thereof;															
			RESOLVED, FURTHER, that the Corporation hereby authorizes its SVP/ CFO and Treasurer, Ms. Catherine L. Ong to sign, execute, and submit the proxy form and all other certifications, documents, and papers that may be necessary to give effect to the foregoing."															
06 Mar 2020	Regular BOD Meeting	13	"RESOLVED, that COL Financial Group, Inc. (the 'Corporation') shall be authorized to utilize and fully avail of the online banking facility offered by Asia United Bank Corporation ('AUB'), including all such facility's related modules and functions (the 'Facility'), such as but not limited to account balance viewing, fund transfers, bills payment, payroll, electronic statement of account with check viewing, and checkbook reorder;															
			RESOLVED, FURTHER, that any two (2) of the following person/s be designated as the Corporation's authorized representative/s ('Officers') (i) to sign, execute and deliver such application forms and other requirements for the Corporation to be able to fully avail of the Facility, (ii) to act as authorized signatory/ies of the deposit account/s to be enrolled in the Facility, (iii) to execute financial transactions contemplated under the terms and conditions of the Facility, (iv) to designate such other person/s as user/s of the Facility authorized to execute non-financial transactions contemplated under the terms and conditions of the Facility, (v) to designate such other person/s as <i>Maker</i> to initiate financial transactions contemplated under the terms and conditions of the Facility, (vi) to replace or change users of the Facility designated under items (iv) and/or (v) of this paragraph, (vii) to receive the security token/s for and on behalf of the Corporation, issued by AUB to the Corporation pursuant to the terms and conditions of the Facility:															
			<table border="1"> <thead> <tr> <th><u>Name</u></th> <th><u>User Name</u></th> <th><u>Email Address</u></th> </tr> </thead> <tbody> <tr> <td>Conrado F. Bate</td> <td>CFBate</td> <td>dino.bate@colfinancial.com</td> </tr> <tr> <td>Catherine L. Ong</td> <td>CLong</td> <td>cathy.ong@colfinancial.com</td> </tr> <tr> <td>Juan G. Barredo</td> <td>JGBarredo</td> <td>juanis.barredo@colfinancial.com</td> </tr> <tr> <td>April Lynn L. Tan</td> <td>ALTan</td> <td>april.tan@colfinancial.com</td> </tr> </tbody> </table>	<u>Name</u>	<u>User Name</u>	<u>Email Address</u>	Conrado F. Bate	CFBate	dino.bate@colfinancial.com	Catherine L. Ong	CLong	cathy.ong@colfinancial.com	Juan G. Barredo	JGBarredo	juanis.barredo@colfinancial.com	April Lynn L. Tan	ALTan	april.tan@colfinancial.com
<u>Name</u>	<u>User Name</u>	<u>Email Address</u>																
Conrado F. Bate	CFBate	dino.bate@colfinancial.com																
Catherine L. Ong	CLong	cathy.ong@colfinancial.com																
Juan G. Barredo	JGBarredo	juanis.barredo@colfinancial.com																
April Lynn L. Tan	ALTan	april.tan@colfinancial.com																
			RESOLVED, FURTHER, that that any one (1) of the Officers is duly authorized to sign singly all withdrawals or disbursements in the amount of Fifty Thousand Pesos (Php50,000.00) or less;															

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>						
			<p>RESOLVED, FURTHER, that the foregoing authorized representative/s of the Corporation may delegate to AUB in writing the authority to input into the Facility, for and on behalf of such authorized representative/s, the required information to create user account/s for such person/s that may from time to time be designated by such authorized representative/s as users and/or Makers of the Facility;</p> <p>RESOLVED, FURTHER, that the Corporation hereby confirms that: (a) the foregoing authorized representative/s of the Corporation, including all user/s of the Facility that may from time to time be designated by such authorized representative/s, shall be bound by and shall comply with all the terms and conditions of the Facility, including any amendments thereto, (b) the Corporation shall undertake all reasonable and necessary measures and precautions to safeguard the security token/s issued to the Corporation to prevent fraudulent transactions from being coursed through the Facility, (c) transactions undertaken by the Corporation with the use of the security token/s issued to it shall be considered fully authorized and valid by AUB, without need of any further investigation or inquiry on the part of AUB, (d) AUB shall not be obliged to inquire as to the propriety and due authority of the transactions undertaken through or otherwise involving the Facility, (e) the Corporation shall assist AUB in any investigation undertaken by or on behalf of AUB in respect of any abuse, misuse or tampering of the Facility and/or the security token/s issued to the Corporation, and (f) the foregoing authorities and approving levels outlined hereunder, as well as any enrollment form to the Facility or other document delivered to AUB by the foregoing authorized representative/s of the Corporation, may be relied upon by AUB and shall remain in full force and effect unless otherwise revoked by the Corporation in writing through a duly notarized certificate issued by the then incumbent corporate secretary of the Corporation setting forth the relevant corporate resolutions approved by the Board of Directors and stockholders of the Corporation, which certification shall only be effective against and binding upon AUB only upon receipt thereof; and</p> <p>RESOLVED, FINALLY, that the Corporation hereby approves, confirms and ratifies all acts and things done by the aforementioned authorized representative/s pursuant to and in accordance with the foregoing authorities.”</p>						
06 Mar 2020	Regular BOD Meeting	14	<p>“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) hereby designates the following officers to sign the Settlement Instructions Form, for all trade transactions:</p> <table border="1"> <thead> <tr> <th><u>Name</u></th> <th><u>Designation</u></th> </tr> </thead> <tbody> <tr> <td>Edward K. Lee</td> <td>Chairman</td> </tr> <tr> <td>Alexander C. Yu</td> <td>Vice Chairman</td> </tr> </tbody> </table> <p>RESOLVED FINALLY, that all Settlement Instructions Forms signed on behalf of the Corporation by the aforementioned officers are hereby ratified, approved, and confirmed.”</p>	<u>Name</u>	<u>Designation</u>	Edward K. Lee	Chairman	Alexander C. Yu	Vice Chairman
<u>Name</u>	<u>Designation</u>								
Edward K. Lee	Chairman								
Alexander C. Yu	Vice Chairman								
16 Mar 2020	Special BOD Meeting	15	<p>“WHEREAS, COL Financial Group, Inc. (the “Corporation”) recognizes the government’s call to observe social distancing measures in light of the COVID-19 situation;</p> <p>RESOLVED, as it is hereby resolved, the Corporation hereby postpones the Annual Stockholder’s Meeting scheduled on 3 April 2020 to a later date to be determined once the health authorities have declared the crisis to be over.”</p>						
27 Mar 2020	Special BOD Meeting	16	<p>WHEREAS, COL Financial Group, Inc. (the “Corporation”) recognizes the need to ensure the continuity of its business and guarantee the safety of its employees despite the current outbreak of the coronavirus disease (COVID-19);</p> <p>“WHEREAS, on 6 March 2020, the Board of Directors (the “Board”) of the Corporation approved a resolution authorizing certain named officers to sign singly withdrawals and disbursements in the amount of Five Hundred Thousand</p>						

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>														
			<p>Pesos (Php 500,000.00) or less; provided that said resolution shall automatically lapse on 1 April 2020;</p> <p>“WHEREAS, as the COVID-19 situation has not improved, the Board deems it necessary to extend the effectivity of such resolution for another calendar month;</p> <p>RESOLVED THEREFORE, that effective 12 March 2020 up to and including 30 April 2020, for all transactions with banks regulated by the Bangko Sentral ng Pilipinas, <u>any one (1)</u> of the following officers (“Officers”) of the Corporation shall be authorized to sign singly all withdrawals or disbursements in the amount of Five Hundred Thousand Pesos (Php 500,000.00) or less:</p> <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>Position</u></th> </tr> </thead> <tbody> <tr> <td>Edward K. Lee</td> <td>Chairman</td> </tr> <tr> <td>Alexander C. Yu</td> <td>Vice-Chairman</td> </tr> <tr> <td>Conrado F. Bate</td> <td>President & CEO</td> </tr> <tr> <td>Catherine L. Ong</td> <td>SVP / CFO and Treasurer</td> </tr> <tr> <td>Juan G. Barredo</td> <td>Vice President</td> </tr> <tr> <td>April Lynn L. Tan</td> <td>Vice President</td> </tr> </tbody> </table> <p>RESOLVED FURTHER, that the above resolution shall automatically lapse on 1 May 2020;</p> <p>RESOLVED FURTHERMORE, that from 1 May 2020 onwards, the Corporation authorizes the Officers to sign as follows:</p> <ol style="list-style-type: none"> a. Any one (1) of the Officers is duly authorized to sign singly all withdrawals or disbursements in the amount of Fifty Thousand Pesos (Php50,000.00) or less; and b. All other withdrawals or disbursements in excess of Fifty Thousand Pesos (Php50,000.00) shall require the joint signatures of any two (2) of the Officers.” 	<u>Name</u>	<u>Position</u>	Edward K. Lee	Chairman	Alexander C. Yu	Vice-Chairman	Conrado F. Bate	President & CEO	Catherine L. Ong	SVP / CFO and Treasurer	Juan G. Barredo	Vice President	April Lynn L. Tan	Vice President
<u>Name</u>	<u>Position</u>																
Edward K. Lee	Chairman																
Alexander C. Yu	Vice-Chairman																
Conrado F. Bate	President & CEO																
Catherine L. Ong	SVP / CFO and Treasurer																
Juan G. Barredo	Vice President																
April Lynn L. Tan	Vice President																
03 Apr 2020	Regular BOD Meeting	17	<p>“RESOLVED, that COL Financial Group, Inc. (the “Corporation”), hereby declares a regular cash dividend of ₱0.18 per share;</p> <p>RESOLVED, FURTHER, that the Corporation hereby declares special cash dividend of ₱0.52 per share;</p> <p>RESOLVED, FINALLY, that only stockholders of record as of April 30, 2020 shall be entitled to the regular and special cash dividends, which dividends shall be payable on May 27, 2020.”</p>														
27 Apr 2020	Special BOD Meeting	18	<p>“WHEREAS, COL Financial Group, Inc. (the “Corporation”) recognizes the need to ensure the continuity of its business and guarantee the safety of its employees despite the current outbreak of the coronavirus disease (COVID-19);</p> <p>WHEREAS, on 6 March 2020, the Board of Directors (the “Board”) of the Corporation approved a resolution authorizing certain named officers to sign singly withdrawals and disbursements in the amount of Five Hundred Thousand Pesos (Php 500,000.00) or less; provided that said resolution shall automatically lapse on 1 April 2020;</p> <p>WHEREAS, on 27 March 2020, the Board approved a resolution extending the validity of the authority granted to the said signatories for one calendar month which shall automatically lapse on 1 May 2020;</p> <p>WHEREAS, as the COVID-19 situation has not improved, the Board deems it necessary to extend the effectivity of such resolution for another calendar month;</p> <p>RESOLVED THEREFORE, that effective 12 March 2020 up to and including 31 May 2020, for all transactions with banks regulated by the Bangko Sentral ng Pilipinas, <u>any one (1)</u> of the following officers (“Officers”) of the Corporation</p>														

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>
-------------	----------------	-----------------------	-------------------

shall be authorized to sign singly all withdrawals or disbursements in the amount of Five Hundred Thousand Pesos (Php 500,000.00) or less:

<u>Name</u>	<u>Position</u>
Edward K. Lee	Chairman
Alexander C. Yu	Vice-Chairman
Conrado F. Bate	President & CEO
Catherine L. Ong	SVP / CFO and Treasurer
Juan G. Barredo	Vice President
April Lynn L. Tan	Vice President

RESOLVED FURTHER, that the above resolution shall automatically lapse on 1 June 2020;

RESOLVED FURTHERMORE, that from 1 June 2020 onwards, the Corporation authorizes the Officers to sign as follows:

- a. Any one (1) of the Officers is duly authorized to sign singly all withdrawals or disbursements in the amount of Fifty Thousand Pesos (Php50,000.00) or less; and
- b. All other withdrawals or disbursements in excess of Fifty Thousand Pesos (Php50,000.00) shall require the joint signatures of any two (2) of the Officers.”

27 Apr 2020	Special BOD Meeting	19	“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is authorized to issue a proxy to vote 24,372,842 shares held by the clients of the Corporation for the special stockholders’ meeting of Xurpas Inc. on 7 May 2020 or any adjournments thereof;
-------------	---------------------	----	---

RESOLVED, FURTHER, that the Corporation hereby authorizes its SVP/ CFO and Treasurer, Ms. Catherine L. Ong to sign, execute, and submit the proxy form and all other certifications, documents, and papers that may be necessary to give effect to the foregoing; and

RESOLVED, FINALLY, that the proxy initially issued by the Corporation for the meeting intended for 24 March 2020 is hereby rescinded.”

30 Apr 2020	Special BOD Meeting	20	“RESOLVED, that the Annual Stockholders’ Meeting of the Corporation, initially scheduled on 3 April 2020 shall be held on June 2, 2020;
-------------	---------------------	----	---

RESOLVED FURTHER, that in light of the COVID-19 global pandemic, the Corporation is authorized to conduct a virtual meeting in lieu of a physical meeting;

RESOLVED FINALLY, that the closing of the stock & transfer book shall be on May 18, 2020 to May 22, 2020.”

30 Apr 2020	Special BOD Meeting	21	“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is authorized to enter into an agreement with G-Xchange, Inc. (“GX”) for bills payment services which shall allow GX to accept and collect payments to the Corporation from registered subscribers of GCash and other GX channels;
-------------	---------------------	----	--

RESOLVED FINALLY, that the Corporation hereby authorizes its President & CEO, Mr. Conrado F. Bate and/or its SVP/ CFO and Treasurer, Ms. Catherine L. Ong to sign and execute the Implementing Agreement with GX and all other related agreements, application forms, documents, and instructions to give effect to the foregoing.”

30 Apr 2020	Regular BOD Meeting	22	“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is hereby authorized to open a securities trading account with DBP-Daiwa Capital Markets Philippines, Inc.;
-------------	---------------------	----	---

RESOLVED, FURTHER, that any two (2) of the following officers are

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>														
			<p>authorized to sign and execute, for and on behalf of the Corporation, the customer account information form, customer agreement, information update form, and such other documents or instruments which may be required in connection therewith;</p> <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>Position</u></th> </tr> </thead> <tbody> <tr> <td>Edward K. Lee</td> <td>Chairman</td> </tr> <tr> <td>Alexander C. Yu</td> <td>Vice-Chairman</td> </tr> <tr> <td>Conrado F. Bate</td> <td>President & CEO</td> </tr> <tr> <td>Catherine L. Ong</td> <td>SVP / CFO and Treasurer</td> </tr> </tbody> </table> <p>RESOLVED FINALLY, that all previous resolutions of the Corporation that are otherwise inconsistent with the foregoing are hereby revoked and superseded.”</p>	<u>Name</u>	<u>Position</u>	Edward K. Lee	Chairman	Alexander C. Yu	Vice-Chairman	Conrado F. Bate	President & CEO	Catherine L. Ong	SVP / CFO and Treasurer				
<u>Name</u>	<u>Position</u>																
Edward K. Lee	Chairman																
Alexander C. Yu	Vice-Chairman																
Conrado F. Bate	President & CEO																
Catherine L. Ong	SVP / CFO and Treasurer																
22 May 2020	Regular BOD Meeting	23	<p>“WHEREAS, COL Financial Group, Inc. (the “Corporation”) recognizes the need to ensure the continuity of its business and guarantee the safety of its employees despite the current outbreak of the coronavirus disease (COVID-19);</p> <p>WHEREAS, on 6 March 2020, the Board of Directors (the “Board”) of the Corporation approved a resolution authorizing certain named officers to sign singly withdrawals and disbursements in the amount of Five Hundred Thousand Pesos (Php 500,000.00) or less; provided that said resolution shall automatically lapse on 1 April 2020;</p> <p>WHEREAS, on 27 March 2020, the Board approved a resolution extending the validity of the authority granted to the said signatories for one calendar month which shall automatically lapse on 1 May 2020;</p> <p>WHEREAS, on 27 April 2020, the Board approved a resolution extending the validity of the said authorities for a second time and for an additional period of one calendar month which shall automatically lapse on 1 June 2020;</p> <p>WHEREAS, as the COVID-19 situation has not improved, the Board deems it necessary to extend the effectivity of such resolutions for another calendar month;</p> <p>RESOLVED THEREFORE, that effective 12 March 2020 up to and including 30 June 2020, for all transactions with banks regulated by the Bangko Sentral ng Pilipinas, any one (1) of the following officers (“Officers”) of the Corporation shall be authorized to sign singly all withdrawals or disbursements in the amount of Five Hundred Thousand Pesos (Php 500,000.00) or less:</p> <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>Position</u></th> </tr> </thead> <tbody> <tr> <td>Edward K. Lee</td> <td>Chairman</td> </tr> <tr> <td>Alexander C. Yu</td> <td>Vice-Chairman</td> </tr> <tr> <td>Conrado F. Bate</td> <td>President & CEO</td> </tr> <tr> <td>Catherine L. Ong</td> <td>SVP / CFO and Treasurer</td> </tr> <tr> <td>Juan G. Barredo</td> <td>Vice President</td> </tr> <tr> <td>April Lynn L. Tan</td> <td>Vice President</td> </tr> </tbody> </table> <p>RESOLVED FURTHER, that the above resolution shall automatically lapse on 1 July 2020;</p> <p>RESOLVED FURTHERMORE, that from 1 July 2020 onwards, the Corporation authorizes the Officers to sign as follows:</p> <ol style="list-style-type: none"> a. Any one (1) of the Officers is duly authorized to sign singly all withdrawals or disbursements in the amount of Fifty Thousand Pesos (Php50,000.00) or less; and b. All other withdrawals or disbursements in excess of Fifty Thousand Pesos (Php50,000.00) shall require the joint signatures of any two (2) of the Officers.” 	<u>Name</u>	<u>Position</u>	Edward K. Lee	Chairman	Alexander C. Yu	Vice-Chairman	Conrado F. Bate	President & CEO	Catherine L. Ong	SVP / CFO and Treasurer	Juan G. Barredo	Vice President	April Lynn L. Tan	Vice President
<u>Name</u>	<u>Position</u>																
Edward K. Lee	Chairman																
Alexander C. Yu	Vice-Chairman																
Conrado F. Bate	President & CEO																
Catherine L. Ong	SVP / CFO and Treasurer																
Juan G. Barredo	Vice President																
April Lynn L. Tan	Vice President																

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>														
02 Jun 2020	Organizational Meeting	24	Election of officers and committee members														
19 June 2020	Regular BOD Meeting	25	<p>“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is hereby authorized to transact business with Government Service Insurance System (“GSIS”) for its equity investments, and in connection therewith, hereby designates the following officers whose any two (2) signatures shall bind the company:</p> <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>Position</u></th> </tr> </thead> <tbody> <tr> <td>Edward K. Lee</td> <td>Chairman</td> </tr> <tr> <td>Alexander C. Yu</td> <td>Vice-Chairman</td> </tr> <tr> <td>Conrado F. Bate</td> <td>President & CEO</td> </tr> <tr> <td>Catherine L. Ong</td> <td>SVP / CFO and Treasurer</td> </tr> <tr> <td>Juan G. Barredo</td> <td>VP – Head of Sales and Customer Support</td> </tr> <tr> <td>April Lynn L. Tan</td> <td>VP – Head of Research</td> </tr> </tbody> </table> <p>RESOLVED, FURTHER, that the Corporation hereby appoints the following as its representatives duly authorized to handle or execute the trading transactions of GSIS:</p> <p style="text-align: center;">Conrado F. Bate Juan G. Barredo Joseph Samuel H. Tang Maria Ysabel B. Basilla Ann Therese C. Sabater Stephanie Anne Dela Cruz</p> <p>RESOLVED FINALLY, that all previous resolutions of the Corporation that are otherwise inconsistent with the foregoing are hereby revoked and superseded.”</p>	<u>Name</u>	<u>Position</u>	Edward K. Lee	Chairman	Alexander C. Yu	Vice-Chairman	Conrado F. Bate	President & CEO	Catherine L. Ong	SVP / CFO and Treasurer	Juan G. Barredo	VP – Head of Sales and Customer Support	April Lynn L. Tan	VP – Head of Research
<u>Name</u>	<u>Position</u>																
Edward K. Lee	Chairman																
Alexander C. Yu	Vice-Chairman																
Conrado F. Bate	President & CEO																
Catherine L. Ong	SVP / CFO and Treasurer																
Juan G. Barredo	VP – Head of Sales and Customer Support																
April Lynn L. Tan	VP – Head of Research																
19 June 2020	Regular BOD Meeting	26	<p>“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is hereby authorized to transact business with the Social Security System (“SSS”) for its equity investments, and in connection therewith, hereby designates the following officers whose any two (2) signatures shall bind the company:</p> <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>Position</u></th> </tr> </thead> <tbody> <tr> <td>Edward K. Lee</td> <td>Chairman</td> </tr> <tr> <td>Alexander C. Yu</td> <td>Vice-Chairman</td> </tr> <tr> <td>Conrado F. Bate</td> <td>President & CEO</td> </tr> <tr> <td>Catherine L. Ong</td> <td>SVP / CFO and Treasurer</td> </tr> <tr> <td>Juan G. Barredo</td> <td>VP – Head of Sales and Customer Support</td> </tr> <tr> <td>April Lynn L. Tan</td> <td>VP – Head of Research</td> </tr> </tbody> </table> <p>RESOLVED, FURTHER, that the Corporation hereby appoints the following as its representatives duly authorized to handle or execute the trading transactions of SSS:</p> <p style="text-align: center;">Conrado F. Bate Juan G. Barredo Joseph Samuel H. Tang Maria Ysabel B. Basilla Ann Therese C. Sabater Stephanie Anne Dela Cruz</p> <p>RESOLVED FURTHER, that the Corporation ratifies and confirms the acts of the Corporation and the aforementioned officers relative to the authorities and powers granted therein;</p> <p>RESOLVED FINALLY, that all previous resolutions of the Corporation that are otherwise inconsistent with the foregoing are hereby revoked and superseded.”</p>	<u>Name</u>	<u>Position</u>	Edward K. Lee	Chairman	Alexander C. Yu	Vice-Chairman	Conrado F. Bate	President & CEO	Catherine L. Ong	SVP / CFO and Treasurer	Juan G. Barredo	VP – Head of Sales and Customer Support	April Lynn L. Tan	VP – Head of Research
<u>Name</u>	<u>Position</u>																
Edward K. Lee	Chairman																
Alexander C. Yu	Vice-Chairman																
Conrado F. Bate	President & CEO																
Catherine L. Ong	SVP / CFO and Treasurer																
Juan G. Barredo	VP – Head of Sales and Customer Support																
April Lynn L. Tan	VP – Head of Research																
19 June 2020	Regular BOD Meeting	27	<p>“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is hereby authorized to transact business with Insular Life Assurance Co. Ltd (“Insular Life”) for its equity investments, and in connection therewith, hereby designates</p>														

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>
-------------	----------------	-----------------------	-------------------

the following officers whose any two (2) signatures shall bind the company:

<u>Name</u>	<u>Position</u>
Edward K. Lee	Chairman
Alexander C. Yu	Vice-Chairman
Conrado F. Bate	President & CEO
Catherine L. Ong	SVP / CFO and Treasurer
Juan G. Barredo	VP – Head of Sales and Customer Support
April Lynn L. Tan	VP – Head of Research

RESOLVED, FURTHER, that the Corporation hereby appoints the following as its representatives duly authorized to handle or execute the trading transactions of Insular Life:

Joseph Samuel H. Tang
 Maria Ysabel B. Basilla
 Ann Therese C. Sabater
 Stephanie Anne Dela Cruz

RESOLVED FINALLY, that all previous resolutions of the Corporation that are otherwise inconsistent with the foregoing are hereby revoked and superseded.”

19 June 2020	Regular BOD Meeting	28
--------------	---------------------	----

“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is authorized to open a securities trading account with Venture Securities, Inc.;

RESOLVED, FURTHER, that any two (2) of the following officers are authorized as they are hereby authorized to sign and execute, for and on behalf of the Corporation, the customer account information form, the customer agreement form, information update form, and such other documents or instruments which may be required in connection therewith under such terms and conditions that such officer/s may deem appropriate:

<u>Name</u>	<u>Designation</u>
Edward K. Lee	Chairman
Catherine L. Ong	SVP/ CFO and Treasurer

RESOLVED FINALLY, that all previous resolutions of the Corporation that are otherwise inconsistent with the foregoing are hereby revoked and superseded.”

19 June 2020	Regular BOD Meeting	29
--------------	---------------------	----

“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is empowered and authorized to apply for, and avail of the services of Infinivan, Inc. (“Infinivan”), a corporation duly organized and existing under the laws of the Philippines, with office address at 17th Floor, 17 San Miguel Avenue, Ortigas Center, Pasig City, Metro Manila;

RESOLVED FURTHER, that for this purpose, any one (1) of the following officers of the Corporation:

<u>Name</u>	<u>Designation</u>
Conrado F. Bate	President & CEO
Catherine L. Ong	SVP/ CFO and Treasurer

with full power of substitution, is hereby empowered and authorized to represent and act for and on behalf of the Corporation in connection with the establishment of an account with Infinivan, and such authority includes but is not limited to making the Corporation liable under such terms and conditions as may be agreed upon by the Corporation;

RESOLVED FURTHER, that all transactions, warranties, covenants, dealings and agreements with Infinivan by any one of the afore-stated officers with respect to the enforcement and/or implementation of the foregoing transactions, for and on behalf of the Corporation, prior to the approval of these resolutions and properly thereafter, are hereby approved, confirmed and ratified to be the valid and binding acts, representations, warranties and covenants of the Corporation;

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>														
			<p>RESOLVED FURTHER, that these resolutions shall be valid and subsisting and shall remain in full force and effect unless otherwise revoked or amended in writing by the Corporation and duly served upon Infinivan;</p> <p>RESOLVED FINALLY, that any one of the above-named officers is hereby empowered and authorized to advise Infinivan of these resolutions.”</p>														
19 June 2020	Regular BOD Meeting	30	<p>WHEREAS, COL Financial Group, Inc. (the “Corporation”) recognizes the need to ensure the continuity of its business and guarantee the safety of its employees despite the current outbreak of the coronavirus disease (COVID-19);</p> <p>WHEREAS, on 6 March 2020, the Board of Directors (the “Board”) of the Corporation approved a resolution authorizing certain named officers to sign singly withdrawals and disbursements in the amount of Five Hundred Thousand Pesos (Php 500,000.00) or less; provided that said resolution shall automatically lapse on 1 April 2020;</p> <p>WHEREAS, on 27 March 2020, 27 April 2020, and 22 May 2020, the Board approved resolutions extending the validity of the authority granted to said signatories, each extension lasting for one calendar month, with the latest extension automatically lapsing on 1 July 2020;</p> <p>WHEREAS, as the COVID-19 situation has not improved, the Board deems it necessary to extend the effectivity of such resolutions for another calendar month;</p> <p>RESOLVED THEREFORE, that effective 12 March 2020 up to and including 31 July 2020, for all transactions with banks regulated by the Bangko Sentral ng Pilipinas, any one (1) of the following officers (“Officers”) of the Corporation shall be authorized to sign singly all withdrawals or disbursements in the amount of Five Hundred Thousand Pesos (Php 500,000.00) or less:</p> <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>Position</u></th> </tr> </thead> <tbody> <tr> <td>Edward K. Lee</td> <td>Chairman</td> </tr> <tr> <td>Alexander C. Yu</td> <td>Vice-Chairman</td> </tr> <tr> <td>Conrado F. Bate</td> <td>President & CEO</td> </tr> <tr> <td>Catherine L. Ong</td> <td>SVP / CFO and Treasurer</td> </tr> <tr> <td>Juan G. Barredo</td> <td>Vice President</td> </tr> <tr> <td>April Lynn L. Tan</td> <td>Vice President</td> </tr> </tbody> </table> <p>RESOLVED FURTHER, that the above resolution shall automatically lapse on 1 August 2020;</p> <p>RESOLVED FURTHERMORE, that from 1 August 2020 onwards, the Corporation authorizes the Officers to sign as follows:</p> <ol style="list-style-type: none"> a. Any one (1) of the Officers is duly authorized to sign singly all withdrawals or disbursements in the amount of Fifty Thousand Pesos (Php50,000.00) or less; and b. All other withdrawals or disbursements in excess of Fifty Thousand Pesos (Php50,000.00) shall require the joint signatures of any two (2) of the Officers.” 	<u>Name</u>	<u>Position</u>	Edward K. Lee	Chairman	Alexander C. Yu	Vice-Chairman	Conrado F. Bate	President & CEO	Catherine L. Ong	SVP / CFO and Treasurer	Juan G. Barredo	Vice President	April Lynn L. Tan	Vice President
<u>Name</u>	<u>Position</u>																
Edward K. Lee	Chairman																
Alexander C. Yu	Vice-Chairman																
Conrado F. Bate	President & CEO																
Catherine L. Ong	SVP / CFO and Treasurer																
Juan G. Barredo	Vice President																
April Lynn L. Tan	Vice President																
19 June 2020	Regular BOD Meeting	31	<p>“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is authorized and empowered:</p> <ol style="list-style-type: none"> (i) to obtain a Domestic Bills Purchase Line (the “Loan/Credit Accommodation”) from the Philippine National Bank (“PNB”) in such amounts and for such tenor as may be agreed upon by PNB and the Corporation’s authorized representatives; (ii) to obtain a renewal, conversion, extension of payment or restructuring of the Loan/Credit Accommodation or agree to a novation of its terms and conditions as the authorized representatives of the Corporation may deem 														

Date **Meeting** **Resolution**
No.

Resolution

necessary; and
(iii) to constitute a mortgage, pledge, hold-out, assignment or other security interest over real properties, chattels, shares of stocks, deposit, receivables, rights and interest and other tangible or intangible properties of the Corporation as security for the payment of the Corporation's obligations to PNB under the Loan/Credit Accommodation, including any renewal, conversion, extension of payment, restructuring or novation thereof, as well as for any other loan or credit accommodation that may be granted by PNB to the Corporation
under such terms and conditions to be imposed by PNB and agreed to by the authorized representatives of the Corporation;

RESOLVED FURTHER, that the Corporation authorizes and empowers any two (2) of the officers listed hereunder to represent the Corporation in all the above-mentioned transactions and to sign, execute and deliver the loan/credit documents, security documents, promissory notes, trust receipts, disclosure statements, affidavits, certifications and all other papers and documents that may be required by PNB to give effect to the transactions contemplated above:

<u>Name</u>	<u>Position</u>
Edward K. Lee	Chairman
Alexander C. Yu	Vice-Chairman
Conrado F. Bate	President & CEO
Catherine L. Ong	SVP / CFO and Treasurer
Juan G. Barredo	Vice President
April Lynn L. Tan	Vice President

hereby confirming and ratifying all that the said representatives may do or cause to be done by virtue of the authority granted under this Resolution;

RESOLVED FINALLY, that the Corporation authorizes the Corporate Secretary to issue a copy of this Resolution to PNB and certify its continuing validity until PNB receives written notice from the Corporation of the modification or revocation of this Resolution."

19 June 2020 Regular BOD Meeting 32

"RESOLVED, as it is hereby resolved that COL Financial Group, Inc. (the "Corporation") is authorized to open bank account (s) in the Development Bank of the Philippines (DBP), in the name and for the use of the Corporation; that moneys, checks, or other funds of the Corporation be deposited in said DBP account(s) and that until otherwise ordered, said bank be and it hereby is authorized to make payments from the funds of the Corporation on deposit with it, upon and according to the check of the Corporation signed by:
(i) any one (1) of the following officers for amounts Fifty Thousand Pesos (Php50,000.00) or below; and
(ii) any two (2) of the following officers signing jointly for amounts exceeding Fifty Thousand Pesos (Php50,000.00);

<u>Name</u>	<u>Position</u>
Edward K. Lee	Chairman
Conrado F. Bate	President & CEO
Catherine L. Ong	SVP / CFO and Treasurer
Juan G. Barredo	Vice President
April Lynn L. Tan	Vice President

that said bank is authorized to receive for deposit or collection any items purporting to be endorsed in the name of the Corporation; that all such checks, drafts, notes, or other negotiable papers endorsed to or signed by the Corporation, including checks drawn to cash or bearer or to the individual order of any officer of the Corporation, shall be honored and paid by said bank without inquiry as to whether the same be drawn or required for the Corporation's business or benefit; and all such payments shall be charged to the Corporation's account; hereby ratifying and approving all that said bank may do or cause to be done by virtue hereof;

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>
			<p>RESOLVED, that the above-mentioned signatories be authorized to effect fund transfers and/or enroll the corporate bank account(s) in Fund Transfer Facilities (Debit One-Credit All or DOCA) of DBP; to apply for and obtain from DBP, in the name of the Corporation, any of its banking services including other services such as, but not limited to, Deposit Pick Up, Cash Delivery, Payroll and Bills Payment Services, under such terms and conditions as are or may be required by DBP; to apply for, invest in and/or obtain from DBP any of its Treasury Products such as, but not limited to, Fixed Income Security, Money Market, Foreign Exchange, and Derivatives (hereinafter referred to as banking/treasury transactions) in the name of the Corporation, subject to such terms and conditions and collateral agreements, if any, as are or may be required by DBP;</p> <p>RESOLVED, further that said signatories be authorized to renew, roll-over, amend, revise, convert or substitute, as may be necessary and/or applicable, the abovementioned deposits, placements, investments, banking/treasury transactions and other banking services, obtained from DBP;</p> <p>RESOLVED, further that said signatories be authorized to apply, obtain, enter into Agreements and sign any and all documents necessary for availing from DBP, in the name of the Corporation, its Electronic Banking (e-Banking) services and all its related modules/function, to include but not limited to cashless collections via Point-of-Sale (POS) terminals; online payment acceptance via Internet Payment Gateway (IPG) or Bills Payment Online; electronic disbursement facilities such as eGov for the electronic transmission of payments to participating Government Institutions (SSS, PhilHealth, Pag-Ibig), BIR eFPS for online tax filing and payment, Cashout Facility via Point-of-Sale (POS) Terminal(s); under such terms and conditions and agreements, as are or may be required by DBP, which agreements may contain such representations and warranties, covenants and undertakings and other conditions and stipulations as the designated authorized representatives of the Corporation may deem necessary and reasonable in the premises;</p> <p>RESOLVED, further that said signatories be authorized to apply, obtain, enter into Agreements and sign and all documents necessary to enroll, in the name of the Corporation, in the DBP Digital Banking Portal;</p> <p>RESOLVED, further that said signatories be authorized to execute, sign and deliver any and all such agreements, contracts and other documents as are or may be necessary to implement the foregoing authorities;</p> <p>RESOLVED, further that said signatories be authorized to apply for and obtain from DBP, from time to time and in the name of the Corporation, loans and other credit accommodations whether on line or non-line arrangement in such amount and under such terms and conditions and collateral arrangements as are or may be required by DBP; to pledge, mortgage, assign or otherwise hypothecate any asset of the Corporation as are or may be required therefore, including the execution of guarantees of suretyship; to make availments therefrom for such amounts as said signatories may deem beneficial to the Corporation, even if in excess of the amount of the original line granted to it by DBP; and to execute, sign and deliver any and all such credit and collateral agreements, Promissory Notes, drafts, import documents, Letters of Credit, Trust Receipts and the like as are or may be necessary for and in connection therewith;</p> <p>RESOLVED, further that said signatories be authorized to negotiate, from time to time, for the renewals, extension, amendments, revisions, restructuring, conversions and/or substitutions of such loans and other credit accommodations; and</p> <p>FINALLY RESOLVED, that the foregoing resolutions shall continue and remain in full force and effect until repealed and/or amended by subsequent resolutions of the Board of Directors and appropriate copies thereof served upon and received by DBP.”</p>
19 June	Regular BOD	33	“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is authorized

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>														
2020	Meeting		<p>to open a savings and checking account with Landbank – Ortigas Center Pearl Drive Branch (the “Bank”) with address at G/F Tycoon Centre Pearl Drive, Ortigas Center, Pasig City;</p> <p>RESOLVED FURTHER, that any two (2) of the following officers signing jointly shall be authorized to deposit, withdraw, endorse, negotiate checks and otherwise transact or deal with the Bank:</p> <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>Position</u></th> </tr> </thead> <tbody> <tr> <td>Edward K. Lee</td> <td>Chairman</td> </tr> <tr> <td>Conrado F. Bate</td> <td>President & CEO</td> </tr> <tr> <td>Catherine L. Ong</td> <td>SVP / CFO and Treasurer</td> </tr> <tr> <td>Juan G. Barredo</td> <td>Vice President</td> </tr> <tr> <td>April Lynn L. Tan</td> <td>Vice President</td> </tr> </tbody> </table> <p>RESOLVED FINALLY, that any one (1) of the aforementioned officers is duly authorized to sign singly all withdrawals or disbursements in the amount of Fifty Thousand Pesos (Php50,000.00) or less.”</p>	<u>Name</u>	<u>Position</u>	Edward K. Lee	Chairman	Conrado F. Bate	President & CEO	Catherine L. Ong	SVP / CFO and Treasurer	Juan G. Barredo	Vice President	April Lynn L. Tan	Vice President		
<u>Name</u>	<u>Position</u>																
Edward K. Lee	Chairman																
Conrado F. Bate	President & CEO																
Catherine L. Ong	SVP / CFO and Treasurer																
Juan G. Barredo	Vice President																
April Lynn L. Tan	Vice President																
19 June 2020	Regular BOD Meeting	34	The Board approved the 2020 First Quarter Consolidated Financial Statements of the Company.														
24 July 2020	Regular BOD Meeting	35	<p>“WHEREAS, COL Financial Group, Inc. (the “Corporation”) recognizes the need to ensure the continuity of its business and guarantee the safety of its employees despite the current outbreak of the coronavirus disease (COVID-19);</p> <p>WHEREAS, on 6 March 2020, the Board of Directors (the “Board”) of the Corporation approved a resolution authorizing certain named officers to sign singly withdrawals and disbursements in the amount of Five Hundred Thousand Pesos (Php 500,000.00) or less; provided that said resolution shall automatically lapse on 1 April 2020;</p> <p>WHEREAS, on 27 March 2020, 27 April 2020, 22 May 2020 and 19 June 2020, the Board approved resolutions extending the validity of the authority granted to said signatories, each extension lasting for one calendar month, with the latest extension automatically lapsing on 1 August 2020;</p> <p>WHEREAS, as the COVID-19 situation has not improved, the Board deems it necessary to broaden its business continuity measures and extend the effectivity of such resolutions until 31 December 2020;</p> <p>RESOLVED THEREFORE, that effective 12 March 2020 up to and including 31 December 2020, for all transactions with banks regulated by the Bangko Sentral ng Pilipinas, any one (1) of the following officers (“Officers”) of the Corporation shall be authorized to sign singly all withdrawals or disbursements in the amount of Five Hundred Thousand Pesos (Php 500,000.00) or less:</p> <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>Position</u></th> </tr> </thead> <tbody> <tr> <td>Edward K. Lee</td> <td>Chairman</td> </tr> <tr> <td>Alexander C. Yu</td> <td>Vice-Chairman</td> </tr> <tr> <td>Conrado F. Bate</td> <td>President & CEO</td> </tr> <tr> <td>Catherine L. Ong</td> <td>SVP / CFO and Treasurer</td> </tr> <tr> <td>Juan G. Barredo</td> <td>Vice President</td> </tr> <tr> <td>April Lynn L. Tan</td> <td>Vice President</td> </tr> </tbody> </table> <p>RESOLVED FURTHER, that the above resolution shall automatically lapse on 1 January 2021;</p> <p>RESOLVED FURTHERMORE, that from 1 January 2021 onwards, the Corporation authorizes the Officers to sign as follows:</p> <p>a. Any one (1) of the Officers is duly authorized to sign singly all withdrawals or disbursements in the amount of Fifty Thousand Pesos (Php50,000.00) or less; and</p>	<u>Name</u>	<u>Position</u>	Edward K. Lee	Chairman	Alexander C. Yu	Vice-Chairman	Conrado F. Bate	President & CEO	Catherine L. Ong	SVP / CFO and Treasurer	Juan G. Barredo	Vice President	April Lynn L. Tan	Vice President
<u>Name</u>	<u>Position</u>																
Edward K. Lee	Chairman																
Alexander C. Yu	Vice-Chairman																
Conrado F. Bate	President & CEO																
Catherine L. Ong	SVP / CFO and Treasurer																
Juan G. Barredo	Vice President																
April Lynn L. Tan	Vice President																

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>														
			b. All other withdrawals or disbursements in excess of Fifty Thousand Pesos (Php50,000.00) shall require the joint signatures of any two (2) of the Officers."														
17 August 2020	Regular BOD Meeting	36	<p>"RESOLVED, that COL Financial Group, Inc. (the "Corporation") is hereby authorized to issue proxies to vote the shares held by the Corporation in mutual fund companies duly registered with the Securities and Exchange Commission (the "Funds") during the Funds' respective annual stockholders' meetings, including all and any adjournments or postponements thereof; and</p> <p>RESOLVED FINALLY, that Ms. Catherine L. Ong is hereby authorized to sign, execute, and deliver all nominations and proxies in relation to the said stockholders' meetings of the Funds."</p>														
17 Aug 2020	Regular BOD Meeting	37	The Board approved the 2020 Second Quarter Consolidated Financial Statements of the Company.														
14 Sept 2020	Regular BOD Meeting	38	<p>"RESOLVED, that COL Financial Group, Inc. (the "Corporation") is authorized to open a securities trading account with Sunsecurities, Inc.;</p> <p>RESOLVED, FURTHER, that any two (2) of the following officers are authorized as they are hereby authorized to sign and execute, for and on behalf of the Corporation, the customer agreement form, information update form, and such other documents or instruments which may be required in connection therewith, or for implementation of the above-stated transaction under such terms and conditions that such officers may deem appropriate:</p> <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>Position</u></th> </tr> </thead> <tbody> <tr> <td>Edward K. Lee</td> <td>Chairman</td> </tr> <tr> <td>Alexander C. Yu</td> <td>Vice Chairman</td> </tr> <tr> <td>Conrado F. Bate</td> <td>President & CEO</td> </tr> <tr> <td>Catherine L. Ong</td> <td>SVP / CFO and Treasurer</td> </tr> </tbody> </table> <p>RESOLVED, FINALLY, that any one (1) of the above-named officers are authorized and are hereby designated by the Corporation to trade the said securities trading account with Sunsecurities, Inc."</p>	<u>Name</u>	<u>Position</u>	Edward K. Lee	Chairman	Alexander C. Yu	Vice Chairman	Conrado F. Bate	President & CEO	Catherine L. Ong	SVP / CFO and Treasurer				
<u>Name</u>	<u>Position</u>																
Edward K. Lee	Chairman																
Alexander C. Yu	Vice Chairman																
Conrado F. Bate	President & CEO																
Catherine L. Ong	SVP / CFO and Treasurer																
21 Sept 2020	Special BOD Meeting	39	<p>"RESOLVED, that COL Financial Group, Inc. (the "Corporation") is authorized to transact business with the Bank of the Philippine Islands (the "Bank"), including the opening and/or maintaining of special reserve bank account(s) in accordance with the Implementing Rules and Regulations of the Securities Regulation Code;</p> <p>RESOLVED FURTHER, that any two (2) of the following officers signing jointly shall be authorized to sign and execute any and all documents relative thereto, including the special reserve account agreement(s), and to deposit, withdraw, endorse, negotiate checks and otherwise transact or deal with the Bank:</p> <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>Position</u></th> </tr> </thead> <tbody> <tr> <td>Edward K. Lee</td> <td>Chairman</td> </tr> <tr> <td>Alexander C. Yu</td> <td>Vice-Chairman</td> </tr> <tr> <td>Conrado F. Bate</td> <td>President & CEO</td> </tr> <tr> <td>Catherine L. Ong</td> <td>SVP / CFO and Treasurer</td> </tr> <tr> <td>Juan G. Barredo</td> <td>Vice President</td> </tr> <tr> <td>April Lynn L. Tan</td> <td>Vice President</td> </tr> </tbody> </table> <p>RESOLVED FURTHER, that any one (1) of the aforementioned officers is duly authorized to sign singly all withdrawals or disbursements in the amount of Fifty Thousand Pesos (Php50,000.00) or less;</p> <p>RESOLVED FINALLY, that the foregoing shall not amend or supersede the resolution approved by the Board of Directors on 24 July 2020 regarding the</p>	<u>Name</u>	<u>Position</u>	Edward K. Lee	Chairman	Alexander C. Yu	Vice-Chairman	Conrado F. Bate	President & CEO	Catherine L. Ong	SVP / CFO and Treasurer	Juan G. Barredo	Vice President	April Lynn L. Tan	Vice President
<u>Name</u>	<u>Position</u>																
Edward K. Lee	Chairman																
Alexander C. Yu	Vice-Chairman																
Conrado F. Bate	President & CEO																
Catherine L. Ong	SVP / CFO and Treasurer																
Juan G. Barredo	Vice President																
April Lynn L. Tan	Vice President																

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>								
			business continuity measures of the Corporation.”								
21 Sept 2020	Special BOD Meeting	40	<p>“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is authorized to lease Unit 2140 at the 21st Floor of Tower D, SM Jazz Residences, Makati City (“Leased Premises”);</p> <p>RESOLVED FURTHER, that the Corporation authorizes its SVP/ CFO and Head of Human Resources, Ms. Catherine L. Ong (“Authorized Signatory”), to sign the lease contract and other documents and agreements in relation thereto and hereby ratifies all acts to give effect to the foregoing;</p> <p>RESOLVED FINALLY, that the Leased Premises shall be occupied by the personnel of the Corporation and shall not be limited or exclusive to the Authorized Signatory.”</p>								
21 Sept 2020	Special BOD Meeting	41	<p>“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) hereby authorizes Trans-world Paper Corporation (“Trans-world”) to secure from the Bureau of Internal Revenue (“BIR”) an Authority to Print Non-VAT Official Acknowledgement Receipts for the Corporation;</p> <p>RESOLVED FINALLY, that the Corporation authorizes any one (1) of Ms. Crisanta C. Alcantara, Mr. Gil A. Lora, and/or Mr. Antonio S. Sorrosa, acting as duly authorized representatives of Trans-world, to file, submit, and/or claim the necessary documents from the BIR for and on behalf of the Corporation.”</p>								
13 Nov 2020	Regular BOD Meeting	42	<p>“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) hereby designates the Head of the Legal and Compliance Department as the Corporation’s Anti-Money Laundering Compliance Officer (“AML Compliance Officer”);</p> <p>RESOLVED FURTHER, that the AML Compliance Officer is hereby authorized to ultimately decide whether or not to file a suspicious transaction report on behalf of the Corporations.”</p>								
13 Nov 2020	Regular BOD Meeting	43	“RESOLVED, that the Board of Directors of COL Financial Group, Inc. (the “Corporation”) hereby approves the amended Money Laundering and Terrorist Financing Prevention Program of the Corporation.”								
13 Nov 2020	Regular BOD Meeting	44	“RESOLVED, that the Board of Directors of COL Financial Group, Inc. (the “Corporation”) hereby approves the institutional risk assessment and action plan of the Corporation.”								
13 Nov 2020	Regular BOD Meeting	45	<p>“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is authorized to conduct a webinar/ seminar for its clients and prospective clients;</p> <p>RESOLVED FURTHER, that any one (1) of the following officers of the Corporation shall be authorized to sign all agreements and other documents necessary or desirable to give effect to the foregoing:</p> <table border="0" style="margin-left: 40px;"> <tr> <td style="text-align: center;"><u>Name</u></td> <td style="text-align: center;"><u>Position</u></td> </tr> <tr> <td>Conrado F. Bate</td> <td>President & CEO</td> </tr> <tr> <td>Catherine L. Ong</td> <td>SVP / CFO and Treasurer</td> </tr> </table>	<u>Name</u>	<u>Position</u>	Conrado F. Bate	President & CEO	Catherine L. Ong	SVP / CFO and Treasurer		
<u>Name</u>	<u>Position</u>										
Conrado F. Bate	President & CEO										
Catherine L. Ong	SVP / CFO and Treasurer										
13 Nov 2020	Regular BOD Meeting	46	<p>“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) hereby designates the following as the Corporation’s e-mail addresses and mobile numbers authorized to receive all communications from the Securities and Exchange Commission (the “Commission”):</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Official e-mail address:</td> <td>compliance@colfinancial.com</td> </tr> <tr> <td>Alternate e-mail address:</td> <td>corporatesecretary@colfinancial.com</td> </tr> <tr> <td>Official mobile number:</td> <td>0961 078 5433</td> </tr> <tr> <td>Alternate mobile number</td> <td>0917 836 5242</td> </tr> </table> <p>RESOLVED FINALLY, that the Corporation authorizes the Commission to send</p>	Official e-mail address:	compliance@colfinancial.com	Alternate e-mail address:	corporatesecretary@colfinancial.com	Official mobile number:	0961 078 5433	Alternate mobile number	0917 836 5242
Official e-mail address:	compliance@colfinancial.com										
Alternate e-mail address:	corporatesecretary@colfinancial.com										
Official mobile number:	0961 078 5433										
Alternate mobile number	0917 836 5242										

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>														
			<p>notices, letter-replies, orders, decisions, and/or other documents through the foregoing e-mail addresses and mobile numbers for the purpose of complying with the notice requirement of administrative due process.”</p>														
13 Nov 2020	Regular BOD Meeting	47	<p>Whereas, COL Financial Group, Inc. (the “Company”) entered into several contracts with Infotouch Systems, Inc. (“Infotouch”) for the development of the Company’s mobile applications (“Mobile App”) in 2018 and 2019;</p> <p>Whereas, upon testing, it was determined that that Mobile App did not meet the specifications initially set out by the Company;</p> <p>Whereas, despite several correspondences with Infotouch, the same failed in a material way to deliver products that meet the Company’s acceptance criteria and requirements;</p> <p>Whereas, the Company has determined that the Mobile App cannot be utilized and put into production;</p> <p>Whereas, to date, the total costs incurred from the development of the Mobile App amounts to Twelve Million Four Hundred Fourteen Thousand Three Hundred Ninety-Six and Thirteen Centavos (Php12,414,396.13);</p> <p>Thus it was:</p> <p>RESOLVED, that COL Financial Group, Inc. (the “Company”) affirms the rejection of the mobile applications created and delivered by Infotouch Systems, Inc. as the same failed in a material way to meet the acceptance criteria and requirements set out by the Company; and</p> <p>RESOLVED, FURTHER, that the Company is authorized to write-off the all expenses incurred in relation to the development of said mobile applications in the amount of Twelve Million Four Hundred Fourteen Thousand Three Hundred Ninety-Six and Thirteen Centavos (Php12,414,396.13).”</p>														
13 Nov 2020	Regular BOD Meeting	48	<p>RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is authorized to enroll in Security Digibanker, the online facility of Security Bank Corporation;</p> <p>RESOLVED FURTHER, that the following officer of the Corporation is hereby assigned as the Access & Password Administrator for Security Digibanker:</p> <p>Access Administrator: Lorena E. Velarde – VP / Financial Controller Password Administrator: Lorena E. Velarde – VP / Financial Controller</p> <p>The Access & Password Administrator is hereby authorized to assign users who may have access to the Security Digibanker and their corresponding access level;</p> <p>RESOLVED FURTHERMORE, that any two (2) of the following officers signing jointly are hereby authorized to sign any and all documents necessary to carry out the aforementioned resolutions:</p> <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>Position</u></th> </tr> </thead> <tbody> <tr> <td>Edward K. Lee</td> <td>Chairman</td> </tr> <tr> <td>Alexander C. Yu</td> <td>Vice-Chairman</td> </tr> <tr> <td>Conrado F. Bate</td> <td>President & CEO</td> </tr> <tr> <td>Catherine L. Ong</td> <td>SVP / CFO and Treasurer</td> </tr> <tr> <td>Juan G. Barredo</td> <td>Vice President</td> </tr> <tr> <td>April Lynn L. Tan</td> <td>Vice President</td> </tr> </tbody> </table>	<u>Name</u>	<u>Position</u>	Edward K. Lee	Chairman	Alexander C. Yu	Vice-Chairman	Conrado F. Bate	President & CEO	Catherine L. Ong	SVP / CFO and Treasurer	Juan G. Barredo	Vice President	April Lynn L. Tan	Vice President
<u>Name</u>	<u>Position</u>																
Edward K. Lee	Chairman																
Alexander C. Yu	Vice-Chairman																
Conrado F. Bate	President & CEO																
Catherine L. Ong	SVP / CFO and Treasurer																
Juan G. Barredo	Vice President																
April Lynn L. Tan	Vice President																
13 Nov 2020	Regular BOD Meeting	49	<p>WHEREAS, COL Financial Group, Inc. (the “Corporation”) recognizes the need to ensure the continuity of its business and guarantee the safety of its employees despite the current outbreak of the coronavirus disease (COVID-19);</p> <p>WHEREAS, on 6 March 2020, the Board of Directors (the “Board”) of the Corporation approved a resolution authorizing certain named officers to sign</p>														

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>
-------------	----------------	-----------------------	-------------------

singly withdrawals and disbursements in the amount of Five Hundred Thousand Pesos (Php 500,000.00) or less; provided that said resolution shall automatically lapse on 1 April 2020;

WHEREAS, on 27 March 2020, 27 April 2020, 22 May 2020, 19 June 2020 and 24 July 2020, the Board approved resolutions extending the validity of the authority granted to said signatories, with the latest extension automatically lapsing on 31 December 2020;

WHEREAS, as the COVID-19 situation has not improved, the Board deems it necessary to broaden its business continuity measures and extend the effectivity of such resolutions until 31 March 2021;

RESOLVED THEREFORE, that effective 12 March 2020 up to and including 31 March 2021, for all transactions with banks regulated by the Bangko Sentral ng Pilipinas, any one (1) of the following officers (“Officers”) of the Corporation shall be authorized to sign singly all withdrawals or disbursements in the amount of Five Hundred Thousand Pesos (Php 500,000.00) or less:

<u>Name</u>	<u>Position</u>
Edward K. Lee	Chairman
Alexander C. Yu	Vice-Chairman
Conrado F. Bate	President & CEO
Catherine L. Ong	SVP / CFO and Treasurer
Juan G. Barredo	Vice President
April Lynn L. Tan	Vice President

RESOLVED FURTHER, that the above resolution shall automatically lapse on 1 April 2021;

RESOLVED FURTHERMORE, that from 1 April 2021 onwards, the Corporation authorizes the Officers to sign as follows:

- a. Any one (1) of the Officers is duly authorized to sign singly all withdrawals or disbursements in the amount of Fifty Thousand Pesos (Php50,000.00) or less; and
- b. All other withdrawals or disbursements in excess of Fifty Thousand Pesos (Php50,000.00) shall require the joint signatures of any two (2) of the Officers.”

13 Nov 2020	Regular BOD Meeting	50
-------------	---------------------	----

“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) hereby designates any one (1) of the following officers as the duly authorized representative of the Corporation before government agencies and instrumentalities and are hereby authorized to sign any documents or forms in relation thereto for and on behalf of the Corporation;

<u>Name</u>	<u>Position</u>
Edward K. Lee	Chairman
Alexander C. Yu	Vice-Chairman
Conrado F. Bate	President & CEO
Catherine L. Ong	SVP / CFO and Treasurer
Juan G. Barredo	Vice President
April Lynn L. Tan	Vice President

RESOLVED FURTHER, that any one (1) of the above-mentioned officers, signing singly, is hereby authorized to appoint and designate the employees and/or personnel of the Corporation who shall appear before, file, pay, receive documents and otherwise transact with the respective government offices for and behalf of the Corporation;

RESOLVED, FINALLY, that this resolution revokes all previous resolutions insofar as are inconsistent with the foregoing, unless subsequently modified, revoked, rescinded or superseded by a resolution of the Board and a copy of such

<u>Date</u>	<u>Meeting</u>	<u>Resolution No.</u>	<u>Resolution</u>														
			resolution is actually received by the government office transacting with the Corporation.”														
13 Nov 2020	Regular BOD Meeting	51	<p>“RESOLVED, that COL Financial Group, Inc. (the “Corporation”) is hereby authorized to close its administration office located at G/F Citibank Tower, 8741 Paseo De Roxas, Salcedo Village, Makati City.</p> <p>RESOLVED FURTHER, that any one (1) of the following officers, signing singly, is hereby designated as the Corporation’s duly authorized representative and is authorized to sign any documents or forms in order to give effect to the foregoing:</p> <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>Position</u></th> </tr> </thead> <tbody> <tr> <td>Edward K. Lee</td> <td>Chairman</td> </tr> <tr> <td>Alexander C. Yu</td> <td>Vice-Chairman</td> </tr> <tr> <td>Conrado F. Bate</td> <td>President & CEO</td> </tr> <tr> <td>Catherine L. Ong</td> <td>SVP / CFO and Treasurer</td> </tr> <tr> <td>Juan G. Barredo</td> <td>Vice President</td> </tr> <tr> <td>April Lynn L. Tan</td> <td>Vice President</td> </tr> </tbody> </table>	<u>Name</u>	<u>Position</u>	Edward K. Lee	Chairman	Alexander C. Yu	Vice-Chairman	Conrado F. Bate	President & CEO	Catherine L. Ong	SVP / CFO and Treasurer	Juan G. Barredo	Vice President	April Lynn L. Tan	Vice President
<u>Name</u>	<u>Position</u>																
Edward K. Lee	Chairman																
Alexander C. Yu	Vice-Chairman																
Conrado F. Bate	President & CEO																
Catherine L. Ong	SVP / CFO and Treasurer																
Juan G. Barredo	Vice President																
April Lynn L. Tan	Vice President																
13 Nov 2020	Regular BOD Meeting	52	The Board approved the 2020 Third Quarter Consolidated Financial Statements of the Company.														

ANNEX “G”

**AUDITED FINANCIAL STATEMENTS AS OF
31 DECEMBER 2020**

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	1	9	9	9	1	0	0	6	5
---	---	---	---	---	---	---	---	---	---

COMPANY NAME

C	O	L	F	I	N	A	N	C	I	A	L	G	R	O	U	P	,	I	N	C	.	A	N	D
S	U	B	S	I	D	I	A	R	I	E	S													

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

U	n	i	t	2	4	0	1	-	B	E	a	s	t	T	o	w	e	r	,	P	S	E	C	e	
n	t	r	e	,	E	x	c	h	a	n	g	e	R	o	a	d	,	O	r	t	i	g	a	s	C
e	n	t	e	r	,	P	a	s	i	g	C	i	t	y											

Form Type

1	7	-	A
---	---	---	---

Department requiring the report

C	F	D
---	---	---

Secondary License Type, if Applicable

B	r	o	k	e	r
---	---	---	---	---	---

COMPANY INFORMATION

Company's Email Address

helpdesk@colfinancial.com

Company's Telephone Number

(02) 8636-5411

Mobile Number

NA

No. of Stockholders

34

Annual Meeting (Month / Day)

03/NA

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Mr. Conrado F. Bate

Email Address

dino.bate@colfinancial.com

Telephone Number/s

(02) 8636-5411

Mobile Number

NA

CONTACT PERSON'S ADDRESS

Unit 2401-B East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS**

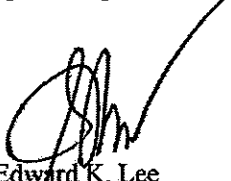
The management of COL Financial Group, Inc. and Subsidiaries (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as of December 31, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

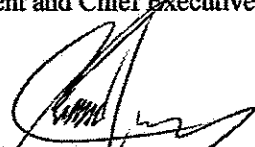
The Board of Directors (BOD) is responsible for overseeing the Group's financial reporting process.

The BOD reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders of the Group.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the BOD and stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


Edward K. Lee
Chairman of the Board


Conrado F. Bate
President and Chief Executive Officer


Catherine L. Ong
Senior Vice President and Chief Financial Officer

Signed this 31st day of March 2021.

***Statement of Management's Responsibility
for Consolidated Financial Statements***

SUBSCRIBED AND SWORN to before me this 31st day of March 2021, at Pasig, affiants exhibited to me their respective competent evidences of identity, as follows:

<u>Name</u>	<u>Passport No.</u>	<u>Date/Place Issued</u>
Edward K. Lee	DL # N07-80-002531	June 10, 2019
Conrado F. Bate	PP # P8211336A	Aug. 3, 2018/DFA Manila
Catherine L. Ong	PP # P7000517A	May 2, 2018/ DFA NCR East

NOTARY PUBLIC



ATTY. STEPHANIE FAYE B. REYES

For the Cities of Pasig, San Juan and the Municipality of Pateros
Expiring on 31 December 2020
Appointment No. 61 (2019-2020) Pasig City
Roll No. 64239
PTR No. 5242827/01.05.21/Pasig City
IBP LRN 13768/RSM
MCLE Compliance No. VI-0014740/11.13.18
2703C East Tower PSE Centre, Exchange Rd.,
Ortigas Center, Pasig City

Doc. No. 397;
Page No. 81;
Book No. III;
Series of 2021.



SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
COL Financial Group, Inc.
Unit 2401-B East Tower, PSE Centre
Exchange Road, Ortigas Center, Pasig City

Opinion

We have audited the consolidated financial statements of COL Financial Group, Inc. (the Parent Company) and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2020 and 2019, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2020 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Information Technology Environment Supporting the Stockbrokerage Business

The Parent Company is highly dependent on the reliability and continuity of its information technology (IT) environment to support the automated data processing of its stockbrokerage business. This IT environment is key to the Parent Company's revenue generation activity and is relied upon in many aspects of its financial reporting process. We, therefore, considered the testing of the controls over IT processes of the Parent Company to address the IT process risks as a key audit matter.

Audit response

We performed procedures to obtain an understanding of the Parent Company's IT environment, which covers the IT applications and supporting infrastructure, IT processes and IT personnel. We obtained an understanding and performed testing of the IT controls over program changes to the IT applications, user access management to the IT applications and databases, and management of IT operations. To the extent applicable, we performed testing of the design and operation of the IT controls of the applications supporting the trading-related revenue process and the financial reporting process. We evaluated and considered the results of the testing of controls in the design and extent of our substantive audit procedures.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Janeth T. Nuñez-Javier.

SYCIP GORRES VELAYO & CO.

Janeth T. Nuñez-Javier
Janeth T. Nuñez-Javier

Partner

CPA Certificate No. 111092

SEC Accreditation No. 1328-AR-2 (Group A),
July 9, 2019, valid until July 8, 2022

Tax Identification No. 900-322-673

BIR Accreditation No. 08-001998-069-2020,

December 3, 2020, valid until December 2, 2023

PTR No. 8534338, January 4, 2021, Makati City

March 31, 2021



COL FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31					
	2020			2019		
	Money Balance	Security Valuation		Money Balance	Security Valuation	
		Long	Short		Long	Short
ASSETS						
Current Assets						
Cash and cash equivalents (Note 4)	P5,449,130,303			P8,226,032,009		
Cash in a segregated account (Notes 4 and 5)	133,246,671			137,679,325		
Short-term time deposits (Note 4)	200,000,000			200,000,000		
Financial assets at fair value through profit or loss (Note 6)	35,524,329	P5,573,619		4,003,329	P4,003,329	
Investment securities at amortized cost (Note 8)	6,163,007,003			200,348,264		3,984,013,048
Trade receivables (Notes 7 and 20)	1,129,929,615	5,871,374,410		864,272,801		
Other receivables (Notes 7 and 20)	38,028,477			48,067,874		
Prepayments	6,396,907			5,422,562		
Other current assets (Note 12)	309,925			21,914		
Total Current Assets	13,155,573,230			9,685,848,078		
Noncurrent Assets						
Long-term time deposit (Note 4)	-			200,000,000		
Investment securities at amortized cost (Note 8)	300,200,000			-		
Property and equipment (Note 9)	114,808,220			148,644,922		
Investment property (Note 10)	14,883,275			15,758,762		
Intangibles (Note 11)	15,566,291			19,522,713		
Deferred tax assets (Note 19)	24,989,839			2,096,547		
Other noncurrent assets (Note 12)	69,043,026			77,221,097		
Total Noncurrent Assets	539,490,651			463,244,041		
TOTAL ASSETS	P13,695,063,881			P10,149,092,119		
Securities in box, in Philippine Depository and Trust Corporation and Hong Kong Securities Clearing Company, Limited					P97,069,338,829	P65,716,445,905

(Forward)



	December 31					
	2020			2019		
	Money Balance	Security Valuation		Money Balance	Security Valuation	
Long		Short	Long		Short	
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables (Notes 13 and 20)	₱11,500,888,504	₱91,192,390,800		₱8,185,897,877	₱61,728,429,528	
Lease liabilities - current portion (Note 21)	18,737,554			20,767,513		
Income tax payable	50,007,310			6,618,090		
Other current liabilities (Note 14)	202,223,864			84,968,381		
Total Current Liabilities	11,771,857,232			8,298,251,861		
Noncurrent Liabilities						
Lease liabilities -- net of current portion (Note 21)	25,391,876			36,454,605		
Retirement obligation (Notes 18 and 20)	69,075,170			68,336,052		
Total Noncurrent Liabilities	94,467,046			104,790,657		
Total Liabilities	11,866,324,278			8,403,042,518		
Equity						
Capital stock (Note 15)	476,000,000			476,000,000		
Capital in excess of par value	53,219,024			53,219,024		
Accumulated translation adjustment	4,340,450			14,516,424		
Loss on remeasurement of retirement obligation (Note 18)	(28,380,396)			(32,236,855)		
Retained earnings (Note 15)						
Appropriated	380,579,722			332,507,131		
Unappropriated	922,983,187			879,945,260		
Equity Attributable to the Equity Holders of the Parent Company	1,808,741,987			1,723,950,984		
Non-controlling Interest (Note 15)	19,997,616			22,098,617		
Total Equity	1,828,739,603			1,746,049,601		
TOTAL LIABILITIES AND EQUITY	₱13,695,063,881	₱97,069,338,829	₱97,069,338,829	₱10,149,092,119	₱65,716,445,905	₱65,716,445,905

See accompanying Notes to Consolidated Financial Statements.



COL FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2020	2019	2018
REVENUES (Note 16)			
Commissions (Note 20)	₱793,886,384	₱539,049,838	₱702,931,280
Others:			
Interest income (Notes 4, 5, 6, 7, 8 and 20)	246,449,713	527,716,977	422,227,848
Trail fees	17,255,849	17,365,097	14,730,081
Trading gains (losses) - net (Note 6)	(563,029)	41,501	14,107,532
Others (Notes 6 and 21)	29,312,749	19,293,262	25,624,313
	1,086,341,666	1,103,466,675	1,179,621,054
COST OF SERVICES			
Personnel costs - operations (Notes 17, 18 and 20)	81,116,939	93,662,645	98,870,861
Stock exchange dues and fees (Note 16)	52,017,412	32,303,657	39,463,462
Commission expense	27,712,304	40,387,642	60,620,567
Central depository fees	6,677,203	7,051,621	6,782,983
Research	5,405,507	3,743,136	3,374,658
Others:			
Communications	34,147,136	33,522,738	34,536,487
Depreciation (Note 9)	155,548	134,902	134,635
	207,232,049	210,806,341	243,783,653
GROSS PROFIT	879,109,617	892,660,334	935,837,401
OPERATING EXPENSES			
Administrative expenses:			
Personnel costs (Notes 17, 18 and 20)	87,737,323	62,010,240	59,329,902
Professional fees (Note 20)	52,029,642	48,953,170	50,711,036
Management bonus (Note 20)	32,987,417	16,889,521	24,701,098
Taxes and licenses	7,070,326	8,358,190	5,853,764
Insurance and bonds	5,209,997	4,928,438	4,078,614
Advertising and marketing	5,047,820	15,719,591	11,592,176
Repairs and maintenance	4,753,332	5,123,022	5,215,864
Security and messengerial services	4,711,415	6,631,905	6,482,716
Condominium dues and utilities	4,364,705	4,639,515	3,570,573
Power, light and water	4,005,897	5,492,450	5,791,410
Office supplies	2,067,724	3,631,825	3,226,088
Directors' fees (Note 20)	1,750,000	1,750,000	1,682,500
Membership fees and dues	1,311,628	1,336,837	1,388,886
Trainings, seminars and meetings	592,535	1,266,387	1,510,387
Rentals (Note 21)	364,679	207,015	22,494,380
Representation and entertainment	287,338	3,114,077	3,755,314
Donation	-	2,000,000	-
Others	4,495,620	4,629,719	4,559,816
	218,787,398	196,681,902	215,944,524
Depreciation and amortization (Notes 9, 10, 11 and 21)	64,041,870	58,680,226	25,812,755
Provision for credit losses (Note 7)	1,304,508	614,712	296,943
	284,133,776	255,976,840	242,054,222
OTHER INCOME (LOSSES)			
Loss on write-off of intangible assets (Note 12)	(12,414,396)	-	-
Interest expense (Notes 18 and 21)	(6,726,005)	(6,201,084)	(2,482,293)
Foreign exchange gains (losses) - net	175,665	(93,432)	129,256
Gain on disposal of property and equipment (Note 9)	25,785	8,409	-
Recovery from impairment losses (Note 12)	-	-	13,724,200
Other income (Note 12)	-	-	21,510,020
	(18,938,951)	(6,286,107)	32,881,183
INCOME BEFORE INCOME TAX	576,036,890	630,397,387	726,664,362
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 19)			
Current			
Regular corporate income tax	118,879,946	76,115,523	104,471,111
Final income tax	41,690,612	96,160,900	75,807,941
Deferred	(6,743,185)	(253,812)	33,831,121
	153,827,373	172,022,611	214,110,173
NET INCOME	₱422,209,517	₱458,374,776	₱512,554,189
Attributable to:			
Equity holders of the Parent Company	₱424,310,518	₱458,776,159	₱512,554,189
Non-controlling interest (Note 15)	(2,101,001)	(401,383)	-
	₱422,209,517	₱458,374,776	₱512,554,189
Earnings Per Share (Note 25)			
Basic and diluted	₱0.89	₱0.96	₱1.08

See accompanying Notes to Consolidated Financial Statements.



COL FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2020	2019	2018
NET INCOME	₱422,209,517	₱458,374,776	₱512,554,189
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX			
Item that will not be reclassified to consolidated statements of income:			
Gain (loss) on remeasurement of retirement obligation - net of tax (Note 18)	3,856,459	(16,430,269)	(4,064,955)
Item that may be reclassified subsequently to consolidated statements of income:			
Translation adjustments - net of tax	(10,175,974)	(7,364,731)	13,655,969
	(6,319,515)	(23,795,000)	9,591,014
TOTAL COMPREHENSIVE INCOME	₱415,890,002	₱434,579,776	₱522,145,203
Attributable to:			
Equity holders of the Parent Company	₱417,991,003	₱434,981,159	₱522,145,203
Non-controlling interest	(2,101,001)	(401,383)	—
	₱415,890,002	₱434,579,776	₱522,145,203

See accompanying Notes to Consolidated Financial Statements.



COL FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019, AND 2018

Equity Attributable to the Equity Holders of the Parent Company

	Capital Stock (Note 15)	Capital In Excess of Par Value	Accumulated Translation Adjustment	Loss on Remeasurement of Retirement Obligation (Note 18)	Retained Earnings		Total	Non-controlling Interest (Note 15)	Total Equity
					Appropriated (Note 15)	Unappropriated			
Balances at January 1, 2020	₱476,000,000	₱53,219,024	₱14,516,424	(₱32,236,855)	₱332,507,131	₱879,945,260	₱1,723,950,984	₱22,098,617	₱1,746,049,601
Total comprehensive income (loss)	-	-	(10,175,974)	3,856,459	-	424,310,518	417,991,003	(2,101,001)	415,890,002
Appropriation of retained earnings (Note 15)	-	-	-	-	48,072,591	(48,072,591)	-	-	-
Declaration of cash dividend (Note 15)	-	-	-	-	-	(333,200,000)	(333,200,000)	-	(333,200,000)
Balances at December 31, 2020	₱476,000,000	₱53,219,024	₱4,340,450	(₱28,380,396)	₱380,579,722	₱922,983,187	₱1,808,741,987	₱19,997,616	₱1,828,739,603
Balances at January 1, 2019	₱476,000,000	₱53,219,024	₱21,881,155	(₱15,806,586)	₱276,503,775	₱881,772,457	₱1,693,569,825	₱-	₱1,693,569,825
Non-controlling interest of newly acquired subsidiaries	-	-	-	-	-	-	-	22,500,000	22,500,000
Total comprehensive income (loss)	-	-	(7,364,731)	(16,430,269)	-	458,776,159	434,981,159	(401,383)	434,579,776
Appropriation of retained earnings (Note 15)	-	-	-	-	56,003,356	(56,003,356)	-	-	-
Declaration of cash dividend (Note 15)	-	-	-	-	-	(404,600,000)	(404,600,000)	-	(404,600,000)
Balances at December 31, 2019	₱476,000,000	₱53,219,024	₱14,516,424	(₱32,236,855)	₱332,507,131	₱879,945,260	₱1,723,950,984	₱22,098,617	₱1,746,049,601
Balances at January 1, 2018	₱476,000,000	₱53,219,024	₱8,225,186	(₱11,741,631)	₱235,590,918	₱743,331,125	₱1,504,624,622	₱-	₱1,504,624,622
Total comprehensive income (loss)	-	-	13,655,969	(4,064,955)	-	512,554,189	522,145,203	-	522,145,203
Appropriation of retained earnings (Note 15)	-	-	-	-	40,912,857	(40,912,857)	-	-	-
Declaration of cash dividend (Note 15)	-	-	-	-	-	(333,200,000)	(333,200,000)	-	(333,200,000)
Balances at December 31, 2018	₱476,000,000	₱53,219,024	₱21,881,155	(₱15,806,586)	₱276,503,775	₱881,772,457	₱1,693,569,825	₱-	₱1,693,569,825

See accompanying Notes to Consolidated Financial Statements.



COL FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱576,036,890	₱630,397,387	₱726,664,362
Adjustments for:			
Interest income (Notes 4, 5, 6, 7, 8, 16, and 20)	(246,449,713)	(527,716,977)	(422,227,848)
Depreciation and amortization (Notes 9, 10, 11 and 21)	64,197,418	58,815,128	25,947,390
Contribution to the retirement fund (Note 18)	(19,155,236)	-	(12,719,737)
Loss on write-off of intangible assets	12,414,396	-	-
Retirement costs under 'Personnel costs' (Notes 17 and 18)	8,343,149	5,696,718	5,568,707
Interest expense (Notes 18 and 21)	6,726,005	6,201,084	2,482,293
Provision for credit losses (Note 7)	1,304,508	614,712	296,943
Unrealized trading losses (gains) - net (Note 6)	299,180	805,210	(1,961,296)
Dividend income (Note 6)	(38,044)	(30,721)	(258,706)
Gain on disposal of property and equipment (Note 9)	(25,785)	(8,409)	-
Other income (Notes 12 and 21)	(565,113)	-	(21,510,020)
Recovery from impairment losses (Note 12)	-	-	(13,724,200)
Operating income before working capital changes	403,087,655	174,774,132	288,557,888
Decrease (increase) in:			
Cash in a segregated account	4,432,654	(3,890,989)	(44,795,248)
Short-term time deposits	200,000,000	426,000,000	(626,000,000)
Financial assets at fair value through profit or loss	(31,820,180)	(1,583,376)	(86,889)
Trade receivables	(289,724,333)	(69,031,557)	381,942,484
Other receivables	29,700,293	(8,360,464)	108,137,009
Prepayments	(979,452)	1,059,017	(3,434,068)
Other assets	(9,967,981)	(1,217,611)	(55,232,020)
Increase (decrease) in:			
Trade payables	3,322,461,372	(1,064,624,734)	(950,153,080)
Other current liabilities	118,159,848	(21,718,584)	(8,272,865)
Net cash generated from (used in) operations	3,745,349,876	(568,594,166)	(909,336,789)
Interest received	216,817,241	541,244,758	325,973,632
Income taxes paid	(111,934,452)	(184,433,602)	(171,572,932)
Dividends received	38,044	30,721	258,706
Net cash provided by (used in) operating activities	3,850,270,709	(211,752,289)	(754,677,383)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to investments at amortized cost	(10,517,919,164)	-	-
Proceeds from maturity of investments at amortized cost (Note 8)	4,265,000,000	-	-
Acquisitions of property and equipment (Notes 9)	(14,059,301)	(44,582,863)	(29,561,263)
Acquisitions of software and licenses (Note 11)	(291,114)	(5,562,094)	(908,299)
Proceeds from disposal of property and equipment (Note 9)	49,614	8,482	-
Net cash used in investing activities	(6,267,219,965)	(50,136,475)	(30,469,562)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends declared and paid (Note 15)	(333,200,000)	(404,600,000)	(333,200,000)
Payment of principal portion of lease liabilities (Note 21)	(26,752,450)	(27,562,609)	-
Proceeds from issuance of shares to the non-controlling interest	-	22,500,000	-
Net cash used in financing activities	(359,952,450)	(409,662,609)	(333,200,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,776,901,706)	(671,551,373)	(1,118,346,945)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,226,032,009	8,897,583,382	10,015,930,327
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱5,449,130,303	₱8,226,032,009	₱8,897,583,382

See accompanying Notes to Consolidated Financial Statements.



COL FINANCIAL GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

COL Financial Group, Inc. (the Parent Company or COL Financial) was registered with the Philippine Securities and Exchange Commission (SEC) on August 16, 1999, primarily to engage in the business of broker of securities and to provide stockbrokerage services through innovative internet technology. The registered address of the Parent Company is Unit 2401-B East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City, Philippines.

COL Financial and its subsidiaries are collectively referred hereinto as the “Group”. The Group is engaged in offering stock brokerage and fund distribution services. The Group is also engaged in providing financial advice, in the gathering and distribution of financial and investment information and statistics and in acting as financial, commercial or business representative.

The Parent Company is a public company listed in the Philippine Stock Exchange (PSE).

On August 15, 2006, the Board of Directors (BOD) of the Parent Company approved the acquisition of the exchange trading right of Mark Securities Corporation for the purpose of making the Parent Company a PSE Trading Participant. On December 13, 2006, the BOD of PSE approved the application of the Parent Company as a Corporate Trading Participant in PSE through the transfer of the exchange trading right registered in the name of Mark Securities Corporation and the designation of Mr. Conrado F. Bate as its Nominee Trading Participant (Note 11).

The Parent Company became a clearing member of the Securities Clearing Corporation of the Philippines (SCCP) and started operating its own seat in the PSE on February 16, 2009.

In 2015, the Parent Company was registered and authorized by the SEC to distribute various mutual funds issued by the top six (6) fund providers in the Philippines.

In 2019, the Parent Company has set up its own asset management firm to diversify its portfolio as a one-stop shop online platform for capital market products. The Parent Company has unitized funds, a type of fund structure that uses pooled funds to invest with individually reported unit values for investors, which are different from the equity-laced mutual funds that it now distributes through its platform.

The accompanying consolidated financial statements of the Group as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020 were authorized for issue in accordance with a resolution by the BOD on March 31, 2021.

2. Basis of Preparation, Basis of Consolidation and Summary of Significant Accounting Policies

Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) which have been measured at fair value. The Group’s consolidated financial statements are presented in Philippine peso (PHP), which is the presentation currency under PFRS. Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Group has been determined to be Philippine peso, except for COL Securities (HK) Limited



(COLHK) whose functional currency has been determined to be HK dollar (HK\$). All values are rounded to the nearest peso, except when otherwise indicated.

Basis of Consolidation

The consolidated financial statements comprise the accounts of the Parent Company and its subsidiaries as at December 31, 2020, after eliminating significant intercompany balances and transactions. The following are the wholly and majority-owned foreign and domestic subsidiaries of COL Financial:

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Effective Percentage of Ownership	Functional Currency
COLHK	Hong Kong	100%	HK\$
COL Investment Management, Inc. (CIMI)	Philippines	70%	PHP
COL Equity Index Unitized Mutual Fund, Inc. (CEIUMF)	Philippines	100%	PHP
COL Cash Management Unitized Mutual Fund, Inc. (CCMUMF)	Philippines	100%	PHP

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the Parent Company's returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting



policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Non-Controlling Interest

Non-controlling interest represents the portion of profit or loss and net assets not owned, directly or indirectly, by the Parent Company and are presented in the consolidated statements of income, consolidated statements of comprehensive income, and within equity in the consolidated statements of financial position, separately from equity attributable to the Parent Company.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PFRS 3, *Business Combinations, Definition of a Business*

The amendments to PFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments may impact future periods should the Group enter into any business combinations.

- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*

The amendments to PFRS 9 provide a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.



- Conceptual Framework for Financial Reporting issued on March 29, 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the standard-setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

The amendments provide relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendments are effective for annual reporting periods beginning on or after June 1, 2020. Early adoption is permitted.

The Group adopted the amendments beginning January 1, 2020.

Standards and Interpretations Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2021

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*



- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

Effective beginning on or after January 1, 2023

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- PFRS 17, *Insurance Contracts*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Summary of Significant Accounting Policies

Foreign Currency Translation

Transactions in foreign currencies are initially recorded in the prevailing functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the closing functional currency rate of exchange at the reporting period. All differences are taken to the consolidated statement of income.

On consolidation, the assets and liabilities of the consolidated foreign subsidiary are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their statement of income is translated at the average exchange rates for the year. The exchange differences arising on translation for consolidation are recognized in equity (under 'Accumulated translation adjustment'). Upon disposal of the foreign subsidiary, the component of OCI relating to the foreign subsidiary is recognized in the consolidated statement of income.

Current versus Non-current Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve (12) months after reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as non-current.

Net deferred tax assets (liabilities) are classified as non-current.



Cash and Cash Equivalents, Short-term Time Deposits and Long-term Time Deposit

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of acquisition and that are subject to insignificant risk of changes in value. Bank placements and investments with original maturities of more than three (3) months but less than one year are classified as short-term time deposit while investments with original maturities of more than one year are classified as long-term time deposit.

Cash in a Segregated Account

Cash in a segregated account represents clients' monies maintained by COLHK with a licensed bank arising from its normal course of business.

The asset is recognized to the extent that COLHK bears the risks and rewards related to the clients' monies deposited in the bank. Similarly, the accompanying liability is recognized to the extent that COLHK has the obligation to deliver cash to its customers upon withdrawal and is liable for any loss or misappropriation of clients' monies.

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of Recognition

Financial instruments are any contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Financial Instruments at FVTPL

Financial assets and financial liabilities at FVTPL are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in 'Trading gains (losses) - net' in the consolidated statement of income. Interest earned or incurred is recorded in interest income or expense, respectively, while dividend income is recorded in other revenues according to the terms of the contract, or when the right of the payment has been established.

Initial Recognition and Classification of Financial Instruments

Financial assets are measured at FVTPL unless these are measured at fair value through other comprehensive income (FVOCI) or at amortized cost. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortized cost. The classification of financial assets depends on the contractual terms and the business model for managing the financial assets. Subsequent to initial recognition, the Group may reclassify its financial assets only when there is a change in its business model for managing these financial assets. Reclassification of financial liabilities is not allowed.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios. As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they pass the contractual cash flows test (SPPI test).

Investment securities at FVOCI

Investment securities at FVOCI include debt and equity securities. After initial measurement, investment securities at FVOCI are subsequently measured at fair value. The unrealized gains and losses arising from the fair valuation of investment securities at FVOCI are excluded, net of tax as



applicable, from the reported earnings and are included in the consolidated statement of comprehensive income as 'Change in net unrealized loss on investment securities at FVOCI'.

Debt securities at FVOCI are those that meet both of the following conditions: (i) the asset is held within a business model whose objective is to hold the financial assets in order to both collect contractual cash flows and sell financial assets; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the outstanding principal amount. The effective yield component of debt securities at FVOCI, as well as the impact of restatement on foreign currency-denominated debt securities at FVOCI, is reported in the statement of income. Interest earned on holding debt securities at debt securities at FVOCI are reported as 'Interest income' using the effective interest rate (EIR) method. When the debt securities at FVOCI are disposed of, the cumulative gain or loss previously recognized in the statement of comprehensive income is recognized as 'Trading and securities gain (loss) - net' in the consolidated statement of income. The expected credit losses (ECL) arising from impairment of such investments are recognized in OCI with a corresponding charge to 'Provision for credit losses' in the consolidated statement of income.

Equity securities designated at FVOCI are those that the Group made an irrevocable election to present in OCI the subsequent changes in fair value. Dividends earned on holding equity securities at FVOCI are recognized in the consolidated statement of income as 'Dividends' when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Gains and losses on disposal of these equity securities are never recycled to profit or loss, but the cumulative gains or losses previously recognized in the consolidated statement of comprehensive income is reclassified to 'Surplus' or any other appropriate equity account upon disposal. Equity securities at FVOCI are not subject to impairment assessment.

The Group had no investment securities at FVOCI as at December 31, 2020 and 2019.

Financial assets at amortized cost

Financial assets at amortized cost are debt financial assets that meet both of the following conditions: (i) these are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and (ii) the contractual terms give rise on specified dates to cash flows that are SPPI on the outstanding principal amount. This accounting policy mainly relates to the consolidated statement of financial position captions 'Cash and cash equivalents', 'Cash in a segregated account', 'Short-term time deposits', 'Trade receivables', 'Other receivables', 'Long-term time deposit', 'Investment securities at amortized cost' and deposit and refundable contributions to Clearing and Trade Guarantee Fund (CTGF) and refundable deposits under 'Other noncurrent assets', which arise primarily from service revenues and other types of receivables.

After initial measurement, financial assets at amortized cost are subsequently measured at amortized cost using the EIR method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in 'Interest income' in the consolidated statement of income. Gains and losses are recognized in statement of income when these investments are derecognized or impaired, as well as through the amortization process. The ECL are recognized in the statement of income under 'Provision for credit losses'. The effects of revaluation on foreign currency-denominated investments are recognized in the consolidated statement of income.



Fair Value Measurement

The Group measures financial instruments, such as financial assets at FVTPL, at fair value at each end of the reporting period. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 24.

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each end of the reporting period.

The fair value of equity financial instruments that are actively traded in organized financial markets is determined by reference to quoted market close prices at the close of business of the reporting period.

For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include comparison to similar investments for which market observable prices exist and discounted cash flow analysis or other valuation models.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Trade Receivables and Payables

Trade receivables from customers, which include margin accounts, and payable to clearing house and other brokers arise from securities purchased (in a regular way transaction) that have been contracted for but not yet delivered and settled at the end of the reporting period. Payable to customers and receivable from clearing house and other brokers arise from securities sold (in a regular way transaction) that have been contracted for but not yet delivered and settled at the end of the reporting period. Refer to the accounting policy for 'Loans and receivables' and 'Other financial liabilities' for recognition and measurement. The related security valuation shows all positions as of clearance date.

Derecognition of Financial Instruments

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

Impairment of Financial Assets

The Group recognizes an ECL for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss



allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group calculates ECL either on an individual or a collective basis. The Group performs collective impairment by grouping exposures into smaller homogeneous portfolios based on a combination of borrower and account characteristics. Accounts with similar risk attributes (i.e. facility, security, credit rating, months-on-books, utilization and collateral type, etc.) are pooled together for calculation provisions based on the ECL models.

The Group assesses on a forward-looking basis the ECL associated with its debt instrument asset carried at amortized cost and the exposure arising from unutilized margin trading facility.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A broad range of forward-looking factors are considered as economic inputs, such as growth of the gross domestic product, inflation rates, unemployment rates, interest rates and Philippine Stock Exchange Composite Index (PSEi) statistical indicators.

For cash and cash equivalents, cash in a segregated account, short-term time deposits and long-term time deposit, the Group applies the low credit risk simplification.

Generally, the Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Treasury exposures are considered in default upon occurrence of a credit event such as but not limited to bankruptcy of counterparty, restructuring, failure to pay on an agreed settlement date, or request for moratorium.

Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Prepayments and Other Assets

The Group's prepayments are composed of prepaid insurance, prepaid taxes, prepaid rent and other prepayments. Other current assets are composed of creditable withholding tax (CWT) and input value-added tax (VAT). Other noncurrent assets are composed of deposit and refundable contributions to CTGF, refundable deposits, receivable from Bureau of Internal Revenue (BIR), deferred input VAT and intangible assets under development. These assets are classified as current when it is probable to be realized within one (1) year from the end of the reporting period. Otherwise, these are classified as noncurrent assets.



Property and Equipment

Property and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and amortization and any accumulated impairment losses, if any.

Such cost includes the cost of replacing part of such property and equipment, if the recognition criteria are met.

The initial cost of property and equipment comprises its purchase price, including import duties, non-refundable taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance, are normally charged against income in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation and amortization is computed on the straight-line basis over the following estimated useful lives of the assets:

<u>Category</u>	<u>Number of Years</u>
Online trading equipment and facilities	3-10
Furniture, fixtures and equipment	3-10
Leasehold improvements	5 or term of lease, whichever is shorter

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income in the year the asset is derecognized. The asset's residual values, if any, useful lives and methods are reviewed and adjusted if appropriate, at each end of the reporting period.

Effective January 1, 2019, it is the Group's policy to classify right-of-use assets as part of property and equipment. Prior to that date, all of the Group's leases are accounted for as operating leases in accordance with PAS 17, hence, not recorded in the consolidated statement of financial position. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.



Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life of five (5) years and lease term. Right-of-use assets are subject to impairment.

Investment Property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation (for depreciable investment properties) and impairment in value.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged to operations in the year in which the costs are incurred. Depreciation is calculated on a straight-line basis using the remaining useful lives from the time of acquisition of the investment properties based on appraisal reports but not to exceed 50 years for buildings and condominium units.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Intangibles

Exchange Trading Rights

Exchange trading rights are carried at cost less any allowance for impairment losses and are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired. The exchange trading rights are deemed to have indefinite useful lives as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. The assessment of indefinite life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Parent Company does not intend to sell its exchange trading right in the near future while COLHK's exchange trading right is a nontransferable right.

Software Costs

Costs related to software purchased by the Group for use in operations are amortized on a straight-line basis over the estimated life of three (3) to ten (10) years.

Impairment of Non-Financial Assets

The Group assesses at each end of the reporting period whether there is an indication that its prepayments, property and equipment, intangibles and other assets may be impaired. If any such indication exists or when the annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's value-in-use (VIU) or its fair value less costs to sell. The fair value less costs to sell is the amount obtainable from the sale of an asset at an arm's length transaction, while VIU is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Where the carrying amount of an asset exceeds its recoverable amount,



the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognized by a charge against current operations for the excess of the carrying amount of an asset over its recoverable amount in the year in which it arises.

Intangibles with indefinite useful lives are tested for impairment annually at end of the reporting period either individually or at the cash generating unit level, as appropriate. Intangibles with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. A previously recognized impairment loss is reversed by a credit to current operations to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

Leases

Policies applicable prior to January 1, 2019

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- (a) There is a change in contractual terms, other than a renewal or extension of the arrangement;
- (b) A renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;
- (c) There is a change in the determination of whether fulfillment is dependent on a specified asset;
or
- (d) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Group as a lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of income on a straight-line basis over the lease term.

A lease is classified as an operating lease if it does not substantially transfer all risks and rewards incidental to ownership. Operating lease payments are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance are expensed as incurred.

Policies applicable beginning January 1, 2019

Group as a lessee

The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for leases of low-value assets. The right-of-use assets for all leases were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.



Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Leases of low-value assets

The Group applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are made by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of income, net of any reimbursement.

Capital Stock and Capital Paid-in Excess of Par Value

The Parent Company has issued capital stock that is classified as equity. Incremental costs directly attributable to the issue of new capital stock are shown in equity as a deduction, net of any related tax benefit, from the proceeds.

Where the Group purchases the Parent Company's capital stock (treasury shares), the consideration paid, including any directly attributable incremental costs (net of applicable taxes) is deducted from equity attributable to the Parent Company's stockholders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity.

Amount of contribution in excess of par value is accounted for as a capital in excess of par value. Capital in excess of par value also arises from additional capital contribution from the stockholders.



Retained Earnings

Retained earnings are accumulated profits realized out of normal and continuous operations of the business after deducting therefrom distributions to stockholders and transfers to capital or other accounts. Cash and stock dividends are recognized as a liability and a deduction from equity when they are approved by the Group's BOD and stockholders, respectively. Dividends for the year that are approved after the end of the reporting period are dealt with as an event after the end of the reporting period.

Retained earnings may also include retrospective effect of changes in accounting policy as may be required by the transitional provisions of the new or revised accounting policy.

Unappropriated retained earnings represent the accumulated profits and gains realized out of the normal and continuous operations of the Group after deducting therefrom distributions to stockholders and transfers to capital stocks or other accounts, and which is:

- Not appropriated by its BOD for corporate expansion projects or programs;
- Not covered by a restriction for dividend declaration under a loan agreement;
- Not required under special circumstances obtaining in the Group such as when there is a need for a special reserve for probable contingencies.

Appropriated retained earnings represent that portion which has been restricted and, therefore, not available for dividend declaration.

Revenue Recognition

Revenue from contracts with customers is recognized upon transfer of services to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Group has concluded that it is the principal in all of its revenue arrangements except for its brokerage transactions. The following specific recognition criteria must also be met before revenue is recognized:

Commissions

Commissions are recognized as income upon confirmation of trade deals. These are computed for every trade transaction based on a flat rate or a percentage of the amount of trading transaction, whichever is higher.

Trail Fees

Trail fees are recognized as income as they are earned. These pertain to the revenue earned by the Parent Company from the distribution of mutual funds of various fund houses to its customers and are computed daily as a percentage of the total assets under administration for each fund.

Revenues outside the scope of PFRS 15

Interest

For all financial instruments measured at amortized cost and interest-bearing financial instruments classified as investment securities at FVOCI, interest income is recorded at the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument, including any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR.



The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as 'Interest income'.

Under PFRS 9, when a financial asset becomes credit-impaired, the Group calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Trading gains (losses) - net

Results arising from trading activities include all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL and gains and losses from disposal of investment securities at FVTPL and debt securities at FVOCI.

Unrealized trading gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealized gains and losses for financial instruments which were realized in the reporting period. Realized gains and losses on disposals of financial instruments classified as at FVTPL are calculated using the first-in, first-out (FIFO) method. They represent the difference between an instrument's initial carrying amount and disposal amount.

Dividend

Dividend income is recognized when the right to receive payment is established, which is the date of declaration.

Other Income

Revenue is recognized in the consolidated statement of income as they are earned.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Cost of services such as commissions, direct personnel costs, stock exchange dues and fees, central depository fees, research costs, and communication costs are recognized when the related revenue is earned or when the service is rendered. The majority of operating expenses incurred by the Group such as indirect personnel costs, professional fees, computer services, and other operating expenses are overhead in nature and are recognized with regularity as the Group continues its operations.

Retirement Costs

Defined Benefit Plan

The Parent Company has a noncontributory defined benefit retirement plan.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset



- Remeasurements of net defined benefit liability or asset

Service costs which include current service cost, past service costs and gains or losses on non-routine settlements are recognized as 'Retirement costs' under 'Personnel costs'. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as 'Interest expense' in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to the consolidated statement of income in subsequent periods. Remeasurements recognized in OCI are retained in OCI which are presented as 'Gain (loss) on remeasurement of retirement obligation' under equity.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Defined Contribution Plan

The retirement plan of COLHK is a defined contribution retirement plan. Under a defined contribution retirement plan, the entity's legal and constructive obligation is limited to the amount that it agrees to contribute to the fund. Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity to a post-employment benefit plan, together with investment returns arising from the contributions. Consequently, actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be sufficient to meet expected benefits) fall on the employee.

The standard requires an entity to recognize short-term employee benefits when an employee has rendered service in exchange of those benefits.

Earnings per Share (EPS)

Basic EPS is computed by dividing earnings applicable to common stock by the weighted average number of common shares outstanding, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the year.



Diluted EPS is computed by dividing net income by the weighted average number of common shares outstanding during the year, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the year, and adjusted for the effect of dilutive options.

Outstanding share options plan (SOP) shares will have a dilutive effect under the treasury stock method only when the average market price of the underlying common share during the period exceeds the exercise price of the option. Where the effect of the exercise of all outstanding options has anti-dilutive effect, basic and diluted EPS are stated at the same amount.

Potential ordinary shares are weighted for the period they are outstanding. Potential ordinary shares that are converted into ordinary shares during the period are included in the calculation of diluted EPS from the beginning of the period to the date of conversion; from the date of conversion, the resulting ordinary shares are included in both basic and diluted EPS.

Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The income tax rates and income tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Effective January 1, 2019, Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred Income Tax

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences.

With respect to investments in foreign subsidiaries, deferred income tax liabilities are recognized except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences including net loss carry-over to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences can be utilized. Deferred income tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor the taxable income or loss.

The carrying amount of deferred income tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each end of the reporting period and are recognized to the extent that it has become probable that future taxable income will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on income tax rates and income tax laws that have been enacted or substantively enacted at the end of the reporting period.



Deferred income tax relating to items recognized directly in equity is also recognized in equity. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and deferred income taxes related to the same taxable entity and the same taxation authority.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 26. In 2018, the Group operates in one business segment, being stockbrokerage services; therefore, only geographical segment is presented.

Events After the End of the Reporting Period

Post year-end events that provide additional information about the Group's position at the end of the reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed when material.

Coronavirus outbreak

In late 2019, a cluster of cases displaying the symptoms of a 'pneumonia of unknown cause' were identified in Wuhan, the capital of China's Hubei province. On December 31, 2019, China alerted the World Health Organization (WHO) of the coronavirus disease 2019 (COVID-19) or coronavirus outbreak. On January 30, 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a 'Public Health Emergency of International Concern'. Since then, the virus has spread worldwide. On March 11, 2020, the WHO announced that the coronavirus outbreak can be characterized as a pandemic.

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine (ECQ) throughout the island of Luzon until April 12, 2020, unless earlier lifted or extended. As of March 25, 2021, different parts of the country remain to be under varying degree of community quarantine.

In order to comply with the government's measures to monitor and mitigate the effects of COVID-19, the following were taken by the Group:

- provided safety and health measures for our employees, such as establishing a work-from-home set-up to majority of our employees to minimize personal contact;
- leased staff houses with close proximity to office premises for the use of employees personally reporting to work and prepared necessary social distancing measures; and
- made sure that all personnel have access to health insurance coverage.



The scale and duration of these developments remain uncertain as of the report date. However, the Group exhibited resilience due to the online nature of its business and operations. The Group has necessary business continuity processes in place that specifically address the disruptions and risks brought by the pandemic. There were no material changes in the Group's accounting policies that was specifically attributable to the pandemic other than the amendments to PFRS 16, *COVID-19-related Rent Concessions*.

Considering the evolving nature of the pandemic, the Group will continue to monitor the situation and respond to new issues accordingly.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS requires the Group to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcome can differ from these estimates.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are discussed below.

Impairment of the Intangibles

Intangibles include exchange trading rights which are carried at cost less any allowance for impairment loss. Exchange trading rights are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired. The exchange trading rights are deemed to have indefinite useful lives as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group.

The Management's impairment test for the exchange trading rights is based on the higher of fair value less costs to sell and VIU. The assumptions used in the calculation of the VIU are sensitive to estimates of future cash flows from the cash-generating unit, discount rate and revenue growth rate used to project the cash flows.

The key assumptions used to determine the recoverable amount of the Group's exchange trading rights are further explained in Note 11. The Parent Company does not intend to sell its exchange trading right in the near future. COLHK's right is nontransferable with an indefinite useful life. As at December 31, 2020 and 2019, the carrying values of intangibles are disclosed in Note 11.

Estimating Recoverability of Deferred Income Tax Assets

The Group reviews the carrying amounts of deferred income tax assets at each end of the reporting period and reduces deferred income tax assets to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax assets to be utilized. The deferred income tax assets as at December 31, 2020 and 2019 are disclosed in Note 19.



Determining Retirement Obligation

The costs of defined retirement obligation as well as the present value of the defined benefit obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future retirement increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligation are highly sensitive to changes in these assumptions.

All assumptions are reviewed at each end of the reporting period.

In determining the appropriate discount rate, Management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

Further details about the assumptions used are provided in Note 18.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Group's lease liabilities as at December 31, 2020 and 2019 are disclosed in Note 21.

4. Cash and Cash Equivalents, Short-term Time Deposits and Long-term Time Deposit

Cash and Cash Equivalents

This account consists of:

	2020	2019
Cash on hand and in banks	₱1,490,850,873	₱388,330,981
Short-term cash investments	3,958,279,430	7,837,701,028
	₱5,449,130,303	₱8,226,032,009

Cash in banks earn interest at the respective bank deposit rates. Short-term cash investments are made for varying periods of up to three (3) months depending on the Group's immediate cash requirements, and earn interest ranging from 0.50% to 4.00% per annum in 2020, from 2.44% to 6.90% per annum in 2019 and from 1.70% to 6.90% per annum in 2018. The Parent Company has United States dollar (US\$)-denominated cash in banks amounting to US\$4,917 and US\$1,052 as at December 31, 2020 and 2019, respectively, while COLHK has US\$-denominated cash in banks amounting to US\$214,631 and US\$8,465 as at December 31, 2020 and 2019, respectively.



In compliance with Securities Regulation Code (SRC) Rule 49.2 covering customer protection and custody of securities, the Parent Company maintains special reserve accounts for its customers amounting to ₱10,740,745,524 and ₱7,572,724,361 as at December 31, 2020 and 2019, respectively. The special reserve accounts consist of cash in banks and short-term cash investments which are recorded as 'Cash and cash equivalents,' and short-term government debt securities recorded as 'Investment securities at amortized cost' (Note 8). The Parent Company's reserve requirement is determined based on the SEC's prescribed computations. As at December 31, 2020 and 2019, the Parent Company's reserve accounts are adequate to cover its reserve requirements.

Short-term Time Deposits

This account pertains to the Parent Company's time deposits in local banks that have original maturities of more than three (3) months but less than a year. Short-term time deposits bear annual interest rates ranging from 4.00% to 5.00% in 2020, 5.00% to 7.00% in 2019 and 4.45% to 7.00% in 2018.

Long-term Time Deposit

This account pertains to the Parent Company's time deposit in a local bank placed in 2016 with interest at 4.00% per annum and will mature on June 24, 2021.

Interest income of the Group from cash and cash equivalents, cash in segregated account, short-term time deposits and long-term time deposit amounted to ₱176,203,750, ₱472,314,661 and ₱370,543,382 in 2020, 2019 and 2018, respectively (Note 16).

5. Cash in a Segregated Account

COLHK receives and holds money deposited by clients in the conduct of the regulated activities of its ordinary business. These clients' monies are maintained with a licensed bank. The Group has classified the clients' monies under current assets in the consolidated statements of financial position and recognized a corresponding payable to customers on grounds that it is liable for any loss or misappropriation of clients' monies (Note 13). The Group is not allowed to use the clients' monies to settle its own obligations.

Interest income from cash in segregated account is included under 'Interest income - banks' (Notes 5 and 16).

6. Financial Assets at FVTPL

This account consists of:

	2020	2019
Corporate bonds	₱29,950,710	₱-
Equity securities	5,573,619	4,003,329
	<u>₱35,524,329</u>	<u>₱4,003,329</u>

Investments in corporate bonds earn interest rate of 2.84% per annum. Interest income earned from the investment amounted to ₱108,879 in 2020 (Note 16).



Equity securities pertain to investments in mutual funds and shares of stock of companies listed in the PSE. Dividend income earned from these investments included under 'Other revenues' amounted to ₱38,044, ₱30,721 and ₱258,706 in 2020, 2019 and 2018, respectively.

The Group's net trading gains (losses) follow:

	2020	2019	2018
Trading gains (losses) from sale	(₱263,849)	₱846,711	₱12,146,236
Unrealized trading gains (losses)	(299,180)	(805,210)	1,961,296
	(₱563,029)	₱41,501	₱14,107,532

7. Trade Receivables and Other Receivables

Trade Receivables

This account consists of:

	2020	2019
Customers (Note 20)	₱772,054,897	₱704,473,326
Clearing house	314,422,659	124,656,703
Other brokers	45,006,711	35,713,803
Trail fee receivables	1,842,803	1,521,916
	1,133,327,070	866,365,748
Less allowance for credit losses on trade receivables from customers	3,397,455	2,092,947
	₱1,129,929,615	₱864,272,801

The Group's trade receivables from customers and their security valuation follow:

	2020		2019	
	Money Balance	Security Valuation-Long	Money Balance	Security Valuation-Long
Fully secured accounts:				
More than 250%	₱473,811,876	₱5,269,246,814	₱326,641,371	₱3,341,970,342
Between 200% and 250%	220,019,722	510,953,734	133,706,615	295,113,418
Between 150% and 200%	12,359,086	23,559,378	116,495,231	210,350,463
Between 100% to 150%	14,938,342	17,280,000	112,935,034	122,412,775
Less than 100%	50,925,765	50,334,484	14,695,036	14,166,050
Unsecured accounts (Note 20)	106	-	39	-
	772,054,897	₱5,871,374,410	704,473,326	₱3,984,013,048
Less allowance for credit losses on trade receivables from customers	3,397,455		2,092,947	
	₱768,657,442		₱702,380,379	

As at December 31, 2020 and 2019, the Parent Company offered a credit line facility amounting to ₱5,361,091,950 and ₱5,467,788,000, respectively, to its customers who qualified for margin account.

Interest income from customers amounted to ₱39,892,680, ₱48,118,796 and ₱44,357,869 in 2020, 2019 and 2018, respectively (Note 16).



Trade receivables from margin customers have no specific credit terms but customers are required to maintain the value of their collateral within a specific level. Once the value of the collateral falls below this level, customers may either deposit additional collateral or sell stock to cover the deficiency in their account balance. Meanwhile, receivables from post-paid customers are required to be settled on two (2) trading days' term for COLHK and three (3) trading days' term for the Parent Company. The receivable balances become demandable upon failure of the customer to duly comply with these requirements. As at December 31, 2020 and 2019, ₱721,129,026 and ₱689,778,251, respectively, of the total trade receivables from customers are fully covered by collateral.

Trade receivables from clearing house as at December 31, 2020, were fully collected in January 2021. These are noninterest-bearing and are collected on two (2) trading days' term and three (3) trading days' term following the settlement convention of HK and Philippines clearing houses, respectively.

Receivables from other brokers pertain to clients' monies deposited to Interactive Brokers (IB) LLC through COLHK. In March 2014, COLHK opened an account with the said broker to enable its retail customers to trade in other foreign markets.

Trail fee receivables pertain to the amount due from the mutual fund managers representing the trail fee earned by the Parent Company for selling mutual funds to its customers. The fee is computed daily and collected on a monthly basis.

Other Receivables

This account consists of:

	2020	2019
Accrued interest	₱10,238,969	₱32,236,683
Advances to officers and employees (Note 20)	1,011,936	1,220,034
Others	26,777,572	14,611,157
	₱38,028,477	₱48,067,874

'Others' consists mainly of proceeds from the redemption of the customers' mutual fund shares that are yet to be collected from the Parent Company's counterparties within the agreed settlement period. Once collected, the proceeds are subsequently credited to the trading account of the customers (Note 14).

Allowance for Credit Losses

Movements in the allowance for credit losses follow:

	2020	2019
Balances at beginning of year	₱2,092,947	₱1,478,235
Provision for credit losses	1,304,508	614,712
Balances at end of year	₱3,397,455	₱2,092,947



8. Investment Securities at Amortized Cost

This account consists of:

	2020	2019
Current:		
Government debt securities	₱6,163,007,003	₱200,348,264
Non-current		
Government debt securities	200,200,000	—
Private debt securities	100,000,000	—
	300,200,000	—
	₱6,463,207,003	₱200,348,264

In 2020, the peso-denominated government debt securities bear nominal annual interest rate of 1.01% to 4.38% per annum, with an EIR ranging from 0.70% and 4.38%. The peso-denominated private debt securities bear nominal annual interest rate of 4.41% per annum.

In 2019 and 2018, the peso-denominated government debt security bears a coupon rate of 4.25% per annum, with an EIR of 3.62%. The investment matured on April 11, 2020.

The Group's investment in government and corporate debt securities are considered of low credit risk since these are rated as Baa2 by Moody's Investors Service, Inc. and BBB- by Fitch Ratings, Inc., respectively. These credit ratings are still considered as 'Investment Grade.'

The outstanding investments in short-term government treasury bills amounting to ₱5.69 billion are included in the Parent Company's special reserve accounts in compliance with SRC Rule 49.2 (Note 4).

Interest income earned from the investment amounted to ₱30,244,404, ₱7,283,520 and ₱7,326,597 in 2020, 2019 and 2018, respectively (Note 16).



9. Property and Equipment

The composition of and movements in this account follow:

	2020					Total
	Online Trading Equipment and Facilities	Furniture, Fixtures and Equipment	Leasehold Improvements	Construction in Progress	Right-of-use Assets – Office Premises	
Cost						
At beginning of year	₱163,040,796	₱36,782,259	₱65,259,849	₱4,579,962	₱77,035,593	₱346,698,459
Additions	11,742,500	1,575,028	203,930	537,843	11,318,653	25,377,954
Reclassification	–	–	5,117,805	(5,117,805)	–	–
Disposals	–	(135,848)	–	–	(15,594,490)	(15,730,338)
Translation adjustments	(384,614)	(154,212)	(46,186)	–	(310,486)	(895,498)
At end of year	174,398,682	38,067,227	70,535,398	–	72,449,270	355,450,577
Accumulated depreciation and amortization						
At beginning of year	117,827,089	25,778,499	33,742,056	–	20,705,893	198,053,537
Depreciation and amortization (Note 21)	21,164,290	3,366,093	8,909,654	–	25,634,358	59,074,395
Disposals	–	(112,019)	–	–	(15,594,490)	(15,706,509)
Translation adjustments	(384,614)	(155,446)	(46,186)	–	(192,820)	(779,066)
At end of year	138,606,765	28,877,127	42,605,524	–	30,552,941	240,642,357
Net book value	₱35,791,917	₱9,190,100	₱27,929,874	₱–	₱41,896,329	₱114,808,220



	2019					
	Online Trading Equipment and Facilities	Furniture, Fixtures and Equipment	Leasehold Improvements	Construction in Progress	Right-of-use Assets – Office Premises	Total
Cost						
At beginning of year	₱156,266,185	₱28,994,359	₱39,874,672	₱3,438,428	₱27,129,831	₱255,703,475
Additions	9,498,287	8,526,635	9,524,757	17,033,184	55,420,102	100,002,965
Reclassification	–	–	15,891,650	(15,891,650)	–	–
Disposals	(2,463,611)	(635,369)	–	–	(5,465,735)	(8,564,715)
Translation adjustments	(260,065)	(103,366)	(31,230)	–	(48,605)	(443,266)
At end of year	163,040,796	36,782,259	65,259,849	4,579,962	77,035,593	346,698,459
Accumulated depreciation and amortization						
At beginning of year	99,538,013	24,002,484	29,002,466	–	–	152,542,963
Depreciation and amortization (Note 21)	21,033,693	2,489,570	4,770,816	–	26,205,737	54,499,816
Disposals	(2,463,568)	(635,339)	–	–	(5,465,735)	(8,564,642)
Translation adjustments	(281,049)	(78,216)	(31,226)	–	(34,109)	(424,600)
At end of year	117,827,089	25,778,499	33,742,056	–	20,705,893	198,053,537
Net book value	₱45,213,707	₱11,003,760	₱31,517,793	₱4,579,962	₱56,329,700	₱148,644,922

As of December 31, 2020 and 2019, the cost of the Group's fully depreciated property and equipment still in use amounted to ₱128,451,770 and ₱108,761,972, respectively. Disposal of property and equipment resulted in gains amounting ₱25,785 and ₱8,409 in 2020 and 2019. No disposals were made in 2018.

The depreciation and amortization was distributed as follows:

	2020	2019	2018
Cost of services	₱155,548	₱134,902	₱134,635
Operating expenses	58,918,847	54,364,914	21,898,727
	₱59,074,395	₱54,499,816	₱22,033,362



10. Investment Property

This account pertains to an office space purchased by the Parent Company. Movements in the account follow:

	2020	2019
Cost		
At beginning and end of year	₱17,509,736	₱17,509,736
Accumulated depreciation		
At beginning of year	1,750,974	875,487
Depreciation	875,487	875,487
At end of year	2,626,461	1,750,974
Net book value	₱14,883,275	₱15,758,762

The office space is held for capital appreciation. As at December 31, 2020 and 2019, the fair value of investment property amounted to ₱35,610,300 and ₱39,567,000, respectively.

Collaterals

As at December 31, 2020 and 2019, the Group's investment property is not pledged as collateral.

11. Intangibles

Stock Exchange Trading Rights

Philippine Operations

As at December 31, 2020 and 2019, the fair value less costs to sell of the exchange trading right amounted to ₱8,500,000, representing the transacted price of the exchange trading right of the most recent sale approved by the PSE on December 14, 2011. As at December 31, 2020 and 2019, the carrying value of the exchange trading right amounted to ₱5,000,000.

Hong Kong Operations

COLHK's exchange trading right, amounting to HK\$3,190,000, is carried at its cost net of accumulated impairment losses. The carrying value of the exchange trading right is reviewed annually to ensure that this does not exceed the recoverable amount, whether or not an indicator of impairment is present. The stock exchange trading right is a non-transferable right with an indefinite useful life. It is closely associated with COLHK's business activities to have a right to trade the shares in the Hong Kong Stock Exchange (HKEX) in its continuing operation.

The Group performed its annual impairment test in December 2020 and 2019. The Group considers each location as a separate cash-generating unit (CGU) and the historical experience of each CGU, among other factors, when reviewing for indicators of impairment.

The Parent Company no longer computed for the VIU of its exchange trading right as its fair value less costs to sell is already higher than its carrying amount.

As of December 31, 2020 and 2019, the Group assessed that the exchange trading right of COLHK amounting to HK\$2,860,000 is fully impaired.



Software Costs and Licenses

Movements in the software costs and licenses account follow:

	2020	2019
Cost		
At beginning of year	₱48,242,112	₱42,680,018
Additions	291,114	5,562,094
At end of year	48,533,226	48,242,112
Accumulated amortization		
At beginning of year	33,719,399	30,279,574
Amortization	4,247,536	3,439,825
At end of year	37,966,935	33,719,399
Net book value	₱10,566,291	₱14,522,713

The amortization of software costs and licenses recorded in 'Depreciation and amortization' in the consolidated statements of income amounted to ₱4,247,536, ₱3,439,825, and ₱3,038,541 in 2020, 2019, and 2018, respectively.

As of December 31, 2020 and 2019, the costs of the Group's fully amortized software still in use amounted to ₱22,119,652 and ₱20,986,110, respectively.

12. Other Assets

Other Current Assets

This account pertains to input VAT of the subsidiaries.

Other Noncurrent Assets

This account consists of:

	2020	2019
Deposit and refundable contributions to CTGF	₱45,016,723	₱41,632,750
Intangible assets under development	6,533,571	16,197,559
Refundable deposits:		
Rental and utility deposits	7,624,383	7,720,988
Other refundable deposits	3,548,386	3,853,922
	11,172,769	11,574,910
Deferred input VAT	6,319,963	7,815,878
	₱69,043,026	₱77,221,097

Deposit and refundable contributions to CTGF

On October 20, 2008, the Parent Company made an initial contribution of ₱8,200,000 to the CTGF of the SCCP as a prerequisite to the Parent Company's accreditation as a clearing member of SCCP. On August 20, 2009, the Parent Company made an additional contribution amounting to ₱5,524,200 to top-up the deficiency in the initial contribution.



The Parent Company recognized such contributions to the CTGF as noncurrent asset on the basis that the BOD of SCCP approved on August 1, 2007 the amendment to the SCCP Clearinghouse Rule 5.2 granting the full refund of contributions to the CTGF upon cessation of the business of the clearing member and upon termination of its membership with the SCCP. Such amendment is subject to SEC approval.

In addition, the Parent Company, as a clearing member, is required to pay monthly contributions to the CTGF maintained by the SCCP equivalent to 1/500 of 1% of the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag.

On March 13, 2018, the SEC resolved to approve SCCP's proposed amendments to SCCP Rule 5.2, making the Clearing Members' contributions to the CTGF refundable upon cessation of their business and/or termination of their membership with SCCP, provided that all liabilities owing to SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full. Accordingly, the Parent Company recognized the total refundable contributions as of December 31, 2018 as 'Other noncurrent assets' amounting to ₱38,791,026. Prior to the approval of SCCP's proposed amendments, the Parent Company recognized an allowance for credit losses amounting to ₱13,724,200 representing the full amount of the initial contribution in 2008 and additional contribution in 2009. In 2018, the Parent Company's 'Recovery from impairment losses' and 'Other income' accounts pertain to the reversal of the related allowance for credit losses amounting to ₱13,724,200 and the contributions in prior years amounting to ₱21,510,200, respectively.

Intangible assets under development

On November 13, 2020, the BOD approved the write-off of the total costs incurred in the development of the Parent Company's mobile software applications booked under 'Intangible assets under development' amounting to ₱12,414,396. After being given several opportunities to apply extensive and various approaches to fix the errors and bugs in the applications over an extended period of time, the contracted developer still failed to deliver in a material way, the version of the applications that will meet the Parent Company's acceptance criteria and requirements. To avoid further delays and budget overruns, the Parent Company deemed it necessary to terminate the project and to look for other options that will effectively meet its business and product goals.

Refundable deposits

Other refundable deposits include statutory deposits made to HKEX, admission fees for HK's SFC and for HK Securities Clearing Company Ltd., and contributions to Central Clearing and Settlement System Guarantee Fund.

13. Trade Payables

This account consists of:

	2020	2019
Customers (Note 20)	₱11,464,048,995	₱8,102,010,305
Clearing house	36,839,509	83,887,572
	₱11,500,888,504	₱8,185,897,877



The Group's trade payables to customers and their security valuation follow:

	2020		2019	
	Money Balance	Security Valuation-Long	Money Balance	Security Valuation-Long
Payable to customers:				
With money balances	₱11,464,048,995	₱89,808,255,070	₱8,102,010,305	₱60,513,955,722
No money balances	-	1,384,135,730	-	1,214,473,806
	₱11,464,048,995	₱91,192,390,800	₱8,102,010,305	₱61,728,429,528

Generally, trade payables to customers are noninterest-bearing and have no specific credit terms.

Payable to customers with money balances amounting to ₱133,584,796 and ₱150,854,848 as at December 31, 2020 and 2019, respectively, were payable to COLHK's clients in respect of the trust and segregated bank balances received and held for clients in the course of conduct of regulated activities. These balances are payable on demand.

Trade payables to clearing house as at December 31, 2020 and 2019 were subsequently paid in January 2021 and 2020, respectively. These are noninterest-bearing and are settled on two (2) trading days' term and three (3) trading days' term following the settlement convention of HK and Philippines clearing houses, respectively.

14. Other Current Liabilities

This account consists of:

	2020	2019
Due to BIR	₱62,396,446	₱21,977,464
Unposted customers' deposits	43,429,288	10,954,090
Accrued expenses	36,695,381	25,587,964
Accrued management bonus	23,971,842	16,776,870
Mutual fund redemption proceeds (Note 7)	17,994,037	6,250,718
Trading fees	7,125,700	1,931,751
Others	10,611,170	1,489,524
	₱202,223,864	₱84,968,381

Accrued expenses and accrued management bonus pertain to accruals of operating expenses that were incurred but not yet paid and accruals made for the officers and employees' performance bonus.

Due to BIR consists of stock transaction, withholding and output taxes payable to the Philippine BIR.

Unposted customers' deposits represent additional funding, remittances and initial deposits made by customers that were either unconfirmed or received beyond the cut-off time for the back-office processing of collections. Confirmed and verified deposits are credited to the customers' trading accounts on the next business day following the end of the reporting period.

Trading fees pertain to transaction costs and clearing fees on the purchase and sale of stocks that are payable to the regulatory bodies.



'Others' consist mostly of withdrawal proceeds in the form of check, issued and released to the customers of the Parent Company which remained outstanding as at statement of financial position date.

15. Equity

Capital Stock

The details and movements of the Parent Company's capital stock (number and amounts of shares in thousands) follow:

	Shares	Amount
Common stock - ₱1 per share		
Authorized	1,000,000	₱1,000,000
Issued and outstanding		
Balances at beginning and end of year	476,000	₱476,000

All issued and outstanding shares of the Parent Company are listed with the PSE (Note 1). As of December 31, 2020 and 2019 there were 34 holders and 33 holders, respectively, of the listed shares of the Parent Company, with its share price closing at ₱34.00 and ₱18.42 per share, respectively.

On February 7, 2020 and June 2, 2020, the BOD and the shareholders, respectively, approved the amendment of Article Seven of the Parent Company's Articles of Incorporation to effect a ten-for-one stock split of the Parent Company's common shares which will result to an increase in the number of authorized capital stock from 1 billion to 10 billion shares and a reduction in par value of the shares from ₱1.00 to ₱0.10 per share. The amount of authorized capital stock of ₱1.00 billion will remain the same after the stock split. The Parent Company obtained the SEC approval of the amendment of Articles of Incorporation dated December 28, 2020 on January 4, 2021 while the effect of the stock split was reflected in the PSE on January 12, 2021 (Note 27).

The history of share issuance during the last five years follows:

Year	Issuance	Listing Date	Number of Shares issued
2016	Stock options exercise	July 4, 2016	1,000,000
2015	Stock options exercise	July 16, 2015	250,000
2015	Stock options exercise	April 14, 2015	200,000

Retained Earnings

In compliance with SRC Rule 49.1 B, *Reserve Fund*, the Parent Company appropriates annually ten percent (10%) of its audited net income and transfers the same to appropriated retained earnings account. Minimum appropriation shall be 30.00%, 20.00% and 10.00% of profit after tax for broker dealers with unimpaired paid up capital between ₱10.00 million to ₱30.00 million, between ₱30.00 million to ₱50.00 million and more than ₱50.00 million, respectively. It is intended that in the event that the Parent Company's paid-up capital is impaired, the Parent Company will be required to transfer from the appropriated retained earnings to the capital account an amount equivalent to the impairment. Such amount so transferred out shall not be made available for payment of dividend.

In 2020 and 2019, the BOD approved the appropriation of retained earnings amounting to ₱48.07 million and ₱56.00 million, respectively, in compliance with such requirement.



On April 3, 2020, the BOD declared a regular and a special dividend amounting to ₱0.18 per share held or ₱85,680,000 (476,000,000 shares multiplied by ₱0.18 cash dividend per share) and ₱0.52 per share held or ₱247,520,000 (476,000,000 shares multiplied by ₱0.52 cash dividend per share), respectively, to stockholders as of record date of April 30, 2020. These dividends were paid on May 27, 2020.

On March 29, 2019, the BOD declared a regular and a special dividend amounting to ₱0.21 per share held or ₱99,960,000 (476,000,000 shares multiplied by ₱0.21 cash dividend per share) and ₱0.64 per share held or ₱304,640,000 (476,000,000 shares multiplied by ₱0.64 cash dividend per share), respectively, to stockholders as of record date of April 16, 2019. These dividends were paid on May 3, 2019.

On April 13, 2018, the BOD declared a regular and a special dividend amounting to ₱0.15 per share held or ₱71,400,000 (476,000,000 shares multiplied by ₱0.15 cash dividend per share) and ₱0.55 per share held or ₱261,800,000 (476,000,000 shares multiplied by ₱0.55 cash dividend per share), respectively, to stockholders as of record date of April 27, 2018. These dividends were paid on May 10, 2018.

As of December 31, 2020 and 2019, the consolidated retained earnings includes the retained earnings of COLHK amounting to ₱133,047,343 and ₱147,230,206, respectively, which are not available for dividend declaration until such amounts are declared to the Parent Company.

Non-Controlling Interest

In 2019, the Parent Company formed a new subsidiary, CIMI. As of December 31, 2010 and 2019, 30.00% of equity interest are held by non-controlling interest.

The summarized financial information of CIMI is provided below. This information is based on amounts before inter-company eliminations.

Summarized statement of financial position as of December 31, 2020 and 2019

	2020	2019
Cash and cash equivalents (current)	₱53,995,047	₱70,238,812
Financial assets at FVTPL	9,983,570	-
Other receivables (current)	40,380	451,889
Other assets (current)	304,408	14,594
Property and equipment (non-current)	4,491,506	3,811,266
Other assets (non-current)	86,860	-
Accrued expenses (current)	(439,894)	-
Due to Parent Company (current)	-	(854,504)
Other liabilities (current)	(173,463)	-
Lease liability (current)	(654,256)	-
Lease liability (non-current)	(975,437)	-
Total equity	₱66,658,721	₱73,662,057
Attributable to:		
Equity holders of the Parent Company	₱46,661,105	₱51,563,440
Non-controlling interest	19,997,616	22,098,617



Summarized statement of income for the year ended December 31, 2020 and 2019

	2020	2019
Interest income	₱1,275,121	₱884,156
Other losses	(16,430)	-
Pre-operating expenses	(8,037,188)	(2,045,268)
Loss before income tax	(6,778,497)	(1,161,112)
Provision for income tax	224,839	176,831
Net loss	(₱7,003,336)	(₱1,337,943)
Attributable to:		
Equity holders of the Parent Company	(₱4,902,335)	(₱936,560)
Non-controlling interest	(2,101,001)	(401,383)

Summarized cash flow information for the year ended December 31, 2020 and 2019

	2020	2019
Pre-operating activities	(₱15,852,377)	(₱666,976)
Investing activities	-	(4,094,212)
Financing activities	(391,388)	75,000,000
Net increase (decrease) in cash and cash equivalents	(₱16,243,765)	₱70,238,812

16. Revenues

Breakdown of the Group's revenues are as follows:

	2020	2019	2018
Revenue from contracts with customers			
Commissions	₱793,886,384	₱539,049,838	₱702,931,280
Trail fees	17,255,849	17,365,097	14,730,081
Others	28,709,592	19,262,541	25,365,607
	839,851,825	575,677,476	743,026,968
Other revenues (losses)			
Interest income	246,449,713	527,716,977	422,227,848
Trading gains (losses) - net	(563,029)	41,501	14,107,532
Others	603,157	30,721	258,706
	246,489,841	527,789,199	436,594,086
	₱1,086,341,666	₱1,103,466,675	₱1,179,621,054

'Others' consists of:

	2020	2019	2018
Other income from customers	₱26,245,345	₱17,531,742	₱22,958,201
Income from rent concessions	565,113	-	-
Dividend income	38,044	30,721	258,706
Miscellaneous	2,464,247	1,730,799	2,407,406
	₱29,312,749	₱19,293,262	₱25,624,313



Other income from customers pertains to the regular transaction fees that are normally charged to customers upon execution and completion of trade orders. Since the Parent Company is primarily responsible to its counterparties for the settlement of trading fees charged to its customers, it has concluded that it is acting as a principal and is, therefore, required to book the fees collected from its customers as revenue and to treat the subsequent remittance as expense. Accordingly, these fees form part of the Group's revenue from contracts with customers and are presented under 'Others' while the remittance of collection is booked as part of 'Stock exchange dues and fees' in the consolidated statements of income.

Stock exchange dues and fees consists of:

	2020	2019	2018
Stock trading costs charged to customers	₱26,245,345	₱17,531,742	₱22,958,201
Membership fees and dues	17,764,824	11,910,252	15,567,608
Dealer trades and other transaction costs	7,168,824	1,887,906	20,767
Miscellaneous	838,419	973,757	916,886
	₱52,017,412	₱32,303,657	₱39,463,462

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2020			Total
	Commissions	Trail fees	Other income	
Primary geographical markets				
Philippines	₱781,817,457	₱17,255,849	₱26,916,918	₱825,990,224
Hong Kong	12,068,927	–	1,792,674	13,861,601
	₱793,886,384	₱17,255,849	₱28,709,592	₱839,851,825
	2019			Total
	Commissions	Trail fees	Other income	
Primary geographical markets				
Philippines	₱529,163,152	₱17,365,097	₱18,314,624	₱564,842,873
Hong Kong	9,886,686	–	947,917	10,834,603
	₱539,049,838	₱17,365,097	₱19,262,541	₱575,677,476
	2018			Total
	Commissions	Trail fees	Other income	
Primary geographical markets				
Philippines	₱687,358,256	₱14,730,081	₱24,229,718	₱726,318,055
Hong Kong	15,573,024	–	1,135,889	16,708,913
	₱702,931,280	₱14,730,081	₱25,365,607	₱743,026,968

Interest income earned consists of income from:

	2020	2019	2018
Banks (Notes 4 and 5)	₱176,203,750	₱472,314,661	₱370,543,382
Customers (Note 7)	39,892,680	48,118,796	44,357,869
Financial assets at FVTPL (Note 6)	108,879	–	–
Debt securities (Note 8)	30,244,404	7,283,520	7,326,597
	₱246,449,713	₱527,716,977	₱422,227,848



17. Personnel Costs

This account consists of:

	2020	2019	2018
Salaries and wages	₱142,828,370	₱134,280,836	₱138,606,342
Retirement costs (Note 18)	8,343,149	5,696,718	5,568,707
Other benefits (Note 18)	17,682,743	15,695,331	14,025,714
	₱168,854,262	₱155,672,885	₱158,200,763

Other benefits include monetized leave credits of employees and other regulatory benefits.

The above accounts were distributed as follows:

	2020	2019	2018
Cost of services	₱81,116,939	₱93,662,645	₱98,870,861
Operating expenses	87,737,323	62,010,240	59,329,902
	₱168,854,262	₱155,672,885	₱158,200,763

18. Employee Benefits

Retirement Benefits

The Parent Company has a funded, non-contributory defined benefit retirement plan covering substantially all of its regular employees. The benefits are based on a certain percentage of the final monthly basic salary for every year of credited service of employees. The defined benefit obligation is determined using the projected unit credit method. There was no plan termination, curtailment or settlement for the years ended December 31, 2020, 2019 and 2018. The Parent Company's retirement fund is being held in trust by a trustee bank.

Under the existing regulatory framework, RA 7641, *The Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The following tables summarize the components of the Parent Company's net retirement costs recognized in the consolidated statements of income and the amounts recognized in the consolidated statements of financial position:

Retirement costs consist of:

	2020	2019	2018
Current service cost (Note 17)	₱8,343,149	₱5,696,718	₱5,568,707
Net interest expense	3,621,811	3,263,837	2,482,293
	₱11,964,960	₱8,960,555	₱8,051,000

Current service cost is shown under 'Personnel costs' while net interest expense is shown under 'Interest expense' in the consolidated statements of income.



Movements in the retirement obligation recognized in the consolidated statements of financial position follow:

	2020	2019
Retirement obligation at beginning of year	P68,336,052	P42,945,228
Retirement costs	11,964,960	8,960,555
Net actuarial losses	7,929,394	16,430,269
Contributions	(19,155,236)	-
Retirement obligation at end of year	P69,075,170	P68,336,052

Retirement obligation is the net of the present value of defined benefit obligation and fair value of plan assets computed as follows:

	2020	2019
Present value of defined benefit obligation	P99,032,165	P78,027,472
Fair value of plan assets	(29,956,995)	(9,691,420)
	P69,075,170	P68,336,052

Changes in the present value of defined benefit obligation are as follows:

	2020	2019
Opening present value of defined benefit obligation	P78,027,472	P54,555,066
Current service cost	8,343,149	5,696,718
Interest cost	4,135,456	4,146,185
Remeasurement losses (gains) on:		
Financial assumptions	12,926,890	15,926,166
Experience adjustments	(4,400,802)	192,077
Benefits paid	-	(2,488,740)
Closing present value of defined benefit obligation	P99,032,165	P78,027,472

Changes in the fair value of plan assets follow:

	2020	2019
Balances at beginning of year	P9,691,420	P11,609,838
Expected interest income	513,645	882,348
Contributions	19,155,236	-
Benefits paid	-	(2,488,740)
Remeasurement gain (loss) on plan assets	596,694	(312,026)
Balances at end of year	P29,956,995	P9,691,420

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2020	2019
Investment in unit investment trust funds (UITF)	70.88%	24.66%
Investment in government securities	28.88%	73.18%
Cash in bank	0.01%	0.09%
Other receivables	0.27%	2.17%
	100.04%	100.10%
Accrued trust fees payable	(0.04%)	(0.10%)
	100.00%	100.00%



The principal assumptions used in determining retirement obligation for the Parent Company's plan are shown below:

	2020	2019
Discount rate	4.00%	5.30%
Future salary increases	5.00%	5.00%
Mortality rates		
Male	0.08%-0.74%	0.06%-0.74%
Female	0.07%-0.61%	0.05%-0.61%

The sensitivity analysis has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2020 and 2019 assuming all other assumptions were held constant.

	Increase (decrease) in significant assumptions	Increase (decrease) in defined benefit obligation	
		2020	2019
Discount rates	+1.00%	(P10,201,732)	(P3,994,975)
	-1.00%	12,250,644	4,354,752
Future salary increases	+1.00%	11,335,835	4,095,054
	-1.00%	(9,656,150)	(3,795,178)
Mortality rate	+1 year	291,952	(284,820)
	-1 year	(326,277)	(301,511)

The Parent Company does not perform any asset-liability matching strategy. The overall investment policy and strategy of the retirement plan is based on the client suitability assessment, as provided by its trust bank, in accordance with the requirements of the Bangko Sentral ng Pilipinas. It does not, however, ensure that there will be sufficient assets to pay the retirement benefits as they fall due while attempting to mitigate the various risks of the plan.

The Parent Company assesses the funding requirements of the retirement plan annually. Once it deems that the retirement plan needs additional funds, it engages the services of an actuarial expert to quantify the required amount of funds to be contributed. The Parent Company contributed P19,155,236 to the retirement plan in 2020.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2020	2019
Zero (0) to five (5) years	P34,072,414	P33,470,365
Six (6) to ten (10) years	62,121,633	49,568,126
Eleven (11) to fifteen (15) years	48,445,880	45,870,373
Beyond fifteen (15) years	370,138,704	408,006,877
	P514,778,631	P536,915,741

The weighted average duration of the defined benefit obligation is 14 years in 2020, 2019 and 2018.



COLHK makes monthly contribution to a fund under the mandatory provident fund schemes ordinance enacted by the HK Government. The plan is a defined contribution retirement plan. Under the plan, COLHK should contribute five percent (5%) of the monthly relevant income of all its qualified employees. The contribution recognized as 'Other benefits' under 'Personnel costs' amounted to ₱314,861, ₱325,241 and ₱326,654 in 2020, 2019 and 2018, respectively.

19. Income Taxes

Deferred Income Taxes

Components of net deferred tax assets (liabilities) of the Group follow:

	2020	2019
Retirement obligation	₱20,722,551	₱8,047,889
Unamortized past service cost	4,683,871	180,729
Accumulated translation adjustment	(1,860,193)	(6,221,325)
Allowance for credit losses	1,019,237	354,388
Leases under PFRS 16	750,949	-
Unrealized trading gains	(221,926)	(296,894)
Property valuation	(110,882)	31,760
Unrealized foreign exchange losses	6,232	-
	₱24,989,839	₱2,096,547

Realization of the future tax benefits related to the net deferred tax assets is dependent on many factors, including the Group's ability to generate taxable income, within the carry-over period. The deferred tax asset on property valuation pertains to the temporary difference between the net book value and tax residual value of COLHK's property and equipment.

The Group did not recognize deferred tax assets on the following temporary differences since Management believes that it is not probable that the related benefits will be realized in the future:

	2020	2019
Unused tax losses	₱252,000,901	₱236,671,768
NOLCO	11,848,381	3,612,778
Unrealized trading losses	49,290	-
Retirement obligation	-	41,509,754
Unamortized past service cost	-	6,733,636
Leases under PFRS 16	-	1,532,821
Allowance for credit losses	-	911,655
Unrealized foreign exchange losses	-	11,456
	₱263,898,572	₱290,983,868

The unused tax losses pertains to COLHK which can be carried forward indefinitely to offset future profits.

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover as One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.



As of December 31, 2020, the Group has incurred NOLCO which can be claimed as deduction from the regular taxable income with details as follows:

Year Incurred	Amount	Used	Balance	Expiry Year
2020	₱8,235,603	₱-	₱8,235,603	2025
2019	3,612,778	-	3,612,778	2022
	₱11,848,381	₱-	₱11,848,381	

A reconciliation of provision for income tax computed at the statutory income tax rates to net provision for income tax shown in the consolidated statements of income follows:

	2020	2019	2018
Income tax at statutory income tax rate	₱172,811,067	₱189,119,216	₱217,999,309
Additions to (reductions in) income tax resulting from:			
Unrecognized DTA	(787,990)	7,490,710	35,481,223
Interest income subjected to final tax	(20,274,524)	(47,715,484)	(37,551,395)
40% OSD	-	20,398,752	(3,646,650)
Tax-exempt income	(324,408)	(31,431)	(78,733)
Non-deductible expense	453,054	-	-
Effect of lower income tax rate in HK	1,950,174	2,760,848	1,906,419
Provision for income tax	₱153,827,373	₱172,022,611	₱214,110,173

In 2020, the Parent Company used the itemized deduction method in calculating the allowed deductions for income tax purposes, while in 2019 and 2018, the Parent Company availed of the optional standard deduction (OSD) method.



20. Related Party Disclosures

a. The summary of significant transactions and account balances with related parties are as follows:

Category	Commission income	Interest income	Commission expense	Professional fees	Directors' fees	Trade receivables	Trade payables
<i>Key management personnel</i>							
2020	₱1,383,035	₱716,039	₱-	₱-	₱-	₱52,239,716	₱4,055,643
2019	1,423,253	265,190	-	-	-	36,632,463	44,684,302
2018	1,759,845	410,086	-	-	-	15,835,823	89,165,653
<i>Companies with common officers, directors and stockholders</i>							
2020	₱12,312,773	₱2,638,775	₱-	₱3,825,689	₱-	₱34,241,976	₱4,411,721
2019	7,217,069	2,606,146	-	4,798,621	-	28,793,203	18,637,782
2018	10,158,475	2,232,315	-	4,878,978	-	40,827,421	18,458,230
<i>Directors, officers and employees</i>							
2020	₱1,200,084	₱1,202,715	₱-	₱-	₱1,750,000	₱9,559,081	₱55,542,824
2019	4,482,932	983,272	-	-	1,750,000	30,631,639	65,537,718
2018	5,292,151	589,577	-	-	1,682,500	14,578,421	58,418,054

Trade receivables from and payables to related parties are due to be settled in three (3) trading days in the Philippines and two (2) trading days in HK, except for trade receivables under margin accounts. Trade receivables from related parties under margin accounts are interest-bearing, not guaranteed, and secured by shares of stocks (except for trade receivables amounting to ₱106 and ₱39, which were unsecured as of December 31, 2020 and 2019, respectively (Note 7). The trade receivables from related parties are not impaired.

b. As of December 31, 2020 and 2019, the Group also has unsecured noninterest-bearing advances to its officers and employees amounting to ₱1,011,936 and ₱1,220,034 with terms ranging from six months to one year, which are included under 'Other receivables' (Note 7).



c. Compensation of key management personnel of the Group follows:

	2020	2019	2018
Short-term employee benefits	₱83,164,049	₱70,924,936	₱85,353,650
Retirement costs (Note 18)	3,463,336	2,634,585	2,222,877
	₱86,627,385	₱73,559,521	₱87,576,527

Short-term employee benefits include management bonus.

21. Leases

The Group leases its office premises under separate operating lease agreements expiring on various dates and whose lease terms are negotiated every one (1) to three (3) years. Rental costs charged to operations amounted to ₱22,494,380 in 2018 (prior to adoption of PFRS 16).

The Group applied a single recognition and measurement approach for all leases. Set-out below are the carrying amount of lease liabilities and the movements during the period:

	2020	2019
At beginning of year	₱57,222,118	₱26,476,920
Additions	11,318,653	55,420,102
Accretion of interest	3,104,194	2,937,247
Payments	(26,752,450)	(27,562,609)
Rent concessions	(565,113)	–
Translation adjustment	(197,972)	(49,542)
At end of year	₱44,129,430	₱57,222,118
Current	₱18,737,554	₱20,767,513
Non-current	25,391,876	36,454,605
	₱44,129,430	₱57,222,118

COVID-19 Related Rent Concessions

The Group has adopted the practical expedient issued by the Philippine Accounting Standards Board whereby it has not accounted for rent concessions which are a direct consequence of the COVID-19 pandemic as lease modifications. Instead, the Group recognized these concessions in the statement of comprehensive income for the year ended December 31, 2020.

The practical expedient may be applied where the following conditions apply:

- The changed lease payments were substantially the same or less than the payments prior to the rent concession;
- The reductions only affect payments which fall due before June 30, 2021; and
- There has been no substantive change in the terms and conditions of the lease.



The following are the amounts recognized in the consolidated statement of income:

	2020	2019
Depreciation expense of right-of-use assets included in property and equipment (Note 9)	₱25,634,358	₱26,205,737
Interest expense on lease liabilities	3,104,194	2,937,247
Other revenue (Note 16)	(565,113)	-
	₱28,173,439	₱29,142,984

The Group also has lease contracts on low-value assets. The Group applies the recognition exemption for these leases. Rental costs charged to operations pertaining to leases of low-value assets amounted to ₱364,679 in 2020 and ₱207,015 in 2019.

Shown below is the maturity analysis of the undiscounted lease payments:

	2020	2019
Within one (1) year	₱21,177,182	₱23,739,029
After one (1) year but not more than five (5) years	20,896,588	31,132,027
After five (5) years	9,525,600	12,700,800
	₱51,599,370	₱67,571,856

22. Capital Management

The primary objective of the Group's capital management is to ensure that the Group maintains healthy capital ratios in order to support its business, pay existing obligations and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended December 31, 2020, 2019 and 2018.

The Amended Implementing Rules and Regulations of the SRC effective March 6, 2004 include, among others, revisions in the terms and conditions for registration and subsequent renewal of license applicable to both exchange trading participants and non-exchange broker dealers as follows: (a) to allow a net capital of ₱2.50 million or 2.50% of aggregate indebtedness, whichever is higher, for broker dealers dealing only in proprietary shares and not holding securities, (b) to allow the SEC to set a different net capital requirement for those authorized to use the Risk-Based Capital Adequacy (RBCA) model, and (c) to require unimpaired paid-up capital of ₱100.00 million for broker dealers, which are either first time registrants or those acquiring existing broker dealer firms and will participate in a registered clearing agency; ₱10.00 million plus a surety bond for existing broker dealers not engaged in market making transactions; and ₱2.50 million for broker dealers dealing only in proprietary shares and not holding securities.

The SEC approved Memorandum Circular No. 16 dated November 11, 2004 which provides the guidelines on the adoption in the Philippines of the RBCA Framework for all registered brokers dealers in accordance with SRC. These guidelines cover the following risks: (a) position or market risk, (b) credit risks such as counterparty, settlement, large exposure, and margin financing risks, and (c) operational risk.



The Parent Company being a registered broker in securities is subject to the stringent rules of the SEC and other regulatory agencies with respect to the maintenance of specific levels of RBCA ratios. RBCA is a ratio that compares the broker or dealer's total measured risk to its liquid capital. As a rule, the Parent Company must maintain an RBCA ratio of at least one hundred ten percent (110.00%) and a net liquid capital (NLC) of at least ₱5.00 million or five percent (5.00%) of its aggregate indebtedness, whichever is higher. Also, the Aggregated Indebtedness (AI) of every stockbroker should not exceed two thousand percent (2,000.00%) of its NLC. In the event that the minimum RBCA ratio of one hundred ten percent (110.00%) or the minimum NLC is breached, the Parent Company shall immediately cease doing business as a broker and shall notify the PSE and SEC. As at December 31, 2020 and 2019, the Parent Company is compliant with the foregoing requirements.

The Parent Company's capital pertains to equity per books adjusted for deferred tax assets and assets not readily convertible into cash.

The RBCA ratio of the Parent Company as at December 31, 2020 and 2019 are as follows:

	2020	2019
Equity eligible for NLC	₱1,678,035,456	₱1,587,676,607
Less ineligible assets	630,584,805	559,526,675
NLC	₱1,047,450,651	₱1,028,149,932
Position risk	₱15,824,582	₱4,247,476
Operational risk	199,525,324	189,014,295
Large exposure risk	81,763,884	-
Total Risk Capital Requirement (TRCR)	₱297,113,790	₱193,261,771
AI	₱11,631,871,470	₱8,023,673,289
5.00% of AI	₱581,593,574	₱401,183,664
Required NLC	₱581,593,574	₱401,183,664
Net Risk-Based Capital Excess	₱465,857,077	₱626,966,268
Ratio of AI to NLC	1,110%	780%
RBCA ratio (NLC/TRCR)	353%	532%

The following are the definition of terms used in the above computation:

1. Ineligible assets

These pertain to fixed assets and assets which cannot be readily converted into cash.

2. Operational risk requirement

The amount required to cover a level of operational risk which is the exposure associated with commencing and remaining in business arising separately from exposures covered by other risk requirements. It is the risk of loss resulting from inadequate or failed internal processes, people and systems which include, among others, risks of fraud, operational or settlement failure and shortage of liquid resources, or from external events.

3. Position risk requirement

The amount necessary to accommodate a given level of position risk which is the risk a broker dealer is exposed to and arising from securities held by it as a principal or in its proprietary or dealer account.



4. AI

Total money liabilities of a broker dealer arising in connection with any transaction whatsoever, and includes, among other things, money borrowed, money payable against securities loaned and securities failed to receive, the market value of securities borrowed to the extent to which no equivalent value is paid or credited (other than the market value of margin securities borrowed from customers and margin securities borrowed from non-customers), customers' and non-customers' free credit balances, and credit balances in customers' and non-customers' account having short positions in securities subject to the exclusions provided in the said SEC Memorandum.

On May 28, 2009, the SEC approved the PSE's Rules Governing Trading Rights and Trading Participants, which supersede the Membership Rules of the PSE. Section 8(c) of Article III of the said rules requires trading participants to have a minimum unimpaired paid-up capital, as defined by the SEC, of ₱20.00 million effective December 31, 2009, and ₱30.00 million effective December 31, 2011 and onwards. In 2020 and 2019, the Parent Company is compliant with this capital requirement.

The Parent Company's regulated operations have complied with all externally-imposed capital requirements as at December 31, 2020 and 2019.

COLHK monitors capital using liquid capital as provided for under HK's Securities and Futures Ordinance (Cap. 571) and Securities and Futures (Financial Resources) Rules (Cap. 571N). COLHK's policy is to keep liquid capital at the higher of the floor requirement of HK\$3.00 million and computed variable required capital. As at December 31, 2020 and 2019, COLHK is compliant with the said requirement.

23. Financial Risk Management Objectives and Policies

The main purpose of the Group's financial instruments is to fund its operations. The Group's principal financial instruments consist of cash and cash equivalents, cash in a segregated account, short-term time deposits, financial assets at FVTPL, trade receivables, other receivables, long-term time deposit, refundable deposits under other noncurrent assets, trade payables and other current liabilities, which arise from operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, equity price risk and foreign currency risk.

The BOD reviews and agrees on the policies for managing each of these risks which are summarized below:

Credit risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the stock brokerage business as potential losses may arise due to the failure of its customers and counterparties to fulfill their trading obligations on settlement dates or the possibility that the value of collateral held to secure obligations becoming inadequate due to adverse market conditions.

The business model of the Group minimizes its exposure to credit risk. The Group's customers, except those granted with a credit line facility by the Parent Company, are required to deposit funds to their accounts and their purchases are limited to their cash deposit. In order to manage the potential credit risk associated with the Parent Company's margin lending activities, the Group has



established policies and procedures in evaluating and approving applications for margin financing as well as the review of credit performance and limits. In addition, the Parent Company requires its margin customers a Two Peso (₱2) security cover for every One Peso (₱1) exposure. The security cover can either be in cash or a combination of cash and marginable stock identified by the Parent Company using a set of criteria.

The Group utilizes an internal credit rating system based on its assessment of the quality of its financial assets. The Group classifies its financial assets into the following credit grades:

- *High grade* - This pertains to accounts with a very low probability of default as demonstrated by the counterparty's long history of stability, profitability and diversity. This applies to highly rated financial obligors, strong corporate counterparties and personal borrowers with whom the Group has excellent repayment experience.
- *Standard grade* – This pertains to counterparties with no history of default. This applies to financial assets that are performing as expected.

Financial assets at amortized cost

The Group's financial assets at amortized cost, which are neither past due nor impaired, are classified as high grade, due to its high probability of collection (i.e. the counterparty has the evident ability to satisfy its obligation and the security on the receivables are readily enforceable).

Cash and cash equivalents, cash in a segregated account, short-term time deposits and long-term time deposit are considered high grade and are in stage 1 of the ECL model. These are deposited with reputable banks duly approved by the BOD and have low probability of insolvency. These are considered to be low credit risk investments.

Trade receivables from margin customers have no specific credit terms but customers are required to maintain the value of their collateral within a specific level. Once the value of the collateral falls down this level, customers may either deposit additional collateral or sell stock to cover any shortfall. Meanwhile, receivables from post-paid customers are required to be settled on two (2) trading days' term for COLHK and three (3) trading days' term for the Parent Company. The receivable balances become demandable upon failure of the customer to duly comply with these requirements. As at December 31, 2020 and 2019, ₱772,054,791 and ₱704,473,287 of the total receivables from customers is secured by collateral comprising of equity securities of listed companies with a total market value of ₱5,871,374,410 and ₱3,984,013,048, respectively (Note 7).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision matrix is based on the Group's historical observed default rates. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The aging analyses of the Group's trade receivables as at December 31, 2020 and 2019 are summarized in the following table (gross of allowance for credit losses):

	Neither past due nor impaired	Days past due			Specifically impaired	Total
		4-14 days	15-31 days	More than 31 days		
2020						
Trade receivables	₱486,995,842	₱169,869,489	₱193,331,473	₱283,130,266	–	₱1,133,327,070
2019						
Trade receivables	299,681,644	104,645,402	44,838,336	417,200,366	–	866,365,748



Past due accounts pertain to margin accounts of the Parent Company that are charged an interest rate ranging from 8.00% to 10.00%. A margin account has no due date and becomes demandable only when the equity percentage of the customers falls below 33.33%. The loss rate for trade receivables is considered minimal.

Transactions through the stock exchange are covered by the guarantee fund contributed by member brokers and maintained by the clearing house.

Refundable deposits under other noncurrent assets is classified as high grade and is in stage 1 of the ECL model since the amount shall be kept intact by: (1) the lessor throughout the term of the contract and shall be returned after the term; and (2) the government institutions as a requirement to conduct stock brokerage business and shall be returned after the Group ceases to operate its business.

Financial assets at FVTPL

Companies that are consistently profitable, have strong fundamentals and pays out dividends. As at December 31, 2020 and 2019, the Group's financial assets at FVTPL are classified as high grade since these are with entities of good reputation.

Investment securities at amortized cost

The investments are classified as high grade since these are retail treasury bond issued by the Philippine government and corporate bonds with high credit standing and there is a high probability of collecting the principal and coupon payments.

Deposit and refundable contributions to CTGF

Deposit and refundable contributions to CTGF pertains to contribution made by the Parent Company to a guarantee fund as required by the SCCP and is classified as high grade. The Parent Company does not expect significant exposure on the balance as the amount shall be kept intact by the SCCP as a requirement to conduct stock brokerage business and shall be returned after the Parent Company ceases to operate its business.

Other receivables

These receivables from counterparties with no history of default and are not past due as at the end of the reporting period are classified as standard grade.

Collateral and other credit enhancement

Margin customers are required to maintain the value of their collateral within a specific level. Once the value of the collateral falls down this level, customers may either deposit additional collateral or sell stock to cover their shortfall.

Collateral comes in the form of financial assets. This pertains to securities listed and traded in the PSE and lodged with the Philippine Depository and Trust Corporation under the account of the Parent Company. The market value of the securities is closely monitored to ensure compliance with the required levels of collaterals.

The Group's exposure to credit risk arising from default of the counterparty has a maximum exposure equal to the carrying amount of the particular instrument plus any irrevocable loan commitment or credit facility.



There are no significant concentrations of credit risk within the Group.

Maximum exposure to credit risk after collateral held or other credit enhancements

The maximum exposure to credit risk is the carrying value at the reporting date of each class of financial assets of the Group except for receivables from customers wherein the Group holds collateral as security.

The table below shows the maximum exposure to credit risk for the component of the consolidated statements of financial position:

	2020	2019
Cash and cash equivalents (Note 4)*	₱5,449,058,220	₱8,225,977,521
Cash in a segregated account (Note 5)	133,246,671	137,679,325
Short-term time deposits (Note 4)	200,000,000	200,000,000
Trade receivables (Note 7)	591,387	529,025
Other receivables (Note 7)	38,028,477	48,067,874
Long-term time deposit (Note 4)	-	200,000,000
Refundable deposits (Note 12)	11,172,769	11,574,910
Deposit and refundable contributions to CTGF (Note 12)	45,016,723	41,632,750
Investment securities at amortized cost (Note 8)	6,463,207,003	200,348,264
	12,340,321,250	9,065,809,669
<u>Unutilized margin trading facility</u>	4,663,131,211	4,891,448,596
	₱17,003,452,461	₱13,957,258,265

*Excluding cash on hand

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments or that a market for derivatives may not exist in some circumstances.

The Group manages its liquidity profile to meet the following objectives: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; and c) to be able to access funding when needed at the least possible cost.

As at December 31, 2020 and 2019, all of the Group's financial liabilities, which consist of trade payables and other current liabilities (except statutory payables), are contractually payable on demand and up to sixty (60) days' term.

Correspondingly, the financial assets that can be used by the Group to manage its liquidity risk as at December 31, 2020 and 2019 consist of cash and cash equivalents, short-term time deposits, financial assets at FVTPL and trade receivables.

Market Risk

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchanges rates, commodity prices, equity prices and other market changes. The Group's market risk originates from its holdings of equity instruments and foreign currency-denominated financial instruments.



Equity Price Risk

Equity price risk is the risk to earnings or capital arising from changes in stock exchange indices relating to its quoted equity securities. The Group's exposure to equity price risk relates primarily to its financial assets at FVTPL which pertain to investments in shares of stock of companies listed in the PSE and in mutual fund shares. The Group's policy is to maintain the risk within an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position.

Since the carrying amount of financial assets subject to equity price risk is immaterial relative to the consolidated financial statements, Management believes that disclosure of equity price risk sensitivity analysis for 2020 and 2019 is not significant.

Foreign Currency Risk

The Group's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. The Group believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for a financial institution engaged in the type of business in which the Group is engaged.

The Group's exposure to foreign currency exchange risk arises from its US\$-denominated cash in banks amounting to US\$219,548 and US\$9,517 as at December 31, 2020 and 2019, respectively (Note 4).

Since the amount of US\$-denominated cash in bank subject to foreign currency risk is immaterial relative to the consolidated financial statements, Management believes that disclosure of foreign currency risk analysis for 2020 and 2019 is not significant.

Offsetting of Financial Assets and Liabilities

The table below presents information about rights to offset related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreements or similar agreements.

2020							
Financial Instruments Recognized at End of Reporting Period by Type	Gross Carrying Amounts (Before Offsetting)	Gross Amounts Offset in Accordance with the Offsetting Criteria	Net Amount Presented in Consolidated Financial Position	Effect of Remaining Rights of Set-Off (Including Rights to Set Off Financial Collateral) that do not Meet PAS 32 Offsetting Criteria			
				Fair Value of		Net Exposure	
				Financial Instruments	Financial Collateral		
[a]	[b]	[c] = [a-b]	[d]	[e]	[f] = [c-d]		
Financial Assets							
Receivable from customers	₱772,054,897	₱-	₱772,054,897	₱2,123,830	₱-	₱769,931,067	
Due from clearing house	314,422,659	-	314,422,659	36,839,509	-	277,583,150	
	₱1,086,477,556	₱-	₱1,086,477,556	₱38,963,339	₱-	₱1,047,514,217	
Financial Liabilities							
Payable to customers	₱11,464,048,995	₱-	₱11,464,048,995	₱2,123,830	₱-	₱11,461,925,165	
Due to clearing house	36,839,509	-	36,839,509	36,839,509	-	-	
	₱11,500,888,504	₱-	₱11,500,888,504	₱38,963,339	₱-	₱11,461,925,165	



		2019		Effect of Remaining Rights of Set-Off (Including Rights to Set Off Financial Collateral) that do not Meet PAS 32 Offsetting Criteria		
Financial Instruments Recognized at End of Reporting Period by Type	Gross Carrying Amounts (Before Offsetting)	Gross Amounts Offset in Accordance with the Offsetting Criteria	Net Amount Presented in Consolidated Statements of Financial Position	Fair Value of Financial Collateral		Net Exposure
				Financial Instruments	Financial Collateral	
	[a]	[b]	[c] = [a-b]	[d]	[e]	[f] = [c-d]
Financial Assets						
Receivable from customers	₱704,473,326	₱-	₱704,473,326	₱7,984,917	₱-	₱696,488,409
Due from clearing house	124,656,703	-	124,656,703	83,887,572	-	40,769,131
	₱829,130,029	₱-	₱829,130,029	₱91,872,489	₱-	₱737,257,540
Financial Liabilities						
Payable to customers	₱8,102,010,305	₱-	₱8,102,010,305	₱7,984,917	₱-	₱8,094,025,388
Due to clearing house	83,887,572	-	83,887,572	83,887,572	-	-
	₱8,185,897,877	₱-	₱8,185,897,877	₱91,872,489	₱-	₱8,094,025,388

24. Fair Value Measurement

The following table shows the carrying value and fair value of the Group's refundable deposits, investment securities at amortized cost and investment property, whose carrying value does not approximate its fair value as at December 31, 2020 and 2019:

	Carrying Values		Fair Values	
	2020	2019	2020	2019
Refundable deposits	₱11,172,769	₱11,574,910	₱9,731,846	₱10,082,124
Investment securities at amortized cost	6,463,207,003	200,348,264	6,471,437,493	199,903,251
Investment property	14,883,275	15,758,762	35,610,300	39,567,000

The carrying amounts of cash and cash equivalents, cash in a segregated account, short-term time deposits, trade receivables, other receivables, trade payables and other current liabilities, which are all subject to normal trade credit terms and are short-term in nature, approximate their fair values.

The carrying value of long-term time deposit approximates its fair value since the placement earns interest at prevailing market rates.

Financial Assets at FVTPL

The Group's financial assets at FVTPL are carried at their fair values as at December 31, 2020 and 2019. Fair value of equity securities is based on the closing quoted prices of stock investments published by the PSE. Fair value of mutual funds is based on net asset values computed and published by the mutual fund providers.

Refundable Deposits

The fair value of the refundable deposits is based on the present value of the future cash flows discounted using credit adjusted risk-free rates for a similar type of instrument using 2.80% as at December 31, 2020 and 2019. There are no changes in the valuation techniques in 2020 and 2019.

Investment securities at amortized cost

The fair value of the investment is based on the quoted market price in an active market as at December 31, 2020 and 2019.



Investment Property

The fair value of the investment property has been based on highest and best use of property being appraised. Valuations were derived on the basis of recent sales of similar properties in the same areas as the investment property and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued.

Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy as follows:

	Level 1	2020 Level 2	Level 3
<i>Asset measured at fair value:</i>			
Financial assets at FVTPL	₱34,985,873	₱538,456	₱-
<i>Asset for which fair values are disclosed:</i>			
Refundable deposits	-	-	9,731,846
Investment securities at amortized cost	6,471,437,493	-	-
Investment property	-	-	35,610,300
		2019	
	Level 1	Level 2	Level 3
<i>Asset measured at fair value:</i>			
Financial assets at FVTPL	₱3,329,077	₱674,252	₱-
<i>Asset for which fair values are disclosed:</i>			
Refundable deposits	-	-	10,082,124
Investment securities at amortized cost	199,903,251	-	-
Investment property	-	-	39,567,000

During the years ended December 31, 2020 and 2019, there were no transfers among levels 1, 2 and 3 of fair value measurements.

25. EPS Computation

	2020	2019	2018
Net income attributable to the equity holders of the Parent Company	₱424,310,518	₱458,776,159	₱512,554,189
Weighted average number of shares for basic earnings per share	476,000,000	476,000,000	476,000,000
Dilutive shares arising from stock options	-	-	-
Adjusted weighted average number of common shares for diluted earnings per share	476,000,000	476,000,000	476,000,000
Basic EPS	₱0.89	₱0.96	₱1.08
Diluted EPS	₱0.89	₱0.96	₱1.08



In 2018, the Group's business operations solely pertain to the stockbrokerage services of the Parent Company and COLHK.

Geographical Information

For management purposes, the Group is organized into business units based on its geographical location and has two (2) reportable segments as follows:

- Philippine segment, which pertains to the Group's Philippine operations.
- Hong Kong segment, which pertains to the Group's HK operations.

The following tables present certain information regarding the Group's geographical segments:

	2020			
	Philippines	Hong Kong	Elimination	Total
Revenue from external customers:				
Commissions	P781,817,457	P12,068,927	P-	P793,886,384
Interest	246,443,133	6,580	-	246,449,713
Trail fees	17,255,849		-	17,255,849
Others	26,957,046	1,792,674	-	28,749,720
Segment revenue	1,072,473,485	13,868,181	-	1,086,341,666
Cost of services	(190,008,719)	(17,223,330)	-	(207,232,049)
Operating expenses, net of other income	(211,800,054)	(8,291,852)	-	(220,091,906)
Depreciation and amortization	(61,675,963)	(2,365,907)	-	(64,041,870)
Other income (losses)	(18,914,760)	(24,191)	-	(18,938,951)
Income (loss) before income tax	590,073,989	(14,037,099)	-	576,036,890
Provision for income tax	(153,681,609)	(145,764)	-	(153,827,373)
Net income (loss)	P436,392,380	(P14,182,863)	P-	P422,209,517
Segment assets	P13,573,554,978	P408,809,103	(P287,300,200)	P13,695,063,881
Segment liabilities	11,729,703,168	136,621,310	(200)	11,866,324,278
Capital expenditures:				
Fixed assets	13,083,825	975,476	-	14,059,301
Cash flows arising from:				
Operating activities	3,874,884,348	(24,613,639)	-	3,850,270,709
Investing activities	(6,266,244,489)	(975,476)	-	(6,267,219,965)
Financing activities	(357,579,646)	(2,372,804)	-	(359,952,450)
	2019			
	Philippines	Hong Kong	Elimination	Total
Revenue from external customers:				
Commissions	P529,163,152	P9,886,686	P-	P539,049,838
Interest	527,706,744	10,233	-	527,716,977
Trail fees	17,365,097	-	-	17,365,097
Others	18,386,846	947,917	-	19,334,763
Segment revenue	1,092,621,839	10,844,836	-	1,103,466,675
Cost of services	(190,890,414)	(19,915,927)	-	(210,806,341)
Operating expenses, net of other income	(194,602,320)	(8,980,401)	-	(203,582,721)
Depreciation and amortization	(56,291,221)	(2,389,005)	-	(58,680,226)
Income (loss) before income tax	650,837,884	(20,440,497)	-	630,397,387
Provision for income tax	(172,034,860)	12,249	-	(172,022,611)
Net income (loss)	P478,803,024	(P20,428,248)	P-	P458,374,776
Segment assets	P9,984,241,387	P453,005,236	(P288,154,504)	P10,149,092,119
Segment liabilities	8,247,438,416	156,458,606	(854,504)	8,403,042,518
Capital expenditures:				
Fixed assets	44,555,775	27,088	-	44,582,863
Cash flows arising from:				
Operating activities	(223,452,377)	11,700,088	-	(211,752,289)
Investing activities	(202,609,387)	(27,088)	152,500,000	(50,136,475)
Financing activities	(254,757,955)	(2,404,654)	(152,500,000)	(409,662,609)



	2018			Total
	Philippines	Hong Kong	Elimination	
Revenue from external customers:				
Commissions	₱687,358,256	₱15,573,024	₱-	₱702,931,280
Interest	422,222,322	5,526	-	422,227,848
Trail fees	14,730,081	-	-	14,730,081
Others	38,595,956	1,135,889	-	39,731,845
Segment revenue	1,162,906,615	16,714,439	-	1,179,621,054
Cost of services	(223,938,320)	(19,845,333)	-	(243,783,653)
Operating expenses, net of other income	(172,369,550)	(10,990,734)	-	(183,360,284)
Depreciation and amortization	(25,812,755)	-	-	(25,812,755)
Income (loss) before income tax	740,785,990	(14,121,628)	-	726,664,362
Provision for income tax	(180,752,435)	(33,357,738)	-	(214,110,173)
Net income (loss)	₱560,033,555	(₱47,479,366)	₱-	₱512,554,189
Segment assets	₱10,792,266,848	₱459,831,491	(₱133,487,257)	₱11,118,611,082
Segment liabilities	9,288,236,632	135,491,882	1,312,743	9,425,041,257
Capital expenditures:				
Fixed assets	29,561,263	-	-	29,561,263
Cash flows arising from:				
Operating activities	(728,095,929)	(25,755,722)	-	(753,851,651)
Investing activities	(31,284,294)	-	-	(31,284,294)
Financing activities	(333,200,000)	-	-	(333,200,000)

27. Events after the Reporting Period

Stock Split

On January 4, 2021, the Parent Company obtained the SEC approval dated December 28, 2020 on the amendment of Article Seven of the Parent Company's Articles of Incorporation to effect a ten-for-one stock split of the Parent Company's common shares which will result to an increase in the number of authorized capital stock from 1 billion to 10 billion shares and a reduction in par value of the shares from ₱1.00 to ₱0.10 per share. The amount of authorized capital stock of ₱1.00 billion will remain the same after the stock split. The effect of the stock split was reflected in the PSE on January 12, 2021.

The details of the Parent Company's capital stock (number and amounts of shares in thousands) after the stock split follow:

	Shares	Amount
Common stock - ₱0.10 per share		
Authorized	10,000,000	₱1,000,000
Issued and outstanding		
Balances at January 12, 2021	4,760,000	₱476,000

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

On March 26, 2021, President Rodrigo Duterte signed into law the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It will take effect on April 11, 2021 or 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation.



The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30.00% to 25.00% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5.00 million and with total assets not exceeding ₱100.00 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20.00%.
- Minimum corporate income tax (MCIT) rate reduced from 2.00% to 1.00% of gross income effective July 1, 2020 to June 30, 2023.

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30.00% RCIT / 2.00% MCIT) for financial reporting purposes.

Applying the provisions of the CREATE Act, the Parent Company and subsidiaries located in the Philippines would have been subjected to lower regular corporate income tax rate effective July 1, 2020.

The estimate on the financial effect of the CREATE Act on the Group as of and for the year ended December 31, 2020 are as follows:

- Lower provision for current income tax for the year ended December 31, 2020 and lower income tax payable as of December 31, 2020, which will be reflected in the Company's 2020 annual income tax return but will only be recognized for financial reporting purposes in its 2021 financial statements. Pending clarification from the tax authorities on how the taxable income for the period beginning July 1, 2020 will be computed, the Group has not quantified the impact of the lower corporate income tax rate on the 2020 current income tax.
- Lower deferred tax assets and liabilities as of December 31, 2020 and provision for deferred tax. These reductions will be recognized in the 2021 financial statements.

	As reported in the FS	Based on CREATE Act	Difference
Deferred tax asset (liability) on:			
Retirement obligation	₱20,722,551	₱17,268,793	₱3,453,758
Unamortized past service cost	4,683,871	3,903,226	780,645
Accumulated translation adjustment	(1,860,193)	(1,550,161)	(310,032)
Allowance for credit losses	1,019,237	849,364	169,873
Leases under PFRS 16	750,949	625,791	125,158
Unrealized trading gains	(221,926)	(184,938)	(36,988)
Unused tax gains/losses	(110,882)	(110,882)	–
Unrealized foreign exchange losses	6,232	5,193	1,039
	₱24,989,839	₱20,806,386	₱4,183,453





SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
COL Financial Group, Inc.
Unit 2401-B East Tower, PSE Centre
Exchange Road, Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of COL Financial Group, Inc. and Subsidiaries (the Group) as at December 31, 2020 and 2019, and for each of the three years in the period ended December 31, 2020, included in this Form 17-A, and have issued our report thereon dated March 31, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Janeth T. Nuñez-Javier

Janeth T. Nuñez-Javier

Partner

CPA Certificate No. 111092

SEC Accreditation No. 1328-AR-2 (Group A),

July 9, 2019, valid until July 8, 2022

Tax Identification No. 900-322-673

BIR Accreditation No. 08-001998-069-2020,

December 3, 2020, valid until December 2, 2023

PTR No. 8534338, January 4, 2021, Makati City

March 31, 2021



COL FINANCIAL GROUP, INC. AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2020

SUPPLEMENTARY SCHEDULES

- I. Reconciliation of retained earnings available for dividend declaration
- II. Supplementary schedules under Annex 68-J
- III. Map of the relationships of the companies within the group

SCHEDULE I
COL FINANCIAL GROUP, INC. AND SUBSIDIARIES
RECONCILIATION OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION
PURSUANT TO REVISED SRC RULE 68 AND
SEC MEMORANDUM CIRCULAR NO.11
DECEMBER 31, 2020

<u>Unappropriated Retained Earnings of the Parent Company, beginning</u>		P677,452,680
Adjustments		
<u>Unappropriated Retained Earnings, as adjusted, beginning</u>		677,452,680
<u>Net income during the period closed to retained earnings (Parent)*</u>	442,203,464	
Less: Non-actual/unrealized income net of tax	—	
Equity in net income of associate/joint venture	—	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	—	
Unrealized actuarial gain	—	
Fair value adjustment (FVTPL)	—	
Fair value adjustment of investment property resulting to gain	—	
Adjustment due to deviation from PFRS/GAAP – gain	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—	
Recognized DTA	(6,858,764)	
Subtotal	435,344,700	435,344,700
Add: Non-actual losses	—	
Depreciation on revaluation increment (after tax)	—	
Adjustment due to deviation from PFRS/GAAP – loss	—	
Loss on fair value adjustment of investment property (after tax)	—	
Stock option expense for the period	—	
Accretion of retirement obligation for the period	—	
Unrealized actuarial loss	—	
Subtotal	—	
<u>Net Income Actual/Realized</u>	435,344,700	435,344,700
Add (Less):		
Dividend declarations during the period	(333,200,000)	
Appropriations of retained earnings based on 10% of December 31, 2020 audited net income**	(44,220,346)	
Reversals of appropriations	—	
Effects of prior period adjustments	—	
Treasury shares	—	
Subtotal	(377,420,346)	(377,420,346)
<u>Unappropriated Retained Earnings, as adjusted, ending</u>		P735,377,034

* Consolidated net income of P422,209,517, net of P19,993,947 net loss of subsidiaries

** Appropriation of retained earnings is in compliance with SRC Rule 49.1 B Reserve Fund requiring the Parent Company to annually appropriate ten percent (10.00%) of its audited net income (Note 15 of the audited consolidated financial statements)

SCHEDULE II
COL FINANCIAL GROUP, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J
PURSUANT TO REVISED SRC RULE 68
DECEMBER 31, 2020

Schedule A. Financial Assets

Financial Assets at FVTPL

Financial assets at FVTPL are carried at their fair values. Fair value of financial assets at FVTPL is based on closing quoted prices of stock investments published by the PSE and mutual funds are based on the published net asset value per share of the investment company where the investment was bought.

The Group did not present the schedule of financial assets since the aggregate cost or market value of financial assets at FVTPL as of the end of the reporting period did not constitute five percent (5%) or more of the total current assets.

Schedule B. Amounts of Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
Various employees	₱1,220,034	₱1,272,997	₱1,481,095	N/A	₱1,011,936	N/A	₱1,011,936

Schedule C. Amounts of Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
None	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule D. Long Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption 'Current position of long term debt' in related statement of financial position	Amount shown under caption 'Long-Term Debt' in related statement of financial position
None	N/A	N/A	N/A

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
None	N/A	N/A

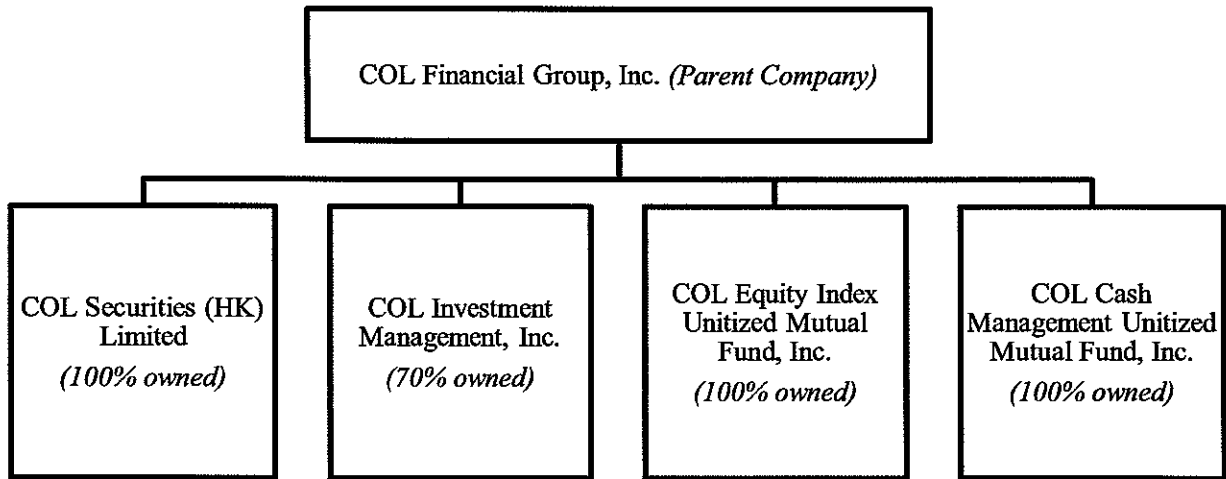
Schedule F. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the Group for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by a person for which statement is filed	Nature of guarantee
None	N/A	N/A	N/A	N/A

Schedule G. Capital Stock (Figures in Thousands)

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial condition caption	Number of shares reserved for options, warrants, conversion and other rights	No. of shares held by		
				Affiliates	Directors and Officers	Others
Common shares	1,000,000	476,000	-	-	289,585	186,415

SCHEDULE III
COL FINANCIAL GROUP, INC. AND SUBSIDIARIES
MAP OF THE RELATIONSHIPS OF THE COMPANIES
WITHIN THE GROUP
PURSUANT TO REVISED SRC RULE 68
DECEMBER 31, 2020



SCHEDULE IV
COL FINANCIAL GROUP, INC. AND SUBSIDIARIES
SCHEDULE SHOWING FINANCIAL SOUNDNESS INDICATORS
PURSUANT TO REVISED SRC RULE 68
DECEMBER 31, 2020

	Formula	2020	2019
Profitability ratios:			
Return on assets	Net Income (NI)/Total Assets	3%	5%
Return on equity	NI/Average Equity*	24%	27%
Net profit margin	NI/Net Sales	39%	42%
Solvency and liquidity ratios:			
Current ratio	Current Assets/Current Liabilities	1.12:1	1.17:1
Debt to equity ratio	Total Liabilities/Average Equity*	6.72:1	4.92:1
Quick ratio	Liquid Assets/Current Liabilities	1.10:1	1.12:1
Asset to equity ratio	Total Assets/Average Equity*	7.75	5.94
Other relevant ratios:			
RBCA ratio		353%	532%
Ratio of AI to NLC		1110%	780%
<i>*Equity Attributable to the Equity Holders of the Parent Company</i>			

ANNEX "H"
PARTICIPATION BY REMOTE COMMUNICATION AND
ELECTRONIC VOTING IN ABSENTIA

To ensure the safety and health of the shareholders of COL Financial Group, Inc. ("COL" or the "Company"), the Company will dispense with the physical attendance at the Annual Shareholders' Meeting ("Meeting") and allow shareholders to attend only by remote communication. Voting shall be done electronically in absentia through the same platform or by voting through the Chairman of the meeting as proxy. A stockholder voting electronically in absentia will be deemed present at the meeting for purposes of quorum.

Below are the guidelines for participation by remote communication and electronic voting in absentia:

1. To be able to participate in the Meeting by remote communication as well as vote electronically in absentia, shareholders as of Record Date of 16 April 2021 ("Shareholders") will have to register at <https://shareholders.colfinancial.com> ("Portal"). The Portal shall be open for registration one trading day after Record Date.
2. To enable the Company to perform validation procedures, identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders must complete the registration requirements in the Portal by 6 May 2021. After this date, Shareholders may no longer avail of the option to vote in absentia.
3. The guidelines for registration will be stated in the Portal. The following information will be required for registration:
 - a. For Individual Shareholders
 - i. Full name;
 - ii. Valid and active e-mail address;
 - iii. Scanned copy of the Shareholder's valid government issued ID showing his photo and personal details, which ID should not expire before the date of the Meeting; and
 - iv. Scanned copy of the stock certificate/s in the name of the Shareholder or Broker's certification on the number of COL shares held by Shareholder as of Record Date;
 - b. For Corporate Shareholders
 - i. Complete company name;
 - ii. SEC Registration Number;
 - iii. Valid and active e-mail address;
 - iv. Complete name of the corporate Shareholder's representative;
 - v. Scanned copy of the Secretary's Certificate attesting to the authority of the representative to vote on or behalf of the Shareholder;
 - vi. Scanned copy of the valid government issued ID of the person who signed the Secretary's Certificate showing his photo and specimen signature, which ID should not expire before the date of the Meeting;
 - vii. Scanned copy of the authorized representative's valid government issued ID showing his photo and personal details, which ID should not expire before the date of the Meeting; and
 - viii. Scanned copy of the stock certificate/s in the name of the Shareholder or Broker's certification on the number of COL shares held by Shareholder as of Record Date.
 - c. COL reserves the right to request for such additional documents as may be necessary under the circumstances.

The submission of incomplete or inconsistent information may result in unsuccessful registration. In case of unsuccessful registration, the Shareholder will not be allowed to vote electronically in absentia. However, the Shareholder may still exercise his right to vote through the Chairman of the meeting as proxy. Proxies must be submitted by email on or before 6 May 2021 to corporatesecretary@colfinancial.com.

4. The Shareholder shall receive an email upon successful registration and validation.
5. Voting Electronically in Absentia
 - a. The Agenda items will be included in the digital ballot available in the Portal. The registered Shareholder may vote as follows:
 - i. For all items other than the Election of the Board of Directors, the registered Shareholder may either vote Yes, No, or Abstain. The vote of the Shareholder per item is considered cast for all of his shares.
 - ii. For the Election of the Board of Directors, the registered may vote for all nominees, not vote for any of the nominees, or vote for some nominees only, in such number of shares as preferred by the Shareholder, provided that the total number of votes cast shall not exceed the number of shares owned by him, multiplied by 11.
 - b. Voting shall be closed by 4:00pm on 21 May 2021.
 - c. Once he finishes completing his ballot, the Shareholder can submit the digital ballot through the Portal. Upon submission, the digital ballots can no longer be amended.
 - d. Except as may be otherwise stated, votes cast in absentia shall have the same effect as votes cast by proxy.
6. Participation by Remote Communication
 - a. Registered Shareholders may participate by remote communication in the meeting by logging in to the Portal.
 - b. The Portal will include a feature where Shareholders may type in their questions.

Please contact the Office of the Corporate Secretary at corporatesecretary@colfinancial.com for any clarifications.