

9M20

COL FINANCIAL INVESTOR PRESENTATION



Company Overview

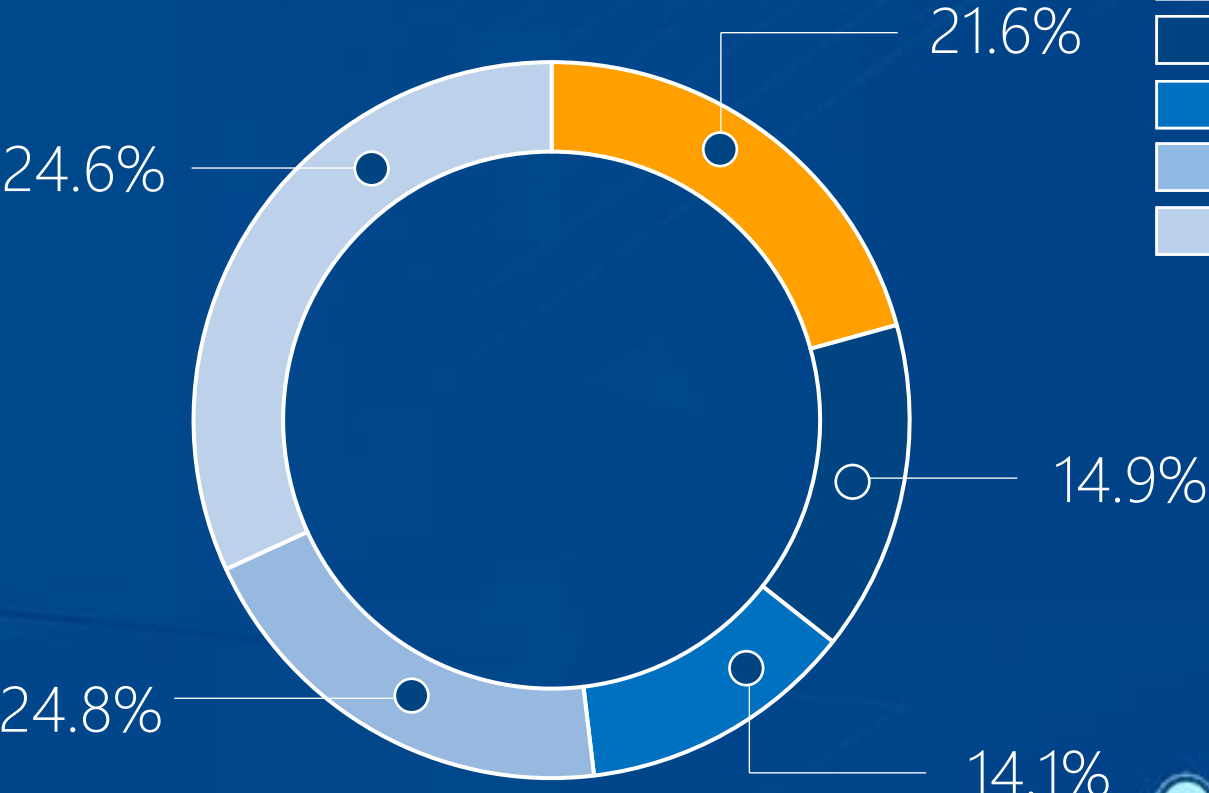
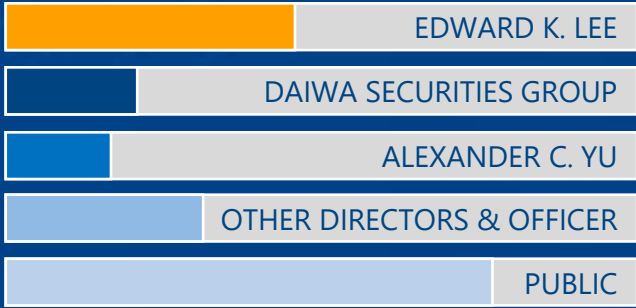
Established and licensed by the SEC in 1999

The leading and fastest-growing online stockbroker in the Philippines

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

Founder (Edward K. Lee) retains a 21.6% stake and actively manages the Company





Outstanding Shares	476.0Mil
Free Float	116.8Mil
Market Cap*	Php12.4Bil

*AS OF END SEPTEMBER 2020

Business Objective

To be the preferred source of financial services, a trusted provider of guidance and investment and a strong organization committed to delivering great value to its customers.

Our goal is to be
Champion of the Filipino Investor



The Biggest Philippine Based Broker

9M20 RANK	BROKER NAME	9M20 VALUE TURNOVER (PHPBIL)	% OF TOTAL
1	CLSA PHILIPPINES, INC.	198.3	8.4%
2	UBS SECURITIES PHILIPPINES, INC.	171.6	7.2%
3	COL Financial Group, Inc.	167.1	7.1%
4	BDO SECURITIES CORP.	147.1	6.2%
5	CREDIT SUISSE SECURITIES (PHIL), INC.	125.6	5.3%
6	SALISBURY BKT SECURITIES CORP.	124.4	5.3%
7	J.P. MORGAN SECURITIES PHILIPPINES, INC.	119.0	5.0%
8	MACQUARIE CAPITAL SECURITIES (PHIL), INC.	114.0	4.8%
9	MAYBANK ATR KIM ENG SECURITIES, INC.	96.9	4.1%
10	BPI SECURITIES CORP.	84.0	3.5%

SOURCE: PSE

Bulk of Revenues Generated from Commissions & Interest

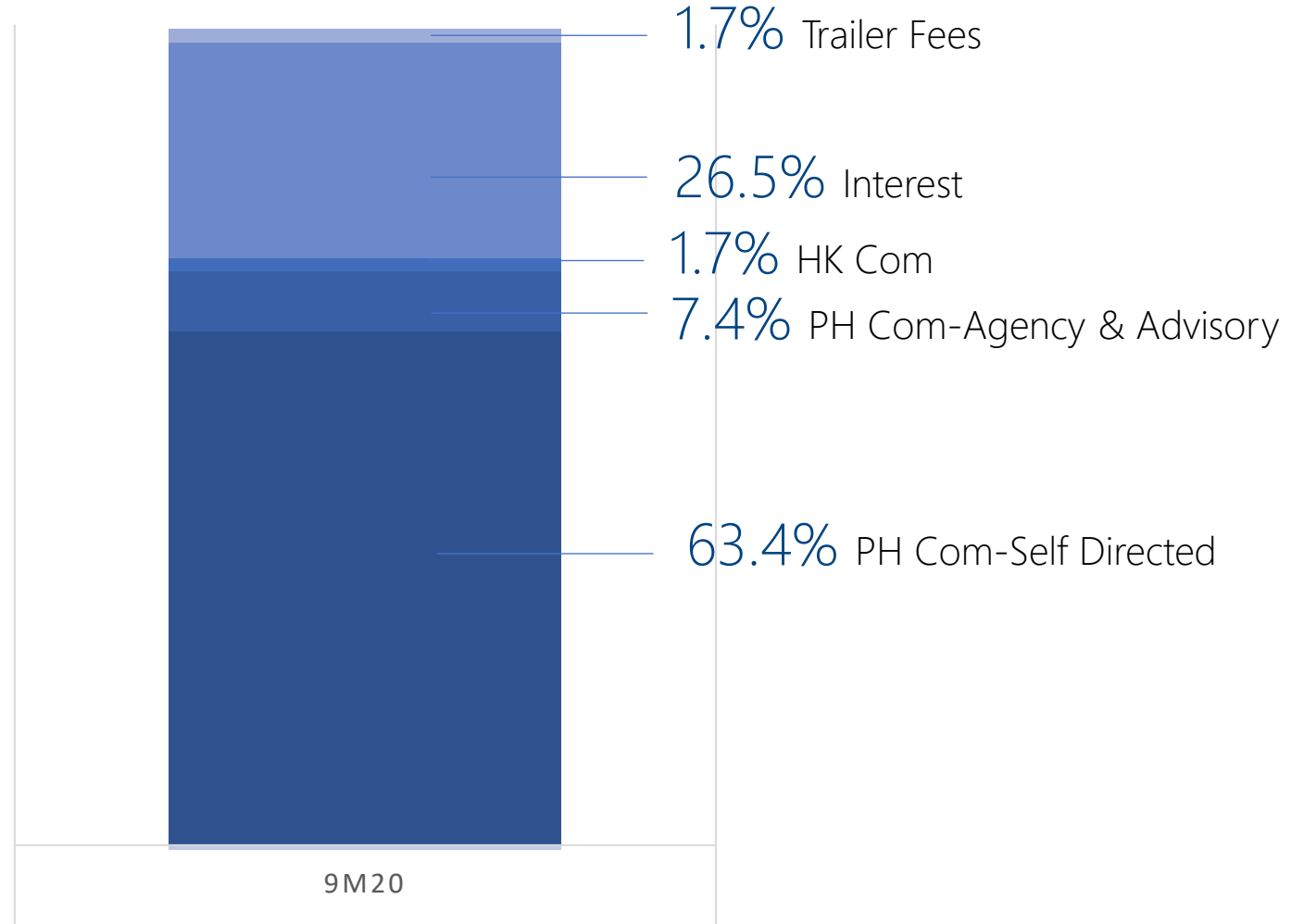
COL's Philippine operations account for 98.3% of revenues.

Commissions from both Philippines and HK account for 72.4% of revenues.

Interest income from margin loans and cash placements account for 26.5% of revenues.

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

REVENUE BREAKDOWN



Key Highlights

Positives

- ✓ Commission revenues remained resilient; market share up
- ✓ Record growth in new accounts
- ✓ Record positive net new flow

Negatives

- ✗ Interest income fell sharply
- ✗ Trailer fees down
- ✗ Profits dropped

CONSOLIDATED INCOME STATEMENT (IN PHP MIL)

9M20 Net Income -35.9% Y/Y

9M20 net income fell by 35.9% to Php294.9 Mil.

Consolidated revenues were down 24.1% to Php464.1 Mil. Except for commissions, all revenue items fell led by interest income.

Operating profits were down by a faster 34.6% to Php396.8 Mil as operating expenses dropped by only 4.0%. Although trading related expenses fell sharply by 22.3%, fixed operating expenses were flat.

The increase of fixed operating expenses is largely due to higher personnel costs and depreciation expense, partly offset by lower rentals and utilities due to the adoption of PFRS16.

	9M19	9M20	CHANGE	
			AMOUNT	%
Income				
Commissions	449.8	457.9	8.1	1.8%
Interest	433.7	205.4	(228.3)	-52.6%
Trailer Fees	13.0	12.2	(0.8)	-5.9%
Other income	1.8	0.8	(1.0)	-55.0%
Total	898.3	676.3	(221.9)	-24.7%
Expenses				
Commission expenses	35.2	18.4	(16.9)	-47.9%
Personnel costs	87.5	91.5	4.0	4.5%
Professional fees	33.5	33.2	(0.3)	-0.9%
Stock exch. dues & fees	18.4	23.3	4.9	26.6%
Communication	25.9	26.3	0.4	1.5%
Rentals & utilities	27.9	6.7	(21.3)	-76.1%
Depreciation	23.0	47.7	24.7	107.2%
Advertising & marketing	11.8	4.2	(7.6)	-64.3%
Others	27.8	28.3	0.5	1.8%
Total	291.1	279.5	(11.6)	-4.0%
PRE-TAX INCOME	607.1	396.8	(210.3)	-34.6%
TAXES	147.3	101.9	(45.3)	-30.8%
NET INCOME	459.8	294.9	(165.0)	-35.9%

CONSOLIDATED INCOME STATEMENT (IN PHP MIL)

3Q20 Net Income -36.4% Y/Y

3Q20 net income fell by 36.4% to Php92.6 Mil.

Consolidated revenues were down 26.0% to Php212.3 Mil, driven by the steep drop in interest income.

Operating profits were down by a faster 36.1%% to Php123.1 Mil as operating expenses fell by only 5.2%.

Rental and utilities fell significantly while depreciation expenses increased sharply due to the adoption of PFRS16.

	3Q19	3Q20	CHANGE	
			AMOUNT	%
Income				
Commissions	155.3	157.6	2.4	1.5%
Interest	126.2	50.1	(76.1)	-60.3%
Trailer Fees	4.4	4.3	(0.1)	-2.0%
Other income	0.8	0.2	(0.6)	-74.9%
Total	286.7	212.3	(74.5)	-26.0%
Expenses				
Commission expenses	8.2	5.5	(2.7)	-33.4%
Personnel costs	25.8	25.5	(0.3)	-1.0%
Professional fees	9.8	10.6	0.8	7.9%
Stock exch. dues & fees	6.2	12.5	6.3	102.1%
Communication	8.8	8.6	(0.2)	-2.6%
Rentals & utilities	11.1	2.4	(8.7)	-78.7%
Depreciation	8.5	15.7	7.2	84.8%
Advertising & marketing	6.8	1.5	(5.3)	-77.4%
Others	8.9	7.0	(1.9)	-21.6%
Total	94.0	89.2	(4.9)	-5.2%
PRE-TAX INCOME	192.7	123.1	(69.6)	-36.1%
TAXES	47.2	30.6	(16.7)	-35.3%
NET INCOME	145.5	92.6	(52.9)	-36.4%

Lower Interest Rates Pull Down Revenues

Revenues from Philippine operations decreased by 25.1%. Except for commissions, all other revenue items fell.

Commission revenues increased slightly by 1.2%, led by commissions from self-directed clients which rose by 9.8%. Activity picked up largely due to the market's rebound and active trading of speculative issues. Commissions from the agency and advisory group remained weak largely due to the cautiousness of institutional clients.

Interest income fell sharply by 52.6%. This was largely due to the 55.7% decline in interest income from placements. Note that yields on placements fell by more than 300 basis points to less than half the 9M19 average. Interest income from margin loans also fell by 27.2% as average margin loan fell by 25.3% to Php466 Mil.

REVENUE BREAKDOWN (IN PHPMIL)

	9M19	9M20	CHANGE	
			AMOUNT	%
Philippines				
Commission	442.1	447.6	5.5	1.2%
<i>Self-directed</i>	358.9	394.0	35.2	9.8%
<i>Agency & advisory</i>	83.2	53.5	(29.7)	-35.7%
Interest	433.0	205.4	(227.7)	-52.6%
<i>Margin</i>	37.1	27.0	(10.1)	-27.2%
<i>Placements</i>	396.0	175.6	(220.4)	-55.7%
Trailer Fees	13.0	12.2	(0.8)	-5.9%
Others	0.9	0.8	(0.1)	-15.8%
Philippine Revenues	889.1	666.0	(223.1)	-25.1%
Hong Kong				
Commission	7.7	10.3	2.6	34.2%
Others	0.8	0.3	(0.5)	-62.6%
HK Revenues	8.5	10.6	2.1	24.8%
Revenue Share				
Philippines	99.0%	98.4%		
HK	1.0%	1.6%		
Self-directed	81.2%	88.0%		
Agency & advisory	18.8%	12.0%		

Lower Interest Rates Pull Down Revenues

Trailer fees were down by 5.9% to Php12.2 Mil. Trailer fees fell as average assets under administration (AUA) dropped during the first nine months of this year compared to the same period last year. This was despite the Php766.5 Mil in net sales during the past 12 months as lower share prices had a more significant impact on AUA during the early part of the year.

Other income fell by 15.8% to Php0.8Mil.

Revenues from HK operations increased by 24.8% to Php10.6 Mil, although the impact on total profits is minimal given that HK now accounts for only 1.6% of total revenues.

REVENUE BREAKDOWN (IN PHPMIL)

	9M19	9M20	CHANGE	
			AMOUNT	%
Philippines				
Commission	442.1	447.6	5.5	1.2%
<i>Self-directed</i>	358.9	394.0	35.2	9.8%
<i>Agency & advisory</i>	83.2	53.5	(29.7)	-35.7%
Interest	433.0	205.4	(227.7)	-52.6%
<i>Margin</i>	37.1	27.0	(10.1)	-27.2%
<i>Placements</i>	396.0	175.6	(220.4)	-55.7%
Trailer Fees	13.0	12.2	(0.8)	-5.9%
Others	0.9	0.8	(0.1)	-15.8%
Philippine Revenues	889.1	666.0	(223.1)	-25.1%
Hong Kong				
Commission	7.7	10.3	2.6	34.2%
Others	0.8	0.3	(0.5)	-62.6%
HK Revenues	8.5	10.6	2.1	24.8%
Revenue Share				
Philippines	99.0%	98.4%		
HK	1.0%	1.6%		
Self-directed	81.2%	88.0%		
Agency & advisory	18.8%	12.0%		

Lower Interest Rates Pull Down Revenues

Revenues from Philippine operations decreased by 26.4%.

Commission revenues were flattish. Although commissions from self-directed clients increased by 4.9%, this was largely offset by the 21.2% drop in commissions from the agency and advisory group as institutional clients remained cautious.

Interest income fell sharply by 60.1%. This was largely due to the 66.4% decline in interest income from placements. Note that yields on placements fell by sharply. Interest income from margin loans also fell by 26.9% as average margin loan fell by 24.2% to Php486 Mil.

REVENUE BREAKDOWN (IN PHPMIL)

	3Q19	3Q20	CHANGE	
			AMOUNT	%
Philippines				
Commission	152.7	153.5	0.7	0.5%
<i>Self-directed</i>	127.0	133.2	6.2	4.9%
<i>Agency & advisory</i>	25.7	20.3	-5.5	-21.2%
Interest	125.6	50.1	-75.5	-60.1%
<i>Margin</i>	12.7	9.3	-3.4	-26.9%
<i>Placements</i>	112.9	38.0	-74.9	-66.4%
Trailer Fees	4.4	4.3	-0.1	-2.0%
Others	0.4	0.4	0.0	4.7%
Philippine Revenues	283.1	208.3	-74.8	-26.4%
Hong Kong				
Commission	2.5	4.2	1.6	63.8%
Others	0.4	0.1	(0.3)	-80.1%
HK Revenues	3.0	4.3	1.3	42.6%
Revenue Share				
Philippines	99.0%	98.0%		
HK	1.0%	2.0%		
Self-directed	83.1%	86.8%		
Agency & advisory	16.9%	13.2%		

Lower Interest Rates Pull Down Revenues

Trailer fees were down by 2.0% to Php4.3 Mil. Trailer fees fell as average assets under administration (AUA) dropped during the third quarter of this year compared to the same period last year.

Revenues from HK operations increased by 42.6% to Php4.3 Mil, although the impact on total profits is minimal given that HK now accounts for only 2% of total revenues.

REVENUE BREAKDOWN (IN PHPMIL)

	3Q19	3Q20	CHANGE	
			AMOUNT	%
Philippines				
Commission	152.7	153.5	0.7	0.5%
<i>Self-directed</i>	127.0	133.2	6.2	4.9%
<i>Agency & advisory</i>	25.7	20.3	-5.5	-21.2%
Interest	125.6	50.1	-75.5	-60.1%
<i>Margin</i>	12.7	9.3	-3.4	-26.9%
<i>Placements</i>	112.9	38.0	-74.9	-66.4%
Trailer Fees	4.4	4.3	-0.1	-2.0%
Others	0.4	0.4	0.0	4.7%
Philippine Revenues	283.1	208.3	-74.8	-26.4%
Hong Kong				
Commission	2.5	4.2	1.6	63.8%
Others	0.4	0.1	(0.3)	-80.1%
HK Revenues	3.0	4.3	1.3	42.6%
Revenue Share				
Philippines	99.0%	98.0%		
HK	1.0%	2.0%		
Self-directed	83.1%	86.8%		
Agency & advisory	16.9%	13.2%		

Lower Expenses

Operating expenses fell by 4.0%, largely pulled down by the 22.3% drop in trading related expenses.

Trading related expenses fell due to the lower share of the agency and advisory group to total commission revenues and the restructuring of commissions paid to the PCG group.

Fixed operating expenses were flat at Php237.9 Mil as higher personnel cost and depreciation expense was offset by lower rentals and utilities and advertising and marketing expenses.

Personnel costs increased by 4.5% due to hiring of additional manpower and the booking of Php1.8 Mil worth of COVID-19 mobility restriction assistance to employees.

BREAKDOWN OF EXPENSES (IN PHPMIL)

	9M19	9M20	CHANGE	
			AMOUNT	%
Trading Related Expenses				
Commission expenses	35.2	18.4	-16.9	-47.9%
<i>Agency & Advisory</i>	30.8	16.1	-14.6	-47.6%
<i>CROs & Others</i>	4.4	2.2	-2.2	-50.0%
Stock exch. dues & fees	18.4	23.3	4.9	26.6%
Total	53.6	41.7	-12.0	-22.3%
Fixed Operating Expenses				
Personnel costs	87.5	91.5	4.0	4.5%
Professional fees	33.5	33.2	-0.3	-0.9%
Communication	25.9	26.3	0.4	1.5%
Rentals & utilities	27.9	6.7	-21.3	-76.1%
Depreciation	23.0	47.7	24.7	107.2%
Advertising & marketing	11.8	4.2	-7.6	-64.3%
Others	27.8	28.3	0.5	1.8%
Total	237.5	237.9	0.4	0.1%
TOTAL EXPENSES	291.1	279.5	-11.6	-4.0%

Lower Expenses

Depreciation expenses more than doubled to Php47.7Mil from Php23.0Mil. This was largely due to adoption of PFRS16 which led to the booking of Php18.5 Mil in additional depreciation expense largely offset by the Php19.2 Mil reduction in rental & utilities expense.

Depreciation expense also increased due to the significant capital expenditures made in 2019 and operation of the DR site in Pampanga.

BREAKDOWN OF EXPENSES (IN PHPMIL)

	9M19	9M20	CHANGE	
			AMOUNT	%
Trading Related Expenses				
Commission expenses	35.2	18.4	-16.9	-47.9%
<i>Agency & Advisory</i>	30.8	16.1	-14.6	-47.6%
<i>CROs & Others</i>	4.4	2.2	-2.2	-50.0%
Stock exch. dues & fees	18.4	23.3	4.9	26.6%
Total	53.6	41.7	-12.0	-22.3%
Fixed Operating Expenses				
Personnel costs	87.5	91.5	4.0	4.5%
Professional fees	33.5	33.2	-0.3	-0.9%
Communication	25.9	26.3	0.4	1.5%
Rentals & utilities	27.9	6.7	-21.3	-76.1%
Depreciation	23.0	47.7	24.7	107.2%
Advertising & marketing	11.8	4.2	-7.6	-64.3%
Others	27.8	28.3	0.5	1.8%
Total	237.5	237.9	0.4	0.1%
TOTAL EXPENSES	291.1	279.5	-11.6	-4.0%

Market Share Improves

COL's average daily turnover increased by 2.0% Y/Y to Php913.6 Mil in 9M20. In contrast, the PSE's average daily turnover fell 13.3%.

Consequently, COL's market share in terms of value turnover improved to 7.0% in 9M20 for the whole market from 6.0% in 9M19. Share of value turnover for local investors likewise increased to 14.5% from 13.7%.

COL's ranking improved to number 3 in terms of value turnover in the PSE.

COMPARATIVE PERFORMANCE (COL VS. PSE)

	9M19	9M20	CHANGE	
			AMOUNT	%
PSE Ave. Daily T/O (PhpMil)	7,473.5	6,479.4	(994.1)	-13.3%
COL Ave. Daily T/O (PhpMil)	896.0	913.6	17.6	2.0%
COL Market Share (Total)	6.0%	7.0%		
COL Market Share (Local)	13.7%	14.5%		
PSE Ranking	4	3		
No. of Transactions - PSE ('000)	31,913.9	36,341	4,427.4	13.9%
No. of Transactions - COL ('000)	6,318.9	7,707	1,388.3	22.0%
COL Market Share	19.8%	21.2%		
PSE Ranking	1	1		

Market Share Improves

Compared to the 3Q19, COL's average daily turnover was flat at Php899.3 Mil 3Q20. Despite this, COL's market share in terms of value turnover increased to 7.2% in 3Q20 from 6.4% in 3Q19 as average daily value turnover in the PSE fell by 10.8%.

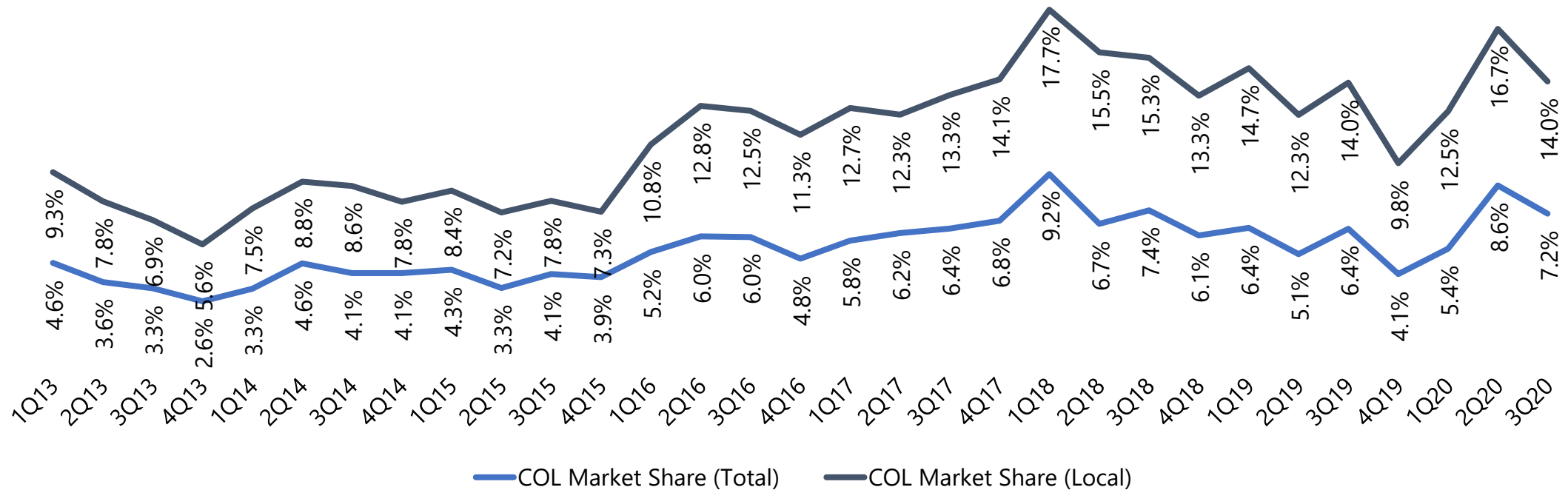
COL's market share in terms of local investors was steady at 14.0% as more local investors accounted for a bigger share of total value turnover during 3Q20.

COMPARATIVE PERFORMANCE (COL VS. PSE)

	3Q19	4Q19	1Q20	2Q20	3Q20
PSE Ave. Daily T/O (PhpMil)	7,018.9	6,515.5	6,676.6	6,509.9	6,262.7
COL Ave. Daily T/O (PhpMil)	899.1	528.2	716.6	1,125.5	899.3
COL Market Share (Total)	6.4%	4.1%	5.4%	8.6%	7.2%
COL Market Share (Local)	14.0%	9.8%	12.5%	16.7%	14.0%
PSE Ranking	3	9	7	2	3
Commission Revenues (PhpMil)	155.3	89.2	115.6	184.7	10,695
Consolidated Revenues (PhpMil)	286.7	187.7	198.1	266.0	2,647
Commission Revenues (% of Total Revenues)	54.1%	47.6%	58.3%	69.4%	24.7%

Market Share Up Y/Y

COL Market Share (Value T/O)



SOURCE: PSE, COL ESTIMATES

ROAE Down but Still Healthy at 22.8%

9M20 operating profits were down 34.7% to Php396.8 Mil.

Operating profits from the Philippines were lower by 34.9% to Php404.9 Mil as revenues and margins fell.

Operating losses from HK shrank by 45.4% to Php8.1 Mil due to higher revenues.

ROAE was down but remained healthy at 22.8%.

SELECTED FINANCIAL INDICATORS

	9M19	9M20	CHANGE	
			AMOUNT	%
Operating Profits				
Philippines	622.4	404.9	(217.5)	-34.9%
Hong Kong	(14.8)	(8.1)	6.7	-45.4%
Total	607.6	396.8	(210.8)	-34.7%
Operating Margins				
Philippines	70.0%	60.8%		
Hong Kong	-173.6%	-75.9%		
Consolidated	67.7%	58.6%		
EBITDA Margin				
Philippines	70.1%	65.7%		
Net Margin				
Philippines	51.2%	43.6%		
Asset Turnover				
Philippines	10.9%	8.5%		
Asset/Equity				
Philippines	6.1	6.5		
ROAE				
Philippines	35.4%	22.8%		

Strong Balance Sheet

Cash & cash equivalents decreased by 32.4% to Php5.7 Bil largely due to placement of more cash in investment securities to earn higher yields. Note that investment securities at amortized cost increased significantly from Php200 Mil to Php3.9 Bil.

On a combined basis, the two items increased by 11.0% and was largely responsible for the 8.1% increase in total assets to Php11.0 Bil

Net new flows from clients reached Php14.5 Bil in 9M20, leading to a 10.1% increase in payable to clients to Php8.9 Bil. This was also the main reason for the 10.9% increase in trade payables to Php9.1 Bil.

Stockholders equity decreased by 2.7% to Php1.7 Bil due to the payment of Php333.2 Mil in cash dividends, partly offset by the booking of Php294.9 Mil in profits.

BVPS fell to Php3.53/sh.

CONSOLIDATED BALANCE SHEET (IN PHPMIL)

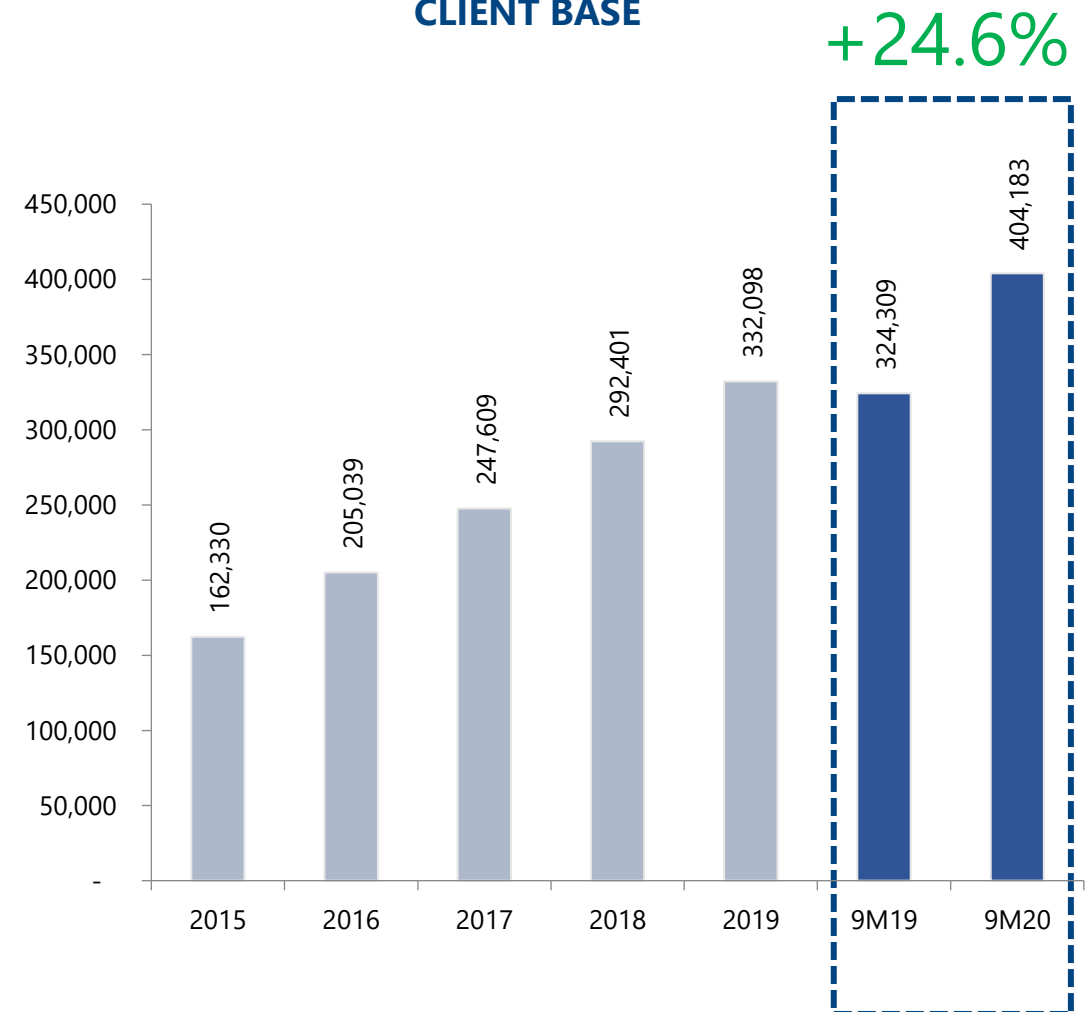
	12/31/19	9/30/20	CHANGE	
			AMOUNT	%
Cash & equivalents	8,563.7	5,791.4	(2,772.3)	-32.4%
Receivables	864.3	675.4	(188.9)	-21.9%
Inv't sec at amortized cost	200.3	3,933.0	3,732.6	1863.1%
Other current assets	57.5	36.0	(21.5)	-37.3%
LT investments	200.0	0.0	(200.0)	-100.0%
HTM investments	0.0	300.2	300.2	-
PPE – net	164.4	131.2	(33.2)	-20.2%
Other non-current assets – net	98.8	101.6	2.8	2.8%
TOTAL ASSETS	10,149.1	10,968.9	819.8	8.1%
Trade payables	8,185.9	9,075.3	889.4	10.9%
Other current liabilities	112.4	117.6	5.3	4.7%
Non-current liabilities	104.8	76.6	(28.2)	-26.9%
Total Liabilities	8,403.0	9,269.5	866.5	10.3%
Total Stockholders' Equity	1,746.0	1,699.4	(46.7)	-2.7%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	10,149.1	10,968.9	819.8	8.1%
BVPS	3.62	3.53	(0.1)	-2.6%

Accelerating Customer Growth

COL's client base grew by 24.6% Y/Y to 404,183 as of end September 2020.

Average monthly additions during the past 12 months reached 6,656. This was largely due to the acceleration of average monthly additions to a record high of 10,493 during the past six months.

CLIENT BASE

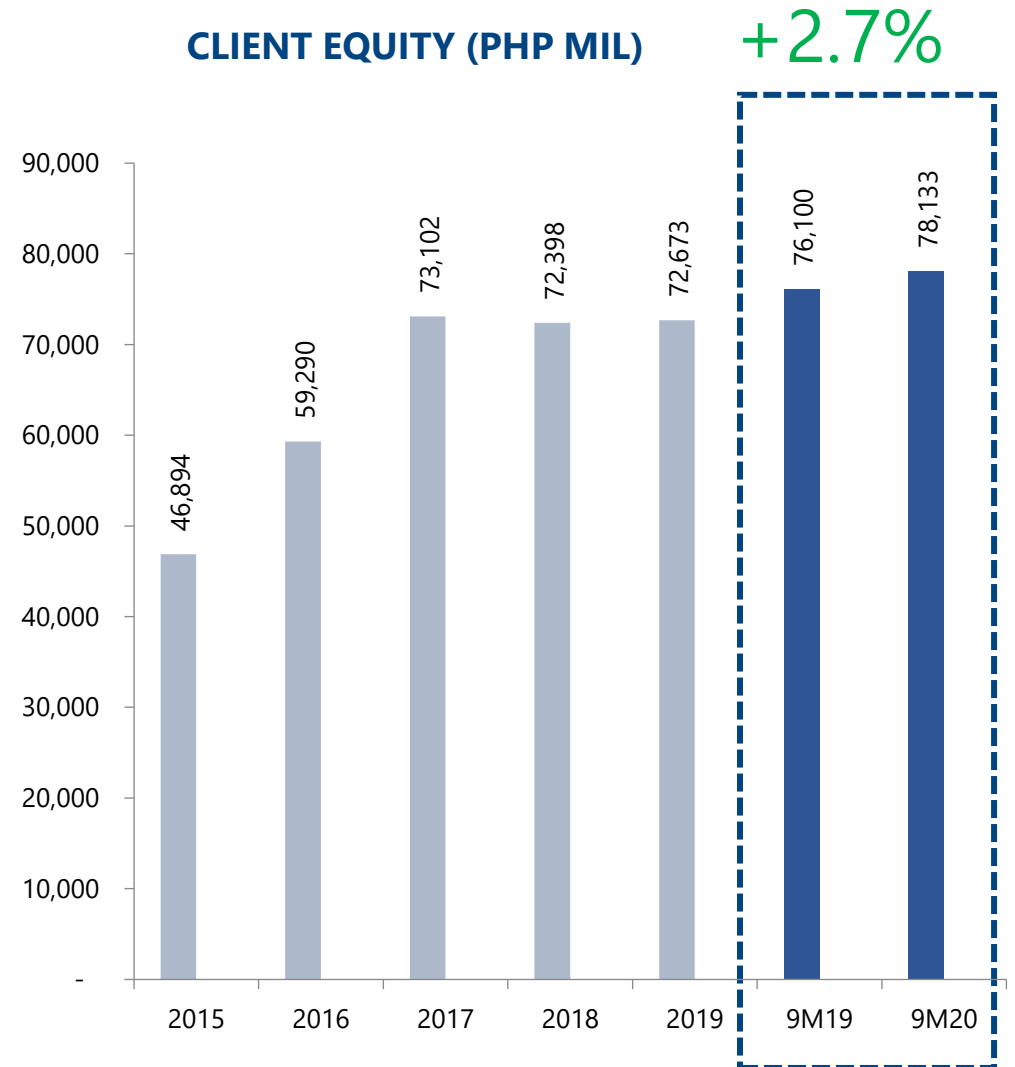


Poor Market Conditions Limit Growth of Client Equity

Client equity was up marginally by 2.7% Y/Y to Php78.13 Bil as of end September 2020.

Although net new flows from retail clients remained strong at Php15.4 Bil during the past twelve months, the weak performance of the market dragged client equity lower.

The PSEi ended 9M20 down 24.6% Y/Y.



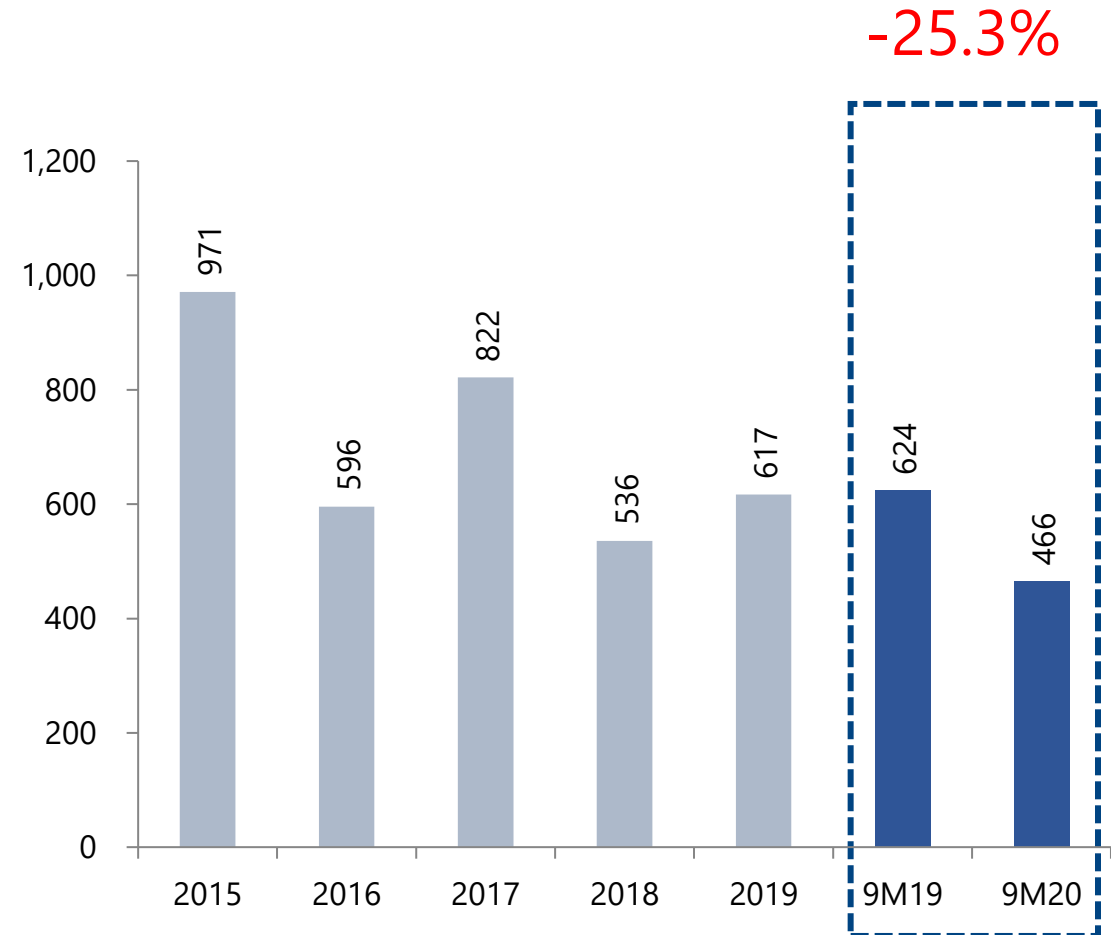
Margin Loans Down

Average daily margin loans decreased by 25.3% to Php466 Mil Y/Y.

As of end September 2020, the total number of approved margin accounts was 1,179, up slightly compared to 1,150 as of end September 2019.

However, only 31.6% of approved margin accounts utilized their margin lines as of end September 2020. In terms of value of margin granted, 8.8% was utilized during the period in review, down from 11.4% in the same period last year.

AVE DAILY MARGIN LOANS (PHP MIL)



COL Accounts for a Sizeable Portion of Industry Non-Money Market Fund Sales

9M20 NET SALES (IN PHPMIL, ACC TO TYPE OF FUND)

TYPE OF FUND	INDUSTRY*	COL
Money Market	30,823.0	64.7
Bond Fund	222.5	116.4
Balanced Fund	-360.5	20.0
Equity Fund	6,085.5	472.5
Total	36,770.6	673.5

*FUNDS AVAILABLE IN COL FUND SOURCE ONLY

COL Accounts for a Sizeable Portion of Some Fund Houses' Net Sales

9M20 NET SALES (IN PHPMIL, ACC TO FUND HOUSE)

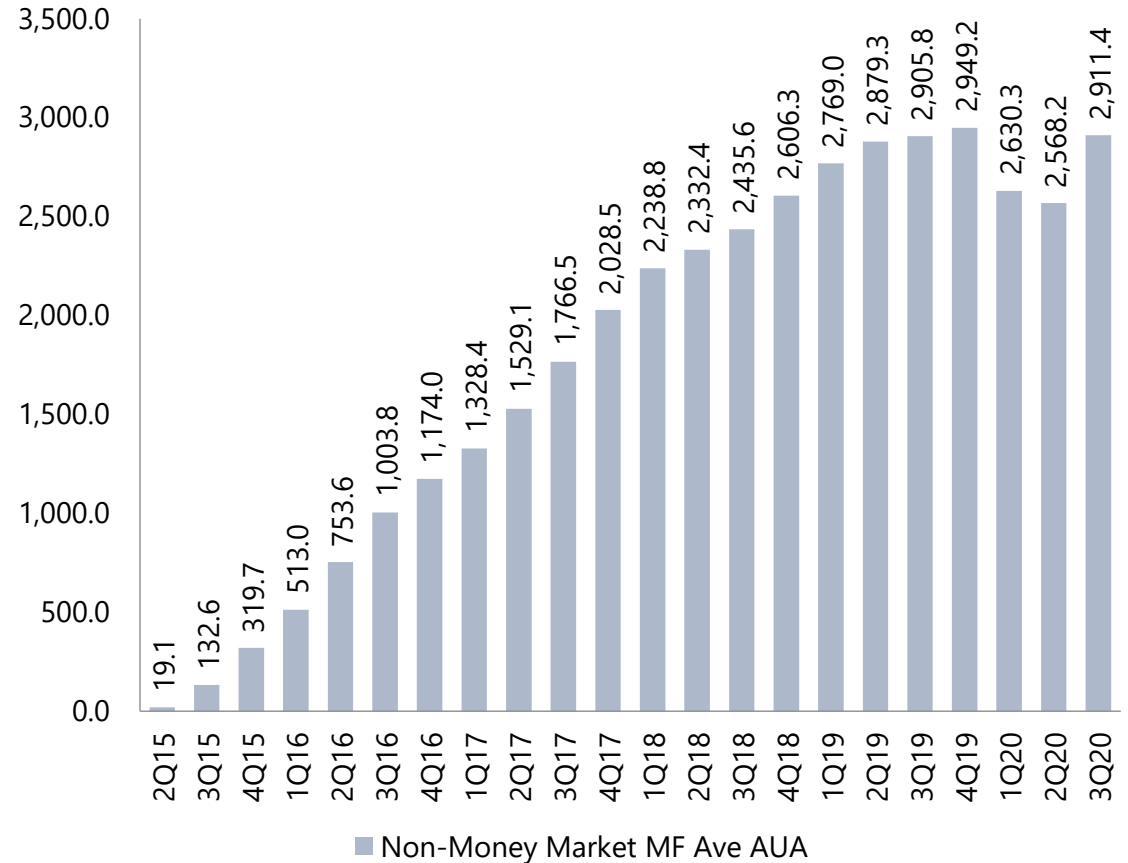
TYPE OF FUND	TOTAL*	COL	% SHARE
ALFM	-574.2	215.9	-37.6%
ATR	225.3	23.3	10.3%
FAMI	605.8	19.5	3.2%
Phil Equity	542.2	300.4	55.4%
PAMI	4,094.3	-	-
SLAMCI	31,134.0	114.5	0.4%
Total	36,027.6	673.5	1.9%

*FUNDS AVAILABLE IN COL FUND SOURCE ONLY

Average AUA Down

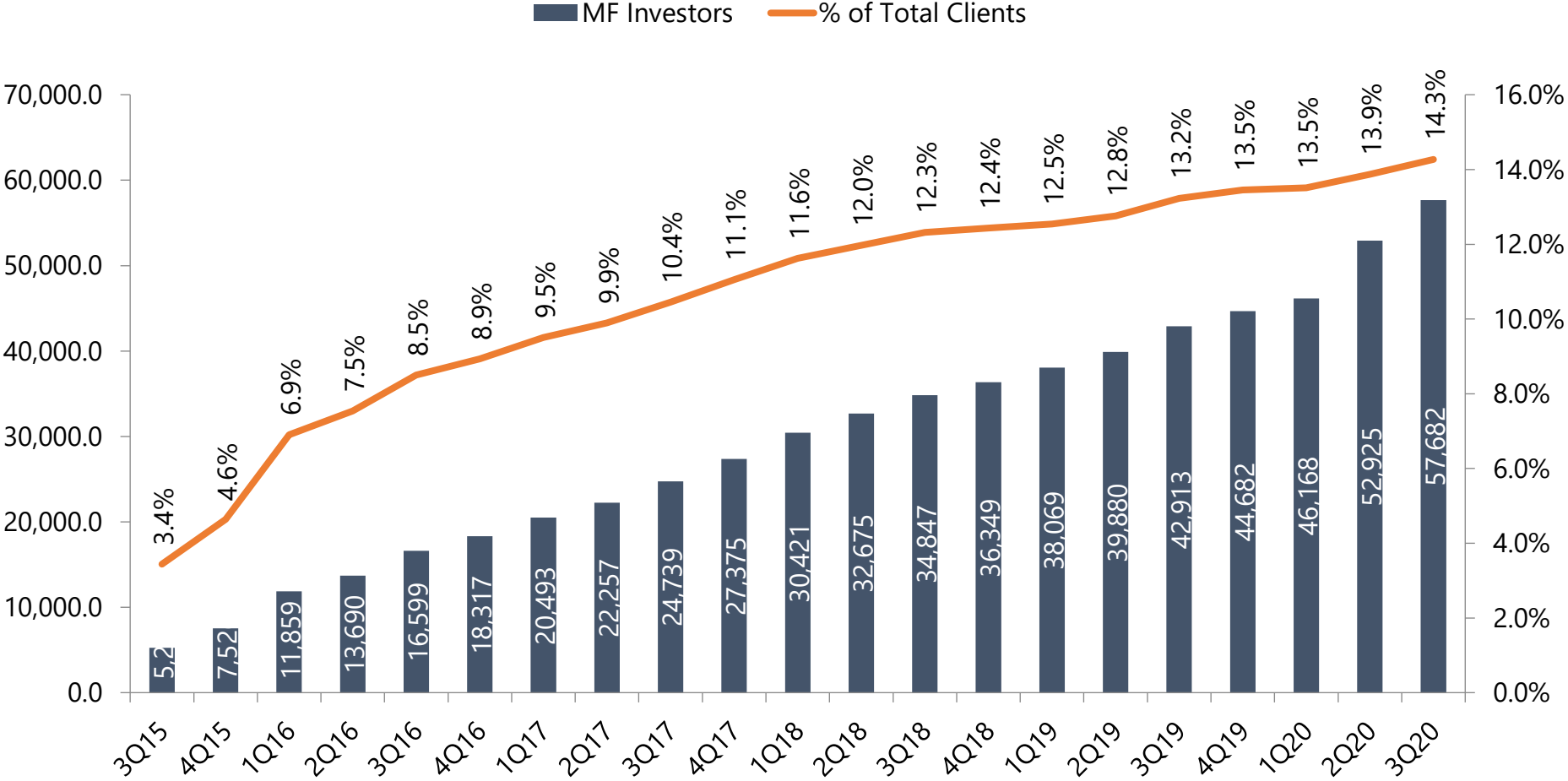
Trailer fee down due to significant drop in average AUA on a Y/Y and Q/Q basis during the first two quarters of the year.

**AVERAGE AUA
(NON-MONEY MARKET FUNDS ONLY, IN PHP MIL)**



SOURCE: PIFA, COL ESTIMATES

Growing Number & Percentage of Clients Own MFs



SOURCE: COL ESTIMATES



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