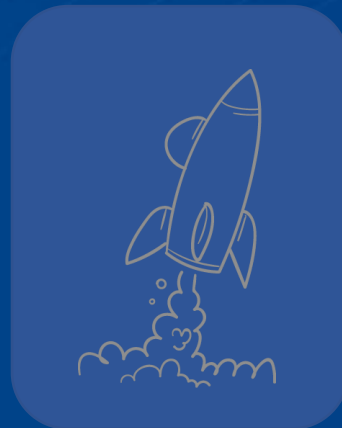


# 1H20

## COL FINANCIAL INVESTOR PRESENTATION





Company  
Overview



Financial &  
Operating  
Highlights



Growth  
Plans

Key Highlights



# Company Overview

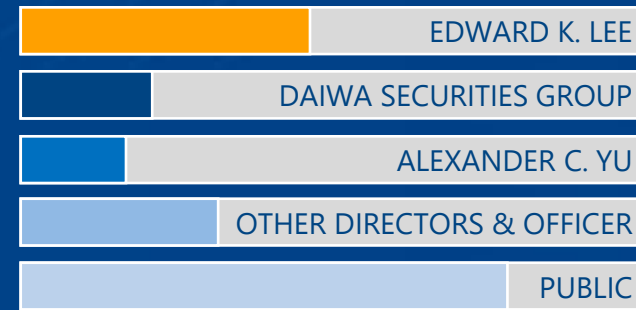
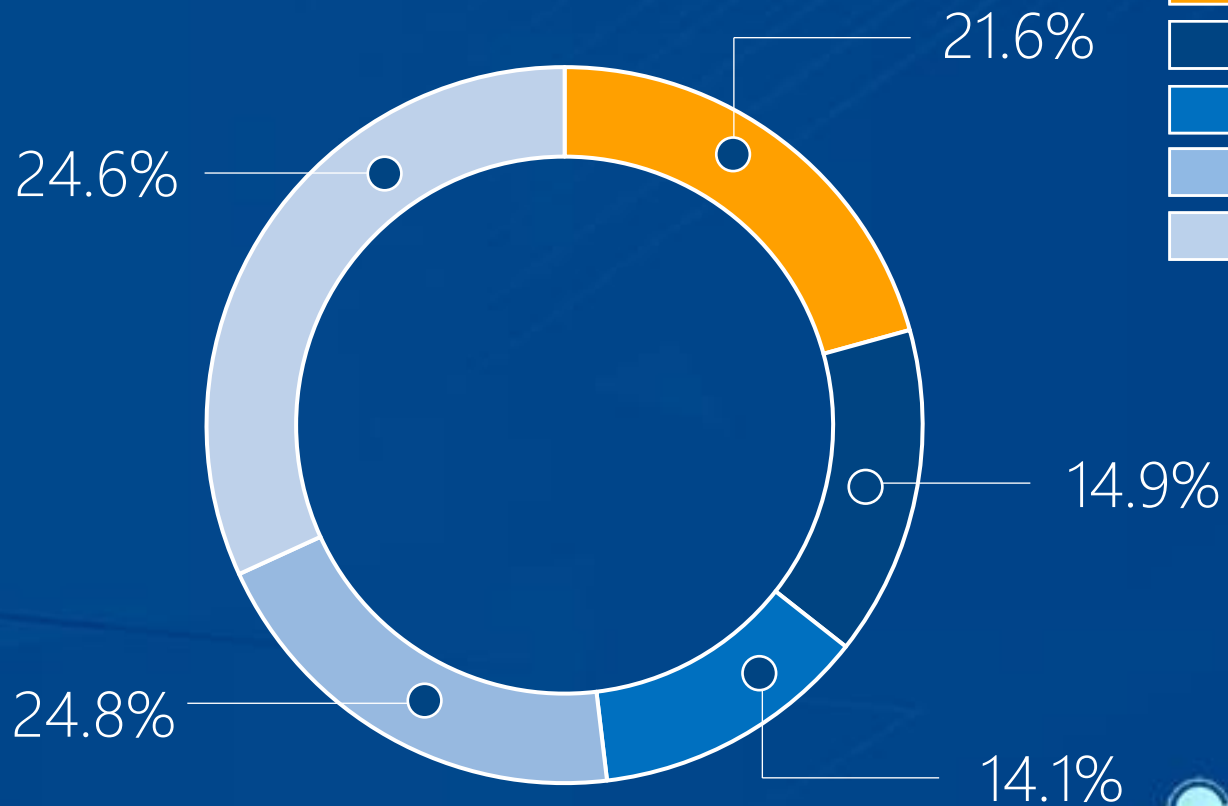
Established and licensed by the SEC in 1999

The leading and fastest-growing online stockbroker in the Philippines

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

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





Outstanding Shares	476.0Mil
--------------------	----------

Free Float	117.2Mil
------------	----------

Market Cap*	Php8.4Bil
-------------	-----------

\*AS OF END JUNE 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**



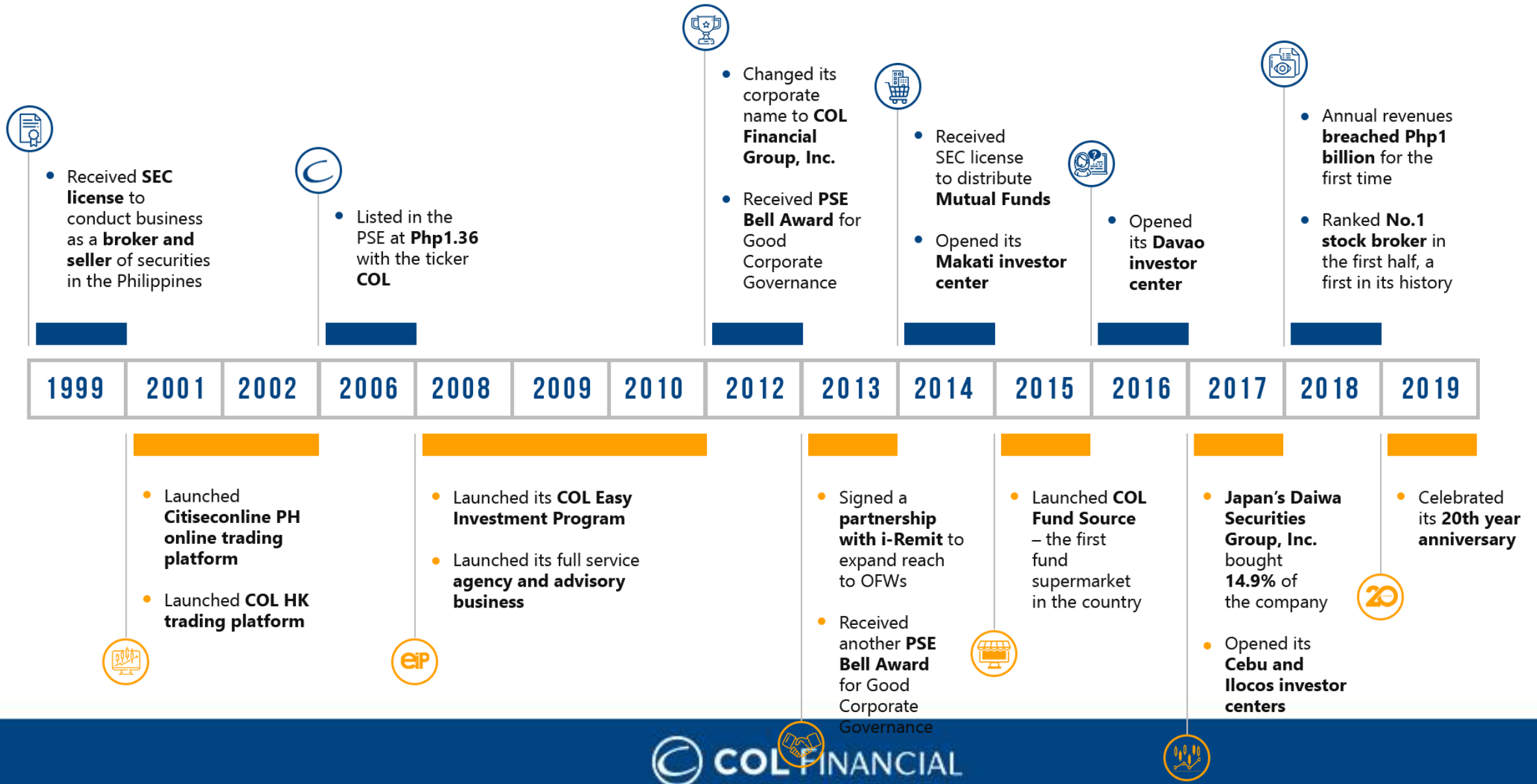
# The Biggest Philippine Based Broker

1H20 RANK	BROKER NAME	1H20 VALUE TURNOVER (PHBIL)	% OF TOTAL
1	CLSA PHILIPPINES, INC.	145.3	9.2%
2	UBS SECURITIES PHILIPPINES, INC.	124.4	7.9%
3	COL Financial Group, Inc.	110.5	7.0%
4	SALISBURY BKT SECURITIES CORP.	96.2	6.1%
5	CREDIT SUISSE SECURITIES (PHIL), INC.	92.2	5.8%
6	MACQUARIE CAPITAL SECURITIES (PHIL), INC.	85.8	5.4%
7	J.P. MORGAN SECURITIES PHILIPPINES, INC.	81.0	5.1%
8	MAYBANK ATR KIM ENG SECURITIES, INC.	67.9	4.3%
9	PHILIPPINE EQUITY PARTNERS, INC.	56.2	3.6%
10	MANDARIN SECURITIES CORP.	55.9	3.5%

SOURCE: PSE



# CORPORATE MILESTONES



# Bulk of Revenues Generated from Commissions & Interest

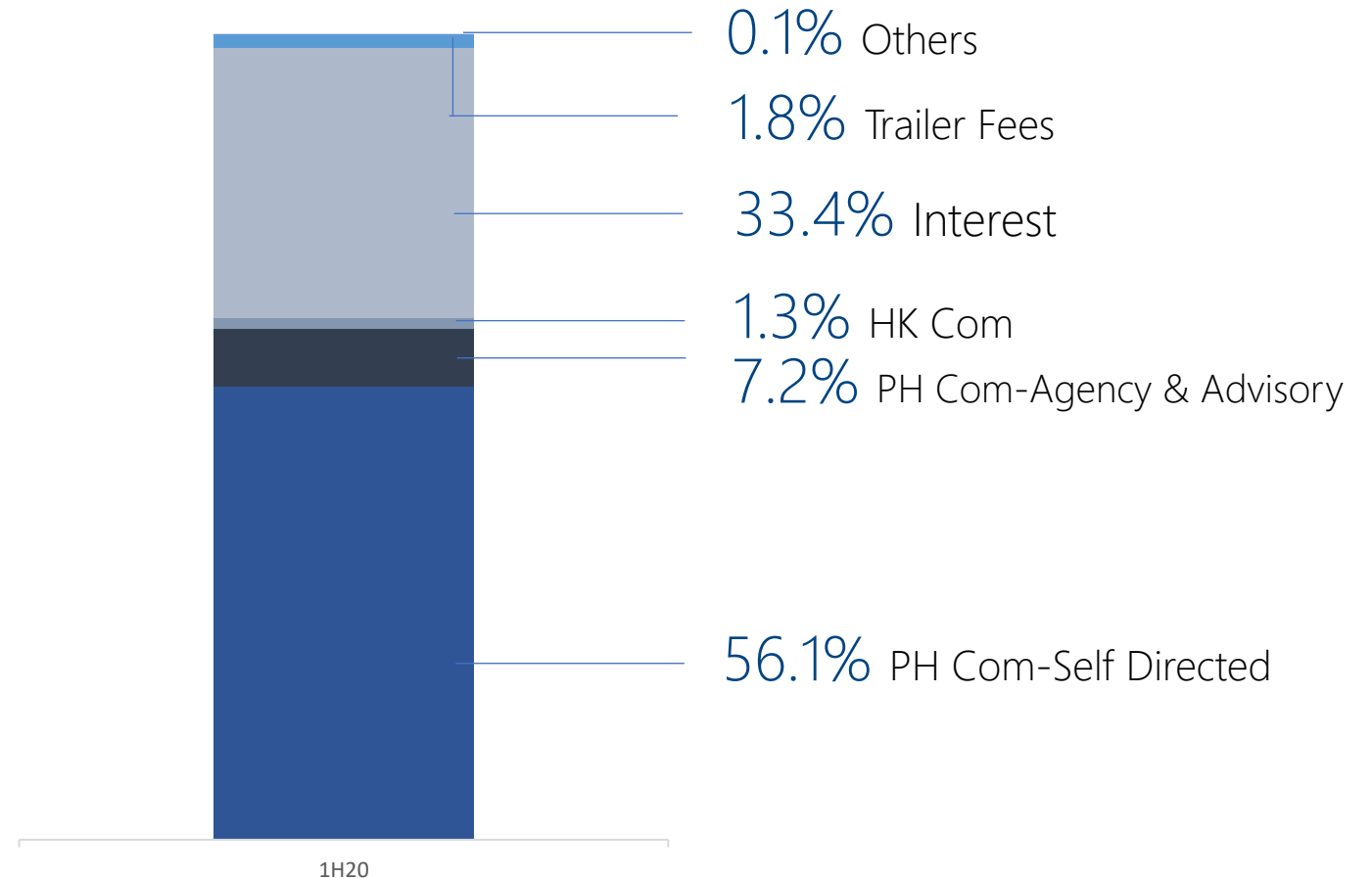
COL's Philippine operations account for 98.7% of revenues.

Commissions from both Philippines and HK account for 64.6% of revenues.

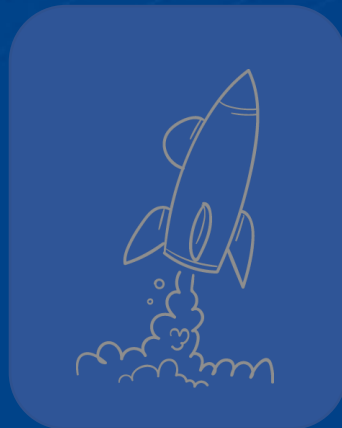
Interest income from margin loans and cash placements account for 33.4% of revenues.

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

## REVENUE BREAKDOWN







Company  
Overview



Financial &  
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Key Highlights

# Key Highlights

## Positives

- ✓ 2Q commission revenues, market share improved significantly
- ✓ Record growth in new accounts
- ✓ Record positive net new flow

## Negatives

- ✗ Interest income registered steep decline
- ✗ Trailer fees posted first Y/Y decline
- ✗ Client equity fell Y/Y
- ✗ Profits fell 35.6%

## CONSOLIDATED INCOME STATEMENT (IN PHP MIL)

### 1H20 Net Income -35.6% Y/Y

1H20 net income fell by 35.6% to Php202.3 Mil.

Consolidated revenues were down 24.1% to Php464.1 Mil.  
Aside from commissions, all revenue items fell.

Operating profits were down by a faster 34.0% to Php273.7 Mil as operating expenses dropped by only 3.4%. Although trading related expenses fell sharply by 39.6%, fixed operating expenses increased by 5.6%.

The increase of fixed operating expenses is due to higher personnel costs, depreciation expense and others. It is also due to the adoption of PFRS16 which led to the booking of Php2.2Mil in additional expenses.

Profits were down by 35.6% to Php202.3Mil. Excluding the impact of PFRS16, profits fell by 35.0% to Php204.5 Mil.

	1H19	1H20	CHANGE	
			AMOUNT	%
Income				
Commissions	294.5	300.3	5.7	1.9%
Interest	307.5	155.3	(152.2)	-49.5%
Trailer Fees	8.6	7.9	(0.7)	-7.8%
Other income	0.9	0.6	(0.3)	-36.9%
Total	611.5	464.1	(147.5)	-24.1%
Expenses				
Commission expenses	27.0	12.9	(14.1)	-52.3%
Personnel costs	61.7	66.0	4.2	6.9%
Professional fees	23.7	22.6	(1.1)	-4.6%
Stock exch. dues & fees	12.2	10.8	(1.4)	-11.4%
Communication	17.1	17.7	0.6	3.6%
Rentals & utilities	16.8	4.3	(12.5)	-74.4%
Depreciation	14.5	32.0	17.5	120.3%
Advertising & marketing	5.0	2.7	(2.3)	-46.3%
Others	18.9	21.4	2.4	12.8%
Total	197.1	190.4	(6.7)	-3.4%
PRE-TAX INCOME	414.4	273.7	(140.7)	-34.0%
TAXES	100.0	71.4	(28.7)	-28.7%
NET INCOME	314.4	202.3	(112.1)	-35.6%

## CONSOLIDATED INCOME STATEMENT (IN PHP MIL)

### 2Q20 Net Income -8.8% Y/Y

2Q20 net income fell by 8.8% to Php122.1 Mil.

Consolidated revenues were down 3.8% to Php122.1 Mil as the strong growth in commissions was not enough to offset the steep drop in interest income and lower trailer fees.

Operating profits were down by a faster 6.7%% to Php166.8 Mil as operating expenses increased by 2.3%.

The increase in operating expenses is due to higher personnel costs, higher depreciation expenses, other expenses, and the adoption of PFRS16.

	2Q19	2Q20	CHANGE	
			AMOUNT	%
Income				
Commissions	123.0	184.7	61.7	50.1%
Interest	147.9	75.5	(72.4)	-49.0%
Trailer Fees	4.4	3.9	(0.5)	-11.3%
Other income	0.5	2.0	1.4	267.6%
<b>Total</b>	<b>275.8</b>	<b>266.0</b>	<b>(9.8)</b>	<b>-3.6%</b>
Expenses				
Commission expenses	11.0	7.3	(3.7)	-33.6%
Personnel costs	32.1	33.9	1.7	5.3%
Professional fees	12.7	10.8	(2.0)	-15.4%
Stock exch. dues & fees	6.1	6.1	(0.0)	-0.6%
Communication	8.5	8.8	0.3	3.8%
Rentals & utilities	8.9	2.4	(6.6)	-73.5%
Depreciation	7.4	15.7	8.3	112.8%
Advertising & marketing	1.9	0.9	(1.0)	-52.3%
Others	8.3	13.4	5.1	61.1%
<b>Total</b>	<b>97.0</b>	<b>99.2</b>	<b>2.2</b>	<b>2.3%</b>
PRE-TAX INCOME	<b>178.8</b>	<b>166.8</b>	<b>(12.0)</b>	<b>-6.7%</b>
TAXES	44.8	44.6	(0.2)	-0.5%
NET INCOME	<b>134.0</b>	<b>122.1</b>	<b>(11.8)</b>	<b>-8.8%</b>



# Lower Interest Rates Pull Down Revenues

Revenues from Philippine operations decreased by 24.5%. Except for commissions, all other revenue items fell.

Commission revenues increased slightly by 1.6%, led by commissions from self-directed clients which jumped by 12.5%. Activity picked up largely due to the market's rebound which started in the middle of March, and the listing of MM.

Interest income fell sharply by 49.5%. This was largely due to the 51.4% decline in interest income from placements. Note that yields on placements fell by more than 300 basis points to less than half the 1H19 average. Interest income from margin loans also fell by 27.4% as average margin loan fell by 25.9% to Php456 Mil.

## REVENUE BREAKDOWN (IN PHPMIL)

	1H19	1H20	CHANGE	
			AMOUNT	%
Philippines				
Commission	289.4	294.1	4.7	1.6%
Self-directed	231.9	260.8	29.0	12.5%
Agency & advisory	57.5	33.3	(24.2)	-42.1%
Interest	307.5	155.3	(152.2)	-49.5%
Trailer Fees	8.6	7.9	(0.7)	-7.8%
Others	0.5	0.4	(0.2)	-31.8%
Philippine Revenues	606.0	457.7	(148.3)	-24.5%
Hong Kong				
Commission	5.2	6.2	1.0	19.6%
Others	0.4	0.2	(0.2)	-43.0%
HK Revenues	5.5	6.4	0.8	15.2%
Revenue Share				
Philippines	99.1%	98.6%		
HK	0.9%	1.4%		
Self-directed	80.1%	88.7%		
Agency & advisory	19.9%	11.3%		

# Lower Interest Rates Pull Down Revenues

Trailer fees were down by 7.8% to Php7.9 Mil. Trailer fees fell as average assets under administration (AUA) dropped during the first half of this year compared to the same period last year. This was despite the Php601.4 Mil in net sales during the past 12 months as lower share prices had a more significant impact on AUA.

Other income fell by 31.8% to Php0.4Mil.

Revenues from HK operations increased by 15.2% to Php6.4 Mil, also due to the rebound of the HK stock market.

## REVENUE BREAKDOWN (IN PHPMIL)

	1H19	1H20	CHANGE	
			AMOUNT	%
Philippines				
Commission	289.4	294.1	4.7	1.6%
Self-directed	231.9	260.8	29.0	12.5%
Agency & advisory	57.5	33.3	(24.2)	-42.1%
Interest	307.5	155.3	(152.2)	-49.5%
Trailer Fees	8.6	7.9	(0.7)	-7.8%
Others	0.5	0.4	(0.2)	-31.8%
Philippine Revenues	606.0	457.7	(148.3)	-24.5%
Hong Kong				
Commission	5.2	6.2	1.0	19.6%
Others	0.4	0.2	(0.2)	-43.0%
HK Revenues	5.5	6.4	0.8	15.2%
Revenue Share				
Philippines	99.1%	98.6%		
HK	0.9%	1.4%		
Self-directed	80.1%	88.7%		
Agency & advisory	19.9%	11.3%		

# Lower Interest Rates Pull Down Revenues

Revenues from Philippine operations decreased by 3.7%. Although commission and other revenues increased, this was not enough to offset the steep drop in interest income.

Commission revenues jumped 49.9% to Php181.0 Mil, led by commissions from self-directed clients which jumped by 70.5%. Activity picked up as the stock market rebounded. The listing of MM also led to an increase in trading activity.

However, interest income fell sharply by 48.1%. This was largely due to the 49.1% decline in interest income from placements as yields on placements fell by more than 300 basis points to less than half the 2Q19 average. Interest income from margin loans also fell by 37.1% as average margin loans fell by 34.4% to Php395 Mil.

## REVENUE BREAKDOWN (IN PHPMIL)

	2Q19	2Q20	CHANGE	
			AMOUNT	%
Philippines				
Commission	121.2	181.0	59.8	49.4%
<i>Self-directed</i>	97.6	166.5	68.9	70.5%
<i>Agency &amp; advisory</i>	23.6	14.5	-9.0	-38.4%
Interest	147.9	76.7	-71.2	-48.1%
Trailer Fees	4.4	3.9	-0.5	-11.3%
Others	0.2	1.9	1.7	707.5%
<b>Philippine Revenues</b>	<b>273.7</b>	<b>263.5</b>	<b>-10.2</b>	<b>-3.7%</b>
Hong Kong				
Commission	1.8	3.7	1.9	102.4%
Others	0.3	0.1	(0.2)	-74.5%
<b>HK Revenues</b>	<b>2.1</b>	<b>3.8</b>	<b>1.7</b>	<b>78.7%</b>
Revenue Share				
Philippines	99.2%	98.6%		
HK	0.8%	1.4%		
Self-directed	80.6%	92.0%		
Agency & advisory	19.4%	8.0%		

# Lower Interest Rates Pull Down Revenues

Trailer fees were lower by 11.3% to Php3.9 Mil. Trailer fees fell as average assets under administration (AUA) dropped during the second quarter of this year.

Revenues from HK operations increased by 78.7% to Php3.8 Mil, also due to the rebound of the HK stock market.

## REVENUE BREAKDOWN (IN PHPMIL)

	2Q19	2Q20	CHANGE	
			AMOUNT	%
Philippines				
Commission	121.2	181.0	59.8	49.4%
<i>Self-directed</i>	97.6	166.5	68.9	70.5%
<i>Agency &amp; advisory</i>	23.6	14.5	-9.0	-38.4%
Interest	147.9	76.7	-71.2	-48.1%
Trailer Fees	4.4	3.9	-0.5	-11.3%
Others	0.2	1.9	1.7	707.5%
<b>Philippine Revenues</b>	<b>273.7</b>	<b>263.5</b>	<b>-10.2</b>	<b>-3.7%</b>
Hong Kong				
Commission	1.8	3.7	1.9	102.4%
Others	0.3	0.1	(0.2)	-74.5%
<b>HK Revenues</b>	<b>2.1</b>	<b>3.8</b>	<b>1.7</b>	<b>78.7%</b>
Revenue Share				
Philippines	99.2%	98.6%		
HK	0.8%	1.4%		
Self-directed	80.6%	92.0%		
Agency & advisory	19.4%	8.0%		



# ROAE Down but Still Healthy at 24.1%

1H20 operating profits were down 34.0% to Php273.7 Mil.

Operating profits from the Philippines were lower by 34.0% to Php281.2 Mil as revenues and margins fell.

Operating losses from HK shrank by 35.5% to Php7.5 Mil due to higher revenues.

ROAE was down but remained healthy at 24.1%.

## SELECTED FINANCIAL INDICATORS

	1H19	1H20	CHANGE	
			AMOUNT	%
Operating Profits				
Philippines	426.1	281.2	(144.9)	-34.0%
Hong Kong	(11.7)	(7.5)	4.2	-35.5%
<b>Total</b>	<b>414.4</b>	<b>273.7</b>	<b>(140.7)</b>	<b>-34.0%</b>
Operating Margins				
Philippines	70.3%	61.4%		
Hong Kong	-211.0%	-118.1%		
Consolidated	67.8%	59.0%		
EBITDA Margin	70.1%	65.9%		
Net Margin	51.4%	43.6%		
Asset Turnover	11.4%	8.2%		
Asset/Equity	6.5	7.8		
ROAE	38.2%	24.1%		

# Strong Balance Sheet

Cash & cash equivalents increased by 30.2% to Php11.1 Bil largely due to strong net new flows from clients.

Net new flows from clients reached Php11.3 Bil in 1H20, leading to a 28.5% increase in payable to clients to Php10.4Bil. This was also the main reason for the 30.3% increase in trade payables to Php10.7 Bil.

The increase in cash was largely responsible for the 23.3% increase in total assets to Php12.5 Bil.

Stockholders equity decreased by 7.6% to Php1.6 Bil due to the payment of Php333.2 Mil in cash dividends, partly offset by the booking of Php202.3 Mil in profits.

BVPS fell to Php3.34/sh.

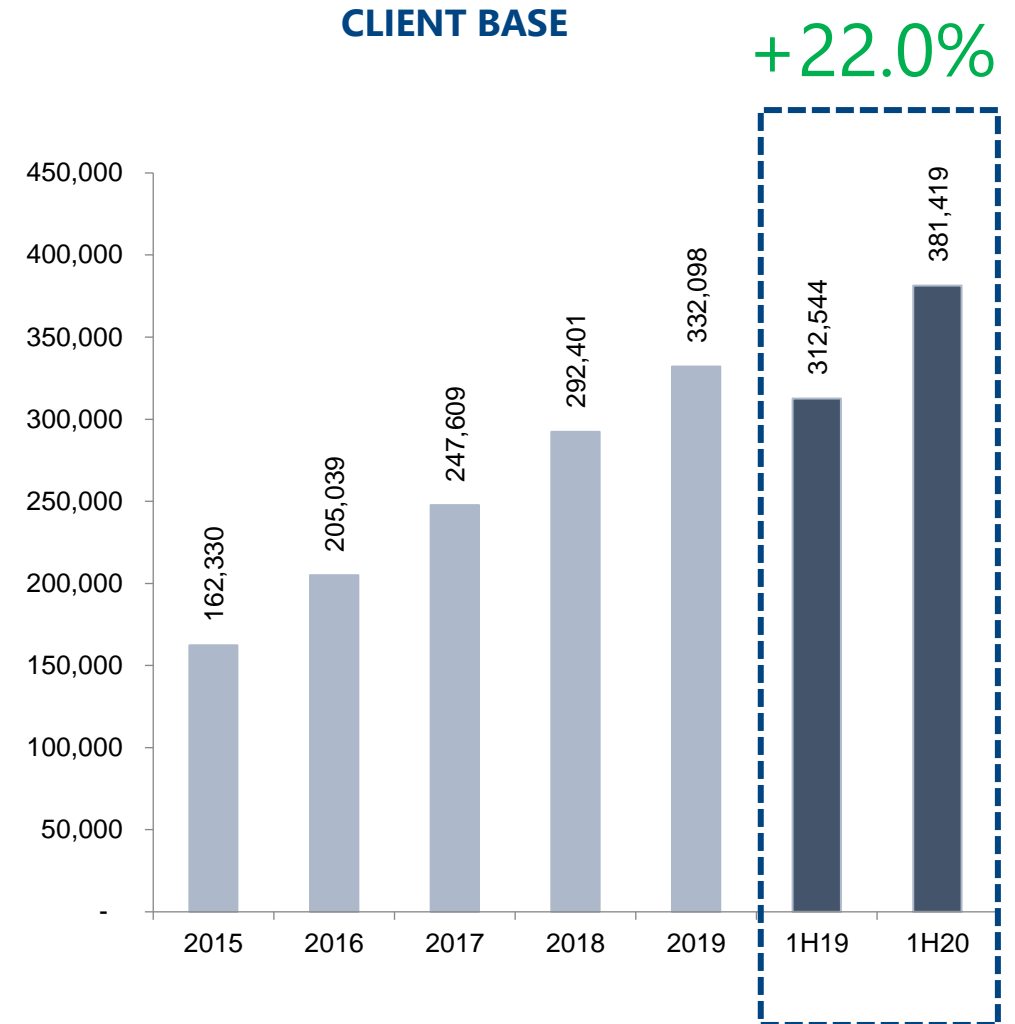
## CONSOLIDATED BALANCE SHEET (IN PHPMIL)

	12/31/19	6/30/20	CHANGE	
			AMOUNT	%
Cash & equivalents	8,563.7	11,149.5	2,585.8	30.2%
Receivables	864.3	776.3	(88.0)	-10.2%
Inv't sec at amortized cost	200.3	-	(200.3)	-100.0%
Other current assets	257.9	49.4	(8.2)	-14.2%
LT investments	200.0		(200.0)	-100.0%
HTM investments	0.0	300.2	300.2	
PPE – net	164.4	143.5	(20.9)	-12.7%
Other non-current assets – net	98.8	99.1	0.2	0.2%
<b>TOTAL ASSETS</b>	<b>10,149.1</b>	<b>12,513.7</b>	<b>2,364.7</b>	<b>23.3%</b>
Trade payables	8,185.9	10,667.3	2,481.4	30.3%
Other current liabilities	112.4	134.0	21.7	19.3%
Non-current liabilities	104.8	99.9	(4.9)	-4.6%
<b>Total Liabilities</b>	<b>8,403.0</b>	<b>10,901.3</b>	<b>2,498.2</b>	<b>29.7%</b>
<b>Total Stockholders' Equity</b>	<b>1,746.0</b>	<b>1,612.5</b>	<b>(133.6)</b>	<b>-7.6%</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>10,149.1</b>	<b>12,513.7</b>	<b>2,364.7</b>	<b>23.3%</b>
BVPS	3.62	3.34	(0.3)	-7.7%

# Accelerating Customer Growth

COL's client base grew by 22.0% Y/Y to 381,419 as of end June 2020.

Average monthly additions during the past 12 months reached 5,740. This was largely due to the acceleration of average monthly additions to a record high of 13,239 during the second quarter.

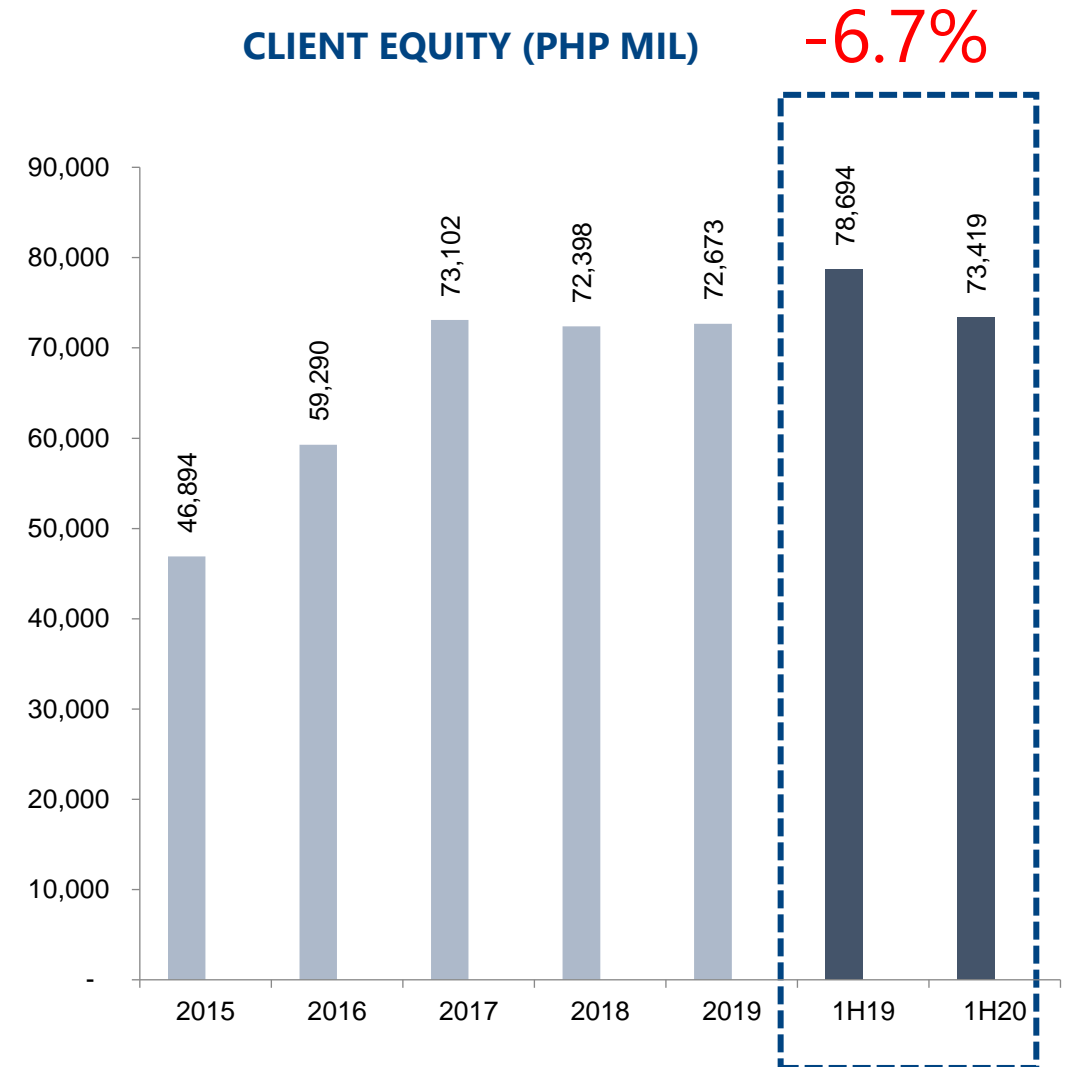


# Poor Market Conditions Pull Down Client Equity

Client equity was down 6.7% Y/Y to Php73.4 Bil as of end June 2020.

Although net new flows from retail clients remained strong at Php14.02 Bil during the past twelve months, the weak performance of the market dragged client equity lower.

The PSEi ended 1H20 down 22.4% Y/Y, causing a lot of clients to lose money.





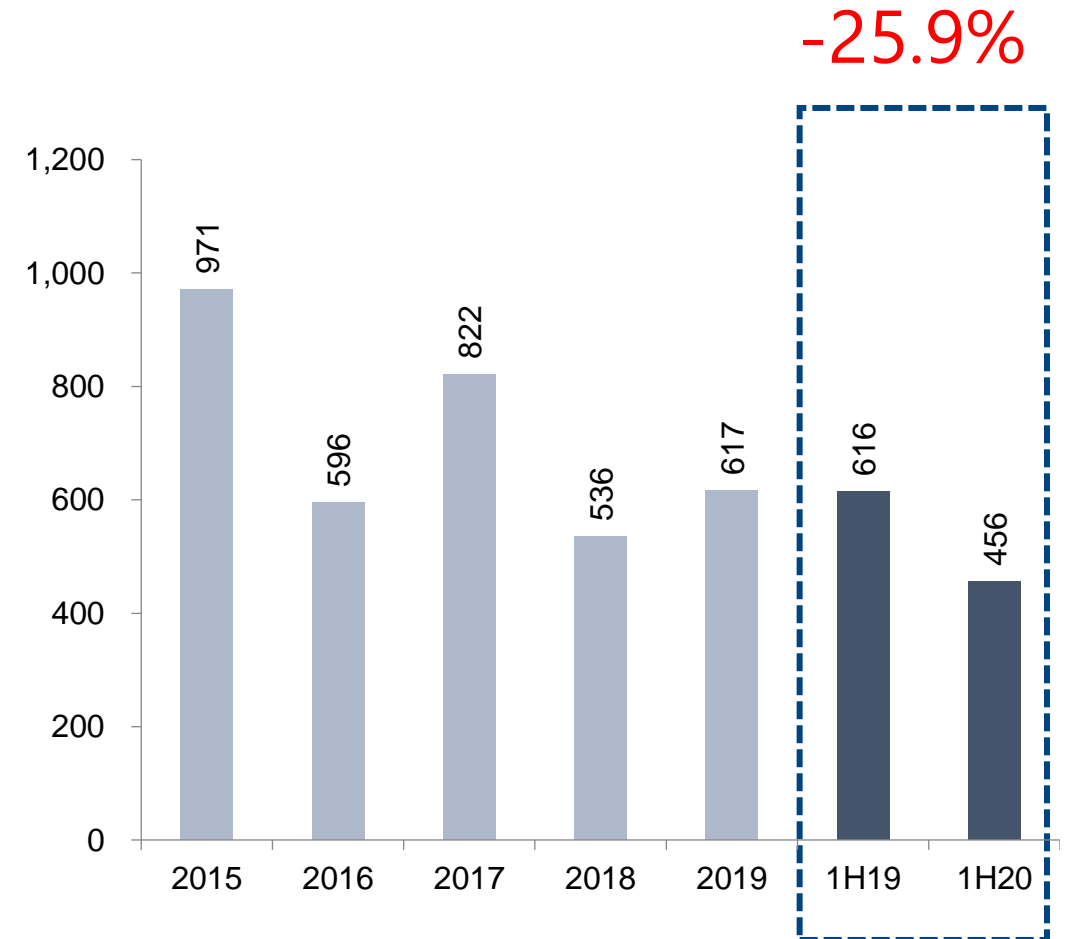
## AVE DAILY MARGIN LOANS (PHP MIL)

# Margin Loans Down

Average daily margin loans decreased by 25.9% to Php456 Mil Y/Y.

As of end June 2020, the total number of approved margin accounts was 1,152, up slightly compared to 1,141 as of end June 2019.

However, only 28.4% of approved margin accounts utilized their margin lines as of end June 2020, down from 30.7% Y/Y. In terms of value of margin granted, 8.7% was utilized during the period in review, down from 11.4% in the same period last year.





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# Pro Active Growth Plans

Maintain leadership by focusing on our consistent, long-term strategic goals

Priorities	Statement	Strategies
<b>Expand Client Acquisition</b>	#1. Continue to be the leading asset gatherer of the retail financial services industry	<ul style="list-style-type: none"> <li>Expand digital efforts across the different marketing channels to generate leads and engage clients                             <ul style="list-style-type: none"> <li>Online educational courses and workshops</li> <li>Promote expert guidance</li> </ul> </li> <li>Offer the best-in-class investing experience                             <ul style="list-style-type: none"> <li>Launch new website and mobile app</li> </ul> </li> </ul>
<b>Maintain a Mutually Beneficial Relationship</b>	#2. Offer progressive client solutions that not only create value for the targeted client segment but also produce a profitable relationship	<ul style="list-style-type: none"> <li>Enhance product and service capabilities                             <ul style="list-style-type: none"> <li>Relaunch COL Advantage a guidance tool to support the different client investing styles</li> </ul> </li> <li>Continue to innovate to better serve the needs of our clients through scale and efficiency                             <ul style="list-style-type: none"> <li>Introduce a Free Digital Financial Planning Service</li> </ul> </li> </ul>
<b>Long-term Client Relationship</b>	#3. Maintain long-term client relationships and exploit the power of COL promoters	<ul style="list-style-type: none"> <li>Achieve an NPS score of 50 and maintain it at those levels                             <ul style="list-style-type: none"> <li>Conduct quarterly NPS and CSAT to better respond and align our strategies to address the clients' pain points</li> </ul> </li> <li>Expand product offering                             <ul style="list-style-type: none"> <li>Actively promote COL MF products and asset management services</li> <li>Apply for a sales license to distribute fix income investment products</li> </ul> </li> </ul>
<b>Expense Discipline</b>	#4. Capitalize on operating leverage and increase profitability through our unique business model	<ul style="list-style-type: none"> <li>Diversify revenue sources to more fee based income products and services</li> <li>Maintain an expense discipline leading to enhanced performance</li> </ul>
<b>Effective Capital Management</b>	#5. Maintain a strong balance sheet and be a good stewards of shareholder value	<ul style="list-style-type: none"> <li>Support business growth</li> <li>Maintain appropriate liquidity for both firm and clients</li> <li>Sustain current dividend payment</li> </ul>

# Fund Source's Performance Since Launch

## NET SALES VS AUA (IN PHPMIL, ACC TO TYPE OF FUND)

TYPE OF FUND	TOTAL SALES**	% TOTAL	TOTAL AUA*	% TOTAL
Money Market	217.2	6.1%	238.7	7.7%
Bond Fund	262.4	7.4%	283.4	9.1%
Balanced Fund	188.2	5.3%	171.9	5.5%
Equity Fund	2,871.6	81.1%	2,416.2	77.7%
<b>Total</b>	<b>3,539.5</b>		<b>3,110.2</b>	

\*AS OF END JUNE 20

\*\*SINCE LAUNCH



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

## 1H20 NET SALES (IN PHPMIL, ACC TO TYPE OF FUND)

TYPE OF FUND	INDUSTRY*	COL
Money Market	19,430.1	15.4
Bond Fund	-648.9	56.5
Balanced Fund	-426.4	11.8
Equity Fund	4,019.2	331.9
<b>Total</b>	<b>22,374.1</b>	<b>415.6</b>

\*FUNDS AVAILABLE IN COL FUND SOURCE ONLY

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

## 1H20 NET SALES (IN PHPMIL, ACC TO FUND HOUSE)

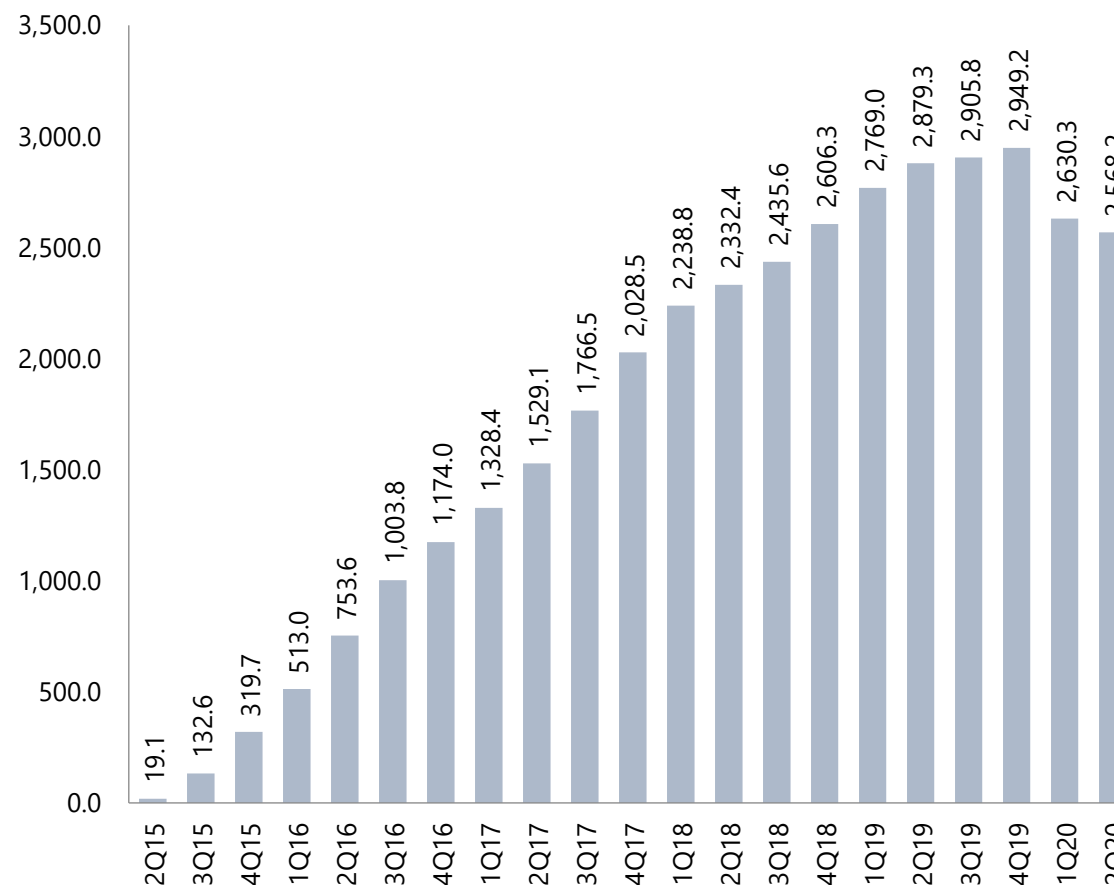
TYPE OF FUND	TOTAL*	COL	% SHARE
ALFM	-780.0	124.0	-15.9%
ATR	184.8	17.3	9.4%
FAMI	26.2	16.8	63.9%
Phil Equity	399.8	207.7	51.9%
PAMI	2,451.7	-15.1	-0.6%
SLAMCI	19,551.0	64.9	0.3%
<b>Total</b>	<b>21,833.6</b>	<b>415.6</b>	<b>1.9%</b>

\*FUNDS AVAILABLE IN COL FUND SOURCE ONLY

# Average AUA Down

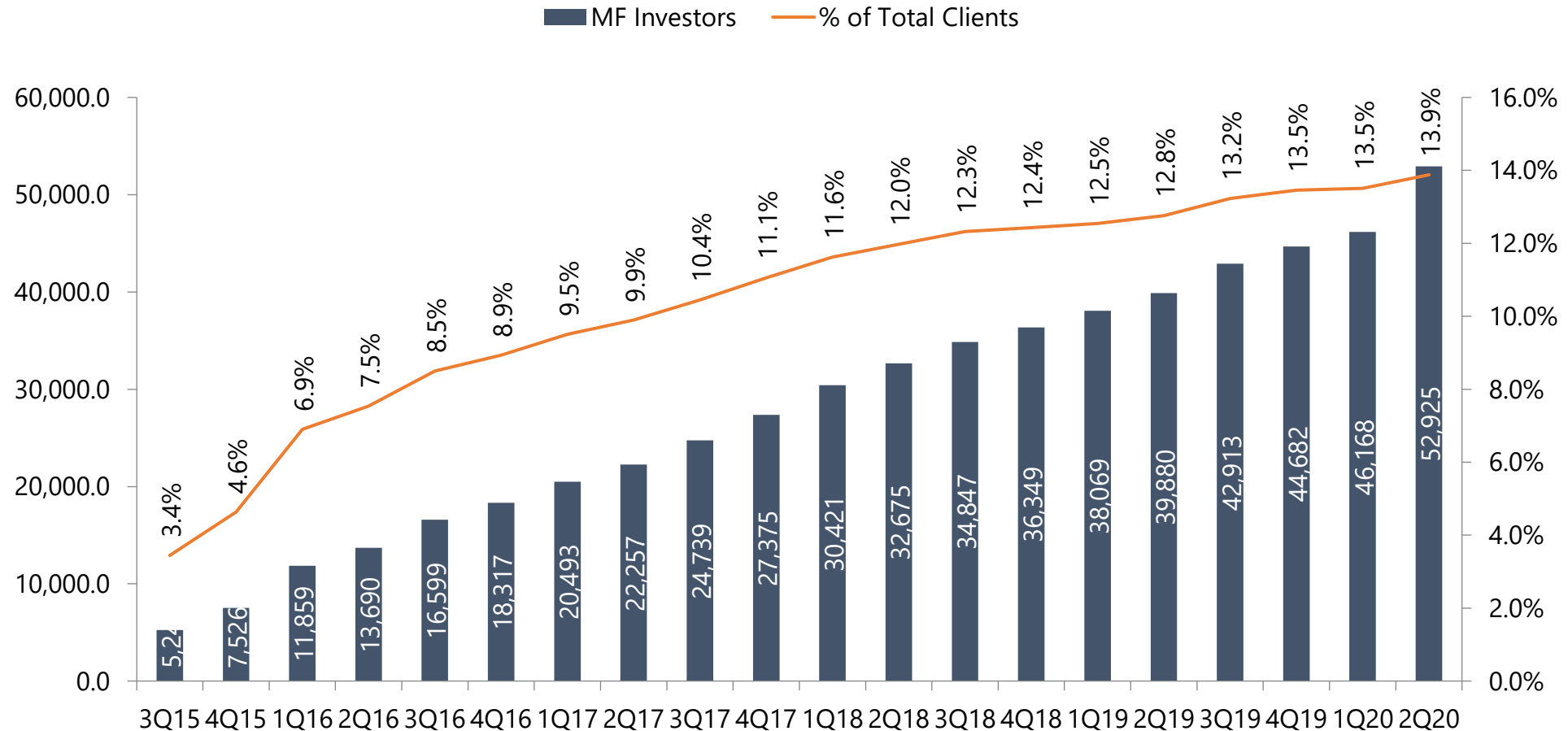
Trailer fee down due to significant drop in average AUA on a Y/Y and Q/Q basis.

**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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