

COL FINANCIAL'S 2013 EARNINGS RELEASE

Headline:

COL Posts Record Operating Profits

COL continued to deliver record earnings in 2013, with consolidated operating profits growing 13.8% year-on-year to Php386.0 Mil. Growth was driven by the 13.8% jump in revenues to Php741.0 Mil which in turn was a result of the 16.7% increase in commission revenues to Php540.5 Mil and the 7.9% improvement in interest income to Php198.7 Mil.

Operating profits from Philippine operations grew by 17.2% year-on-year to a record Php368.9 Mil. The said amount is also an all-time high, exceeding the previous record of Php320.5 Mil which the Company earned in 2011.

The growing popularity of investments in the Philippine stock market brought about by falling interest rates and the accelerating growth of the COL's client base were largely responsible for the company's record performance. Despite the volatility of the stock market, value turnover in the Philippine Stock Exchange soared by 43.8% during the year, led by the 64.6% increase in value turnover of foreign investors.

COL's client base also maintained its rapid growth, increasing by another 78.7% compared to its end 2012 level of 46,166 to 82,476 as of end 2013. Client equity handled by COL also increased significantly, exceeding the US\$1 Bil mark to Php47.9 Bil as of end 2013 from Php34.4 Bil as of end 2012. The said numbers are a strong testament of the investing public's growing level of trust towards COL.

The strong growth in COL's client base was also largely responsible for the company's ability to maintain its position as the number one stockbroker in terms of volume of transactions handled, with a market share of 23.1%.

Meanwhile, interest income increased largely due to higher utilization of COL's margin facility and the growth in the Company's cash position. Average margin loans expanded by 29.3% year-on-year, while COL's cash position increased by 24.0%.

"We are pleased to announce another record earnings result for 2013. More importantly, we are glad to see the continuous expansion of our client base and their investments in the Philippine Stock Exchange. At COL, we believe that our profitability is only a consequence of our client's success." says President and CEO Dino Bate.

Net profits for the year were flat at Php303.6 Mil, although this was only due to the normalization of the company's effective tax rate from 9.8% in 2012 to 21.3% in 2013. Nevertheless, return on average equity remained very healthy at 23.6%.

"One of our major objectives going forward is to expand our products and services so that we can better address the needs of our existing clients and other Filipino investors." added Mr. Bate. "This makes us very excited about our future."

Last December, COL signed a memorandum of agreement with iRemit. This will make it easier for overseas Filipinos, immigrants and other nationalities to buy Philippine stocks online through COL's platform. Meanwhile, in January, it signed a memorandum of agreement with BPI Asset Management and Trust Group and Sun Life Asset Management Co. Inc. This will allow COL to address the needs of more Filipino investors as clients will eventually be able to purchase professionally managed funds and other financial products outside of equities online through the COL website.