

COL FINANCIAL'S 1H 2014 EARNINGS RELEASE

Headline: COL's Second Quarter Profits Recover

COL Financial's second quarter 2014 profits jumped by 60.6% quarter-on-quarter to Php94.5 Mil from Php58.8 Mil as it benefited from the recovery of the Philippine stock market. Compared to end March, the PSEi rallied by 6.5% to 6,844.31 by end June, help fueling a 21.1% improvement in the average daily value turnover of the Philippine stock exchange to Php8.9 Bil. As a result, COL's commission revenues soared by 50.6% quarter-on-quarter to Php140.2 Mil during the second quarter. Consolidated revenues increased by 34.8% quarter-on-quarter to Php193.9 Mil.

COL also continued to be the popular choice among Filipino investors. Its client base expanded to 96,430 as of end June from 89,093 as of end March while client equity remained on an uptrend reaching Php54.9 Bil as of end June from Php51.7 Bil as of end March. COL also maintained its position as the market leader in terms of volume of transactions in the PSE with a market share of 28.5%.

Despite the recovery of second quarter earnings, profits for the first half of 2014 still fell by 31.0% year-on-year to Php153.3 Mil. Part of the reason for this is the weak trading activity during the first quarter. Recall that during the first quarter this year, average daily value turnover dropped by 27.9% year-on-year to only Php7.4 Bil. Average daily value turnover of local investors fell even more significantly by 34.6%.

The year-on-year drop in first half earnings is also partly due to the high base in 2013. Recall that during the first half of 2013, average daily value turnover reached a record of Php11.5 Bil as the PSEi hit an all-time high of 7,392.2 in May.

"We are pleased to announce that our profits for the second quarter recovered. However, we are more excited about the new service that we will soon be able to provide Filipino investors," said President and CEO Dino Bate.

Before the year ends, COL clients can access various professionally managed funds through its website. "By making funds accessible online, we will also be able to address the needs of more Filipino investors, particularly those who do not have the time to actively manage their investments and those that are looking to diversify their portfolio through fixed income investments," added Bate.

COL hopes that this new service will encourage more Filipinos to invest as buying funds become more convenient.

COL will also provide tools that will allow investors to compare the various funds that are available in its website. By doing so, investors will be in a better position to pick and choose which funds will best suit their needs.

For the year to date period, COL has already signed memorandum of agreements with several asset management companies which together account for around 80% of the assets under management of the collective investment scheme industry outside of money market funds.

In July this year, the SEC granted COL a license for distributing the mutual funds of Sun Life Asset Management and ATR KimEng Asset Management.