

COL FINANCIAL'S 1Q 2014 EARNINGS RELEASE

Headline:

COL Maintains its Position as Market Leader

COL continued to be the popular choice among Filipino investors. Its client base continued to expand to 89,093 as of end March this year from 82,476 as of end 2013 while client equity remained on an uptrend reaching Php51.7 Bil as of the end of the quarter from Php47.9 Bil as of end 2013. COL also maintained its position as the market leader in terms of volume of transactions in the PSE with a market share of 17.4%.

However, due to the weakness of trading activity in the Philippine Stock Exchange, COL's profitability suffered during the first quarter of 2014. Consolidate net income fell by 46.5% to Php58.8 Mil as revenues declined by 35.5% to Php143.9 Mil.

After suffering from a steep correction during the second half of 2013, the Philippine stock market started to recover during the first quarter of the year to close 9.1% higher for the year to date period. However, investor sentiment remained cautious as evidenced by the lackluster trading volume. Average daily value turnover in the PSE fell by 27.9% year-on-year to Php7.4 Bil during the first quarter of 2014. Average daily value turnover of local investors dropped even more significantly by 34.6% as the share of local investors to total transactions in the PSE dropped to 44.2% during the first quarter of 2014 from 49.6% during the same period last year. Given its focus on local investors, COL's first quarter 2014 revenues from Philippine operations fell by 36.2% to Php132.9 Mil.

"Although our profits weakened during the first quarter of the year, we remain excited about our future as an online stock broker. We continue to expand our reach so that more Filipinos, including OFWs, can participate in our country's strong economic growth by investing in the Philippine stock market," said President and CEO Dino Bate.

"Very soon, we will also be providing our clients access to various professionally managed funds through our online platform. Aside from expanding the product choices of our existing clients, we will also be able to address the needs of more Filipino investors particularly those that are looking for more passive investments and those that looking to diversify their portfolio through fixed income investments," added Bate.

Last December, COL signed a memorandum of agreement with iRemit, the largest non-bank Filipino-owned remittance company with presence in 24 countries and territories around the world. This will make it easier for overseas Filipinos, immigrants and other nationalities to buy Philippine stocks. During the first four months of the year, COL also signed memorandum of agreements with three asset management companies namely BPI Asset Management and Trust Group, Sun Life Asset Management Co. Inc. and ATR KimEng Asset Management, Inc. This will pave the way for COL to eventually offer professionally managed funds and other financial products outside of equities through its website.