

COL First Half Profits Jump 50.1%

Profits of leading online stockbroker COL Financial Group, Inc. (COL) surged to a record high in the first half of 2018. Net income grew 50.1% Y/Y to Php 322.2 million, driven by strong growth across all of COL's business segments.

Revenues were up 33.7% Y/Y, due to a 25.5% rise in commissions as COL increased efforts to guide its clients through challenging market conditions. Clients across all segments added to their accounts, nearly doubling net new flows from Philippine operations to Php 4.7 billion. In addition, total client equity from Philippine operations as of end-June 2018 reached Php 70.5 billion or an increase of 3.2%, a remarkable feat given the market's 15.3% drop in the same period.

"We're pleased to see that our clients continue to add to their portfolios to build wealth over the long term, notwithstanding the current market environment," said Dino Bate, President & CEO of COL. "I believe that this also signifies their confidence in our company, as they entrust more of their assets to us."

The rising interest rate environment has also boosted COL's interest income, which rose 66.9% Y/Y as the Company remained proactive in the cash management of its investible funds.

Fees from COL's mutual fund distribution jumped 52.2% Y/Y to Php 7.0 million while the average value of Assets Under Administration likewise grew, as COL actively promoted index fund investing as an easy and convenient way for investors to participate in the market's growth.

Operating profits grew at a faster pace versus revenues, rising 49.5% Y/Y to Php 416.7 million driven by a margin improvement of 71bps to 67.7% as the share of the self-directed client segment continues to grow. From previously contributing 69.0% of the trading revenues in the first half of 2017, this higher-margin client segment now accounts for 82.8% of trading revenues in the first half of 2018.

Total expenses for the period grew 9.5% Y/Y, reflecting increased manpower and office space expansion to support the Company's growing customer base and to fuel future growth.

Customer growth remains strong

COL stepped up its efforts to bring its educational seminars closer to key cities across the country, with the help of its investor centers and through continued partnerships with schools and other organizations. As a result, COL's client base grew from 225,000 as of end-June 2017 to over 273,000 by the end of June 2018. COL Investor Centers are also facilitating this growth in new accounts as they help the Company build investing communities in different areas in the Philippines.

COL Fund Source widens its reach

More COL clients now own mutual funds, from 9.9% of the client base last year to around 12.0% as of end-June 2018 as more investors use mutual funds as an easier way to invest in the stock market. Net new flows for equity funds rose 140.9% Y/Y to Php 515.0 million in the first half of 2018 despite weak market conditions, indicating the consistency of the Company's mutual fund investors.

PSE ranking moves to no. 1

The Company's average daily turnover in the Philippine Stock Exchange reached Php 1.2 billion in the first half of the year, a 22.5% increase that boosted COL's share in terms of value turnover to 8.1% for 1H 2018 compared to 6.0% in 1H 2017. As such, COL ended the first half of the year as the number one stockbroker in the PSE, a first in its 19-year history.

"Moving forward, we will continue to focus on improving the investing experience of our clients," said COL President & CEO Dino Bate. "We will strive to provide the appropriate guidance and products and services for our clients as they go through their investment journeys."

About COL Financial

Established in 1999 and formerly known as CitisecOnline, COL Financial Group, Inc. is the Philippines' leading online stockbroker, with its online platform (www.colfinancial.com) that offers access to both stocks and the country's top mutual funds. COL Financial has reached hundreds of thousands of people in its commitment to help Filipinos build wealth and achieve financial independence through the Philippine stock market.