

COL FINANCIAL GROUP, INC.
Annual Stockholders' Meeting
Held at the Sapphire A Room of the Crowne Plaza Galleria Manila
31 March 2014

1. Call to Order, Proof of notice and Determination of a quorum

The Chairman of the Board called the meeting to order. The Corporate Secretary reported that the copies of the Definitive Information Statement containing the written notice of the Annual Stockholders' Meeting of COL Financial Group, Inc. set for 31 March 2014, together with the Agenda of the Meeting, and the Audited Consolidated Financial Statement of the Company were sent to all stockholders of record as of 03 March 2014, either by mail or personal delivery at their respective addresses as shown in the books of the Corporation. The Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) were also notified of the meeting and furnished with copies of the Annual Stockholders' Meeting written notice, including the agenda for said meeting. Likewise, the Transfer Agent of the Corporation, Professional Stock Transfer, Inc., was notified of the scheduled meeting. The Corporate Secretary certified that out of 468,650,000 common shares, stockholders representing 344,985,200 shares were present either in person or by unsolicited proxies representing 73.61% of the subscribed and outstanding capital stock entitled to vote. The Secretary then certified that a quorum existed for the meeting.

2. Reading and disposition of minutes of the previous meeting

The Chairman presented the minutes of the previous stockholders' meeting held on 12 April 2013. There being no comments or proposed revisions thereon, the stockholders passed and approved the following resolution:

"RESOLVED, that the minutes of the meeting of the stockholders' held on 12 April 2013 be, as it is hereby approved."

3. President's report for the year 2013

The President proceeded to give his report, a copy of which was furnished each and every stockholder. The President's Report for 2013 is attached hereto as Annex "A".

4. Approval of the amendment of the Company's Articles of Incorporation

The Chairman discussed to the stockholders that in compliance with SEC Memorandum Circular No. 6, series of 2014, the Board of Directors issued a resolution approving the change of principal office of the Corporation from "Metro Manila" to "24/F East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City."

Upon motion made and duly seconded, stockholders owning at least two-thirds (2/3) of the outstanding capital stock of the Corporation passed and approved the following resolution:

"RESOLVED, that in compliance with SEC Memorandum Circular No. 6, series of 2014, the stockholders of COL Financial Group, Inc. ("Corporation"), composing of 2/3 of the outstanding capital stock of the Corporation, hereby approve and ratify the resolution of the Board of Directors of the Corporation amending Article Third of the Corporation's Articles of Incorporation, changing principal office of the Corporation from "Metro Manila" to "24/F East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City."

5. Ratification of all the acts, investments and resolutions of the Board of Directors for the year 2013

Upon motion made and duly seconded, all acts, contracts, investments, and resolutions of the Board of Directors and Management for the year 2013 were ratified by the stockholders.

6. Approval of the 2013 Audited Financial Statements

Upon motion made and duly seconded, the Audited Financial Statements prepared by SGV & Partners was approved by the stockholders.

7. Election of Directors for the year 2014 – 2015

The next item in the agenda was the election of Directors for the year 2014-2015. Mr. Khoo Boo Boon, chairman of the Nominations Committee, reported that the committee received nominations for and have pre-screened 11 persons as members of the Corporation's Board of Directors, Out of the 11 nominees, 2 were nominated for the positions of independent directors, namely, Mr. Khoo Boo Boon and Mr. Manuel S. Estacion. The stockholders proceeded to elect the eleven (11) members of the Board of Directors, as follows:

Mr. Edward K. Lee
Mr. Alexander C. Yu
Mr. Conrado F. Bate
Mr. Hernan G. Lim
Mr. Raymond C. Yu
Mr. Wellington C. Yu

Mr. Paulwell Han
Mr. Joel Litman
Mr. Khoo Boo Boon
Mr. Manuel S. Estacion
Ms. Catherine L. Ong

8. Appointment of External Auditor


Upon motion made and duly seconded, the stockholders re-appointed Sycip Gorres & Velayo as the Company's external auditor.

9. Other matters and Adjournment

The Chairman informed the stockholders that the Board approved the declaration of the regular and special cash dividends to all stockholders of record as of 15 April 2014 of Php0.12 as regular cash dividend and Php0.48 as special cash dividend or a total of Php0.60 for the year.

There being no other matters to take up and upon motion duly seconded, the meeting was adjourned at 4:00 P.M.

Certified correct by:


ATTY. CAESAR S. GUERZON
Corporate Secretary

Attested by:


EDWARD K. LEE
Chairman

ANNEX "A"
COL Annual Stockholders' Meeting
The President's Report 2013
31 March 2014

I. The Operating Environment in 2013

- At the beginning of the year, the market surged to an all-time high almost weekly, peaking with the PSEi at 7,403 in May—a growth of over 27% from the start of the year, as foreign investors scrambled for better returns amidst a low interest rate environment.
- In the second half of the year, foreign flows reversed as the Fed Chairman raised the possibility of “tapering” amidst an improving US economic outlook. The Peso weakened and bond yields started to rise. In addition, Typhoon Yolanda wreaked its havoc on southern Philippines, further weakening investor sentiment.
- The market fell by 20% from the peak and ended the year flat.

II. A Year of Meaningful Progress

- As the market fluctuated, COL honed its customer focus by improving its delivery of services and making stock investing simpler and easier for everyone.
- COL increased its customer base by 70% and customer assets by 39% as it reaped the benefits of the strong client relationship that COL have painstakingly built and protected in the past 14 years.
- At the same time, COL began to reap the benefits of its investments in technology and operating infrastructure to better serve the rapidly expanding customer base and enhance the quality of the customer experience.
- COL remained the most trusted leader in online investing as it ranked number one in terms of number of transactions in the Philippine Stock Exchange with a 23% market share.
- COL is in the list of top 10 brokers in terms of value turnover with a 3.6% overall market share and a 7.5% market share among local trading participants.

II. Financial Highlights

a) Consolidated Revenues

- Consolidated revenues grew by 14% Y/Y to Php741 million as a result of the 17% Y/Y increase in commission revenues to Php540 million and the 8% improvement in interest income to Php199 million.

b) Sources of Revenues - Philippines's growing share

- Philippine operations accounted for 94% of total revenues.
- Revenues grew by 17%, driven by a 22% Y/Y increase in commissions and an 8% Y/Y increase in interest income.
- Interest income primarily increased due to higher utilization of COL's margin facility and the growth in our cash position.
- Average margin loans expanded by 29% Y/Y, while COL's cash position increased by 24%.
- Hong Kong now accounts for a mere 6% of revenues as commissions were down by 22% Y/Y.

c) Operating Discipline

- Having completed the necessary investments in technology and infrastructure in 2012, COL managed to keep expenses in check, which was up 14% Y/Y.
- Excluding variable costs of commissions and exchange fees, however, operating expenses was up only 8% Y/Y versus a 14% revenue growth. This 600bps gap between revenue and operating

expense growth is reflective of management's commitment towards maintaining operating discipline.

d) Operating Profit

- Consolidated operating profits grew by 14% Y/Y to Php386 million.
- Operating profits for the Philippine business grew by 17% Y/Y to a record Php369 million, which is an all-time high, exceeding the previous record of Php321 million that the company earned in 2011.

e) Net Income

- Net profit for the year was flat at Php304 million as we normalized our effective tax rate from 10% in 2012 to 21% in 2013. Nevertheless, ROE remained high at 24%.

f) Strong Balance Sheet

- Total assets grew by 13% Y/Y to Php4.8 billion as our cash balance increased by 24% to Php3.2 billion.
- Stockholders' equity was up a mere 2% as we paid out Php295 million in cash dividends, equivalent to a payout of 92% of 2012's net income.
- COL remained debt-free given our minimal capital expenditure requirements and the volatile nature of the equity market.

III. Operating Highlights

a) Strength in Numbers

- As of December 2013, COL reported a record Php48.1 billion in customer assets, up 39% Y/Y from Php34.6 billion in 2012.
- The Php13.5 billion increase in customer assets was purely due to net new asset inflows from the existing and new customers, which increased by 60% Y/Y to over Php19.7 billion, as they continue to entrust their assets to COL.

b) Strength in Numbers—Customer Accounts

- COL's total customer base reached 82,472 up by 79% Y/Y from only 46,166 in 2012.
- 37% of the new customers were generated from referrals, while 99.3% are first time investors in the stock market. This is a result of COL's unwavering commitment to educate and expand the retail investor base.

c) Advisory and Institutional Business

- Customer assets of the group grew by 54% Y/Y to Php21.9 billion as of end 2013 as they deepened their client relationships.
- Commission revenues from this business grew by 35% to Php190 million and now accounts for 38% of our consolidated commission revenues versus 35% the previous year.
- The advisory and agency services division has become the fastest-growing segment of our business in terms of revenues and customer assets. The team from both the private clients' group and the independent financial advisory group now consists of over 20 investment professionals. They are responsible for servicing the needs of our HNWI and institutional clients through their discretionary and advisory services.

d) Enhanced overall customer experience

- With the stability of our technological infrastructure COL have created a reliable system that has managed to push the envelope in terms of record numbers of unique users daily.
- COL systems handled 20,231 average daily unique users in 2013, an increase of 65% Y/Y. The highest number logged-in in a single day in 2013 was 26,492 in May, representing a 63% Y/Y increase in peak log-in levels in 2012, all of which was achieved at a 99.5% system reliability as the investments in IT infrastructure we made in 2012 paid off.
- Number of accounts opened in a single month hit a record 5,030 new accounts in May 2013, more than double the 1,798 new accounts in the peak of 2012. The seamless processing of account opening applications was aided by a new facility that enables new customers to fill-up their account opening forms online, which brought down our turnaround processing time to just 30 minutes.

e) Global Reach for the Global Filipino

- In December 2013, COL signed a Memorandum of Agreement with iRemit, the largest non-bank, Filipino-owned remittance company, giving access to close to three million overseas Filipinos in 27 countries around the world. This partnership will enable overseas Filipinos to invest in Philippine stocks through the COL platform and enjoy the same benefits COL customers have been receiving.
- In early 2014, COL forged another Memorandum of Agreement with BPI Asset Management and Sun Life Asset Management that will allow its customers to invest in a variety of professionally managed funds in a single online platform. In this initiative, COL will not only be an independent source of various funds but will also provide the right tools and information for customers to confidently make investment decisions in selecting the right funds for their portfolio.

f) Advocacy and Online Learning

- As part of its commitment to educate the Filipino investor, COL has dedicated more resources to its investor education campaign through online educational and walk-through videos.
- COL increased its library of tutorials, briefings, and seminars online, to extend its reach and provide investor education access through a more cost-effective channel. COL now has over 10 tutorial videos on our COL YouTube channel covering a range of topics.

g) Integrity and Excellence in Corporate Governance

- As testament to its unwavering commitment towards corporate governance, COL has been given the Bell Awards for the second consecutive year, a feat that no other trading participant thus far has accomplished.

h) Best Interest of the Customer in Mind

- Today, COL continues to innovate, striving to deliver more ways to serve our customers and to build genuine wealth in the stock market while maintaining a high level of operating efficiency. COL has proven in 2013 that it can deliver growth amidst a challenging market environment.

IV. 2014 and Beyond

- As COL grows this business in 2014 and beyond, its strategy remains consistent.
- COL's customer focus will remain the cornerstone of our quest to build a more meaningful partnership with our stakeholders.
- COL will continue to be the champion of the retail investor in helping them meet their financial goals.