



**UPDATES TO COL FINANCIAL GROUP, INC.'S ANNUAL CORPORATE GOVERNANCE REPORT
As of 31 December 2013**

A. BOARD MATTERS

1) BOARD OF DIRECTORS

(a) Composition of the Board

Complete the table with information on the Board of Directors:

| Director's Name | Type* (Executive (ED), Non-Executive (NED) or Independent Director (ID)) | If nominee, identify the principal | Nominator in the last election (if ID, state the relationship with the nominator) | Date first elected | Date last elected (if ID, state the number of years served as ID) ¹ | Elected when (Annual/Special Meeting) | No. of years served as director |
|---------------------|---|------------------------------------|---|--------------------|--|---------------------------------------|---------------------------------|
| Bate, Conrado F. | ED | n/a | Conrado F. Bate | 03/31/04 | 04/12/13 | Annual | 10 |
| Estacion, Manuel S. | ID | n/a | Conrado F. Bate – no relationship | 03/30/01 | 04/12/13 2 years | Annual | 13 |
| Han, Paulwell | NED | n/a | Conrado F. Bate | 03/30/10 | 04/12/13 | Annual | 3 |
| Khoo Boo Boon | ID | n/a | Conrado F. Bate – no relationship | 03/30/01 | 04/12/13 2 years | Annual | 13 |
| Lee, Edward K. | NED | n/a | Conrado F. Bate | 03/20/00 | 04/12/13 | Annual | 14 |
| Lim, Hernan G. | NED | n/a | Conrado F. Bate | 03/10/06 | 04/12/13 | Annual | 8 |
| Litman, Joel A. | NED | n/a | Conrado F. Bate | 03/30/12 | 04/12/13 | Annual | 2 |
| Ong, Catherine L. | ED | n/a | Conrado F. Bate | 03/20/00 | 04/12/13 | Annual | 14 |
| Yu, Alexander C. | NED | n/a | Conrado F. Bate | 03/20/00 | 04/12/13 | Annual | 14 |
| Yu, Raymond C. | NED | n/a | Conrado F. Bate | 03/10/06 | 04/12/13 | Annual | 8 |
| Yu, Wellington C. | NED | n/a | Conrado F. Bate | 03/30/01 | 04/12/13 | Annual | 13 |

(e) Shareholding in the Company

| Name of Director | Number of Direct Shares | Number of Indirect shares | | | % of Capital Stock | |
|---------------------|-------------------------|---------------------------|--|---------------------------------------|---------------------------------|--------|
| | | Through PCD Nominee | By (Record owner) | | | |
| | | | By (Record owner) | By (Record owner) through PCD Nominee | | |
| Bate, Conrado F. | 100 | 17,483,600 | - | - | 3.73% | |
| Estacion, Manuel S. | 10,000 | 404,300 | - | - | 0.09% | |
| Han, Paulwell | 100,000 | 29,977,900 | - | - | 6.42% | |
| Khoo Boo Boon | 1,000 | 822,900 | - | - | 0.18% | |
| Lee, Edward K. | 62,250,000 | 24,607,000 | Lydia C. Lee Edmund C. Lee Ellee & Co., Inc. | 1,000,000 - - | 870,000 2,040,000 517,900 | 19.48% |
| Lim, Hernan G. | 100,000 | 14,649,800 | Doris Lim Nicole Ann Lim | - | 3,488,800 200,000 | 3.93% |

¹ Reckoned from the election immediately following January 2, 2012

| Name of Director | Number of Direct Shares | Number of Indirect shares | | | % of Capital Stock | |
|-------------------|-------------------------|---------------------------|--|---------------------------------------|--|---------------|
| | | Through PCD Nominee | By (Record owner) | By (Record owner) through PCD Nominee | | |
| Litman, Joel A. | 1,000 | 33,000 | | - | 0.01% | |
| Ong, Catherine L. | 50,000 | 7,765,000 | Pablo J. Ong Carl Stephen L. Ong Eric Bradford L. Ong Adrian Roy L. Ong | - - - - | 1,000,000 150,000 150,000 150,000 | 1.98% |
| Yu, Alexander C. | 20,000,000 | 42,811,800 | | - | - | 13.40% |
| Yu, Raymond C. | 100,000 | 17,463,000 | Mary Jane L. Yu Ronald Martin Yu | - - | 500,000 153,400 | 3.89% |
| Yu, Wellington C. | 10,000 | 551,900 | | | | 0.12% |
| TOTAL | 82,622,100 | 156,570,200 | | 1,000,000 | 9,220,100 | 53.23% |

5) CHANGES IN THE BOARD OF DIRECTORS (EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS)

Voting Result of the last Annual General Meeting

| Name of Director | Votes Received |
|---------------------|----------------|
| Bate, Conrado F. | 342,305,900 |
| Estacion, Manuel S. | 342,305,900 |
| Han, Paulwell | 342,305,900 |
| Khoo Boo Boon | 342,305,900 |
| Lee, Edward K. | 342,305,900 |
| Lim, Hernan G. | 342,305,900 |
| Litman, Joel A. | 342,305,900 |
| Ong, Catherine L. | 342,305,900 |
| Yu, Alexander C. | 342,305,900 |
| Yu, Raymond C. | 342,305,900 |
| Yu, Wellington C. | 342,305,900 |

6) ORIENTATION AND EDUCATION PROGRAM

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

No programs/seminars for 2013.

C. BOARD MEETINGS & ATTENDANCE

2) ATTENDANCE OF DIRECTORS

| Board | Name | Date of Election | No. of Meetings Held during the year | No. of Meetings Attended | % |
|-------------|---------------------|------------------|--------------------------------------|--------------------------|------|
| Chairman | Lee, Edward K. | 04/12/13 | 10 | 10 | 100% |
| Member | Bate, Conrado F. | 04/12/13 | 10 | 10 | 100% |
| Member | Han, Paulwell | 04/12/13 | 10 | 10 | 100% |
| Member | Lim, Hernan G. | 04/12/13 | 10 | 9 | 90% |
| Member | Litman, Joel A. | 04/12/13 | 10 | 10 | 100% |
| Member | Ong, Catherine L. | 04/12/13 | 10 | 10 | 100% |
| Member | Yu, Alexander C. | 04/12/13 | 10 | 10 | 100% |
| Member | Yu, Raymond C. | 04/12/13 | 10 | 10 | 100% |
| Member | Yu, Wellington C. | 04/12/13 | 10 | 10 | 100% |
| Independent | Estacion, Manuel S. | 04/12/13 | 10 | 10 | 100% |
| Independent | Khoo Boo Boon | 04/12/13 | 10 | 9 | 90% |

D. REMUNERATION MATTERS

3) AGGREGATE REMUNERATION

Complete the following table on the aggregate remuneration accrued during the most recent year:

| Remuneration Item | Executive Directors | Non-Executive Directors (other than Independent Directors) | Independent Directors |
|---|----------------------|--|-----------------------|
| (a) Fixed remuneration | 9,264,352.94 | - | - |
| (b) Variable remuneration | 15,012,653.21 | - | - |
| (c) Per diem allowance | 150,000.00 | 445,000.00 | 145,000.00 |
| (d) Bonus | - | - | - |
| (e) Stock Options and other financial instruments | | 200,000 shares | 640,000 shares |
| (f) Others (specify) | - | - | - |
| Total | 24,427,006.15 | 445,000.00 | 145,000.00 |

4) STOCK RIGHTS, OPTIONS AND WARRANTS

(a) Board of Directors

Complete the following table, on the members of the Company's Board of Directors who own or are entitled to stock rights, options, or warrants over the company's shares:

| Director's Name | Number of Direct Option/Rights/Warrants | Number of Indirect Option/Rights/Warrants | Number of Equivalent Shares | Total % from Capital Stock |
|--------------------|---|---|-----------------------------|----------------------------|
| Conrado F. Bate | 5,500,000 | - | 5,500,000 | 0.55% |
| Manuel S. Estacion | 400,000 | - | 400,000 | 0.04% |
| Wellington C. Yu | 250,000 | - | 250,000 | 0.02% |

5) REMUNERATION OF MANAGEMENT

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

| Name of Officer/Position | Total Remuneration |
|--|--------------------|
| Caesar A. Guerzon – SVP, Head of HRAD, Legal & Compliance | 27,168,895.70 |
| Juan G. Barredo – VP, Head of Customer Service and Sales Support | |
| Nikos J. Bautista – VP, Chief Technology Officer | |
| April Lynn L. Tan – VP, Head of Research | |
| Lorena E. Velarde – VP, Financial Controller | |

E. BOARD COMMITTEES

2) COMMITTEE MEMBERS

(b) Audit Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of service in the Committee |
|---------------|----------------------------------|---------------------|----------------------|--------------------------|------|------------------------------------|
| Chairman (ID) | Estacion, Manuel S. | 04/12/13 | 1 | 1 | 100% | 7 yrs. |
| Member (ED) | | | | | | |
| Member (NED) | Yu, Raymond C. Lim, Hernan G. | 04/12/13 | 1 | 1 | 100% | 7 yrs. |
| Member (ID) | | | | | | |
| Member | | | | | | |

Disclose the profile qualification of the Audit Committee members.

Manuel S. Estacion, 69, Filipino, is a Bachelor of Science in Commerce graduate of San Beda College. He is presently engaged by The Hong Kong and Shanghai Banking Corporation (HSBC) as the Bank Representative in the remaining labor related cases pending in Court. He previously served HSBC in various capacities and was Vice President Human Resources from 1996 to 1999 after which he acted as a Consultant to HSBC prior to his present engagement. Mr. Estacion is a Charter Member and a Director of the Rotary Club of Ortigas Center for the Rotary Year 2012-2013.

Raymond C. Yu, 60, Filipino, is a Bachelor of Science in Commerce graduate of De La Salle University in 1974. He is currently the President of Winner Industrial Corporation and a Director of more than 16 years of the following corporations: Citisecurities, Inc., CWC Development, Inc., Barrington Carpets, Inc., Citimex, Inc., and CWC International, Inc.

Hernan G. Lim, 62, Filipino, is currently the President of Hoc Po Feeds Corporation and the Executive Vice President of HGL Development Corporation. He has also been a Director of Citimex, Inc., Citisecurities, Inc., CWC Development, Inc., Barrington Carpets, Inc., and CWC Industries, Inc. for more than 10 years. He holds a degree in Bachelor of Science in Electronic and Communication Engineering at the University of Santo Tomas. He also took the Basic Management Course at the Asian Institute of Management.

(c) Nomination Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of service in the Committee |
|---------------|--------------------|---------------------|----------------------|--------------------------|------|------------------------------------|
| Chairman (ID) | Khoo Boo Boon | 04/12/13 | 1 | 1 | 100% | 7 yrs. |
| Member (ED) | | | | | | |
| Member (NED) | Yu, Alexander C. | 04/12/13 | 1 | 1 | 100% | 3 yrs. |
| Member (ID) | | | | | | |
| Member | Guerzon, Caesar A. | 04/12/13 | 1 | 1 | 100% | 7 yrs. |

(d) Remuneration Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of service in the Committee |
|--------------|---------------------|---------------------|----------------------|--------------------------|---|------------------------------------|
| Chairman | Yu, Wellington C. | 04/12/13 | | | | 7 yrs. |
| Member (ED) | Ong, Catherine L. | 04/12/13 | | | | 7 yrs. |
| Member (NED) | Yu, Alexander C. | 04/12/13 | | | | 7 yrs. |
| Member (ID) | Estacion, Manuel S. | 04/12/13 | | | | 3 yrs. |
| Member | | | | | | |

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

| Shareholder | Number of Shares | Percent | Beneficial Owner |
|-------------------|------------------|---------|---------------------------|
| PCD Nominee Corp. | 94,860,600 | 20.24% | Citisecurities, Inc. |
| PCD Nominee Corp. | 88,162,100 | 18.81% | COL Financial Group, Inc. |
| Edward K. Lee | 91,284,900 | 19.48% | |
| Alexander C. Yu | 62,811,800 | 13.40% | |
| Paulwell Han | 30,077,900 | 6.42% | |

3) External Auditor's Fee

| Name of auditor | Audit Fee | Non-audit Fee |
|-----------------------------|-----------|---------------|
| Sycip, Gorres, Velayo & Co. | 1,135,000 | 0 |

5) Date of release of audited financial report:

3 March 2014

J. RIGHTS OF STOCKHOLDERS

1) RIGHT TO PARTICIPATE EFFECTIVELY IN AND VOTE IN ANNUAL/SPECIAL STOCKHOLDERS’ MEETINGS

(c) Stockholders’ Rights

Dividends

| Declaration Date | Record Date | Payment Date |
|------------------|---------------|-----------------------------|
| March 19, 2013 | April 4, 2013 | On or before April 19, 2013 |

(d) Stockholders’ Participation

3. Does the company observe a minimum of 21 business days for giving out notices to the AGM where items to be resolved by shareholders are taken up?

The Company sends out notices at least fifteen (15) business days prior to the AGM, in compliance with SEC rules.

- a. Date of sending out notices: 19 March 2013
- b. Date of Annual Stockholders’ Meeting: 12 April 2013

5. Result of Annual/Special Stockholders’ Meetings Resolutions

| Resolution | Approving | Dissenting | Abstaining |
|---|-----------|------------|------------|
| Approving the agenda of the stockholders’ meeting | Unanimous | n/a | n/a |
| Approving the minutes of the meetings held on 30 March 2012 | Unanimous | n/a | n/a |
| Approving the President’s report for 2012 | Unanimous | n/a | n/a |
| Ratification of all acts, investments, and resolutions of the Board of Directors for the year 2012 | Unanimous | n/a | n/a |
| Approval of 2012 Audited Financial Statements of the Company | Unanimous | n/a | n/a |
| Election of the following Directors for the year 2013-2014: a. Mr. Edward K. Lee b. Mr. Conrado F. Bate c. Mr. Raymond C. Yu d. Mr. Joel Litman e. Ms. Catherine L. Ong f. Mr. Manuel S. Estacion g. Mr. Alexander C. Yu h. Mr. Hernan G. Lim i. Mr. Paulwell Han j. Mr. Wellington C. Yu k. Mr. Khoo Boo Boon | Unanimous | n/a | n/a |
| Appointment of SyCip, Gorres, & Velayo as the Company’s external auditor | Unanimous | n/a | n/a |

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

| Type of Meeting | Names of Board Members/Officers present | Date of Meeting | Voting Procedure (by poll, show of hands, etc.) | % of SH Attending in Person | % of SH in Proxy | Total % of SH attendance |
|-----------------|---|-----------------|---|-----------------------------|------------------|--------------------------|
| Annual | Mr. Edward K. Lee Mr. Alexander C. Yu Mr. Conrado F. Bate Mr. Manuel Estacion Mr. Paulwell Han Mr. Khoo Boo Boon Mr. Hernan G. Lim Mr. Joel Litman Ms. Catherine Ong Mr. Raymond C. Yu Mr. Wellington C. Yu Atty. Caesar A. Guerzon Mr. Juan G. Barredo Ms. Lorena E. Velarde Ms. Melissa O. Ng | 04/12/13 | By ballot | 52.96% | 20.08% | 73.04% |
| Special | No special stockholders' meeting held for 2013 | | | | | |

(i) Definitive Information Statements and Management Report

| | |
|---|---------------|
| Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners | 19 March 2013 |
| Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders | 19 March 2013 |