

8 May 2019

## BDO Leasing Revenues Up 2% in 1Q 2019

BDO Leasing and Finance, Inc. (BDOLF) posted a two (2) per cent growth in gross revenues to P795 million in 1Q 2019. However, margin compression resulting from the company's short-term liabilities adjusting faster to higher interest rates vis-à-vis its lease receivables (which carry rates fixed for three (3) to five (5) years), dragged the bottom line to a net loss of P24 million from P90 million net income in 1Q 2018.

To mitigate the impact of higher funding costs, a portion of BDOLF's lower-yielding portfolio was sold, resulting in the ten (10) per cent contraction in its loans and receivables portfolio to P30.9 billion. This transaction eliminated the negative spread on that portion of the portfolio, and coupled with the application of prevailing interest rates to new loan bookings and loan re-pricing of existing loans, should restore margins and improve the bottom line.

Moving ahead, the company will continue to capitalize on its Parent Company's extensive market reach, strengthen client relationships, explore new and untapped markets, and implement balanced growth while maintaining asset quality.

### About BDO Leasing

BDO Leasing and Finance Inc. is the leasing and financing entity of BDO Unibank, Inc. (BDO) which provides its customers direct leases, real estate leases, sale and leaseback arrangements as well as receivables factoring. It likewise provides operating leases through its wholly owned subsidiary BDO Rental Incorporated. BDO Leasing and Finance is among the industry's dominant players in terms of total assets, capitalization and profitability.

BDO Leasing and Finance, Inc.  
39/F BDO Corporate Center Ortigas,  
12 ADB Avenue, Ortigas Center,  
Mandaluyong City, 1550  
Tel. 63(2) 688-1288  
Fax +63(2) 635-6453, 635-5811, 635-3898

[www.bdo.com.ph](http://www.bdo.com.ph)

**We find ways<sup>®</sup>**