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BDO Leasing earns ₱9.5 million in 1Q21

BDO Leasing and Finance, Inc. (BDOLF) posted a net income of ₱9.5 million in the first three (3) months of 2021, generated solely from investment income following the discontinuance of the Company's former financing operations and the sale of all its leasing and loan portfolio to the BDO Unibank Group in October 2020. BDOLF's investments registered a fair value gain of ₱13.6 million, while total expenses stood at ₱4.5 million.

The company's 1Q21 performance is not comparable to the ₱83.3 million profit recorded a year-ago, given that last year's results reflected business operations prior to the full implementation of the Group's restructuring of its leasing business. The restructuring entailed the full transition of BDOLF operations to BDO Finance Corporation (BDO Finance), established in 2019 to offer customers continued access to lease products and services. BDO Finance likewise assumed the lease transactions booked in BDOLF to ensure continuity to the latter's existing clients.

It should be noted that BDOLF already ceased to operate as a leasing company and has not accepted any new leasing transaction since October 2020.

Despite the change in direction for the company, BDOLF's book value per common share for the 1Q21 rose by 5.7 per cent to ₱2.76 from ₱2.61 a year-ago.

About BDO Leasing

BDO Leasing and Finance Inc. used to be the leasing and financing entity under the BDO Unibank Group. Following the BDO Group's restructuring of its leasing business in 2020, BDOLF's assets were sold to other entities in the Group, leaving BDOLF as a listed holding company.

About BDO Finance

BDO Finance Corporation (BFC) is a privately-held, wholly-owned financing company of BDO Unibank, Inc. (BDO) that provides direct leases, sale and leaseback arrangements, mortgage lending and factoring services. BFC assumed the lease transactions booked in BDO Leasing which underwent restructuring in 2020, thus ensuring continuity to BDO Leasing's existing clients.