

**MINUTES OF THE
ANNUAL MEETING OF STOCKHOLDERS**

BDO LEASING AND FINANCE, INC.

**HELD ON FRIDAY, APRIL 12, 2019, AT 10:10 A.M.
AT THE FRANCISCO SANTIAGO HALL, MEZZANINE FLOOR, SOUTH TOWER
BDO CORPORATE CENTER, 7899 MAKATI AVENUE, MAKATI CITY**

NUMBER OF SHARES HELD BY SHAREHOLDERS:

Number of Total Outstanding Shares	-	2,162,475,312
Present In Person or Represented By Proxy, and Participant Brokers	-	1,914,923,894
Percentage of the Total Shares Represented By Proxies & In-Person	-	88.55%
Absent	-	247,551,418

DIRECTORS PRESENT:

Ms. Teresita T. Sy	Chairperson
Mr. Roberto E. Lapid	Vice Chairman & President
Atty. Jesse H. T. Andres	Independent Director
Mr. Antonio N. Cotoco	Director
Ms. Ma. Leonora V. De Jesus	Independent Director
Mr. Jeci A. Lapus	Non-Executive Director
Mr. Vicente S. Pérez, Jr.	Independent Director
Mr. Nestor V. Tan	Director
Mr. Exequiel P. Villacorta, Jr.	Non-Executive Director
Mr. Walter C. Wassmer	Director

ALSO PRESENT:

Atty. Edmundo L. Tan	Adviser to the Board
Atty. Joseph Jason M. Natividad	Corporate Secretary
Mr. Agerico Melecio S. Verzola	First Vice President/Marketing Head
Ms. Angelita C. Tad-y	First Vice President/Chief Risk & Compliance Officer
Ms. Rosalisa B. Kapuno	Vice President/Comptrollership
Mr. Leonardo D. Cuaresma, Jr.	Engagement Partner, P&A Grant Thornton
Mr. Renato P. David, Jr.	Audit and Assurance Manager, P&A Grant Thornton
Ms. Kryslene Kae C. Urbi	Audit and Assurance-In-Charge, P&A Grant Thornton

DIRECTOR ABSENT:

Mr. Luis S. Reyes, Jr.	Director & Treasurer
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I. Call to Order

Ms. Teresita T. Sy, Chairperson, called the Annual Stockholders' meeting to order at 10:10 in the morning. On behalf of BDO Leasing and Finance, Inc. (the "Corporation") and Management, she expressed her gratitude to the stockholders for their continued support to the Corporation. The Chairperson then requested Mr. Nestor V. Tan to act as Chairman of the Meeting and to preside over the same.

Atty. Joseph Jason M. Natividad, Corporate Secretary, recorded the minutes of the meeting.

II. Certification of Notice and Quorum

The Chairman of the meeting verified with the Corporate Secretary whether notices of the annual meeting of the stockholders had been sent to the Corporation's stockholders. Atty. Joseph Jason M. Natividad, Corporate Secretary, replied that notices of the meeting, together with the agenda and the QR Code for the Definitive Information Statement (DIS), were sent by personal delivery or mail beginning March 20, 2019 to the stockholders of record as of February 27, 2019, in accordance with Article II, Section 2 of the By-Laws in relation to Paragraphs 3 and 11 of SRC Rule 20 of the Amended Implementing Rules and Regulations of the Securities Regulation Code.

The Corporate Secretary certified that based on the record of attendance, present for the meeting were stockholders, in person or by proxy, and participant brokers, holding a total of 1,914,923,894 shares, equivalent to 88.55% of the total 2,162,475,312 outstanding shares of the Corporation, and that one common share carries one vote. The Corporate Secretary therefore certified that there was a quorum present and that the meeting was regularly and lawfully convened for the transaction of business for which it was called. He recorded the minutes of the proceedings

The Corporate Secretary likewise manifested that Punongbayan & Araullo, Grant Thornton (P&A), represented by Mr. Leonardo D. Cuaresma, Jr., Partner, had been appointed to count and validate the votes cast at the meeting, in accordance with the voting procedures disclosed in the Definitive Information Statement provided to the stockholders as of record date.

III. Approval of the Minutes of the Annual Stockholders' Meeting held on April 13, 2018

The Chairman of the meeting stated that the next item in the agenda was the reading and approval of the minutes of the annual meeting of shareholders held on April 13, 2018. He manifested that copies of the Minutes were included in the Definitive Information Statement (DIS) distributed to all stockholders of record, and have been made available for examination during office hours at the Office of the Corporate Secretary and at the Corporation's website [www.bdo.com.ph/subsidiaries/leasing/company disclosures](http://www.bdo.com.ph/subsidiaries/leasing/company%20disclosures).

Upon motion duly made and seconded, the minutes of the annual stockholders' meeting held on April 13, 2018 had been approved and the following resolution had been passed and adopted:

Stockholders' Resolution No. 2019-01

RESOLVED, That the Stockholders of BDO Leasing and Finance, Inc. approve, as they hereby approve, the Minutes of the Annual Stockholders' Meeting held on April 13, 2018.

The Chairman of the meeting then instructed the Corporate Secretary to have the minutes of the meeting reflect the tabulation of all votes cast, including proxies that have cast their votes in favor of the approval of the minutes of the last annual stockholders' meeting, and to note the stockholders that have chosen to abstain on voting for, or have chosen to vote against, the approval of the said minutes.

Based on P&A's tabulation, the following were the results of the voting by poll, showing the number of votes cast and received on the approval of the Minutes of the Annual Stockholders' Meeting held on April 13, 2018:

Total Outstanding Shares	Total Votes Cast	Votes in favor	Votes against	Abstentions
2,162,475,312	1,914,923,894	1,914,923,894 (100%)	0	0

Accordingly, shareholders owning 1,914,923,894 voting shares or 100% of the total number of voting shares represented at the meeting, approved the Minutes of the Annual Stockholders' Meeting held on April 13, 2018, no shareholder voted against or abstained in the approval.

IV. President's Report and Approval of the Audited Financial Statements of the Corporation as of December 31, 2018

The Chairman of the meeting then gave the floor to the Vice Chairman and President, Mr. Roberto E. Lapid, to present his report on the Corporation's results of operations for the year 2018, and the programs and prospects for 2019.

Mr. Roberto E. Lapid, Vice Chairman and President, rendered his report to the Stockholders.

Philippine Economy in 2018

Mr. Lapid reported that in 2018, Philippine GDP grew at 6.2%. While this was lower than the GDP posted in 2016 and 2017, it was still among the highest growth rates in the region. Accompanying this growth were certain global and domestic events that affected the economy like the hike in US interest rates that resulted in capital flight, the tightening in domestic liquidity, depreciation of the peso, and decline of the local stock market. In addition, global oil prices went up and food shortages, particularly on the basic staple rice, were experienced. It was also in 2018 when the TRAIN Law took effect. All of these resulted in a spike in inflation, causing the Bangko Sentral ng Pilipinas (BSP) to increase policy rates by 175 basis points. The Corporation, in particular, was affected by the rapid increase in the lending rates of banks and the higher documentary stamp taxes (DST), which resulted in the accelerated increase in funding costs as compared to the portfolio yields.

Review of Company Performance

Mr. Lapid was pleased to report that despite the challenges mentioned, the Corporation had another successful run in 2018.

By leveraging BDO Unibank's extensive network and taking advantage of the multitude of opportunities associated with regional economic expansion, particularly within the transport industry, the Corporation registered a net income of P330.7 Million which was at par with what the target for 2018. Compared to the previous year however, the Corporation's net income was lower mainly due to the impact of the additional documentary stamp taxes under the Train Law and the increase in BDOLF's interest expense by 38%.

Despite these challenges, the Corporation was able to sustain the total lease-loan portfolio at P34 Billion and kept the Total Assets above P41 Billion. In particular, BDOLF's finance leases grew by 9% and the provincial portfolio increased by 11% year-on-year, in line with the Corporation's strategy to tap fast growing and rapidly urbanizing areas outside Metro Manila.

During the year, BDOLF was given an above average issuer credit rating of "PRS Aa minus" from the Philippine Ratings Services Corporation in recognition of the Corporation's continuing strength and financial stability.

In July 2018, the Corporation was also awarded as one of the Top 20 publicly-listed companies in the Philippines that earned high scores in the 2017 ASEAN Corporate Governance Scorecard based on the local assessment conducted by the Institute of Corporate

Directors (ICD), an SEC-appointed domestic ranking body. Of the 5 publicly-listed companies which garnered awards from the banking sector, BDOLF was the only financing company while the 4 others were universal banks led by BDO Unibank.

Programs and Prospects for 2019

Mr. Lapid informed the shareholders that as a subsidiary of BDO Unibank, the nation's largest bank, BDOLF was well poised for future growth. He then presented to the shareholders the following strategies of the Corporation for 2019:

- The Corporation will strengthen relationships by partnering with corporate clients to secure their financial and equipment needs;
- Maximize lending opportunities from tech companies with lease requirements for IT and hardware infrastructure;
- Optimize the balance sheet while maintaining balanced portfolio growth and good credit quality;
- Increase efficiencies covering transactional and post transactional processes; and
- Develop and engage team members thru continuous training in order to improve overall customer experience.

The report is hereto attached as **Annex "A"** and made an integral part hereof.

V. Open Forum

After the Vice Chairman & President's presentation, the Chairman of the meeting opened the floor to give the stockholders the opportunity to ask questions or give comments regarding the President's Report, the Financial Statements of the Corporation, or related matters.

Atty. Vina Marie S. Villarroya, proxy holder, inquired on the withdrawal of the Corporation from its joint venture with Mitsubishi Automotive Finance Services, Inc. Mr. Lapid replied that the joint venture was not generating sufficient scale as was expected when the agreement was signed. Thus, BDOLF made the decision to exit the joint venture. The Corporation would instead focus on its core business of equipment leasing and finance.

Another proxy holder, Atty. Bettina Rayos del Sol, inquired on what specific strategies or measures were being done by Management to improve BDOLF's profitability. Mr. Lapid explained that Management was trying to manage the combined impact of rising funding costs and additional taxes on commercial paper issuances, which adversely affected the margins of BDOLF. The Corporation's loan transactions carried fixed interest rates for 3-5 years while funding sources were mostly short-term in nature. With rising interest rates in 2018, the Corporation's funding cost increased at a much faster pace than its earning assets, resulting in the compression of margins. Mr. Lapid added that BDOLF was trying to grow its business volumes at a faster pace to be able to book earning assets at today's higher interest rates, and was also applying higher interest rates on repricing/maturing transactions.

Atty. Nicole V. Kalingking, proxy holder, inquired if the Corporation would move aggressively to get a share of the government's jeepney modernization program which would open opportunities to banks and finance companies. Mr. Lapid replied that the Corporation was the first leasing and finance company to have granted an approval to a private firm for this purpose. In a meeting with the Department of Transportation (DOTr) and the Land Transportation Franchising and Regulatory Board (LTFRB) in January 2019, together with several other financial institutions, Management pointed out several concerns and issues with emphasis on LTFRB's issuance of a provisional authority or temporary franchise which would be a prelude to the granting of a regular franchise. Furthermore, the DOTr is still finalizing the "route rationalization" which is vital in the issuance of LTFRB franchise to jeepney cooperatives and corporations. Unless these are addressed by the government, BDOLF cannot aggressively underwrite loan applications.

After the discussions were concluded, there being no other questions from the floor, Mr. Erwin D. Iloso, proxy holder, moved for the notation and approval of the Report on the Results of the Operations of the Corporation for the year ended December 31, 2018, and the Audited Financial Statements for the same period.

Mr. Dawn C. Cruz, proxy holder, seconded the motion. There being no objection, the Stockholders adopted the following resolution:

Stockholders' Resolution No. 2019-02

RESOLVED, That the Stockholders do hereby note and approve the Report on the Results of the Operations of BDO Leasing and Finance, Inc. (BDOLF) for the year ended December 31, 2018, and the Audited Financial Statements as of December 31, 2018.

The Chairman of the meeting directed the Corporate Secretary to have the minutes reflect the tabulation of all votes cast, including proxies that have cast their vote in favor of the approval of the Report on the Results of Operations of BDOLF for the fiscal year ended December 31, 2018, and the Audited Financial Statements for the same period, to note the stockholders that have chosen to abstain on voting for, or have voted against, the approval of the aforesaid Reports and the Audited Financial Statements.

Based on P&A's tabulation, the following were the results of the voting by poll, showing the number of votes cast and received on the approval of the Report on the Results of Operations of BDOLF for the fiscal year ended December 31, 2018, and the Audited Financial Statements for the same period:

Total Outstanding Shares	Total Votes Cast	Votes in favor	Votes against	Abstentions
2,162,475,312	1,914,923,894	1,914,923,894 (100%)	0	0

Accordingly, shareholders owning 1,914,923,894 voting shares or 100% of the total number of voting shares represented at the meeting, noted and approved the President's Reports and the Audited Financial Statements of the Corporation for the fiscal year ending December 31, 2018, no shareholder voted against or abstained in the approval.

VI. Approval and Ratification of All Acts and Proceedings of the Board of Directors, the Board Committees and Management during their Respective Terms of Office

The next item in the agenda was the approval and ratification of all acts and proceedings of the Board of Directors, the Board Committees and Management, including significant related party transactions, for the year 2018 until the date of the 2019 Annual Stockholders' Meeting.

Mr. Arlo C. Atentar, proxy holder, moved that all the acts, including approvals of significant related parties' transactions, proceedings of the Board of Directors, the acts of the duly constituted committees, the acts of the Management, and the acts of the officers of the Corporation, up to the date of the 2019 Annual Stockholders' Meeting be, in all respects, confirmed, ratified and approved.

Thereafter, Ms. Melanie Ann C. Cuevas, proxy holder, seconded the motion. There being no further questions or objection, the Stockholders adopted the following resolution:

Stockholders' Resolution No. 2019-03

RESOLVED, That all the acts, including approvals of significant related parties' transactions, and proceedings of the Board of Directors, the acts of the duly constituted committees, the acts of the Management

and the officers of BDO Leasing and Finance, Inc. (the "Corporation") in carrying out and promoting the purposes, objects, and interests of the Corporation, up to the date of the Annual Stockholders' Meeting (April 12, 2019), are confirmed, ratified and approved and hereby made the acts and deeds of the Corporation.

The Chairman of the meeting directed the Corporate Secretary to have the minutes reflect the tabulation of all votes cast, including proxies that have cast their votes in favor of the ratification and confirmation of all the acts and proceedings of the Board of Directors, its duly constituted committees, the acts of Management and officers of BDOLF, including approvals of significant related parties' transactions, up to the date of the Annual Stockholders' Meeting, and to note the proxies that have chosen to abstain on voting for, or have voted against, the ratification and confirmation of all the acts and proceedings of the Board of Directors, its duly constituted committees, the acts of Management and officers of BDOLF, including approvals of significant related party transactions, up to the date of the Annual Stockholders' Meeting (April 12, 2019).

Based on P&A's tabulation, the following were the results of the voting by poll, showing the number of votes cast and received on the ratification and confirmation of all the acts, including approvals of significant related parties' transactions, and proceedings of the Board of Directors, its duly constituted committees, the acts of Management and officers of BDOLF up to the date of the Annual Stockholders' Meeting:

Total Outstanding Shares	Total Votes Cast	Votes in favor	Votes against	Abstentions
2,162,475,312	1,914,923,894	1,914,923,894 (100%)	0	0

Accordingly, shareholders owning 1,914,923,894 voting shares or 100% of the total number of voting shares represented at the meeting, approved and ratified all the acts of the Board of Directors, its duly constituted committees, and Management, including approvals of significant related party transactions, during their respective terms of office, no shareholder voted against or abstained in the approval.

VII. Election of the Board of Directors

The Chairman of the meeting then announced that the next item on the agenda was the election of the regular and independent members of the Board of Directors for the ensuing year and until the next succeeding annual stockholders meeting of the Corporation. The Chairman of the meeting also informed all the stockholders in attendance of the mandatory requirement of electing independent directors.

Atty. Jesse H. T. Andres, Independent Director and Chairman of the Nominations Committee (the "Committee") of the Corporation, informed the stockholders that the following nominations have been received and passed upon by the Committee during the prescribed nomination period from February 13, 2019 to February 28, 2019, and that the Committee found the following nominees to possess all the qualifications and none of the disqualifications for election as regular and independent directors, respectively, of BDOLF:

Nominees for Regular Directors

1. Antonio N. Cotoco
2. Roberto E. Lapid
3. Jeci A. Lapus
4. Luis S. Reyes, Jr.
5. Teresita T. Sy
6. Nestor V. Tan
7. Exequiel P. Villacorta, Jr.
8. Walter C. Wassmer

Nominees for Independent Directors:

9. Jesse H. T. Andres
10. Ma. Leonora V. De Jesus
11. Vicente S. Pérez, Jr.

BDO Unibank nominated the regular directors, while Ms. Mannette D. Vicente, a stockholder of the Corporation, nominated the three (3) Independent Directors.

Ms. Joyce R. Lacsinto, proxy holder, manifested that since the nomination period had expired and closed, and there were eleven (11) nominees for the eleven (11) seats in the Corporation's Board of Directors, he moved that the Corporate Secretary be directed to cast all unqualified votes in favor of the foregoing individuals respectively nominated as regular and independent directors.

Mr. Gerard L. Songco, proxy holder, seconded the motion. Thereafter, there being no further question or objection, the Stockholders adopted the following resolution:

Stockholders' Resolution No. 2019-04

RESOLVED, That the following be, as they are hereby elected directors of BDO Leasing and Finance, Inc. for a period of one (1) year, and to act as such until their successors are duly elected and qualified:

Regular Directors:

1. Antonio N. Cotoco
2. Roberto E. Lapid
3. Jeci A. Lapus
4. Luis S. Reyes, Jr.
5. Teresita T. Sy
6. Nestor V. Tan
7. Exequiel P. Villacorta, Jr.
8. Walter C. Wassmer

Independent Directors:

9. Jesse H. T. Andres
10. Ma. Leonora V. De Jesus
11. Vicente S. Pérez, Jr.

The Chairman of the meeting congratulated all the elected Directors and directed the Corporate Secretary that the minutes reflect a tabulation of all votes cast, including the votes of the stockholders who have chosen to vote for, or abstain on voting for, or have chosen to vote against, the above-named nominees as regular and independent directors, respectively, of the Corporation.

Based on the tally made by P&A, the following were the results of the voting by poll, showing the number of the votes cast and received by the nominees:

Nominees	Total Outstanding Shares	Votes in favor	Voted against	Abstentions
Teresita T. Sy	2,162,475,312	1,914,923,894	0	0
Roberto E. Lapid	2,162,475,312	1,914,923,894	0	0
Jesse H. T. Andres	2,162,475,312	1,914,923,894	0	0
Antonio N. Cotoco	2,162,475,312	1,914,923,894	0	0
Ma. Leonora V. De Jesus	2,162,475,312	1,914,923,894	0	0
Jeci A. Lapus	2,162,475,312	1,914,923,894	0	0
Vicente S. Pérez, Jr.	2,162,475,312	1,914,923,894	0	0
Luis S. Reyes, Jr.	2,162,475,312	1,914,923,894	0	0
Nestor V. Tan	2,162,475,312	1,914,923,894	0	0
Exequiel P. Villacorta, Jr.	2,162,475,312	1,914,923,894	0	0
Walter C. Wassmer	2,162,475,312	1,914,923,894	0	0

VIII. Appointment of External Auditor

The next item in the agenda was the appointment of the external auditor of BDOLF for the year 2019.

The Chairman of the meeting informed the stockholders that the Board Audit Committee of BDOLF had recommended the re-appointment of the Accountancy and Auditing Firm of Punongbayan & Araullo, Grant Thornton (P&A) as external auditor of BDOLF for the year 2019.

Ms. Juliene E. Teodoro, proxy holder, moved that the Accountancy and Auditing Firm of Punongbayan and Araullo, Grant Thornton (P&A) be appointed as the external auditor of BDOLF for the year 2019, and that the Board of Directors be authorized to determine the terms of said external auditor's professional engagement.

Atty. Vina Marie S. Villarroya, proxy holder, seconded the motion. There being no objection, the Stockholders adopted the following resolution:

Stockholders' Resolution No. 2019-05

RESOLVED, That the Accountancy and Auditing Firm of Punongbayan & Araullo, Grant Thornton (P&A), be, as it is hereby appointed as the external auditor of BDOLF for 2019;

RESOLVED FURTHER, That the Board of Directors of BDOLF or such person or persons duly authorized by the Board, be, as it/he is hereby authorized to determine the terms of engagement of the external auditor, to sign, execute and deliver the agreement and other documents pertaining to such engagement, and generally, to perform all acts necessary or appropriate to carry out the foregoing resolution and the intent hereof.

The Chairman of the meeting then directed the Corporate Secretary to have the minutes reflect the tabulation of votes cast, including proxies that have cast their votes in favor of the appointment of Punongbayan & Araullo, Grant Thornton (P&A) as external auditor of BDOLF for the year 2019, and to note the stockholders that have chosen to abstain on voting for, or have voted against, the appointment of Punongbayan & Araullo, CPA (P&A), as external auditor of BDOLF for the year 2019.

Based on P&A's tabulation, the following were the results of the voting by poll, showing the number of votes cast and received on the appointment of Punongbayan & Araullo, CPA (P&A), as external auditor of BDOLF for the year 2019:

Total Outstanding Shares	Total Votes Cast	Votes in favor	Votes against	Abstentions
2,162,475,312	1,914,923,894	1,914,923,894 (100%)	0	0

Accordingly, shareholders owning 1,914,923,894 voting shares or 100% of the total number of voting shares represented at the meeting, approved the appointment of Punongbayan & Araullo, Grant Thornton (P&A) as the Corporation's external auditor for 2019, no shareholder voted against the approval.

IX. Adjournment

There being no further business to transact, Mr. Arlo C. Atentar, proxy holder, moved to adjourn the meeting.

Ms. Melanie Ann C. Cuevas, proxy holder, seconded the motion.

There having been no objection to the motion, the meeting was thereupon adjourned at 10:31 in the morning.

CERTIFIED CORRECT:


JOSEPH JASON M. NATIVIDAD
CORPORATE SECRETARY

ATTESTED:


TERESITA T. SY
CHAIRPERSON