

March 19, 2012

THE DISCLOSURE DEPARTMENT

3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Gentlemen:

We hereby submit with this letter the Definitive Information Statement (SEC Form 20-IS) of BDO Leasing and Finance, Inc. submitted today to the Securities and Exchange Commission.

Thank you very much.

Very truly yours,



SERGIO M. CENIZA
Compliance Officer

BDO Leasing & Finance, Inc.
BDO Leasing Centre
Corinthian Gardens, Ortigas Avenue
Quezon City, Philippines
Tel +63(2) 635 6416
Fax +63(2) 635 5811, 635 5805, 635 3898

March 16, 2012

SECURITIES AND EXCHANGE COMMISSION
6/F SEC Building, EDSA, Greenhills
Mandaluyong City
Metro Manila

Attention: Atty. Justiana F. Callangan
Director/Corporation Finance Dept.

Gentlemen:

In compliance with existing rules and regulations, we are submitting herewith two (2) copies of BDO Leasing and Finance, Inc.'s Definitive Information Statement. We have incorporated therein the additional information/requirements requested by your office which we received on March 13, 2012.

Thank you for your kind attention.

Very truly yours,


JOSEPH JASON M. NATIVIDAD
Corporate Secretary

Enclosed: a/s

BDO Leasing & Finance, Inc.
BDO Leasing Centre
Corinthian Gardens, Ortigas Avenue
Quezon City, Philippines
Tel +63(2) 635 6416
Fax +63(2) 635 5811, 635 5805, 635 3898

COVER SHEET

0 9 7 8 6 9

S.E.C. Registration Number

B D O L E A S I N G A N D F I N A N C E , I N C .

(Company's Full Name)

B D O L E A S I N G C E N T R E , C O R I N T H I A N

G A R D E N S O R T I G A S A V E . Q . C . M . M .

(Business Address : No. Street City / Town / Provinces)

ATTY. SERGIO M. CENIZA

Contact Person

(632) 635-6416

Company Telephone Number

1 2

Month Day
Fiscal Year

3 1

DEFINITIVE INFSTATEMENT (SEC FORM 20-IS)

FORM TYPE

any day in April of every
year as determined by
the BOD

Annual Meeting

N/A

Secondary License Type, If Applicable

Dept. Requiring this Doc

Amended Articles Number / Sec.

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE



1. CHECK THE APPROPRIATE BOX:
 Preliminary Information Statement
 Definitive Information Statement
2. NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER:
BDO LEASING AND FINANCE, INC.
3. PROVINCE, COUNTRY OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION:
METRO MANILA, PHILIPPINES
4. SEC IDENTIFICATION NUMBER: **97869**
5. BIR TAX IDENTIFICATION CODE: **000-486-050-000**
6. ADDRESS OF PRINCIPAL OFFICE: **BDO LEASING CENTRE
CORINTHIAN GARDENS
ORTIGAS AVENUE
QUEZON CITY 1100**
7. REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: **(632) 635-6416/635-5811
(632) 635-5805/635-3898**
8. DATE, TIME AND PLACE OF THE ANNUAL MEETING OF THE SECURITY HOLDERS:

DATE	-	APRIL 18, 2012 (WEDNESDAY)
TIME	-	9:30 AM
PLACE	-	FRANCISCO SANTIAGO HALL MEZZANINE FLOOR, BDO CORPORATE CENTER 7899 MAKATI AVENUE, MAKATI CITY
9. APPROXIMATE DATE ON WHICH THE INFORMATION STATEMENT IS FIRST TO BE SENT OR GIVEN TO SECURITY HOLDERS:

MARCH 20, 2012

10. SECURITIES REGISTERED PURSUANT TO SECTIONS 8 AND 12 OF THE CODE OR SECTIONS 4 AND 8 OF THE RSA (INFORMATION ON NUMBER OF SHARES AND AMOUNT OF DEBT IS APPLICABLE ONLY TO CORPORATE REGISTRANTS):

SUBSCRIBED AND OUTSTANDING

<u>TITLE OF EACH CLASS</u>	<u>NO. OF SHARES</u>	<u>AMOUNT IN PESOS</u>
COMMON	2,162,475,312	PHP 2,162,475,312.00
	-----	-----
TOTAL	<u>2,162,475,312</u>	<u>PHP 2,162,475,312.00</u>

	<u>AUTHORIZED</u>	<u>OUTSTANDING</u>
Short Term Commercial Paper	Php 15,000,000,000.00	8,121,900,000.00
Long Term Commercial Paper	0	0
	-----	-----
Total	<u>Php 15,000,000,000.00</u>	<u>8,121,900,000.00</u>

11. ARE ANY OR ALL OF REGISTRANT'S SECURITIES LISTED ON THE PHILIPPINES STOCK EXCHANGE?

Yes No ()

NAME OF STOCK EXCHANGE : **PHILIPPINE STOCK EXCHANGE, INC.**

CLASS OF SECURITIES LISTED : **COMMON SHARES**

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Dear Stockholder:

Notice is hereby given that the Annual Meeting of Stockholders of **BDO LEASING AND FINANCE, INC.** will be held on **April 18, 2012** at **9:30 a.m.** at the Francisco Santiago Hall, Mezzanine Floor, South Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City, Metro Manila, to consider and approve the matters set forth in the following Agenda:

AGENDA

- I. -- Call to order
- II. Certification of Notice and Quorum
- III. Approval of the Minutes of the Annual Stockholders' Meeting held on May 30, 2011
- IV. Presentation of Annual Report
- V. Approval and Ratification of Acts and Proceedings of the Board of Directors, the duly Constituted Committees and Corporate Officers
- VI. Election of the Board of Directors
- VII. Appointment of External Auditor
- VIII. Other Business
 - Amendment to the Sixth Article of the Articles of Incorporation
- IX. Adjournment

The record date for the determination of the stockholders entitled to notice of, and to vote at, said meeting is fixed at the close of business hours on March 2, 2012.

Please bring any form of identification in order to facilitate registration.


JOSEPH JASON M. NATIVIDAD
Corporate Secretary

BDO Leasing & Finance, Inc.
BDO Leasing Centre
Corinthian Gardens, Ortigas Avenue
Quezon City, Philippines
Tel +63(2) 635 6416
Fax +63(2) 635 5811, 635 5805, 635 3898

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE
REQUESTED NOT TO SEND US A PROXY.**

**BDO LEASING AND FINANCE, INC.
INFORMATION STATEMENT**

THIS INFORMATION STATEMENT IS BEING FURNISHED TO STOCKHOLDERS OF RECORD OF BDO LEASING AND FINANCE, INC. AS OF **MARCH 2, 2012** IN CONNECTION WITH THE ANNUAL STOCKHOLDERS' MEETING. COPIES OF THE INFORMATION STATEMENT WILL BE FIRST SENT OR GIVEN TO SECURITY HOLDERS ON **MARCH 20, 2012**.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

ITEM 1. DATE, TIME AND PLACE OF ANNUAL MEETING OF SECURITY HOLDERS

The Annual Stockholders' Meeting of BDO Leasing and Finance, Inc. for 2012 will be held on Wednesday, April 18, 2012 at 9:30 in the morning at the Francisco Santiago Hall, Mezzanine Floor BDO Corporate Center, 7899 Makati Avenue Makati City, Metro Manila.

COMPLETE MAILING ADDRESS OF PRINCIPAL OFFICE OF REGISTRANT

The Company's complete mailing address, principal address and principal office is at BDO Leasing Centre, Corinthian Gardens, Ortigas Avenue, Quezon City.

ITEM 2. DISSENTER'S RIGHT OF APPRAISAL

At BDO Leasing and Finance, Inc.'s (the "Company") Annual Stockholders' Meeting, among the matters to be submitted to its shareholders for approval is the amendment to the Sixth Article of the Articles of Incorporation of the Company to decrease the number of directors from fifteen (15) to eleven (11). The proposed amendment shall read as follows:

"SIXTH – That the number of the directors of said Corporation shall be **eleven (11)** and that the names and residence of the directors who are to serve until their successors are elected and qualified as provided by the By-Laws, are as follows: x x x."

Pursuant to Section 81 of the Corporation Code of the Philippines, a stockholder has the right to dissent and demand payment of the fair value of his share: (1) in case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares or of authorizing preferences over the outstanding shares or of extending or shortening the term of corporate existence; (2) in case of any sale, lease, mortgage or disposition of all or substantially all of the corporate property or assets; and (3) in case of merger or consolidation. *The proposed amendment to the Sixth Article of the Articles of Incorporation of the Company decreasing the number of directors from fifteen (15) to eleven (11) entitles a dissenting shareholder to exercise its appraisal right.*

As provided under Section 82 of the Corporation Code, this appraisal right may be exercised by any stockholder who shall have dissented to such corporate action by making a written demand on the Company within (30) days after the date on which the vote was taken for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right.

Within ten (10) days after demanding payment for his shares, a dissenting stockholder shall submit the certificate(s) of stock representing his shares to the Company for notation thereon that such shares are dissenting shares. His failure to do so shall, at the option of the Company, terminate his appraisal rights. (*Section 86, Corporation Code*) No demand for payment as aforesaid may be withdrawn by the dissenting stockholder unless the Company consents thereto.

If the corporate action is implemented or effected, the Company shall pay to such dissenting stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of a merger if such be the corporate action involved.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after such award is made. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment. Upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

Other than the amendment to the Sixth Article of the Company's Articles of Incorporation to decrease the number of directors, no matter will be presented to the stockholders for approval during the Annual Shareholders' Meeting that may occasion the exercise of the right of appraisal.

ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

The Registrant is not aware of any substantial interest, direct or indirect, by security holdings or otherwise, of any director of the Registrant, nominee for election or associate of any of the foregoing in any matter to be acted upon, other than the election to office. No information has been given to the Registrant by any of its directors of his intention to oppose any action to be taken by the Registrant at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The number of shares outstanding and entitled to vote in the stockholders' meeting is 2,162,475,312 shares. The record date for purposes of determining stockholders entitled to vote in the meeting is March 2, 2012.

In the election of directors, each stockholder entitled to vote may cumulate and distribute his votes in accordance with the provisions of the Corporation Code. There are no conditions precedent for the exercise of the cumulative voting rights in the election of directors.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT ARE AS FOLLOWS:

(1) OWNERS OF MORE THAN 5% OF VOTING SECURITIES AS OF FEBRUARY 29, 2012:

TITLE OF CLASS	NAME AND ADDRESS OF RECORD OWNER & RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NUMBER OF SHARES HELD	PERCENTAGE
Common	BDO UNIBANK, INC.* BDO Corporate Center 7899 Makati Avenue, Makati City BDO Unibank, Inc. is the parent company of the issuer.		Filipino	1,840,116,232	85.09%
Common	PCD NOMINEE CORP. G/F Makati Stock Exchange Building, 6767 Ayala Avenue, Makati City PCD NOMINEE CORP. G/F Makati Stock Exchange Building, 6767 Ayala Ave., Makati PCD Nominee has no relationship with the issuer except as stockholder.	No stockholder owns more than 5% of the company's voting securities	Filipino Foreigner	223,045,067 5,301,058	10.31% 0.24%

Ms. Teresita T. Sy or Mr. Nestor V. Tan, Chairperson and President, respectively, of BDO Unibank, Inc. will vote on behalf of BDO Unibank, Inc.

*** BDO UNIBANK, INC. IS OWNED BY THE FOLLOWING STOCKHOLDERS:**

TITLE OF CLASS	NAME & ADDRESS OF RECORD OWNER	CITIZENSHIP	NUMBER OF BDO SHARES HELD	PERCENTAGE
Common	PCD NOMINEE CORP. 37/F The Enterprise Center Ayala Avenue, Makati City	Filipino	718,978,898	27.57%
Common	PCD NOMINEE CORP. 37/F The Enterprise Center Ayala Avenue, Makati City	Foreigner	691,360,296	26.51%
Common	SM INVESTMENTS CORP. 10/F L.V. Locsin Building 6752 Ayala Avenue, Makati City	Filipino	683,841,602	26.23%
Common	DBMN OT-024 SM INVESTMENTS CORP. 23/F Ayala Tower One, Ayala Ave., Makati City	Filipino	208,097,814	7.98%
Common	TRANS MIDDLE EAST PHILIPPINES EQUITIES, INC. 23/F Ayala Tower One, Ayala Ave., Makati City	Filipino	93,289,752	3.58%

(2) SECURITY OWNERSHIP OF MANAGEMENT AS OF FEBRUARY 29, 2012:

Following are the securities beneficially owned by directors and executive officers of the Company:

DIRECTORS:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT & NATURE OF BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENTAGE
Common	TERESITA T. SY CHAIRPERSON	100 (R)	Filipino	0.000005%
Common	ROBERTO E. LAPID VICE CHAIRMAN	100 (R)	Filipino	0.000005%
Common	GEORGIANA A. GAMBOA PRESIDENT	100 (R)	Filipino	0.000005%
Common	JESSE H.T. ANDRES	100 (R)	Filipino	0.000005%
Common	GERARD LEE B. CO	100 (R)	Filipino	0.000005%
Common	ANTONIO N. COTOCO	115 (R)	Filipino	0.000005%
Common	MA. LEONORA V. DE JESUS	100 (R)	Filipino	0.000005%
Common	ANTONIO A. HENSON	100 (R)	Filipino	0.000005%
Common	EDMUNDO L. TAN	100 (R)	Filipino	0.000005%
Common	NESTOR V. TAN	100 (R)	Filipino	0.000005%
Common	JESUS G. TIRONA	100 (R)	Filipino	0.000005%
Common	EXEQUIEL P. VILLACORTA, JR.	100 (R)	Filipino	0.000005%
Common	EVELYN L. VILLANUEVA	100 (R)	Filipino	0.000005%
Common	WALTER C. WASSMER	100 (R)	Filipino	0.000005%
	TOTAL	1,415		0.000065%

OFFICERS:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT & NATURE OF BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENTAGE
Common	TERESITA T. SY CHAIRPERSON	100 (R)	Filipino	0.000005%
Common	ROBERTO E. LAPID VICE CHAIRMAN	100 (R)	Filipino	0.000005%
Common	GEORGIANA A. GAMBOA PRESIDENT	100 (R)	Filipino	0.000005%
Common	ROSARIO C. CRISOSTOMO SENIOR ASSISTANT VICE PRESIDENT	106,260 (R)	Filipino	0.004914%
	TOTAL	106,560		0.004929%

The total number of shares owned by officers of the Registrant is 106,560 shares, which is equivalent to 0.0049276% of the total outstanding capital stock of the Registrant.

(3) VOTING TRUST HOLDERS OF 5% OR MORE:

There were no voting trust holders of 5% or more as of February 29, 2012.

(4) CHANGES IN CONTROL

There has been no change in control since the beginning of the Registrant's last fiscal year.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

- (1) The incumbent directors and executive officers of the Registrant and their respective business experience inclusive of the last five (5) years are as follows:

TERESITA T. SY

CHAIRPERSON
61 YEARS OLD, FILIPINO

Ms. Teresita T. Sy was first elected Director of BDO Leasing and Finance, Inc. in September 2005. She was first elected to the board of BDO Unibank, Inc. (BDO) in 1997 where she now sits as Chairperson. Concurrently, she serves as the Chairperson, Vice Chairperson, and/or Director of various subsidiaries and affiliates of BDO such as BDO Private Bank, BDO Leasing and Finance, Inc., BDO Capital & Investment Corporation, BDO Foundation, Inc., Generali Pilipinas Holding Company, Inc., Generali Pilipinas Life Assurance Company, Inc., and Generali Pilipinas Insurance Co. Ms. Sy is Vice Chairperson of SM Investment and adviser to the board of SM Prime Holdings, Inc. She also sits as Chairperson, Vice Chairperson and/or Director of such companies as Multi-Realty Development Corporation, SM Commercial Properties, Inc. (formerly SM Land, Inc.), Supervalve, Inc., SM Mart, Inc. SM Retail, Inc., Super Shopping Market, Inc., Pilipinas Makro, Inc., and First Asia Realty Development Corporation. A graduate of Assumption College, she brings to the Board varied experiences in retail merchandising, mall development and banking.

ROBERTO E. LAPID

VICE CHAIRMAN
55 YEARS OLD, FILIPINO

Mr. Roberto E. Lapid was appointed as the Vice Chairman of BDO Leasing and Finance, Inc. on December 1, 2010. He is concurrently a Director in a wholly-owned subsidiary, BDO Rental, Inc. He was formerly the President of BDO Leasing and Finance, Inc., BDO Rental, Inc. and Equitable Exchange, Inc., and Vice Chairman/Director of EBC Investments, Inc. (now BDO Strategic Holdings Inc.). He holds a Bachelor's degree in Business Administration from the University of the Philippines.

GEORGIANA A. GAMBOA

DIRECTOR
55 YEARS OLD, FILIPINO

Ms. Georgiana A. Gamboa was appointed President of BDO Leasing and Finance, Inc. on December 1, 2010. She concurrently holds the position of Senior Vice President of BDO Unibank, Inc. and President of BDO Rental, Inc. She was formerly connected with City Trust Banking Corporation for 16 years and the Bank of the Philippine Islands for 7 years. Her banking career spanned several functions including: Branch Manager – Consumer Banking Relationship Manager – Corporate Bank (where she grew from Assistant Manager to Vice President), and Remedial Management Head. Prior to joining BDOLF, she was the President of BPI Leasing Corporation, a subsidiary of Bank of the Philippine Islands, for 7 years. She holds a Bachelor's Degree in Economics from De La Salle University where she finished Summa Cum Laude and received her Master of Arts in Economics from the University of the Philippines.

JESSE H.T. ANDRES

INDEPENDENT DIRECTOR

47 YEARS OLD, FILIPINO

Atty. Jesse H.T. Andres was elected as Independent Director of BDO Leasing and Finance, Inc. on September 20, 2005, and is presently a member of the Company's Board Audit Committee and Corporate Governance, Nomination, and Compensation and Remuneration Committee. In September 2004, he was appointed member of the Board of Trustees of the Government Service Insurance System (GSIS) where he also served as the Chairman of the Corporate Governance Committee. Since July 1, 2011, he is the Managing Partner of the Andres Marcelo Padernal Guerrero and Paras Law Offices. He was also a Partner in the PECABAR Law Offices from 1996 to 2003 where he became Co-Head of the Litigation Department in 2001. Previously, he was Senior Manager of the Philippine Exporters' Foundation. Atty. Andres holds a Bachelor of Arts Degree in Economics from the U.P. School of Economics and a Bachelor of Laws degree from the U.P. College of Law.

GERARD LEE B. CO

DIRECTOR

52 YEARS OLD, FILIPINO

Mr. Gerard Lee B. Co was elected Director of BDO Leasing and Finance, Inc. in May 2010. He is currently Executive Vice President and Group Head for Commercial Banking (Visayas and Mindanao) of BDO Unibank, Inc. He is a Director of Agencia de Calidad, Inc. and Markham One Development Corporation. He served as Director of PCI Leasing and Finance, Inc. and PCI Capital Corporation from 2002-2005. He graduated from the University of San Carlos with a degree in Bachelor of Science in Commerce Major in Banking and Finance. He attended the Advanced Management Program for International Bankers at the Wharton School of the University of Pennsylvania, U.S.A. He likewise completed the program for Executive Development at IMD in Laussane, Switzerland.

ANTONIO N. COTOCO

DIRECTOR

63 YEARS OLD, FILIPINO

Mr. Antonio N. Cotoco was elected to the Board of BDO Leasing and Finance, Inc. on January 25, 2001. He currently serves as Senior Executive Vice President and a member of the Board Credit Committee of BDO Unibank, Inc., and Director of BDO Insurance Brokers, Inc., BDO Remit Limited, Express Padala (Hong Kong) Limited, BDO Remit (Macau) Ltd., BDO Remit (USA), Inc., and Express Padala Frankfurt GmbH. He is the Chairman BDO Rental, Inc. He has been involved in Investment Banking, Corporate Finance, Treasury, Consumer Banking, Credit, Business and Development & Account Management over the past 32 years. He currently also serves as a Director of OAC Realty & Development Corporation. Mr. Cotoco holds a Master's degree in Business Administration from the University of the Philippines.

MA. LEONORA V. DE JESUS

INDEPENDENT DIRECTOR

61 YEARS OLD, FILIPINO

Ms. Ma. Leonora V. De Jesus was elected as Independent Director of BDO Leasing and Finance, Inc. on May 12, 2008 and is presently the Chairperson of the Company's Board Audit Committee, and a member of the Risk Management Committee. She is also an Independent Director of BDO Capital & Investment Corporation, BDO Elite Savings Bank, Inc. (formerly GE Money Bank, Inc.), and SM Development Corporation. She was formerly Independent Director of Equitable Savings Bank and PCI Capital Corporation. She is a professorial lecturer at the University of the Philippines, Diliman. In addition, she conducts training programs and consultancies on corporate governance best practices for banking institutions and other corporations. Ms. De Jesus was a trustee of the Government Service Insurance

System (GSIS) from 1998 until 2004, and was a member of the Cabinet of President Corazon C. Aquino, President Fidel V. Ramos and President Joseph E. Estrada. She holds Bachelor's, Masteral and Doctoral degrees in Psychology from the University of the Philippines.

FULGENCIO S. FACTORAN, JR. (resigned effective December 31, 2011)

DIRECTOR

68 YEARS OLD, FILIPINO

Atty. Fulgencio S. Factoran, Jr. was elected to the Board of BDO Leasing and Finance, Inc. in August 2002. He was formerly a Director of EBC Investments, Inc. (now BDO Strategic Holdings Inc.), Equitable Card Network, Inc., and Central Azucarera de Tarlac, Inc. His other executive or corporate governance positions include: Director, Nickel Asia Corporation; Director, Philippine Educational Theater Association (PETA); Director, Center for Media Freedom and Responsibility; Chairman of the Board, Agility Logistics Holding, Inc.; and Chairman of the Board, Gaia South, Inc.

ANTONIO A. HENSON

DIRECTOR

71 YEARS OLD, FILIPINO

Mr. Antonio A. Henson was elected to the Board of BDO Leasing and Finance, Inc. on July 30, 2007 and is presently a member of the Company's Corporate Governance, Nomination, and Compensation & Remuneration Committee. He is also a director of BDO Insurance Brokers, Inc. and Equimark-NFC Development Corp. He concurrently holds directorships in Nationwide Development Corporation, Republic Glass Holdings Inc., and Philippine Estates Corporation. He was previously Board member of Equitable PCI Bank, Inc., EBC Investments, Inc., BDO Realty Corporation, Asia's Emerging Dragon Corp., Highlands Prime Inc., Belle Corporation, and SM Investments Inc. He has held various positions in both public and private sectors. He was a Partner in SGV until 1986 when he served as Undersecretary of Trade and Industry, and General Manager of the National Development Company during the Aquino Administration. He subsequently was appointed President of the Clark Development Corporation during the term of President Fidel V. Ramos.

EDMUNDO L. TAN

DIRECTOR

66 YEARS OLD, FILIPINO

Atty. Edmundo L. Tan was elected Director of BDO Leasing and Finance, Inc. on March 31, 2006 and is presently the Chairman of the Company's Corporate Governance, Nomination, and Compensation & Remuneration Committee. He was likewise appointed Corporate Secretary of Banco De Oro – EPCI, Inc. (now BDO Unibank, Inc.) on July 27, 2007, and of BDO Private, Inc. He serves as Director and Corporate Secretary of APC Group, Inc. He is currently a director of Philippine Global Communications, Inc., Sinophil Corporation, Aragorn Power & Energy Corporation, and PRC-Magma Energy Resources, Inc. Atty. Tan was formerly the Officer-in-Charge of EBC Strategic Holdings Inc., and Chairman of the Board of EBC Investments, Inc. He was elected member of the Board of Trustees of Philippine Dispute Resolution Center, Inc. (PDRCI) in 2010. He is the Managing Partner of Tan Acut Lopez & Pisón Law Offices. He was formerly Senior Partner in Ponce Entrile Cayetano Reyes & Manalastas Law Offices, a Partner in Angara Abello Concepcion, Regala & Cruz Law Offices.

NESTOR V. TAN

DIRECTOR

52 YEARS OLD, FILIPINO

Mr. Nestor V. Tan was elected Director of BDO Leasing and Finance, Inc. on January 23, 2007. He was elected President of BDO Unibank, Inc. in July 1998. He also concurrently holds vice chairmanships and/or directorships in the following subsidiaries of BDO Unibank, Inc.: BDO Capital & Investment

Corporation, BDO Insurance Brokers, Inc., BDO Private Bank, Inc., BDO Remit (USA), Inc. Generali Pilipinas Life Assurance Company, Inc., and SM Keppel Land, Inc. He also concurrently holds the Chairmanship of BDO Strategic Holdings Inc. and Megalink, Inc. He is the Director and Treasurer of Generali Pilipinas Insurance Co., and Trustee of BDO Foundation, Inc. He is also the director of the Bankers Association of the Philippines. Prior to joining the BDO Group, Mr. Tan had a 15-year banking career with the Mellon Bank (now Bank of New York – Mellon) in Pittsburgh PA, the Bankers Trust Company (now Deutsche Bank) in New York, and the Barclays Group in New York and London. He holds a Bachelor's degree in Commerce from De La Salle University and received his MBA from Wharton School, University of Pennsylvania.

JESUS G. TIRONA

INDEPENDENT DIRECTOR

71 YEARS OLD, FILIPINO

Mr. Jesus G. Tirona has been elected Independent Director to the Board of BDO Leasing and Finance, Inc. since July 30, 2007 and is currently a member of its Board Audit Committee. He is an Adviser to the BDO Unibank, Inc. Board of Directors since his election on July 27, 2007 and is also an Adviser to the BDO Risk Management Committee. He is an Independent Director of BDO Capital & Investment Corp. and Armstrong Securities, Inc.. He is a Trustee of the BDO Foundation, Inc. He was formerly Independent Director of American Express Bank Philippines (A Savings Bank, Inc.) and EBC Investments, Inc. (now BDO Strategic Holdings Inc.). He was formerly the President/CEO of LGU Guarantee Corp. - a private sector led credit guarantee institution jointly owned by the BAP, the DBP the ADB - whose mandate is to provide creditworthy LGUs and the utilities sector access to the capital markets through LGUGC-enhanced local debt instruments. He was also Managing Director/CEO of the Guarantee Fund for SMEs and the BAP Credit Guaranty Corp., - both entities promoting SME development. He has a long extensive experience in banking and finance, having built a career with Citibank as well as with other large domestic financial institutions. He is a scholar of the Asian Productivity Organization in Corporate Social Responsibility and is a Fellow of the Institute of Corporate Directors.

EXEQUIEL P. VILLACORTA, JR.

DIRECTOR

66 YEARS OLD, FILIPINO

Mr. Exequiel P. Villacorta, Jr. was elected Director of BDO Leasing and Finance, Inc. on May 24, 2006. He was previously director of Equitable PCI Bank, Inc. from 2005 to 2006, and EBC Insurance Brokerage, Inc., and Maxicare Healthcare Corporation. He was formerly the Chairman of EBC Strategic Holdings Corporation, EBC Investments, Inc. (now BDO Strategic Holdings Inc.), Jardine Equitable Finance Corporation, Strategic Property Holdings, Inc., PCIB Properties, Inc., Equitable Data Center, Inc. and PCI Automation Center, Inc. He was previously President and CEO of Banco De Oro Universal Bank and TA Bank of the Philippines, and was Vice President of Private Development Corporation of the Philippines (PDCP). He was Senior Adviser and BSP Controller of Equitable PCI Bank, Inc. and PBCom; and Adviser to the Board of PCI Capital Corporation.

EVELYN L. VILLANUEVA

DIRECTOR

53 YEARS OLD, FILIPINO

Ms. Evelyn L. Villanueva was elected Director of BDO Leasing and Finance, Inc. in May 2010. She is concurrently Executive Vice President of BDO Unibank, Inc.'s (BDO) Risk Management Group, and is BDO's Chief Risk Officer. She is a Director and Chief Executive Officer of Mabuhay Vinyl Corporation; Chairperson of Bayantel Monitoring Committee, and a Director of Danvil Holdings. She holds a Bachelor's degree in Statistics from the University of the Philippines. She obtained her Master in Business Management ("MBM") degree from the Asian Institute of Management. She has over 20 years

of banking experience in credit, risk and account management. She started out as a management trainee in Citytrust Banking Corporation and was connected with HSBC as Senior Vice President for Credit Risk Management before joining BDO.

WALTER C. WASSMER

DIRECTOR
54 YEARS OLD, FILIPINO

Mr. Walter C. Wassmer was elected Director of BDO Leasing and Finance, Inc. on November 17, 1999. He is the Senior Executive Vice President and Head of the Banco De Oro Unibank, Inc.'s Institutional Banking Group. He is currently the Chairman of BDO Elite Savings Bank, Inc. [formerly GE Money Bank, Inc. (A Savings Bank), Inc.]. He also serves as Director of MDB Land, Inc., Mabuhay Vinyl Corporation, Atlas Consolidated Mining and Development Corp., Carmen Copper Corporation, and Indophil Resources NL. He is also the President of L.P. Wassmer Trading, Inc. and Treasurer of WT & T, Inc.

JOSEPH JASON M. NATIVIDAD

CORPORATE SECRETARY
39 YEARS OLD, FILIPINO

Atty. Joseph Jason M. Natividad was appointed Corporate Secretary of BDO Leasing and Finance, Inc. on May 31, 2010. He is also the Assistant Corporate Secretary of BDO Capital & Investment Corporation, BDO Securities Corporation and BDO Insurance Brokers, Inc. He likewise served as Assistant Corporate Secretary of Equitable PCI Bank prior to its merger with Banco de Oro from September 2006 to June 2007. He serves as the Corporate Secretary of the BDO Rental, Inc. and Agility Group of Companies in the Philippines. He has been in law practice for fifteen (15) years, most of which have been devoted to the fields of corporation law and environmental law. He is currently a member of the Factoran & Associates Law Offices. He holds a Bachelor's Degree in Management, Major in Legal Management, from the Ateneo de Manila University, and obtained his Juris Doctor Degree from the Ateneo de Manila University School of Law.

REBECCA S. TORRES

ASSISTANT CORPORATE SECRETARY
59 YEARS OLD, FILIPINO

Ms. Rebecca S. Torres was appointed Assistant Corporate Secretary of BDO Leasing and Finance, Inc. on January 1, 2011. She is concurrently the Senior Vice President, Senior Anti-Money Laundering (AML) Officer, and Head of the AML Unit and the Assistant Corporate Secretary of BDO Unibank, Inc. She is also the Assistant Corporate Secretary of BDO Private Bank, Inc., BDO Rental, Inc., Armstrong Securities, Inc., and Equimark-NFC Development Corp. She likewise serves as Assistant Corporate Secretary and Trustee of BDO Foundation, Inc. She is the Corporate Secretary of PCIB Securities, Inc., BDO Strategic Holdings Inc., and the Sign of the Anvil, Inc. She was formerly the Chief of Staff of the President involved in project management for the Bank's merger activities. She is a CPA and a graduate of St. Theresa's College, Quezon City with a degree of Bachelor of Science major in Accounting and she has completed the Advanced Bank Management Program of the AIM.

GERARD M. AGUIRRE

FIRST VICE-PRESIDENT
56 YEARS OLD, FILIPINO

Mr. Gerard M. Aguirre is currently the First Vice President of BDO Leasing and Finance, Inc. He is responsible for the leasing and loan portfolio in the Luzon and Visayas/Mindanao provincial divisions. He handles eight (8) BDOLF branches and eight (8) desks of the Marketing Group with a complement of more than sixty (60) personnel. He is also a Director of BDO Rental, Inc. He was the Area Head of BDO

(Formerly EPCIB) Combank North/Central Luzon before joining the company. Mr. Aguirre earned his BS Degree in Business Management from the Ateneo De Manila University.

RENATO G. OÑATE

FIRST VICE-PRESIDENT/TREASURER

49 YEARS OLD, FILIPINO

Mr. Renato G. Oñate is currently a First Vice President of BDO Leasing and Finance, Inc. He is responsible for the financial liquidity of the company, including treasury and cost management. He is a Director of BDO Rental, Inc. He was the Head of Funds Management Group of PCI Capital Corp. before joining the Company. Mr. Oñate graduated from Philippine Airforce College of Aeronautics with a degree in Aircraft Maintenance Engineering and has taken up MBA units from the Ateneo Graduate School of Business.

SERGIO M. CENIZA

ASSISTANT VICE-PRESIDENT/COMPLIANCE OFFICER

45 YEARS OLD, FILIPINO

Atty. Sergio M. Ceniza was appointed Compliance Officer of BDO Leasing and Finance, Inc. (BDOLF) in July 2010. He is concurrently in-charge of legal, corporate governance and corporate communication units of BDOLF. He was formerly the Legal Counsel of Philam Plans, Inc., the pre-need subsidiary of the Philamlife Group. He hold a Bachelor of Arts Degree and a Bachelor of Laws Degree from Far Eastern University.

(2) NOMINEES FOR ELECTION AS MEMBERS OF THE BOARD OF DIRECTORS (INCLUDING NOMINEES FOR INDEPENDENT DIRECTORS)

The following incumbent directors were re-nominated by BDO Unibank, Inc.:

- a) Teresita T. Sy
- b) Gerard Lee B. Co
- c) Antonio N. Cotoco
- d) Georgiana A. Gamboa
- e) Antonio A. Henson
- f) Roberto E. Lapid
- g) Edmundo L. Tan
- h) Nestor V. Tan
- i) Exequiel P. Villacorta, Jr.
- j) Evelyn L. Villanueva
- k) Walter C. Wassmer

In addition to those named above, the following individual was likewise nominated by BDO Unibank, Inc. as regular director:

- a) Mr. Luis S. Reyes, Jr.

Mr. Luis S. Reyes, Jr., 54, is Senior Vice President for Investor Relations and Corporate Planning of BDO Unibank, Inc. He is currently a Director of BDO Strategic Holdings, Inc. He holds a Bachelor of Science degree in Business Economics from the University of the Philippines. He was First Vice President of Far East Bank & Trust Company, Trust Banking Group before joining the BDO.

The following individuals were re-nominated by BDO Unibank, Inc. as independent directors:

- a) Jesse H.T. Andres
- b) Ma. Leonora V. De Jesus
- c) Jesus G. Tirona

Atty. Jesse H.T. Andres, Ms. Ma. Leonora V. De Jesus, and Mr. Jesus G. Tirona do not have any business or other relationship with BDO Unibank, Inc. (BDO) which could, or could reasonably be perceived to, materially interfere with the exercise of their independent judgment. Moreover, Atty. Andres, Ms. De Jesus, and Mr. Tirona are not related to the Board of Directors of BDO as members thereof.

The nominees may be elected to the Board of Directors in the coming meeting. Pursuant to the Corporation's By-Laws, the nominations for election as regular and independent directors were submitted to the Corporate Secretary in accord with Section 8.b. thereof. Thereafter, in accord with Section 8.a. of the same by-laws, the evaluation of nominations for independent and regular directors was conducted by the Corporate Governance, Nomination and Compensation and Remuneration Committee prior to the stockholder's meeting. The Corporate Governance, Nomination and Compensation and Remuneration Committee is chaired by Atty. Edmundo L. Tan and its members are: Atty. Jesse H.T. Andres, Mr. Antonio N. Cotoco, Mr. Antonio A. Henson, and Ms. Ma. Leonora V. De Jesus.

Only a stockholder of record entitled to notice of and to vote at the regular or special meeting of the stockholders for the election of directors shall be qualified to be nominated and elected as a director of the Registrant.

The independent directors of the Registrant were chosen and elected as such based on the definition and criteria set forth under existing SEC and BSP regulations. The procedure for the election of independent directors conforms to the procedures set forth in relevant BSP and SEC circulars.

The Directors hold office for one (1) year until their successors shall have been elected and have qualified.

(3) SIGNIFICANT EMPLOYEES

There is no person, other than the executive officers, who is expected by the Registrant to make significant contribution to the business.

(4) FAMILY RELATIONSHIPS

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated or chosen by the registrant to become directors or executive officers.

(5) INVOLVEMENT OF DIRECTORS AND EXECUTIVE OFFICERS IN CERTAIN LEGAL PROCEEDINGS

The Company is not aware of any legal proceedings of the nature required to be disclosed under Part I, paragraph C of "Annex C" of SRC Rule 12 with respect to directors and executive officers.

The Company is not aware of any bankruptcy proceedings filed by or against any business of which a

director or executive officer is a party or of which any of their property is subject.

The Company is not aware of any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, of any of its directors or executive officers which occurred during the past five (5) years up to 29 February 2012.

The Company is not aware of any order, judgment, or decree not subsequently reversed, superseded, or vacated, by any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting the involvement of a director or executive officer in any type of business, securities, commodities, or banking activities.

The Company is not aware of any findings by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self regulatory organization, that any of its directors or executive officers, have violated a securities or commodities law.

ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

SUMMARY COMPENSATION TABLE

Named Group

NAME AND PRINCIPAL POSITION (CEO & EXECUTIVE OFFICERS)		<i>Salary</i>	<i>Bonuses</i>
THE PRESIDENT AND FOUR (4) MOST HIGHLY COMPENSATED EXECUTIVE OFFICERS			
Georgiana A. Gamboa (President)			
Roberto E. Lapid (Vice Chairman)			
Gerard M. Aguirre (First Vice President)			
Renato G. Oñate (First Vice President)			
Rosalisa K. Alindahao (Vice President)			
	2010	Php 7,315,500	Php 3,943,763
TOTAL SALARY	2011	15,982,900	7,906,983
	2012*	17,581,190	8,697,681

Unnamed Group

	<i>Year</i>	<i>Salary</i>	<i>Bonuses</i>
DIRECTORS AND ALL OTHER OFFICERS AS A GROUP UNNAMED	2010	Php 48,778,784	Php 14,820,114
	2011	57,854,025	14,820,283
	2012*	63,639,427	16,302,311

* Estimated amount for 2012

There are currently no separate employment contracts between BDO Leasing and Finance, Inc. and its named executive officers other than the regular employment agreements that all officers are subject to. There are no outstanding warrants or stock options held by the Registrant's directors or executive officers. There are no price or stock warrants or options that are adjusted or amended.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related party transactions are transfer of resources, services or obligations between the Group and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

The present external auditor of the Company, the accountancy and auditing firm of **Punongbayan & Arullo, CPAs (P&A)**, will be recommended to be re-appointed as the external auditor of the Registrant for the ensuing year. P&A has been the Company's Independent Public Accountants for the past five (5) years. Representatives of P&A will be present during the annual meeting and will be given the opportunity to make a statement if they desire to do so. They are also expected to respond to appropriate questions if needed. There was no event in the past where P&A and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Pursuant to existing BSP and SEC regulations more particularly SRC Rule 68, paragraph 3 (b)(iv), the Registrant shall change its external auditor or rotate the engagement partners every five years. The change shall be reflected in a current report (SEC Form 17-C). A description of any disagreement with respect to the transfer of the account or other accounting/auditing issues shall be included in the report.

The Registrant's Board Audit Committee is chaired by Ms. Ma. Leonora V. De Jesus, with Atty. Jesse H.T. Andres and Mr. Jesus G. Tirona as members, and Ms. Shirley M. Sangalang as Adviser.

C. OTHER MATTERS

ITEM 8. ACTION WITH RESPECT TO REPORTS

The following shall be submitted to the stockholders for approval:

- a. Minutes of the Annual Stockholders' Meeting held on May 30, 2011 at 9:30 in the morning at the Francisco Santiago Hall, Mezzanine Floor, BDO Corporate Center, 7899 Makati Avenue, Makati City;
- b. President's Report/2011 Annual Report;
- c. Approval of the Audited Financial Statements for the Year 2011;
- d. Approval and Ratification of Acts and Proceedings of the Board of Directors, the duly Constituted Committees, and the Corporate Officers during the fiscal year 2011.

There are no specific acts or proceedings which, by law, are required to be approved or ratified by the stockholders. Nevertheless, acts and proceedings covered by resolutions duly adopted by the Board of Directors, Executive Committee, Board Audit Committee and other Committees of the Board in the

normal course of business pertaining to credit transactions, approving authorities, designation of corporate signatories, regulatory compliances, and similar matters shall be submitted to the stockholders for their notation. These acts and proceedings are described in the minutes of the Board and Board committee meetings which are available for inspection at reasonable hours on any business day.

ITEM 9. AMENDMENT OF CHARTER, BY-LAWS OR OTHER DOCUMENTS

At BDO Leasing and Finance, Inc.'s (the "Company") Annual Stockholders' Meeting, the proposed amendment to the Sixth Article of the Articles of Incorporation of the Company to decrease the number of directors from fifteen (15) to eleven (11) shall be submitted to its shareholders for approval. The Board has approved resolutions decreasing the number of directors and the corresponding amendment shall read as follows (*amended portions underlined*):

“SIXTH – That the number of the directors of said Corporation shall be eleven (11) and that the names and residence of the directors who are to serve until their successors are elected and qualified as provided by the By-Laws, are as follows: x x x.”

The amendment was approved by the Board to align the number of directors of the Company with that of the parent bank, BDO Unibank, Inc., which has an eleven (11) man board. The proposed amendment would result to a decrease in the number of directors that could be elected by the stockholders from 15 to 11 and the consequent reduction in the number of directors required to constitute quorum during board meetings and approve corporate actions.

ITEM 10. OTHER PROPOSED ACTION

SUMMARY OF THE MINUTES OF THE MAY 30, 2011 ANNUAL STOCKHOLDERS' MEETING

The Annual Stockholders' Meeting of the Corporation was held on May 30, 2011, where more than 85% of the stockholders were present in person or represented by proxy and participant brokers. Mr. Nestor V. Tan acted as Chairman of the Meeting, while Atty. Joseph Jason M. Natividad, Corporate Secretary, recorded the minutes of the meeting.

The first item in the agenda was the Consideration of the President's Report on the results of the Corporation's operations for the year ended December 31, 2010 and the 2010 Financial Statements, which were duly noted and approved by the stockholders.

Thereafter, the stockholders ratified the actions taken by the Board of Directors, the duly constituted committees, the management and the officers of the Corporation since the last annual meeting of the stockholders.

Further, the following were elected as regular directors of the Corporation:

1. Gerard Lee B. Co
2. Antonio N. Cotoco
3. Fulgencio S. Factoran, Jr.
4. Georgiana A. Gamboa
5. Antonio A. Henson
6. Roberto E. Lapid
7. Teresita T. Sy
8. Edmundo L. Tan

9. Nestor V. Tan
10. Exequiel P. Villacorta, Jr.
11. Evelyn L. Villanueva
12. Walter C. Wassmer

with the following elected as Independent Directors:

1. Jesse H.T. Andres
2. Ma. Leonora V. De Jesus
3. Jesus G. Tirona

Subsequently, the Accountancy and Auditing Firm of Punongbayan and Araullo, CPAs was appointed as external auditor of the Corporation for the year 2011.

In other business, the Stockholders noted the Board of Directors' declaration of cash dividend of Php 0.05 per share.

Finally, the Annual Stockholders' Meeting of the Corporation was adjourned.

ITEM 11. VOTING PROCEDURES

Except as otherwise provided by law, each stockholder of record shall be entitled at every meeting of stockholders to one vote for each share of stock standing in his name on the stock books of this Company, which vote may be given personally or by attorney or authorized in writing. The instrument authorizing an attorney or proxy to act shall be exhibited to the Secretary if he shall so request. In the election of Directors, each stockholder entitled to vote may cumulate and distribute his votes in accordance with the provisions of the Corporation Code. The fifteen (15) directors receiving the highest number of votes shall be declared elected. As regards the other items of the agenda, a majority vote of the shares present and constituting a quorum will be required to approve the matter under consideration. The Canvassing Committee, chaired by the Corporate Secretary, will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the Annual Meeting of the Stockholders.

The approval of the proposed amendment to Article VI of the Articles of Incorporation shall require the vote or written assent of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, without prejudice to the appraisal right of dissenting stockholders in accordance of the provisions of the Corporation Code as prescribed under Section 16 of the Corporation Code.

D. SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on March 15, 2012.

BDO LEASING AND FINANCE, INC.

By:



JOSEPH JASON M. NATIVIDAD

Corporate Secretary

**MINUTES OF THE
ANNUAL MEETING OF STOCKHOLDERS**

BDO LEASING AND FINANCE, INC.

**HELD ON MONDAY, MAY 30, 2011, AT 9:30 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:

Present In Person or Represented By Proxy, and Participant Brokers	-	1,842,854,048
Number of Total Outstanding Shares	-	2,162,475,312
Percentage of the Total Shares Represented By Proxies & In-Person	-	85.2197%

DIRECTORS PRESENT:

Ms. Teresita T. Sy	Chairperson
Mr. Roberto E. Lapid	Vice Chairman
Ms. Georgiana A. Gamboa	President
Atty. Jesse H. T. Andres	Independent Director
Mr. Antonio N. Cotoco	Director
Ms. Ma. Leonora V. De Jesus	Independent Director
Atty. Fulgencio S. Factoran, Jr.	Director
Mr. Antonio A. Henson	Director
Atty. Edmundo L. Tan	Director
Mr. Nestor V. Tan	Director
Mr. Jesus G. Tirona	Independent Director
Mr. Exequiel P. Villacorta, Jr.	Director
Ms. Evelyn L. Villanueva	Director
Mr. Walter C. Wassmer	Director

ABSENT:

Mr. Gerard Lee B. Co	Director
----------------------	----------

ALSO PRESENT:

Atty. Joseph Jason M. Natividad	Corporate Secretary
Ms. Rebecca S. Torres	Assistant Corporate Secretary
Mr. Ricardo V. Martin	Executive Vice President, BDO Unibank
Mr. Mario D. Rabanal	Consultant, BDO Unibank

I. Call to Order

Mr. Nestor V. Tan was requested to act as Chairman of the Meeting. In that capacity, Mr. Tan called the Annual Stockholders' meeting to order at 9:34 in the morning and presided over the same.

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

II. Certification of Notice and Quorum

The Chair verified whether notices of the annual meeting of the stockholders had been sent to the corporation's shareholders. Atty. Joseph Jason M. Natividad, Corporate Secretary, replied that notices of the meeting were sent to stockholders of record as of 04 April 2011 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 reported that there was a quorum present and that the meeting was regularly and lawfully convened for the transaction of business.

III. Reading and Approval of the Minutes of the Previous Stockholders' Meeting

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 May 31, 2010.

A motion was made to dispense with the reading of the minutes of the annual stockholders' meeting held last May 31, 2010, and that the said minutes as appearing in the minutes book of BDO Leasing and Finance, Inc. be approved by the stockholders.

On the basis of the motion made, which was duly seconded, the reading of the minutes of the annual stockholders' meeting held on May 31, 2010 was dispensed with, and the said minutes as appearing in the minutes book of BDO Leasing and Finance, Inc. was approved by the stockholders.

IV. Consideration of the President's Report on the Results of the Corporation's Operations for the Year Ended December 31, 2010, and the 2010 Financial Statements of the Corporation

Ms. Georgiana A. Gamboa, President, rendered his report to the Stockholders. The report is hereto attached as Annex "A" and made an integral part hereof.

The Chairman opened the table for questions regarding the report of the President and the Company's financial statements. The following matters were taken up in the course of the discussions:

Mr. Philip Turner, stockholder, inquired if it would be possible to indicate in the report the receivables being paid on time and those that are past due or delinquent. Mr. NV Tan replied that there was already a specific portion in the report on the Non-Performing Loans (NPL) of BDOLF with the NPL ratio at 3%. The Net Receivables amounted to P11.9 Billion while the Past Due was around P355 Million. Mr. Turner commented that legal actions should be taken on the Past Due accounts. Mr. NV Tan assured Mr. Turner that Management has been closely monitoring these accounts and legal action would be taken if it would be commercially viable to the company.

After the discussions were concluded, Ms. Vernie C. Dela Cruz, proxy holder, moved for the notation and approval of the President's Report on the result of the operations of the corporation for the year ended December 31, 2010 and the audited financial statements for the same period.

Ms. Ma. Lourdes M. Espinosa, proxy holder, seconded the motion.

There being no objection, the Stockholders adopted the following resolution:

Stockholders' Resolution No. 2011-01

RESOLVED, That the President's Report on the result of the operations of BDO Leasing and Finance, Inc. and the Audited Financial Statements for the year ended December 31, 2010 be, as they are hereby, noted and approved.

V. Ratification of Actions Taken by the Board of Directors, the Duly Constituted Committees, the Management and the Officers of the Corporation Since the Last Annual Meeting of the Stockholders

Ms. Retz C. Lopez, proxy holder, moved that all the acts and 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 this meeting be, in all respects, confirmed, ratified and approved and that the directors, officers and employees of the corporation be commended for the satisfactory results of the corporation's operations for the year 2010.

Thereafter, Mr. Manolo O. Diaz, proxy holder, seconded the motion.

There being no further questions or objection, the Stockholders adopted the following resolution:

Stockholders' Resolution No. 2011-02

RESOLVED, That all the acts and 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 BDO Leasing and Finance, Inc. (the "Corporation") in carrying out and promoting the purposes, objects, and interests of the Corporation, are confirmed, ratified and approved and hereby made the acts and deeds of the Corporation.

RESOLVED FURTHER, That the Directors, Officers and Employees of the Corporation be commended for the satisfactory results of the Corporation's operations for the year 2010.

VI. Election of the Board of Directors

The Chairman 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 also informed all the stockholders in attendance of the mandatory requirement of electing independent directors.

Atty. Edmundo L. Tan, Chairman of the *Corporate Governance, Nomination and Compensation and Remuneration Committee* (Committee) of the Corporation informed the Chairman that the following nominations have been received and passed upon by the Committee, and that the Committee found the following nominees to possess the qualifications necessary to be regular and independent directors, respectively, of the corporation:

Nominees for Regular Directors

1. Gerard Lee B. Co
2. Antonio N. Cotoco
3. Fulgencio S. Factoran, Jr.
4. Georgiana A. Gamboa
5. Antonio A. Henson
6. Roberto E. Lapid
7. Teresita T. Sy
8. Edmundo L. Tan
9. Nestor V. Tan
10. Exequiel P. Villacorta, Jr.
11. Evelyn L. Villanueva
12. Walter C. Wassmer

Nominees for Independent Directors:

13. Jesse H. T. Andres
14. Ma. Leonora V. De Jesus
15. Jesus G. Tirona

Mr. Turner noted that the Certification on the nominees for independent directors, particularly the one for Mr. Jesus G. Tirona, was not properly notarized. Atty. Tan answered that based on the record on file, the certification was properly notarized. Mr. Turner then raised his

concerns on the qualification of the independent directors particularly Mr. Tirona and Atty. Jesse H.T. Andres. Mr. NV Tan assured Mr. Turner that BDOLF complies with all the requirements under the Securities Regulation Code and all regulatory issuances on the qualifications and disqualifications of independent directors and that Mr. Tirona and Atty. Andres are qualified to be elected as such.

Mr. Elmer J. Cruz, proxy holder, observed that since the nomination period has expired and closed, and there are fifteen (15) nominees for the fifteen (15) seats in the corporation's Board of Directors, she moved that the Corporate Secretary be directed to cast all votes in favour of the foregoing individuals respectively nominated as regular and independent directors.

Ms. Vernie C. Dela Cruz seconded the motion.

Mr. Turner manifested that he was withholding his votes from the independent directors in the light of the issues that he raised.

Subject to the manifestation/comment of Mr. Turner, the Chairman ordered the Corporate Secretary to cast all the other votes in favor of all those nominated.

Thereafter, the stockholders adopted the following resolution:

Stockholders' Resolution No. 2011-03

RESOLVED, That the following are elected directors of BDO Leasing and Finance, Inc., to act as such until their successors are elected and qualified:

Regular Directors:

1. Gerard Lee B. Co
2. Antonio N. Cotoco
3. Fulgencio S. Factoran, Jr.
4. Georgiana A. Gamboa
5. Antonio A. Henson
6. Roberto E. Lapid
7. Teresita T. Sy
8. Edmundo L. Tan
9. Nestor V. Tan
10. Exequiel P. Villacorta, Jr.
11. Evelyn L. Villanueva
12. Walter C. Wassmer

Independent Directors:

13. Jesse H. T. Andres
14. Ma. Leonora V. De Jesus
15. Jesus G. Tirona

VII. Appointment of External Auditor

The next item in the agenda was the appointment of the external auditor of BDOLF for the year 2011.

Mr. Manolo O. Diaz moved that the Accountancy and Auditing Firm of Punongbayan & Araullo, CPA's, be appointed as the external auditor of BDOLF for 2011, and that the Board of Directors be authorized to determine the terms of said external auditor's professional engagement.

Ms. Retz C. Lopez seconded the motion.

There being no objection, the Stockholders adopted the following resolution:

Stockholders' Resolution No. 2010-04

RESOLVED, That the Accountancy and Auditing Firm of Punongbayan & Araullo, CPA's, be appointed as the external auditor of BDOLF for 2011;

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.

VIII. Other Matters

1. Declaration of Cash Dividends

Mr. NV Tan informed the stockholders that the Board of Directors of BDO Leasing and Finance, Inc., at its regular meeting held earlier, 30 May 2011, resolved to declare a cash dividend of Php 0.05 per share. The record date and payment date will be set after approval by the regulatory agencies of the dividend declared. The declaration of cash dividends by the Board Directors was duly noted by the stockholders.


IX. Adjournment

There being no further business to transact, Ms. Ma. Lourdes M. Espinosa moved to adjourn the meeting.

Ms. Ma. Aurora R. Parugganan seconded the motion.

There having been no objection to the motion, the meeting was thereupon adjourned at 10:20 in the morning.

CERTIFIED CORRECT:


JOSEPH JASON M. NATIVIDAD
CORPORATE SECRETARY

ATTESTED:


TERESITA T. SY
CHAIRPERSON

BDO LEASING AND FINANCE, INC.

Management Report to Stockholders

Marketing of Products/Services

The Company markets its products through its Head Office located in Ortigas, Quezon City and its branch network nationwide. The Company has an extensive branch network in the leasing and financing industry, with nine (9) branches, located in Cagayan de Oro City (Misamis Oriental), Cebu City (Cebu), Dagupan City (Pangasinan), Davao City (Davao), Iloilo City (Iloilo), Dasmariñas (Cavite), Angeles City (Pampanga), San Pablo City (Laguna) and Makati City (Metro Manila). In October 2009, the company obtained a Certificate of Authority to operate the Makati branch from the Philippine Securities and Exchange Commission.

The company has a wholly-owned subsidiary, BDO Rental, Inc. It is licensed by the Philippine Securities and Exchange Commission (SEC) to engage in renting and leasing of equipment. It started its commercial operations on June 30, 2005.

As part of the Group, the Company enables to gain name recognition and marketing referrals provided by its Parent Company, BDO, via the latter's nationwide branches. The Parent Company's well-established presence throughout the country helps the company in understanding the local business environment and finding potential borrowers.

Competition

The Philippine Securities and Exchange Commission's licensing requirements allow financing companies to engage in both leasing and financing activities. As a matter of practice, financing companies are classified based on their product specializations and target markets.

Some financing companies may focus on consumer leasing and financing, while others, like the Company, concentrate on commercial leasing and financing clients. Among financing companies targeting commercial clients, there are differences in the market segment being served, with certain financing companies focusing on established prime companies, and others focusing on smaller clients.

The Company competes with other financing company affiliated with other banks, independent financing companies, and other financing companies affiliated with diversified financial services firms. However, its key competitors are those firms engaged in servicing the leasing or financing requirements of commercial clients in the broader "Top 5,000" Philippine companies which include small-and medium-enterprises (SMEs).

The principal competitors of BDO Leasing and Finance, Inc. are Orix Metro Leasing & Finance Corporation, BPI Leasing Corporation, LBP Leasing Corporation, Japan PNB Leasing & Finance Corporation, UCPB Leasing and Finance Corporation, First Malayan Leasing and Finance and Allied Leasing. The market strengths of our competitors are their competitive pricing of interest rates and fast turn around time. However, the company believes it can effectively compete with other companies by its wide branch network, wherein each branch offers the same leasing and financing product lines as the head office.

Sources and Availability of Raw Materials

The Company is not dependent upon one or limited number of suppliers for essential raw materials, energy or other items.

Related Party Transactions

In the ordinary course of business, the Group enters into transactions with BDO Unibank and other affiliates. Under the Group's policy, these transactions are made substantially on the same terms as with other individuals and businesses of comparable risks.

- As of December 31, 2011 and 2010, total savings and demand deposit accounts maintained with BDO Unibank by the Group amounted to P72.9 and P42.6, respectively. Interest income earned on deposits amounted to P0.8, P4.7 and P0.8 in 2011, 2010 and 2009, respectively. Cash equivalents totaling P16.0 is also maintained with BDO Unibank as of December 31, 2010 (nil as of December 31, 2011).
- Total bills payable to BDO Unibank amounted to P2,488.1 as of December 31, 2011 and P351.0 as of December 31, 2010. Interest expense incurred on these bills payable amounted to P86.7, P0.5 and P14.2 in 2011, 2010 and 2009, respectively.
- The Parent Company leases its head office premises and certain branch offices from BDO Unibank for terms ranging from one to five years, renewable for such period and under such terms and conditions as may be agreed upon with the Parent Company and BDO Unibank. Related rent expense incurred amounted to P11.5, P13.6 and P10.5 in 2011, 2010 and 2009, respectively.
- In 2010, the Parent Company granted short-term unsecured loan amounting to P10.5 to BDO Rental, at prevailing market rates. The loan is presented as part of Loans and Other Receivables in the Parent Company's 2010 statement of financial position. In 2011, BDO Rental fully paid the loan.
- Total interest income earned by the Parent Company amounted to P1.0 in 2010 on this loan transaction and is presented as part of Interest and Discounts in the Parent Company's 2010 statement of comprehensive income.
- Compensation of key management personnel (covering officer positions starting from Assistant Vice President and up) amounted to P44.7 in 2011, P26.2 in 2010 and P24.6 in 2009 and is included as part of Employee Benefits under Operating Costs and Expenses in the statements of comprehensive income of the Group and Parent Company. Short-term employee benefits include salaries, paid annual leave and paid sick leave, profit sharing and bonuses, and non-monetary benefits.

The Company does not foresee new changes nor amendments in the Republic Act 8556 (the Financing Company Act of 1998) that would significantly affect the Company's business.

The Company, being in the financing business, does not have research and development activities. In this regard, it does not incur research and development costs and is not affected by any environmental law.

Employees

As of December 31, 2011, the Company had 190 employees – fifteen (15) senior officers, eighty (80) junior officers and ninety five (95) rank & file employees. Of the total personnel, Executive Office is composed of two (2) employees; one hundred five (105) under the Marketing group, and seventy-eight (78) under the Operations group (Administrative, Information Technology, Credit/Risk, Accounting, Legal, Loans Administration Department, Loans Processing Center, Compliance and MIS) and three (3) Treasury and two (2) under the company's subsidiary, BDO Rental, Inc. In 2011, the Company anticipates forty-two (42) additional employees. The Company believes that it has maintained good relationship with its employees. Rank & file employees receive benefits similar to those granted to the rank & file employees of the Parent Company under the terms of a Collective Bargaining Agreement ("CBA") between the Parent Company and NUBE-BDO, a legitimate labor organization duly registered with the Department of Labor and Employment. CBA expires on October 31, 2012. Coverage of the CBA includes wage increases, allowances, bonuses, loans and other benefits.

RISK FACTORS

Portfolio Concentration Risks

As of December 31, 2011, 72.33% of the Company's leasing and financing portfolio consisted of exposure in firms in the following sectors: transportation and communication, manufacturing, trade, financial intermediaries and

construction. The Company maintains a general policy of avoiding excessive exposure in any particular sector of the Philippine Economy. The Company actively seeks to increase its exposure in industry sectors which it believes possess attractive growth opportunities. Conversely, it actively seeks to reduce its exposure in industry sectors where growth potential is minimal. Although the Company's leasing and financing portfolio is composed of transactions with a wide variety of businesses, the results of operations and financial condition of the Company may be adversely affected by any downturn in these sectors as well as in the Philippine economy in general.

The Company is exposed to a variety of financial risk which results from both its operating and investing activities. The Company's risk management is coordinated in close cooperation with the BOD, and focuses on actively securing the Company's short-to-medium-term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below.

Risk Management

Risk management of the Company's credit risks, market risks, liquidity risks, and operational risk is an essential part of Company's organizational structure and philosophy. The risk management process is essentially a top-down process that emanates from the Board of Directors. The Board approves the overall institutional tolerance risk, including risk policies and risk philosophy of the Company.

Foreign Currency Sensitivity

Most of the Company's transactions are carried out in the Philippine peso, its functional currency. Exposures to currency exchange rate on financial assets arise from an insignificant portion of the Company's leasing and financing portfolio, cash and cash equivalents and lease deposits which are denominated in US dollars.

Interest Rate Risk

The Company follows a prudent policy on managing its assets and liabilities so as to ensure that exposure to fluctuations in interest rates are kept within acceptable limits. The current composition of the Company's assets and liabilities results in significant negative gap positions for repricing periods under one year. Consequently, the Company maybe vulnerable to increases in market interest rates. However, in consideration of the substantial net interest margins between the Company's marginal funding cost and its interest-earning assets; and favorable lease and financing terms which allow the Company to reprice annually, and to reprice at anytime in response to extraordinary fluctuations in interest rates, the Company believes that the adverse impact of any interest rate increase would be limited. In addition, during periods of declining interest rates, the existence of a negative gap position favorably impacts the Company.

Credit Risk

The Company manages credit risk by setting limits for individual borrowers, and groups of borrowers and industry segments. The Company maintains a general policy of avoiding excessive exposure in any particular sector of the Philippine economy.

The Company actively seeks to increase its exposure in industry sectors which it believes possess attractive growth opportunities. Conversely, it actively seeks to reduce its exposure in industry sectors where growth potential is minimal.

Although the Company's leasing and financing portfolio is composed of transactions with a wide variety of businesses, the results of operation and financial condition of the Company may be adversely affected by any downturn in these sectors as well as in the Philippine economy in general.

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the

relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location.

Liquidity Risk

The primary business of financing companies entails the borrowing and relending of funds. Consequently, financing companies are subjected to substantial leverage, and may therefore be exposed to the potential financial risks that accompany borrowing.

The Company expects that its continued asset expansion will result in the higher funding requirements in the future. Like most financing companies in the Philippines, the Group does not have a license to engage in quasi-banking function, and as such, is precluded from engaging in deposit-taking activities. In addition, it is precluded under the General Banking Act from incurring borrowings from more than 19 lenders at any one time, which to some extent, restricts its access to the public debt markets.

The Company believes that it currently has adequate debt funding from banks, other financial institutions, and through the issuance of Short Term Commercial Papers (STCPs). The Company has a license from the SEC to issue ₱15 billion STCPs.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflow due in a day-to-day business.

Taxation

Relevant Tax Regulations

Among the significant provisions of the National Internal Revenue Code (NIRC) that apply to the Group are the following:

- a. The RCIT tax of 32% (30% starting January 1, 2009) is imposed on taxable income net of applicable deductions
- b. Fringe benefits tax (same rate as the RCIT) is imposed on the grossed-up value of the benefits given by employers to their managerial and supervisory employees (this is a final tax to be paid by the employer);
- c. Minimum corporate income tax (MCIT) of 2% based on gross income, as defined under the Tax Code, is required to be paid at the end of the year starting on the fourth year from the date of registration with the Bureau of Internal Revenue (BIR) whenever the RCIT is lower than the MCIT; On October 19, 2007, the BIR issued RR No. 12-2007 which requires the quarterly computation and payment of the MCIT beginning on the income tax return for the fiscal quarter ending September 30, 2007. This RR amended certain provisions of RR No. 9-98 which specifically provides for the computation of the MCIT at end of each taxable year. Thus, in the computation of the tax due for the taxable quarter, if the computed quarterly MCIT is higher than the quarterly normal income tax, the tax due to be paid for such taxable quarter at the time of filing the quarterly corporate income tax return shall be the MCIT which is 2% of the gross income as of the end of the taxable quarter.
- d. Net operating loss carryover (NOLCO) can be claimed as deduction against taxable income within three years after NOLCO is incurred;
- e. Effective July 2008, Republic Act 9504 was approved giving corporate taxpayers an option to claim itemized deduction or optional standard deduction (OSD) equivalent to 40% of gross sales. Once the option to use OSD is made, it shall be irrevocable for the taxable year for which the option was made; and
- f. The amount of interest expense allowed as income tax deduction is reduced by an amount equal to 33% of the interest income subjected to final tax.

Gross Receipts Tax (GRT) / VAT

Beginning January 1, 2003, the imposition of VAT on banks and financial institutions became effective pursuant to the provisions of Republic Act 9010. The Parent Company became subject to VAT based on their gross receipts, in lieu of the GRT under Sections 121 and 122 of the Tax Code, which was imposed on banks, non-banks financial intermediaries and finance companies in prior years.

On January 29, 2004, Republic Act 9238 reverts the imposition of GRT on banks and financial institutions. This law is retroactive to January 1, 2004. The Parent Company complied with the transitional guidelines provided by the BIR on the final disposition of the uncollected Output VAT as of December 31, 2004.

On May 24, 2005, the amendments on RA 9337 was approved amending, among others, the gross receipts tax on royalties, rentals of property, real or personal, profits from exchange and on net trading gains within the taxable year of foreign currency, debt securities, derivatives and other similar financial instruments from 5% to 7% effective November 1, 2005.

Supplementary Information Required Under Revenue Regulations (RR) 15-2010 and 19-2011

The Bureau of Internal Revenue issued Revenue Regulations 15-2010 and 19-2011 which required certain supplementary information to be disclosed as part of the notes to financial statements. The supplementary information is, however, not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards; it is neither a required disclosure under the Philippine Securities and Exchange Commission rules and regulations covering the form and content of financial statements under Securities Regulation Code Rule 68.

Properties

The Company leases its head office premises from the Parent Company for a period of five years until June 2015. Head office address is at BDO Leasing Centre, Corinthian Gardens, Ortigas Avenue, Quezon City. In 2011 and 2010, the consolidated rent expense amounted to P17.4 million and P17.8 million, respectively. Cagayan de Oro, Dagupan, San Pablo, Cavite, Davao, Iloilo and Cebu branches lease their premises from the Parent Company.

These are the details of the branches' office premises:

Cagayan:

- Operates at the 2nd Floor, BDO-Lapasan Branch, National Highway, Lapasan, Cagayan de Oro City for a period of five years and will expire on January 2014. Monthly rental amounts to P27,378 with no escalation clause.

Dagupan:

- Operates at the 2nd Floor BDO Bldg, AB Fernandez Ave., Dagupan City for a period of five years until December 2013. Monthly rental amounts to P35,244 having no escalation clause.

San Pablo:

- Operates at the 3rd Floor, BDO Bldg, Rizal Street corner P. Alcantara St., San Pablo City, Laguna for a period of five years and will expire on September 2012. Monthly rental amounts to P55,888.29 and rent is to be increased annually by 10% at current rate.

Iloilo:

- Operates at the 2nd Floor, BDO Corporate Center, BDO Valeria Branch, Valeria St., Iloilo City for a period of five years to expire in November 2013. Monthly rental amounts to P22,000 having no escalation clause.

Davao:

- Operates at the 2nd Flr., BDO Davao Regional Office, 383 C.M. Recto Avenue, Davao City for a period of five years until January 2014 with no escalation clause. Monthly rental amounts to P36,145.

Cavite:

- Operates at the 2nd Flr., BDO Building, Damarinas Technopark Paliparan I, Dasmariñas, Cavite City for a period of five years. Contract expires on July 2014. Monthly rental amounts P 32,472.

Cebu:

- Operates at the Mezzanine Floor, BDO Bldg., Gorordo Ave. Lahug, Cebu City for a period of 5 years and will expire on May 2014. Monthly rental is at P 30,748 having no escalation clause.

Pampanga:

- Operates at the 2nd Flr., Palm Bldg., McArthur Highway, Sindalan, San Fernando Pampanga for a period of ten years until December 2016. Monthly rental is at P23,191.34 with an annual increase of 10%.

Makati:

- Operates at the Ground Flr., Pacific Star Bldg., Sen. Gil Puyat corner Makati Avenue, Makati City for a period of three years until February 28, 2014. Monthly rental is at P290,892.71

The Company's facilities, office furniture, fixtures and equipment are in good condition. Distribution of office furniture fixture and equipment are as follows: Head office – P16.8 million; Cebu – P2.1 million; Davao – P0.8 million; Dagupan – P1.8 million; San Pablo – P0.7 million; Cagayan – P1.4 million; Iloilo – P0.9 million; Cavite – P0.4 million; Pampanga – P1.0 million.

Legal Proceedings

The Company is party to various legal proceedings which arise in the ordinary course of its operations. No such legal proceedings, either individually or in the aggregate, are expected to have a material adverse effect on the Company or its consolidated financial condition.

Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

OPERATIONAL AND FINANCIAL INFORMATION**Market for Issuer's Common Equity and Related Stockholder Matters**

On July 15, 2003, the Board approved a program to buy-back shares from the stock market. The board authorized the Chairman or Vice-Chairman and the President to determine the amount and the timing of the program. The buy-back program was approved on the rationale that the market prices did not reflect the true value of the shares and therefore remaining shareholders would benefit from a buy-back into treasury. Purchase of shares are covered by guidelines which include buy-back of shares when the share prices is undervalued, the purchase prices shall be at prevailing market prices, and the cash expenditure for the buy-back will not adversely affect the liquidity requirements of the company for its business transactions.

Total treasury shares as of December 31, 2011 was 62,693,718 shares or a total value of P81,776,628.

Dividends

On June 29, 2011 and December 7, 2011, the Company's Board of Directors approved the declaration of cash dividends at ₱0.05 per share in favor of stockholders of record as of July 14, 2011, paid on July 29, 2011 and at ₱0.10 per share in favor of stockholders of record as of December 26, 2011 which was paid on January 18, 2012. Total dividends in 2011 amounted to P324.37 million.

Dividends declared by the Company on its shares of stocks are payable in cash or in additional shares of stock. The payment of dividends will depend upon the earnings, cash flow and financial condition of the Corporations and other factors.

There are no restrictions that will limit the ability to pay dividends on common equity.

Market Information

The principal market for the Company's common equity is the Philippine Stock Exchange (PSE)

The market prices of the Company's share are as follows:

<u>2012</u>	<u>High</u>	<u>Low</u>	<u>2011</u>	<u>High</u>	<u>Low</u>
January	1.62	1.62	1 st quarter	1.90	1.90
February	1.69	1.65	2 nd quarter	1.60	1.60
			3 rd quarter	1.61	1.42
			4 th quarter	1.65	1.60

<u>2010</u>	<u>High</u>	<u>Low</u>	<u>2009</u>	<u>High</u>	<u>Low</u>
1 st quarter	1.50	1.48	1 st quarter	1.30	0.93
2 nd quarter	1.70	1.48	2 nd quarter	1.36	0.93
3 rd quarter	1.69	1.54	3 rd quarter	1.30	1.18
4 th quarter	1.69	1.46	4 th quarter	1.56	1.18

As at March 2, 2012 and December 31, 2011, the closing price of the Company's share were at P1.62 and P 1.61, respectively.

Total number of stockholders as of January 31, 2012 was one thousand two hundred twenty one (1,221) and as of December 31, 2011 was one thousand two hundred twenty seven (1,227). Common shares outstanding as of January 31, 2012 and December 31, 2011 totaled 2,162,475,312.

Holders

The Company's common stockholders, with their respective shareholdings, as of January 31, 2012 and December 31, 2011 are as follows:

<u>Name</u>	<u>No. of Shares Held</u>	<u>% to Total</u>
Banco de Oro Unibank, Inc. (Parent Company)	1,840,116,232	85.093052%
Various Stockholders	<u>322,359,080</u>	<u>14.906948%</u>
	<u>2,162,475,312</u>	<u>100.0000%</u>

The top twenty (20) stockholders of the Company as of February 29, 2012 are as follows:

<i>Name of Stockholders</i>	<i>Securities</i>	<i>Shares Held</i>	<i>Total Outstanding</i>
Banco De Oro Unibank, Inc.	Common	1,840,116,232	85.093052%
PCD Nominee Corp (Filipino)	Common	223,045,067	10.314341%
Samuel Uy Chua	Common	21,000,000	0.971109%
Equitable Computer Services, Inc. A/C Equitable	Common	12,320,000	0.569717%
Panfilo Castro Jr.	Common	6,140,000	0.283934%
PCD Nominee Corp. (Foreign)	Common	5,301,058	0.024514%
Felly G. Castro	Common	5,100,480	0.235863%
Marylen Castro Mateo	Common	3,795,000	0.175493%
Jesselen Castro Versoza	Common	3,795,000	0.175493%
Samuel Uy Chua	Common	3,011,150	0.139246%
Constantino Chua	Common	2,497,200	0.115479%
Equitable Computer Services, Inc.	Common	2,070,200	0.095733%
Victor Barranda	Common	1,157,475	0.053525%
Eduardo Dy	Common	1,143,560	0.052882%
Mercury Group of Companies, Inc.	Common	1,089,165	0.050367%
Constantino Chua &/or Willington Chua &/or George W. Chua	Common	1,020,000	0.047168%
Nardo R. Leviste	Common	759,000	0.035099%
Yok Bing S. Pua	Common	721,050	0.033344%
Oscar M. Lopez	Common	683,100	0.031589%
Eloisa Tantuco	Common	645,150	0.029834%

The top twenty (20) stockholders of the Company as of December 31, 2011 are as follows:

<i>Name of Stockholders</i>	<i>Securities</i>	<i>Shares Held</i>	<i>Total Outstanding</i>
Banco De Oro Unibank, Inc.	Common	1,840,116,232	85.093052%
PCD Nominee Corp (Filipino)	Common	193,788,117	8.961403%
Samuel Uy Chua	Common	21,000,000	0.971109%
Wilson Chua	Common	19,261,980	0.890738%
Equitable Computer Services, Inc. A/C Equitable	Common	12,320,000	0.569717%
Panfilo Castro Jr.	Common	6,140,000	0.283934%
Wilson Chua &/or Ruby C. Chua	Common	5,632,000	0.260442%
PCD Nominee Corp. (Foreign)	Common	5,301,058	0.245138%
Felly G. Castro	Common	5,100,480	0.235863%
Marylen Castro Mateo	Common	3,795,000	0.175493%
Jesselen Castro Versoza	Common	3,795,000	0.175493%

Samuel Uy Chua	Common	3,011,150	0.139246%
Constantino Chua	Common	2,497,200	0.115479%
Virginia Chua	Common	2,367,750	0.109493%
Equitable Computer Services Inc.	Common	2,070,200	0.095733%
Wilson Chua &/or Virginia Chua	Common	1,421,000	0.065712%
Victor Barranda	Common	1,157,475	0.053525%
Eduardo Dy	Common	1,143,560	0.052882%
Mercury Group of Companies, Inc.	Common	1,089,165	0.050367%
Constantino Chua &/or Willington Chua &/or George Chua	Common	1,020,000	0.047168%

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

There were no recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction.

PART III – FINANCIAL INFORMATION

2011 Compared to 2010

Gross income for the year ended December 31, 2011 was P1.64 billion, a decrease of P0.40 million, or 19.62% from P2.04 billion in 2010. Interest, discounts, and rent for the year ended December 31, 2011 were P1.41 billion, a decrease of P0.45 million or 24.13% from P1.86 billion in 2010. This decrease was due to the decline in 2011 operating lease income of our subsidiary, BDO Rental, Inc. amounting to P244.5 million compared to P830.9 million in 2010. The Company's leasing and financing portfolio as of December 31, 2011 was at P15.62 billion, a P1.04 billion increase, or 7.13% from P14.58 billion as of December 31, 2010 with both financing and leasing portfolio improving by 6.22% to P7.41 billion and 7.99% to P8.21 billion respectively.

Interest and financing charges for 2011 amounted to P387.7 million, consisting of financing charges on borrowings for P375.7 million and interest expense on lease deposits for P12.1 million. Increase of P56.8 million in financing charges is attributed to increase in Bills Payable which went up to P10.58 billion as of December, 2011 from P7.67 billion as of December 2010. Interest expense on leased deposits in 2011 amounted to P12.06 million or a decrease of P24.8 million from 2010's P36.86 million.

As of December, 2011, total allowance for impairment losses amounted to P139.1 million, an increase of P34.9 million from last year's P104.2 million. A total of P117.1 million provision for credit loan & other receivable losses was set up during the year due to more conservative provisioning policies of the company. Total accounts written off in 2011 amounted to P66.4 million.

Taxes and licenses expenses were P122.6 million for the year ended December 31, 2011, an increase of P9.8 million, or 8.69% from P112.8 million for the year ended December 31, 2010. This was mainly from the net impact of increase in Documentary Stamp Tax by P14.4 million and decrease in Gross Receipts Tax expenses by P5.5 million.

Salaries and employee benefits expense amounted to P163.9 in 2011 as compared to P134.1 million in 2010. Occupancy and equipment related expenses for the year ended December 31, 2011 amounted to P329.2 million, a decrease of P539.7 million, or 62.11% from December 2010's P868.9 million, due to the decline in operating lease transactions of BDO Rental, Inc.

Litigation/assets acquired expenses decreased by 10.56% or from P28.4 million in 2010 to P25.4 million in 2011.

Other expenses increased to P85.9 million in 2011 as compared to P50.1 million as of 2010. The increase of P35.8 million, or 71.46% increase, is primarily due to increases in Traveling expenses of P2.8 million, Entertainment and Representation expenses of P3.8 million and Loss on FFE disposal of P26.1 million.

The Company registered a net income of P303.6 million for the year ended December 31, 2011.

Total assets amounted to P17.85 billion, an increase of P2.56 billion from December, 2010's P15.29 billion. Available-for-sale financial assets of P2.04 billion pertains to the investments in San Miguel Corporation (SMC) and First Gen Corporation preferred shares purchased last December 2009 and July 2011 respectively. Leasing and financing portfolio increased by 7.14%. Property and Equipment-net amounted to P503.2 million as of 2011 or a decrease of P353.7 million over last year's P856.9 million due to depreciation of leased assets and decline in operating lease transactions. Investment properties-net decreased to P428.9 million from 2010's P701.3 million primarily due to sale of foreclosed properties during the year. Other assets stood at P215.0 million in 2011 primarily consisting of Non-current asset held-for-sale, with net amount of PP65.9 million, creditable withholding tax totaling P86.3 million and deferred input tax of P46.7 million.

Accounts Payable, accrued expenses and other liabilities increased by P41.1 million or 9.37% due to Risk Management Unit collections, lodged under miscellaneous liabilities, still awaiting for payment application.

Lease deposits, amounting P2.42 billion in 2011, decreased by P191.8 million or 7.33% from last year's P2.62 billion. This was also due to decline in operating lease transactions of BDO Rental, Inc., contributing P319.3 million decrease on Lease deposits.

Stockholders' equity decreased by P204.8 million or 16.75%, primarily due to decline in the unrealized gain on available-for-sale investments from P246.1 million in 2010 to P62.1 million in 2011.

The Company's five (5) key performance indicators are the following:

	<u>December 2011</u>	<u>December 2010</u>
Current Ratio	0.78:1	0.86:1
Quick asset ratio	0.77:1	0.85:1
Debt to Equity Ratio	3.09:1	2.35:1
Return on Equity	6.96%	6.76%
Net Profit Margin	18.53%	15.15%

Decline in current and quick asset ratios can be attributed to the P1.4 billion increase in net loans & receivables financed that are expected to be collected within one year. Increase in current financial liabilities and decline in total stockholders equity account for the 3.09:1 debt to equity ratio in 2011 as compared to 2.35:1 in 2010. Return on equity increased from 6.76% in 2010 to 6.96% in 2011 due to the decline in Equity brought about by the decline in unrealized net fair value gain on the investment in San Miguel Preferred shares. Net Profit margin increased to 18.53% primarily due to the 23.05% decrease in operating expenses.

2010 Compared to 2009

Gross income for the year ended December 31, 2010 was P2.04 billion, a decrease of P0.17 million, or 7.77% from P2.21 billion in 2009. Interest, discounts, and rent for the year ended December 31, 2010 were P1.86 billion, a decrease of P0.13 million or 6.53% from P1.99 billion in 2009. This decrease was due to the decline in 2010 operating lease income of our subsidiary, BDO Rental, Inc. amounting to P830.9 million compared to P1.13 billion in 2009. The Company's leasing and financing portfolio as of December 31, 2010 was at P14.58 billion, a P3.19 billion increase, or 28.01% from P11.39 billion as of December 31, 2009 with both financing and leasing portfolio improving by 31.25% to P6.98 billion and 25.08% to P7.60 billion respectively.

Interest and financing charges for 2010 amounted to P330.9 million, consisting of financing charges on borrowings for P294.0 million and interest expense on lease deposits for P36.9 million. Increase of P49.54 million in financing charges is attributed to increase in Bills Payable which went up to P7.67 billion as of December, 2010 from P6.14 billion as of December 2009. Interest expense on leased deposits in 2010 amounted to P36.86 million or a decrease of P32.34 million from 2009's P69.24 million.

As of December, 2010, total allowance for impairment losses amounted to P234.4 million, an increase of P50.2 million from last year's P184.2 million. A total of P99.0 million provision for credit losses-loans & other receivables was set up during the year due to more conservative provisioning policies of the company. Total accounts written off in 2010 amounted to P32.7 million.

Taxes and licenses expenses were P112.8 million for the year ended December 31, 2010, an increase of P20.5 million, or 22.21% from P92.3 million for the year ended December 31, 2009. This was mainly from increase in Documentary Stamp Tax and Gross Receipts Tax expenses by P12.7 million and P0.9 million, respectively.

Salaries and employee benefits expense amounted to P134.1 in 2010 as compared to P133.9 million in 2009. Occupancy and equipment related expenses for the year ended December 31, 2010 amounted to P868.9 million, a decrease of P220.2 million, or 20.22% from December 2009's P1.09 billion, due to the decline in operating lease transactions of BDO Rental, Inc.

Litigation/assets acquired expenses increased by 19.33% or from P23.8 million in 2009 to P28.4 million in 2010. Other expenses increased to P31.1 million in 2010 as compared to P25.8 million as in 2009.

The Company registered a net income of P308.7 million for the year ended December 31, 2010.

Total assets amounted to P15.3 billion, an increase of P2.28 billion from December, 2009's P13.01 billion.

Available-for-sale financial assets of P1.52 billion pertains to the investments in San Miguel Corporation's (SMC) preferred shares purchased last December 2009. Leasing and financing portfolio increased by 27.96%. Property and Equipment-net amounted to P856.9 million as of 2010 or a decrease of P595.6 million over last year's P1.45 billion due to depreciation of leased assets and decline in operating lease transactions. Investment properties-net decreased to P701.3 million from 2009's P725.5 million primarily due to sale of foreclosed properties during the year.. Other assets stood at P180.9 million in 2010 primarily consisting of creditable withholding tax totaling P75.35 million.

Accounts Payable and accrued expenses increased by P208.0 million or 90.16% due to dividends payable balance amounting to P216.25 million for the cash dividend declaration in December 22, 2010.

Lease deposits, amounting P2.617 billion in 2010, increased by P315.8 million or 13.72% from last year's P2.301 billion. This was due to increase from finance lease transactions totaling P280.3 million.

Stockholders' equity increased by P230.7 million or 5.32%, primarily due to net income generated for the year less cash dividends declared and issued amounting P324.4 million.

The Company's five (5) key performance indicators are the following:

	<u>December 2010</u>	<u>December 2009</u>
Current Ratio	0.86:1	0.50:1
Quick asset ratio	0.85:1	0.49:1
Debt to Equity Ratio	2.35:1	2.00:1
Return on Equity	6.76%	6.92%
Net Profit Margin	15.14%	13.58%

Increase in current and quick asset ratios can be attributed to the P4.4 billion increase in net loans & receivables financed that are expected to be collected within one year. Increase in current financial liabilities account for the 2.35:1 debt to equity ratio in 2010 as compared to 2.00:1 in 2009. Return on equity declined from 6.92% in 2009 to 6.76% in 2010 due to the other comprehensive income earned in 2010 amounting P246.4 million for the unrealized fair value gain on the investment in San Miguel Preference Share. Slight increase in the net profit margin is due to the increase in net income from P300.0 million in 2009 to P308.7 million in 2010.

Policy on Revenue Recognition – Other Income

All other income/gains such as rental income, gain on disposal of property, etc., which do not fall under service and non-service revenues are included under this classification.

Key Variable and Other Qualitative and Quantitative Factors

There are no known trends, events or uncertainties that will have any material impact on the Company's liquidity.

There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There were no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. There were also no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

Internal and External Sources of Liquidity

The Company's internal liquidity comes from the daily collections from various clients. External sources range from credit facilities extended by various banks, corporate and individual placers. The Company is confident to meet its current and long-term obligations as they mature.

Material Commitments for Capital Expenditures

There were no material commitments for capital expenditures.

Projections

Total Assets is projected to grow to P24.4 billion or 37% in 2012 with Net Loans and Other Receivables increasing from P14.4 billion in 2011 to P20.7 billion in 2012 or up to 44%. Total Revenue is estimated at P2.0 billion by year-end 2012 while Interest and Financing Charges and Operating Lease-related Depreciation total P609 million and P199 million, respectively.

Projected Net income is P420 million, an increase of 38% versus the P304 million Audited 2011 Performance.

Funding will be mainly sourced from the short-term commercial papers (STCP), bank lines and collections. The Company secured an approval in 2011 for P15 Billion worth of STCP.

Financial Statements

The financial statements of the Company included in the 2011 Annual Report to Stockholders are incorporated herein by reference.

INFORMATION ON INDEPENDENT ACCOUNTANT

Information on Independent Accountant and Other Related Matters

(1) External Audit Fees and Services

(a) Audit and Audit-Related Fees

The aggregate fees paid by the Company	<u>2011</u>	(P000's)	<u>2010</u>
Audit fee	P 484		P 502

There were no other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements.

(b) Tax fees

There were no professional services rendered by the external auditor for tax accounting, compliance, advice, planning and any other form of tax services in each of the last two fiscal years.

(c) All other fees

There were no other professional services rendered by the external auditors for each of the last two fiscal years other than item (a) above

(d) The Board Audit Committee has the oversight responsibility over the audit function and activities of Internal and External auditors. It provides assurance that (a) financial disclosures made by the management as presented in the Internal Auditor's report reasonably reflect the financial condition; the results of operation; and the plans and long-term commitments; and (b) internal controls are operating as intended and whether modifications are necessary.

The Board Audit Committee has the responsibility to select and recommend to the Board the External Auditors. It reviews the audit coverage of the External Auditors and deliberates on their audit report prior to endorsement to the Board of Directors for approval. It reports to the Board of Directors audit-related matters requiring the Board's action.

CORPORATE GOVERNANCE

The Company has adopted a Manual of Corporate Governance, which was filed with and duly approved by the Commission. Pursuant to the Manual, the Company established an evaluation system to measure or determine the level of performance of the Board of Directors and top level management. The rating form, which is duly approved by the Board of the Company, is accomplished on an annual basis.

The Company requires its directors and senior officers to attend seminars conducted by reputable service providers and conduct its own training and seminars to fully comply with the adopted leading practices on good governance.

There has been no deviation from the Company's Manual of Corporate Governance.

The Company will continue to send its directors and senior officers to attend training programs and seminars to further improve the corporate governance of the Company.

UNDERTAKING TO PROVIDE ANNUAL REPORT

The Registrant undertakes to provide without charge each stockholder with a copy of its Annual Report upon written request to the Registrant addressed to the:

**OFFICE OF THE CORPORATE SECRETARY
14TH FLOOR, NORTH TOWER
BDO CORPORATE CENTER
7899 MAKATI AVENUE
MAKATI CITY 0726 PHILIPPINES**



Report of Independent Auditors

20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 886-5511
F +63 2 886-5506; +63 2 886-5507
www.punongbayan-araullo.com

**To the Board of Directors and to the Stockholders
BDO Leasing and Finance, Inc.
(A Subsidiary of BDO Unibank, Inc.)
BDO Leasing Centre, Corinthian Gardens
Ortigas Avenue, Quezon City**

We have audited the accompanying financial statements of BDO Leasing and Finance, Inc. and subsidiary (the "Group") and BDO Leasing and Finance, Inc. (the "Parent Company") which comprise the statements of financial position as at December 31, 2011 and 2010, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BDO Leasing and Finance, Inc. and subsidiary and of BDO Leasing and Finance, Inc. as at December 31, 2011 and 2010, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2011 in accordance with Philippine Financial Reporting Standards.

Emphasis of a Matter

As discussed in Note 20 to the financial statements, the Parent Company presented the supplementary information for the year ended December 31, 2011 required by the Bureau of Internal Revenue in a supplementary schedule filed separately from the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards; it is neither a required disclosure under the Philippine Securities and Exchange Commission rules and regulations covering the form and content of financial statements under Securities Regulation Code Rule 68.

..

PUNONGBAYAN & ARAULLO



By: Benjamin P. Valdez
Partner

CPA Reg. No. 0028485
TIN 136-619-880
PTR No. 3174790, January 2, 2012, Makati City
SEC Group A Accreditation
Partner - No. 009-AR-3 (until Dec. 9, 2014)
Firm - No. 0002-FR-3 (until Jan. 18, 2015)
BIR AN 08-002511-11-2011 (until Sept. 22, 2014)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2012)

February 8, 2012

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010
(Amounts in Millions of Philippine Pesos)

	Notes	Group		Parent Company	
		2011	2010	2011	2010
<u>ASSETS</u>					
CASH AND CASH EQUIVALENTS	6	P 87.7	P 71.9	P 86.3	P 69.2
AVAILABLE-FOR-SALE FINANCIAL ASSETS	7	2,043.1	1,524.4	2,043.1	1,524.4
LOANS AND OTHER RECEIVABLES - Net	8	14,571.3	11,953.0	14,563.1	11,961.6
PROPERTY AND EQUIPMENT - Net	9	503.2	856.9	12.5	17.9
INVESTMENT PROPERTIES - Net	10	428.9	701.3	428.9	701.3
OTHER ASSETS - Net	11	215.1	180.9	484.6	482.9
TOTAL ASSETS		<u>P 17,849.3</u>	<u>P 15,288.4</u>	<u>P 17,618.5</u>	<u>P 14,757.3</u>
<u>LIABILITIES AND EQUITY</u>					
BILLS PAYABLE	12	P 10,582.6	P 7,666.2	P 10,529.5	P 7,633.9
ACCOUNTS PAYABLE AND OTHER LIABILITIES	13	152.3	104.7	144.2	99.1
DIVIDENDS PAYABLE	15	216.2	216.2	216.2	216.2
INCOME TAX PAYABLE		28.8	29.7	28.7	29.7
DEFERRED TAX LIABILITY - Net	20	82.5	88.1	89.7	95.9
LEASE DEPOSITS	14	2,425.9	2,617.7	2,381.9	2,254.3
Total Liabilities		<u>13,488.3</u>	<u>10,722.6</u>	<u>13,390.2</u>	<u>10,329.1</u>
CAPITAL STOCK	15	2,225.2	2,225.2	2,225.2	2,225.2
ADDITIONAL PAID-IN CAPITAL		571.1	571.1	571.1	571.1
TREASURY SHARES		(81.8)	(81.8)	(81.8)	(81.8)
RETAINED EARNINGS		1,584.5	1,605.2	1,451.8	1,467.6
UNREALIZED FAIR VALUE GAIN ON AVAILABLE-FOR-SALE SECURITIES	7	62.0	246.1	62.0	246.1
Total Equity		<u>4,361.0</u>	<u>4,565.8</u>	<u>4,228.3</u>	<u>4,428.2</u>
TOTAL LIABILITIES AND EQUITY		<u>P 17,849.3</u>	<u>P 15,288.4</u>	<u>P 17,618.5</u>	<u>P 14,757.3</u>

See Notes to Financial Statements.

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(Amounts in Millions of Philippine Pesos, Except Per Share Data)

	Notes	Group			Parent Company		
		2011	2010	2009	2011	2010	2009
REVENUES							
Interest and discounts	8	P 1,166.4	P 1,028.8	P 865.1	P 1,166.7	P 1,027.2	P 892.5
Rent	17	244.5	830.9	1,125.7	-	-	-
Service fees and other income	16	227.4	178.3	218.9	199.0	157.5	187.5
		<u>1,638.3</u>	<u>2,038.0</u>	<u>2,209.7</u>	<u>1,365.7</u>	<u>1,184.7</u>	<u>1,080.0</u>
OPERATING COSTS AND EXPENSES							
Interest and financing charges	12, 14	387.7	330.9	281.4	381.3	299.6	206.5
Occupancy and equipment-related expenses	9, 10, 11	329.2	868.9	1,089.1	92.2	69.3	55.6
Employee benefits	18	163.9	134.1	133.9	163.9	134.1	133.9
Impairment and credit losses	8, 10	139.1	104.2	94.5	139.1	104.2	94.5
Taxes and licenses	20	122.6	112.8	92.3	114.7	104.1	85.5
Litigation/assets acquired expenses		25.4	28.4	23.8	25.4	28.4	23.8
Others		85.9	50.1	40.3	60.4	50.0	39.9
		<u>1,253.8</u>	<u>1,629.4</u>	<u>1,755.3</u>	<u>977.0</u>	<u>789.7</u>	<u>639.7</u>
PROFIT BEFORE TAX		384.5	408.6	454.4	388.7	395.0	440.3
TAX EXPENSE	20	80.8	99.9	154.4	80.1	88.6	142.3
NET PROFIT		303.7	308.7	300.0	308.6	306.4	298.0
OTHER COMPREHENSIVE INCOME (LOSS)							
Unrealized fair value gain (loss) on revaluation of available-for-sale securities, net of tax		(184.1)	246.4	-	(184.1)	246.4	-
TOTAL COMPREHENSIVE INCOME		P 119.6	P 555.1	P 300.0	P 124.5	P 552.8	P 298.0
Basic / Diluted Earnings Per Share	21	P 0.14	P 0.14	P 0.14	P 0.14	P 0.14	P 0.14

See Notes to Financial Statements.

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(Amounts in Millions of Philippine Pesos)

Group						
Note	Capital Stock	Additional Paid-in Capital	Treasury Shares, At Cost - 62,693,718 Shares	Retained Earnings	Unrealized Fair Value Gain (Loss) on Available-for- Sale Securities	Net Equity
Balance at January 1, 2011	15 P 2,225.2	P 571.1	(P 81.8)	P 1,605.2	P 246.1	P 4,565.8
Total comprehensive income	-	-	-	303.7	(184.1)	119.6
Cash dividends	15 -	-	-	(324.4)	-	(324.4)
BALANCE AT DECEMBER 31, 2011	<u>P 2,225.2</u>	<u>P 571.1</u>	<u>(P 81.8)</u>	<u>P 1,584.5</u>	<u>P 62.0</u>	<u>P 4,361.0</u>
Balance at January 1, 2010	15 P 2,225.2	P 571.1	(P 81.8)	P 1,620.9	(P 0.3)	P 4,335.1
Total comprehensive income	-	-	-	308.7	246.4	555.1
Cash dividends	15 -	-	-	(324.4)	-	(324.4)
BALANCE AT DECEMBER 31, 2010	<u>P 2,225.2</u>	<u>P 571.1</u>	<u>(P 81.8)</u>	<u>P 1,605.2</u>	<u>P 246.1</u>	<u>P 4,565.8</u>
Balance at January 1, 2009	15 P 2,225.2	P 571.1	(P 81.8)	P 1,753.4	(P 0.3)	P 4,467.6
Total comprehensive income	-	-	-	300.0	-	300.0
Cash dividends	15 -	-	-	(432.5)	-	(432.5)
BALANCE AT DECEMBER 31, 2009	<u>P 2,225.2</u>	<u>P 571.1</u>	<u>(P 81.8)</u>	<u>P 1,620.9</u>	<u>(P 0.3)</u>	<u>P 4,335.1</u>

See Notes to Financial Statements.

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(Amounts in Millions of Philippine Pesos)

Parent Company							
Note	<u>Capital Stock</u>	<u>Additional Paid-in Capital</u>	<u>Treasury Shares, At Cost - 62,693,718 Shares</u>	<u>Retained Earnings</u>	<u>Unrealized Fair Value Gain (Loss) on Available-for- Sale Securities</u>	<u>Net Equity</u>	
Balance at January 1, 2011	15	P 2,225.2	P 571.1	(P 81.8)	P 1,467.6	P 246.1	P 4,428.2
Total comprehensive income		-	-	-	308.6	(184.1)	124.5
Cash dividends	15	-	-	-	(324.4)	-	(324.4)
BALANCE AT DECEMBER 31, 2011		<u>P 2,225.2</u>	<u>P 571.1</u>	<u>(P 81.8)</u>	<u>P 1,451.8</u>	<u>P 62.0</u>	<u>P 4,228.3</u>
Balance at January 1, 2010	15	P 2,225.2	P 571.1	(P 81.8)	P 1,485.6	(P 0.3)	P 4,199.8
Total comprehensive income		-	-	-	306.4	246.4	552.8
Cash dividends	15	-	-	-	(324.4)	-	(324.4)
BALANCE AT DECEMBER 31, 2010		<u>P 2,225.2</u>	<u>P 571.1</u>	<u>(P 81.8)</u>	<u>P 1,467.6</u>	<u>P 246.1</u>	<u>P 4,428.2</u>
Balance at January 1, 2009	15	P 2,225.2	P 571.1	(P 81.8)	P 1,620.1	(P 0.3)	P 4,334.3
Total comprehensive income		-	-	-	298.0	-	298.0
Cash dividends	15	-	-	-	(432.5)	-	(432.5)
BALANCE AT DECEMBER 31, 2009		<u>P 2,225.2</u>	<u>P 571.1</u>	<u>(P 81.8)</u>	<u>P 1,485.6</u>	<u>(P 0.3)</u>	<u>P 4,199.8</u>

See Notes to Financial Statements.

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(Amounts in Millions of Philippine Pesos)

	Notes	Group			Parent Company		
		2011	2010	2009	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES							
Profit before tax		P 384.5	P 408.6	P 454.4	P 388.7	P 395.0	P 440.3
Adjustments for:							
Interest received		1,193.9	1,001.6	891.3	1,193.8	1,000.2	891.1
Interest income	8	(1,166.4)	(1,028.8)	(865.1)	(1,166.7)	(1,027.2)	(892.5)
Interest and financing charges	12, 14	387.7	330.9	281.4	381.3	299.6	206.5
Interest and financing charges paid		(376.5)	(331.8)	(285.7)	(375.2)	(300.7)	(208.4)
Depreciation and amortization	9, 10, 11	301.4	835.8	1,064.6	64.4	36.2	31.1
Impairment and credit losses	8, 10	139.1	104.2	94.5	139.1	104.2	94.5
Gain on sale of investment properties	10	(40.4)	(12.4)	(7.2)	(40.4)	(12.4)	(7.2)
Fair value loss (gain)		(0.9)	(1.9)	(69.9)	(0.9)	0.6	(62.2)
Loss (gain) on sale of property and equipment	9	26.1	(0.7)	(10.7)	-	-	-
Operating profit before changes in operating assets and liabilities		848.5	1,305.5	1,547.6	584.1	495.5	493.2
Increase in loans and other receivables		(2,762.2)	(2,888.2)	(1,545.1)	(2,744.9)	(2,907.9)	(897.7)
Increase in other assets		(68.5)	(34.1)	(57.3)	(36.0)	(16.2)	(27.4)
Increase (decrease) in accounts payable and other liabilities		422.8	338.7	(17.5)	420.2	310.7	46.8
Increase in lease deposits		137.0	281.4	316.4	127.6	269.0	260.0
Cash generated from (used in) operations		(1,422.4)	(996.7)	244.1	(1,649.0)	(1,848.9)	(125.1)
Cash paid for income taxes		(90.0)	(128.0)	(86.1)	(89.9)	(114.2)	(76.3)
Net Cash From (Used in) Operating Activities <i>(Carried Forward)</i>		(P 1,512.4)	(P 1,124.7)	P 158.0	(P 1,738.9)	(P 1,963.1)	(P 201.4)

Notes	Group			Parent Company		
	2011	2010	2009	2011	2010	2009
Net Cash From (Used in) Operating Activities <i>(Brought Forward)</i>	(P 1,512.4)	(P 1,124.7)	P 158.0	(P 1,738.9)	(P 1,963.1)	(P 201.4)
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisition of available-for-sale financial assets	7 (700.0)	-	(1,299.8)	(700.0)	-	(1,299.8)
Acquisition of property and equipment	9 (270.7)	(223.3)	(847.6)	(4.2)	(11.1)	(14.6)
Net decrease (increase) in investment properties	10 270.3	25.1	(19.1)	270.3	25.1	(19.1)
Proceeds from disposal of property and equipment	9 23.0	5.3	25.9	-	-	-
Proceeds from disposal of available-for-sale financial assets	7 -	30.5	-	-	30.5	-
Additional investment in a subsidiary	-	-	-	-	(162.5)	(198.0)
Net Cash Used in Investing Activities	(677.4)	(162.4)	(2,140.6)	(433.9)	(118.0)	(1,531.5)
CASH FLOWS FROM FINANCING ACTIVITIES						
Availments of bills payable	2,986.8	55,709.0	32,503.1	2,785.3	53,873.3	26,352.1
Payments of bills payable	(456.8)	(54,474.3)	(30,041.7)	(271.0)	(51,791.3)	(24,182.2)
Payments of cash dividends	15 (324.4)	(108.1)	(432.5)	(324.4)	(108.1)	(432.5)
Net Cash From Financing Activities	2,205.6	1,126.6	2,028.9	2,189.9	1,973.9	1,737.4
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15.8	(160.5)	46.3	17.1	(107.2)	4.5
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	71.9	232.4	186.1	69.2	176.4	171.9
CASH AND CASH EQUIVALENTS AT END OF YEAR	6 P 87.7	P 71.9	P 232.4	P 86.3	P 69.2	P 176.4

See Notes to Financial Statements.

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011, 2010 AND 2009
*(Amounts in Millions of Philippine Pesos, Except Per Share Data,
Exchange Rates and As Indicated)*

1. CORPORATE INFORMATION

1.01 Incorporation and Operations

BDO Leasing and Finance, Inc. (BDO Leasing or the Parent Company) is a domestic corporation incorporated in 1981 and listed in the Philippine Stock Exchange, Inc. (PSE) on January 6, 1997. The Parent Company operates as a leasing and financing entity which provides direct leases, sale and leaseback arrangements and real estate leases. Financing products include amortized commercial and consumer loans, installment paper purchases, receivables discounting and factoring.

The Parent Company is a subsidiary of BDO Unibank (“Ultimate Parent Company”), an expanded commercial bank incorporated and doing business in the Philippines.

BDO Rental, Inc. (BDO Rental), a wholly owned subsidiary of BDO Leasing, is licensed by the Philippine Securities and Exchange Commission (SEC) and is presently engaged in renting and leasing of equipment. It started its commercial operations on June 30, 2005.

The Parent Company’s principal office is located at BDO Leasing Centre, Corinthian Gardens, Ortigas Avenue, Quezon City. It has nine branches located in the cities of Makati, Cebu, Davao, Dagupan, San Pablo, Cagayan de Oro, Iloilo, Pampanga and Cavite. The registered address of BDO Unibank is located at BDO Corporate Center, 7899 Makati Avenue, Makati City.

1.02 Approval of Financial Statements

The accompanying financial statements of BDO Leasing and BDO Rental (the “Group”) and of the Parent Company for the year ended December 31, 2011 (including the comparatives for the years ended December 31, 2010 and 2009) were authorized for issue by the BOD on February 8, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized in the succeeding sections. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.01 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of assets, liabilities, income and expenses. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents all items of income and expenses in a single statement of comprehensive income. Two comparative periods are presented for the statement of financial position when the Group applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the Parent Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Group are measured using the Parent Company's functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.02 Adoption of New and Amended PFRS

(a) Effective in 2011 that are Relevant to the Group

In 2011, the Group adopted the following amendments, interpretations and annual improvements to PFRS that are relevant to the Company and effective for financial statements for the annual period beginning on or after January 1, 2011:

PAS 24 (Amendment)	:	Related Party Disclosures
Philippine Interpretations International Financial Reporting Interpretations Committee (IFRIC) 14 (Amendment)	:	Prepayment of a Minimum Funding Requirement
IFRIC 19	:	Extinguishing Financial Liabilities with Equity Instruments
Various Standards	:	2010 Annual Improvements to PFRS

Discussed below are relevant information about these new and amended standards.

- (i) PAS 24 (Amendment), *Related Party Disclosures* (effective from January 1, 2011). The amendment simplifies and clarifies the definition of a related party by eliminating inconsistencies in determining related party relationships. The amendment also provides partial exemption from the disclosure requirements for government-related entities to disclose details of all transactions with the government and other government-related entities. The adoption of this amendment did not result in any significant changes on the Group's disclosures of related parties in its financial statements.
- (ii) Philippine Interpretation IFRIC 14 (Amendment), *Prepayments of a Minimum Funding Requirement* (effective from January 1, 2011). This interpretation addresses unintended consequences that can arise from the previous requirements when an entity prepays future contributions into a defined benefit pension plan. It sets out guidance on when an entity recognizes an asset in relation to a surplus for defined benefit plans based on PAS 19, *Employee Benefits*, which are subject to a minimum funding requirement. The Group is not subject to minimum funding requirements and it does not usually make substantial advance contributions to its retirement fund, hence, the adoption of the revised standard has no material effect on its financial statements.

(iii) Philippine Interpretation IFRIC 19, *Extinguishing Financial Liabilities with Equity Instruments* (effective from July 1, 2010). This interpretation clarifies the accounting when an entity renegotiates the terms of a financial liability through issuance of equity instruments to extinguish all or part of the financial liability. These transactions are sometimes referred to as “debt for equity” exchanges or swaps. The interpretation requires the debtor to account for a financial liability which is extinguished by equity instruments as follows:

- the issue of equity instruments to a creditor to extinguish all or part of a financial liability is consideration paid in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*;
- the entity measures the equity instruments issued at fair value, unless this cannot be reliably measured;
- if the fair value of the equity instruments cannot be reliably measured, then the fair value of the financial liability extinguished is used; and,
- the difference between the carrying amount of the financial liability extinguished and the consideration paid is recognized in profit or loss.

The adoption of the interpretation did not have a material effect on the Group’s financial statements as it did not extinguish financial liabilities through equity swap during the year.

(iv) 2010 Annual Improvements to PFRS. Most of these amendments became effective for annual periods beginning on or after July 1, 2010 or January 1, 2011. Among those improvements, only the following amendments which are effective from January 1, 2011 were identified to be relevant to the Group’s financial statements but which did not have any material impact on its financial statements:

- PAS 1 (Amendment), *Presentation of Financial Statements: Clarification of Statement of Changes in Equity* (effective from July 1, 2010). The amendment clarifies that, for each component of equity, an entity may present an analysis of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. As the Group’s other comprehensive income only relates to fair value changes on available-for-sale (AFS) financial assets, the Group has elected to continue presenting such item of other comprehensive income in the statement of changes in equity.
- PAS 27 (Amendment), *Consolidated and Separate Financial Statements* (effective from July 1, 2010). This amendment clarifies that the consequential amendments made to PAS 21, *The Effect of Changes in Foreign Exchange Rates*; PAS 28, *Investment in Associate*; and, PAS 31, *Investment in Joint Ventures*, arising from the PAS 27 (2008) amendments apply prospectively, to be consistent with the related PAS 27 transition requirements. The amendment has no impact on the Group’s financial statements.

- PAS 34 (Amendment), *Interim Financial Reporting – Significant Event and Transactions* (effective from January 1, 2011). The amendment provides further guidance to illustrate how to apply disclosure principles under PAS 34 for significant events and transactions to improve interim financial reporting. It requires additional disclosure covering significant changes to fair value measurement and classification of financial instruments, and to update relevant information from the most recent annual report. The adoption of this amendment did not have significant impact on the Group's financial statements.
- PFRS 7 (Amendment), *Financial Instruments: Clarification of Disclosures* (effective from January 1, 2011). The amendment clarifies the disclosure requirements which emphasize the interaction between quantitative and qualitative disclosures about the nature and extent of risks arising from financial instruments. It also amends the required disclosure of financial assets including the financial effect of collateral held as security. This amendment has no significant effect on the financial statements since the Group already provides adequate information in its financial statements in compliance with the disclosure requirements.

(b) *Effective in 2011 but not Relevant to the Group*

The following amendments and improvements to PFRS are mandatory for accounting periods beginning on or after January 1, 2011 but are not relevant to the Group's financial statements:

PAS 32 (Amendment)	:	Financial Instruments: Presentation - Classification of Rights Issues
PFRS 1 (Amendments)	:	First-Time Adoption of PFRS
PFRS 3 (Amendments)	:	Business Combination
IFRIC 13 (Amendment)	:	Customer Loyalty Programmes – Fair Value Awards Credits

(c) *Effective Subsequent to 2011 but not Adopted Early*

There are new PFRS, amendments, annual improvements and interpretations to existing standards that are effective for periods subsequent to 2011.

Management has initially determined the following pronouncements, which the Group will apply in accordance with their transitional provisions, to be relevant to its financial statements:

- (i) PFRS 7 (Amendment), *Financial Instruments: Disclosures – Transfers of Financial Assets* (effective from July 1, 2011). The amendment requires additional disclosures that will allow users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and, to evaluate the nature of, and risk associated with any continuing involvement of the reporting entity in financial assets that are derecognized in their entirety. The Group does not usually enter into this type of arrangement with regard to transfer of financial assets, hence, the amendment may not significantly change the Group's disclosures in its financial statements.

- (ii) PAS 1 (Amendment), *Financial Statements Presentation – Presentation of Items of Other Comprehensive Income* (effective from July 1, 2012). The amendment requires an entity to group items presented in other comprehensive income into those that, in accordance with other PFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. The Group expects that this will not affect the presentation of items in other comprehensive income, since the Group's other comprehensive income, which pertains entirely to unrealized fair value gains and losses on AFS financial assets, can be reclassified to profit or loss when specified conditions are met.
- (iii) PAS 19 (Amendment), *Employee Benefits* (effective from January 1, 2013). The amendment made a number of changes as part of the improvements throughout the standard. The main changes relate to defined benefit plans as follows:
- eliminates the corridor approach under the existing guidance of PAS 19 and requires an entity to recognize all gains and losses arising in the reporting period;
 - streamlines the presentation of changes in plan assets and liabilities resulting in the disaggregation of changes into three main components of service costs, net interest on net defined benefit obligation or asset, and remeasurement; and,
 - enhances disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in them.

Currently, the Group is using the corridor approach and its unrecognized actuarial losses as of December 31, 2011 amounted to P63.1 which will be retrospectively recognized as losses in other comprehensive income in 2013.

- (iv) PFRS 9, *Financial Instruments: Classification and Measurement* (effective from January 1, 2015). This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that will replace PAS 39 in its entirety. This chapter deals with two measurement categories for financial assets: amortized cost and fair value. All equity instruments will be measured at fair value while debt instruments will be measured at amortized cost only if the entity is holding it to collect contractual cash flows which represent payment of principal and interest. The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangement, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

To date, other chapters of PFRS 9 dealing with impairment methodology and hedge accounting are still being completed.

The Group does not expect to implement and adopt PFRS 9 until its effective date or until all chapters of this new standard have been published. In addition, management is currently assessing the impact of PFRS 9 on the financial statements of the Group and is committed to conduct a comprehensive study of the potential impact of this standard before its effective date to assess the impact of all changes.

- (v) PFRS 13, *Fair Value Measurement* (effective from January 1, 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across PFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The Group is yet to assess the impact of this new standard.
- (vi) Consolidation Standards
 - PFRS 10, *Consolidated Financial Statements* (effective from January 1, 2013). This standard builds on existing principles of consolidation by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard also provides additional guidance to assist in determining control where this is difficult to assess.
 - PAS 27 (Revised), *Separate Financial Statements* (effective from January 1, 2013). This revised standard now covers the requirements pertaining solely to separate financial statements after the relevant discussions on control and consolidated financial statements have been transferred and included in the new PFRS 10. No new major changes relating to separate financial statements have been introduced as a result of the revision.

The Group is currently reviewing the impact of the above consolidation standards on its financial statements in time for its adoption in 2013.

2.03 Separate Consolidated Financial Statements, Basis of Consolidation and Investment in a Subsidiary

These financial statements are prepared as the Group's separate consolidated financial statements from BDO Unibank Group. The Group presents separate consolidated financial statements available for public use that comply with PFRS since the Parent Company's equity securities are traded in a public market.

The Group obtains and exercises control through voting rights. The Group's financial statements comprise the accounts of the Parent Company and its subsidiary, after the elimination of material intercompany transactions. All intercompany balances and transactions with its subsidiary, including income, expenses and dividends, are eliminated in full. Unrealized profits and losses from intercompany transactions, if any, that are recognized in assets are also eliminated in full. Intercompany losses that indicate an impairment are recognized in the consolidated financial statements.

The financial statements of the subsidiary are prepared for the same reporting period as the Group, using consistent accounting principles.

A subsidiary is an entity over which the Group has the power to control the former's financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable and convertible are considered when assessing whether the Group controls another entity. A subsidiary is consolidated from the date the Group obtains control until such time that such control ceases.

The acquisition method is applied to account for acquired subsidiaries. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recognized as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss as gain.

The results of subsidiary acquired or disposed of during the year, if any, are included in profit or loss from the date of acquisition or up to the date of disposal, as appropriate.

The Parent Company's investment in a subsidiary is accounted for in these separate financial statements at cost, less any impairment loss (see Note 11).

2.04 Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision-maker. The strategic steering committee is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's products and services as disclosed in Note 4, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines require different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8 is the same as those used in its financial statements, except that the following are not included in arriving at the operating profit of the operating segments:

- post-employment benefit expenses;
- expenses relating to share-based payments;
- research costs relating to new business activities; and,
- revenue, costs and fair value gains from investment property.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

2.05 Financial Assets

Financial assets are recognized when the Group becomes a party to the contractual terms of the financial instrument. Financial assets, other than those designated and effective as hedging instruments are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), loans and receivables, held-to-maturity (HTM) investments and AFS financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recognized at fair value and transaction costs are expensed in profit or loss.

The categories of financial instruments relevant to the Group are more fully described below.

(a) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to the debtor with no intention of trading the receivables.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment losses, if any. Impairment losses is the estimated amount of losses in the Group's loan portfolio, based on the evaluation of the estimated future cash flows discounted at the loan's original effective interest rate. Impairment loss is provided when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. Loans and receivables are written off against the allowance for impairment losses when management believes that the collectibility of the principal is unlikely.

The Group's financial assets categorized as loans and receivables are presented as Cash and Cash Equivalents and Loans and Other Receivables in the statement of financial position. Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash.

(b) AFS Financial Assets

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

All financial assets within this category are measured at fair value, unless otherwise disclosed, with changes in value recognized in other comprehensive income, net of taxes. Gains and losses arising from securities classified as AFS are recognized in other comprehensive income when these are sold or when the investment is impaired.

In case of impairment, any loss previously recognized in equity is transferred to other comprehensive income. Losses recognized in other comprehensive income on equity instruments are not reversed through other comprehensive income. Losses recognized in prior period statement of comprehensive income resulting from the impairment of debt instruments are reversed through the statement of comprehensive income, when there is recovery in the amount of previously recognized impairment losses.

AFS financial assets are presented as a separate line item in the statement of financial position.

Impairment losses recognized on financial assets are included as part of Impairment and Credit Losses under Operating Costs and Expenses in the statement of comprehensive income.

For investments that are actively traded in organized financial markets, fair value is determined by reference to stock exchange-quoted market closing prices on each reporting date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows (such as dividend income) of the underlying net asset base of the investment.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

The financial assets are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred.

2.06 Property and Equipment

Property and equipment are carried at acquisition cost less accumulated depreciation and amortization and any impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and amortization and any impairment losses are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

Except for certain equipment which are depreciated based on the rate of utilization, depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets as follows:

Transportation and other equipment	2-8 years
Furniture, fixtures and others	3-5 years

Leasehold improvements are amortized over the terms of the leases or the estimated useful lives of the improvements, whichever is shorter.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.17).

The residual values and estimated useful lives of property and equipment are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of property and equipment, including the related accumulated depreciation and impairment losses, if any, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

2.07 Investment Properties

Investment properties are stated at cost. The cost of an investment property comprises its purchase price and directly attributable cost incurred. This also includes properties acquired by the Group from defaulting borrowers not held for sale in the next twelve months. For these assets, the cost is recognized initially at the fair market value. Investment properties except land are depreciated on a straight-line basis over a period of ten years.

Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and any impairment in value.

The Group adopted the cost model in measuring its investment properties, hence, these are carried at cost less accumulated depreciation and any impairment in value. Depreciation and impairment loss are recognized in the same manner as in Property and Equipment.

The fair value of investment properties, as disclosed in Note 10, are based on valuations provided by independent and/or in-house appraisers, which are market value for land and building and related improvements and reproduction cost for certain building and improvements.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

2.08 Financial Liabilities

Financial liabilities, which include bills payable, accounts payable, dividends payable and other liabilities and lease deposits, are recognized when the Group becomes a party to the contractual terms of the instrument. All interest-related charges are included as part of Interest and Financing Charges under Operating Costs and Expenses in the statement of comprehensive income.

Bills payable are raised for support of long-term funding of operations. They are recognized at proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Accounts payable and other liabilities are initially recognized at their fair value and subsequently measured at amortized cost less settlement payments.

Lease deposits are initially recognized at fair value. The excess of the principal amount of the deposits over its fair value is immediately recognized and is included as part of Fair Value Gains under Service Fees and Other Income account in the statement of comprehensive income (see Note 16). Meanwhile, interest expense on the lease deposits is accrued using the effective interest method and is included as part of Interest and Financing Charges under Operating Costs and Expenses in the statement of comprehensive income.

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the Company.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration.

2.09 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.10 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.11 Residual Value of Leased Assets

The residual value of leased assets, which approximates the amount of lease deposit paid by the lessee at the inception of the lease, is the estimated proceeds from the disposal of the leased asset at the end of the lease term. At the end of the lease term, the residual value receivable of the leased asset is generally applied against the lease deposit of the lessee.

2.12 Equity

Common stock represents the nominal value of shares that have been issued.

Additional paid-in capital includes any premiums received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital.

Treasury shares are stated at the cost of reacquiring such shares.

Unrealized fair value gain (loss) on AFS financial assets pertains to cumulative mark-to-market valuation of AFS financial assets.

Retained earnings include all current and prior period results as reported in the statement of comprehensive income.

2.13 Revenue and Expense Recognition

Revenue comprises interest income on loans and receivables financed and rent income from operating lease contracts, measured by reference to the fair value of consideration received or receivable by the Group for products sold and services rendered, excluding value-added tax (VAT), and rebates and discounts.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria of income and expenses must also be met before revenue is recognized:

- (a) *Interest income on finance lease receivables* – The interest income on finance lease is allocated over the lease term on a systematic and rational basis. The recognition of interest income on finance lease is based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease. Lease payments relating to the period, excluding costs for services, are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.
- (b) *Interest* – Interest income and expenses are recognized in profit or loss for all instruments measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

- (c) *Rent* – Revenue is recognized in profit or loss on a straight-line basis over the lease term, or on another systematic basis which is more representative of the time pattern in which the use or benefit derived from the leased asset is diminished.
- (d) *Service fees* – Fees related to the administration and servicing a loan are recognized as revenue as the services are rendered.

Operating costs and expenses are recognized in profit or loss upon utilization of the assets or services or at the date they are incurred.

2.14 Leases

The Group accounts for its leases as follows:

(a) Group as Lessor

Finance leases, where the Group transfers substantially all the risk and benefits incidental to ownership of the leased item to the lessee, are included in the statement of financial position under Loans and Other Receivables account. A lease receivable is recognized at an amount equal to the net investment in the lease. The difference between the gross lease receivable and the net investment in the lease is recognized as unearned finance income. Finance income is recognized based on the pattern reflecting a constant periodic rate of return on the Group's net investment outstanding in respect of the finance lease.

All income resulting from the receivable is included as part of Interest and Discounts in the statement of comprehensive income. Leases where the Group does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases.

Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the year in which they are earned.

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized as income in profit or loss on a straight-line basis over the lease term, or on a systematic basis which is more representative of the time pattern in which the use or benefit derived from the leased asset is diminished.

(b) Group as Lessee

Leases which do not transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

The Group determines whether an arrangement is, or contains a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.15 Foreign Currency Transactions

The accounting records of the Group are maintained in Philippine pesos. Foreign currency transactions during the period are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income as part of profit or loss from operations.

2.16 Impairment of Financial Assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about certain loss events, including, among others: significant financial difficulty of the issuer or debtor; a breach of contract, such as a default or delinquency in interest or principal payments; it is probable that the borrower will enter bankruptcy or other financial reorganization; the disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

(a) *Assets carried at amortized cost.* The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the Group includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and other receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss.

If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. When practicable, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets and historical loss experience for assets with credit risk characteristics similar to those in the group.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of assets should reflect and be consistent with changes in related observable data from period to period. The methodologies and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures including approval from the management and the BOD has been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the impairment loss in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment is recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

In addition, under Section 9(f) of the Rules and Regulations to implement the Provisions of Republic Act No. 8556, *The Financing Company Act of 1998*, a 100% allowance should be set up for the following:

- (a) Clean loans and advances past due for a period of more than six months;
- (b) Past due loans secured by collateral such as inventories, receivables, equipment and other chattels that have declined in value by more than 50%, without the borrower offering additional collateral for the loans;
- (c) Past due loans secured by real estate mortgage the title to which is subject to an adverse claim rendering settlement through foreclosure doubtful;
- (d) When the borrower, and his co-maker or guarantor, is insolvent or where their whereabouts is unknown, or their earning power is permanently impaired;
- (e) Accrued interest receivable that remains uncollected after six months from the maturity date of the loan to which it accrues; and
- (f) Accounts receivable past due for 361 days or more.

These requirements and conditions were accordingly considered by the Group in the determination of impairment loss provision on assets carried at amortized cost.

- (b) *Assets carried at fair value with changes charged to other comprehensive income.* In the case of investments classified as AFS financial assets, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for AFS financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from profit or loss and recognized in other comprehensive income. Impairment losses recognized in other comprehensive income on equity instruments are not reversed through other comprehensive income.

If, in a subsequent period, the fair value of a debt instrument classified as AFS increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the statement of comprehensive income.

- (c) *Assets carried at cost.* The Group assesses at the end of each reporting period whether there is objective evidence that any of the unquoted equity securities and derivative assets linked to and required to be settled in such unquoted equity instruments, which are carried at cost and for which objective evidence of impairment exist. The amount of impairment loss is the difference between the carrying amount of the equity security and the present value of the estimated future cash flows discounted at the current market rate of return of a similar asset. Impairment losses on assets carried at cost cannot be reversed.

2.17 Impairment of Non-financial Assets

The Group's property and equipment, investment properties and other assets are subject to impairment testing.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro-rata to the other assets in the cash generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

2.18 Employee Benefits

(a) Post-employment Defined Benefit Plan

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of pension plan remains with the Group, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Group's defined benefit pension plan covers all regular full-time employees. The pension plan is tax-qualified, noncontributory and administered by a trustee.

The liability recognized in the statement of financial position for defined benefit pension plans is the present value of the defined benefit obligation (DBO) at the end of each reporting period less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are not recognized as an income or expense unless the total unrecognized gain or loss exceeds 10% of the greater of the obligation and related plan assets. The amount exceeding this 10% corridor is charged or credited to profit or loss over the employees' expected average remaining working lives. Actuarial gains and losses within the 10% corridor are disclosed separately. Past service costs are recognized immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

(b) Defined Benefit Contribution Plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independent entity (such as the Social Security System). The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(c) Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of each reporting period are discounted to present value.

(d) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of each reporting period. They are included in Accounts Payable and Other Liabilities account in the statement of financial position at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

2.19 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss in the statement of comprehensive income.

Deferred tax is provided, using the liability method, on temporary differences at the end of each reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss. Only changes in deferred tax assets or liabilities that relate to items recognized in other comprehensive income or directly in equity are recognized in other comprehensive income or directly in equity.

2.20 Earnings Per Share (EPS)

Basic earnings per common share is determined by dividing net income by the weighted average number of common shares subscribed and issued during the year, adjusted retroactively for any stock dividend, stock split or reverse stock split declared during the current period. The Group does not have dilutive common shares.

2.21 Related Party Transactions

Related party transactions are transfer of resources, services or obligations between the Group and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Group's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.01 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

(a) Operating and Finance Leases

The Group has entered in various lease arrangements as a lessee. Critical judgment was exercised by management to distinguish each lease arrangement as either an operating or finance lease by looking at the transfer or retention of significant risks and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

The Group has determined that it has transferred all the significant risks and rewards of ownership of the properties which are leased out on finance lease arrangements. The subsidiary's operations involve operating leases. The Group has determined that it retains all the significant risks and rewards of ownership over the properties which are leased out on operating lease arrangements.

(b) Distinction Between Investment Properties and Owner-managed Properties

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production and supply of goods and services or for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

(c) *Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosures of provisions and contingencies are discussed in Note 2.09 and relevant disclosures are presented in Note 22.

3.02 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) *Useful Lives of Property and Equipment and Investment Properties*

The Group estimates the useful lives of property and equipment and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and investment properties are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. The carrying amounts of property and equipment, and investment properties are presented in Notes 9 and 10, respectively. Based on management's assessment as of December 31, 2011, there is no change in estimated useful lives of property and equipment and investment properties during the year. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(b) *Allowance for Impairment of Loans and Other Receivables*

Allowance is made for specific and groups of accounts, where objective evidence of impairment exists. The Group evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the Group's relationship with the customers, the customers' current credit status based on third party credit reports and known market forces, average age of accounts, collection experience and historical loss experience.

The carrying value of loans and other receivables and the analysis of allowance for impairment on such financial assets are shown in Note 8.

(c) *Realizable Amount of Deferred Tax Assets*

The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2011 and 2010 will be fully utilized within the next two to three years. The carrying value of deferred tax assets as of those dates is disclosed in Note 20.

(d) *Impairment of Non-financial Assets*

The Group's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.17. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Impairment losses recognized on investment properties are presented in Note 10.

(e) *Post-employment Defined Benefit*

The determination of the Group's obligation and cost of pension and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, expected return on plan assets and salary increase rate. In accordance with PFRS, actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the expense and obligation to be recognized in such future periods.

The amounts of retirement benefit obligation and expense and an analysis of the movements in the estimated present value of retirement benefit obligation are presented in Note 18.02.

(f) *Fair Value of Financial Assets and Liabilities*

The Group adopted the amendments to PFRS 7, *Improving Disclosures about Financial Instruments*. These amendments require the Group to present certain information about financial instruments measured at fair value in the statement of financial position.

In accordance with this amendment, financial assets and liabilities measured at fair value in the statement of financial position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the resource or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

As of December 31, 2011 and 2010, AFS financial asset is the only financial asset (nil for liabilities) measured at fair value in the statement of financial position and the value is determined under Level 1.

The transfer between levels of hierarchy (i.e., from Level 2 to Level 1) in 2010 was due to the listing of the SMC shares in December 2010.

The following table summarizes by category the carrying amounts and fair value of financial assets and liabilities. Where fair value is presented, such fair value is determined based on valuation techniques described below.

		2011			
		Group		Parent	
		Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	P	87.7	P 87.7	P 86.3	P 86.3
Available-for-sale					
financial assets		1,969.8	2,043.1	1,969.8	2,043.1
Loans and other receivables		14,571.3	8,937.3	14,563.1	8,928.9
Bills payable		10,582.6	10,574.7	10,529.5	10,521.5
Accounts payable and					
other liabilities		152.3	152.3	144.2	144.2
Dividends payable		216.2	216.2	216.2	216.2
Lease deposits		2,588.69	2,425.9	2,542.8	2,381.9
		2010			
		Group		Parent	
		Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	P	71.9	P 71.9	P 69.2	P 69.2
Available-for-sale					
financial assets		1,269.8	1,524.4	1,269.8	1,524.4
Loans and other receivables		11,953.0	8,290.1	11,961.6	8,288.1
Bills payable		7,666.2	7,585.4	7,633.9	7,553.8
Accounts payable and					
other liabilities		104.7	104.7	99.1	99.1
Dividends payable		216.2	216.2	216.2	216.2
Lease deposits		2,633.7	2,617.7	2,258.7	2,254.3

The methods and assumptions used by the Group in estimating the fair value of the financial instruments follow:

(i) *Cash and cash equivalents*

The fair values of cash and cash equivalents approximate carrying amounts given their short-term maturities.

(ii) *Available-for-sale financial assets*

The fair value of available-for-sale securities is determined by direct reference to published price quoted in an active market for traded securities.

(iii) Loans and other receivables

The estimated fair value of loans and other receivables represents the discounted amount of estimated future cash flow expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(iv) Bills payable

The estimated fair value of bills payable represents the discounted amount of estimated future cash flows expected to be paid. Expected cash flows are discounted at current market rates to determine fair value.

(v) Accounts payable and other liabilities

Fair values approximate carrying amounts given the short-term maturities of the liabilities.

(vi) Lease deposits

Lease deposits are carried at amortized cost which represents the present value.

4. SEGMENT REPORTING

4.01 Business Segments

The Group is organized into different business units based on its products and services for purposes of management assessment of each unit. For management purposes, the Group is organized into three major business segments, namely: leasing, financing and others. These are also the basis of the Group in reporting to its chief operating decision-maker for its strategic decision-making activities.

The products under the leasing segment are the following:

- Operating leases; and
- Finance leases.

The products under the financing segment are the following:

- Amortized commercial loans;
- Amortized retail loans;
- Installment paper purchases;
- Floor stock financing; and
- Factoring of receivables.

The Group's products and services are marketed in the Metro Manila head office and in its eight branches.

4.02 Segment Assets and Liabilities

Segment assets are allocated based on their use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash, and loans and receivables, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment assets and liabilities do not include deferred taxes.

4.03 Intersegment Transactions

There were no intersegment transactions in 2011, 2010 and 2009.

4.04 Analysis of Segment Information

Segment information can be analyzed as follows:

	2011			
	Leasing	Financing	Others	Total
Segment revenues	P 685.2	P 714.3	P 238.8	P 1,638.3
Segment expenses	<u>524.4</u>	<u>546.7</u>	<u>182.7</u>	<u>1,253.8</u>
Segment results	<u>160.8</u>	<u>167.6</u>	<u>56.1</u>	<u>384.5</u>
Income tax expense				<u>80.8</u>
Net profit				<u>P 303.7</u>
Segment assets	P 7,159.6	P 7,841.0	P -	P 15,000.6
Unallocated assets				<u>2,848.7</u>
Total assets				<u>P 17,849.3</u>
Segment liabilities	P 8,082.0	P 4,926.5	P -	P 13,008.5
Unallocated liabilities				<u>479.8</u>
Total liabilities				<u>P 13,488.3</u>
Other segment information:				
Capital expenditures	P 266.5	P -	P 4.2	P 270.7
Depreciation and amortization	237.0	-	64.5	301.4
Impairment losses	-	-	139.1	139.1
	2010			
	Leasing	Financing	Others	Total
Segment revenues	P 1,271.0	P 583.9	P 183.1	P 2,038.0
Segment expenses	<u>1,016.2</u>	<u>466.8</u>	<u>146.4</u>	<u>1,629.4</u>
Segment results	<u>254.8</u>	<u>117.1</u>	<u>36.7</u>	<u>408.6</u>
Income tax expense				<u>99.9</u>
Net profit				<u>P 308.7</u>
Segment assets	P 7,115.2	P 5,546.7	P -	P 12,661.9
Unallocated assets				<u>2,626.5</u>
Total assets				<u>P 15,288.4</u>
Segment liabilities	P 4,606.7	P 3,059.5	P -	P 7,666.2
Unallocated liabilities				<u>3,056.4</u>
Total liabilities				<u>P 10,722.6</u>
Other segment information:				
Capital expenditures	P 216.9	P -	P 6.3	P 223.3
Depreciation and amortization	803.9	-	31.9	835.8
Impairment losses	45.5	49.5	4.0	104.2

The Group does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described in the succeeding pages.

5.01 Foreign Exchange Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates on financial assets arise from an insignificant portion of the Parent Company's leasing and financing portfolio, cash and cash equivalents and lease deposits which are denominated in United States (U.S.) dollars.

The Parent Company's foreign-currency denominated financial assets and liabilities translated into Philippine pesos at the closing rate at December 31, 2011, 2010 and 2009 and Philippine peso-denominated financial assets and liabilities as of December 31, 2011, and 2010 are as follows:

	<u>2011</u>		
	<u>US Dollar</u>	<u>Philippine Peso</u>	<u>Total</u>
Cash and cash equivalents	P 11.3	P 76.4	P 87.7
Loans and other receivables	-	14,571.3	14,571.3
Lease deposits	<u>10.9</u>	<u>2,415.0</u>	<u>2,425.9</u>
	<u>P 22.2</u>	<u>P 17,062.7</u>	<u>P 17,084.9</u>
	<u>2010</u>		
	<u>US Dollar</u>	<u>Philippine Peso</u>	<u>Total</u>
Cash and cash equivalents	P 8.8	P 63.1	P 71.9
Loans and other receivables	-	11,953.0	11,953.0
Lease deposits	<u>19.7</u>	<u>2,598.0</u>	<u>2,617.7</u>
	<u>P 28.5</u>	<u>P 14,614.1</u>	<u>P 14,642.6</u>

At December 31, 2011 and 2010, the currency exchange rates used to translate U.S. dollar denominated financial assets and liabilities to the Philippine pesos is approximately P43.9 for both years.

The following table illustrates the sensitivity of the net result for the year and equity with regard to the Group's financial assets and financial liabilities and the U.S. dollar – Philippine peso exchange rate. It assumes a +/-16.18% change, +/-7.05% change and +/-7.00% change of the Philippine peso/U.S. dollar exchange rate at December 31, 2011, 2010 and 2009, respectively. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at the end of each reporting period.

If the Philippine peso at December 31, 2011 and 2010 had strengthened against the U.S. dollar at the foregoing volatilities, then this would have the following impact (decrease) on the Group's and the Parent Company's financial statements:

	<u>2011</u>		<u>2010</u>
Profit before tax	(P 1.8)	(P	2.0)
Equity	(1.3)	(	1.4)

If the Philippine peso at December 31, 2011, and 2010 had weakened against the U.S. dollar at the foregoing volatilities, then this would have the following impact (increase) on the Group's and Parent Company's financial statements:

	<u>2011</u>		<u>2010</u>
Profit before tax	P 1.8	P	2.0
Equity	1.3		1.4

5.02 Interest Rate Risk

At December 31, 2011, and 2010, the Group is exposed to changes in market interest rates through its bills payable and a portion of BDO Leasing's loans and other receivables, which are subject to periodic interest rate repricing. All other financial assets and liabilities have fixed rates.

The Group follows a prudent policy on managing its assets and liabilities so as to ensure that exposure to fluctuations in interest rates are kept within acceptable limits. The current composition of the Group's assets and liabilities results in significant negative gap positions for repricing periods under one year. Consequently, the Group is vulnerable to increases in market interest rates. However, in consideration of the substantial net interest margins between the Group's marginal funding cost and its interest-earning assets, and favorable lease and financing terms which allow the Group to reprice annually, and to reprice at anytime in response to extraordinary fluctuations in interest rates, the Group believes that the adverse impact of any interest rate increase would be limited.

In addition, during periods of declining interest rates, the existence of a negative gap position favorably impacts the Group.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates for bills payable of +/-4.03% at December 31, 2011 and +/-7.39% at December 31, 2010 to a reasonably possible change in interest rates for loans and other receivables of +/-10.17% at December 31, 2011 and +/-19.09% at December 31, 2010. These changes are considered to be reasonably possible based on observation of current market conditions for the past 12 months. The calculations are based on the Group's financial instruments held at the end of each reporting period. All other variables are held constant.

	2011			
Loans and other receivables		+10.17%		-10.17%
Bills payable		+4.03%		-4.03%
<u>Group</u>				
Increase (decrease) in:				
Profit before tax	P	12.4	(P	12.4)
Equity		8.7	(	8.7)
<u>Parent Company</u>				
Increase (decrease) in:				
Profit before tax	P	12.3	(P	12.3)
Equity		8.6	(	8.6)
	2010			
Loans and other receivables		+19.09%		-19.09%
Bills payable		+7.39%		-7.39%
<u>Group</u>				
Increase (decrease) in:				
Profit before tax	P	18.3	(P	18.3)
Equity		12.8	(	12.8)
<u>Parent Company</u>				
Increase (decrease) in:				
Profit before tax	P	16.8	(P	16.8)
Equity		11.8	(	11.8)

5.03 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group manages credit risk by setting limits for individual borrowers, and groups of borrowers and industry segments. The Group maintains a general policy of avoiding excessive exposure in any particular sector of the Philippine economy.

The Group actively seeks to increase its exposure in industry sectors which it believes possess attractive growth opportunities. Conversely, it actively seeks to reduce its exposure in industry sectors where growth potential is minimal.

Although the Group's leasing and financing portfolio is composed of transactions with a wide variety of businesses, the results of operation and financial condition of the Group may be adversely affected by any downturn in these sectors as well as in the Philippine economy in general.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location.

The concentration of credit risk for the Group and the Parent Company follows:

Group

	2011		
	<u>Cash and Cash Equivalents</u>	<u>Loans and Other Receivables</u>	<u>Available- for-sale Securities</u>
Concentration by sector:			
Financial intermediaries	P 87.7	P 1,546.8	P -
Manufacturing	-	2,670.1	-
Transportation, communication and energy	-	3,114.7	700.0
Wholesale and retail trade and personal activities	-	1,858.9	-
Real estate, renting and business activities	-	1,970.7	-
Agriculture, fishing and forestry	-	443.8	-
Other community, social and personal activities	<u>-</u>	<u>2,966.3</u>	<u>1,343.1</u>
	<u>P 87.7</u>	<u>P 14,571.3</u>	<u>P 2,043.1</u>
	2010		
	<u>Cash and Cash Equivalents</u>	<u>Loans and Other Receivables</u>	<u>Available- for-sale Securities</u>
Concentration by sector:			
Financial intermediaries	P 71.9	P 1,245.4	P -
Manufacturing	-	1,943.3	-
Transportation, communication and energy	-	2,460.2	-
Wholesale and retail trade and personal activities	-	1,307.1	-
Real estate, renting and business activities	-	858.7	-
Agriculture, fishing and forestry	-	530.0	-
Other community, social and personal activities	<u>-</u>	<u>3,608.3</u>	<u>1,524.4</u>
	<u>P 71.9</u>	<u>P 11,953.0</u>	<u>P 1,524.4</u>

Parent Company

	2011		
	<u>Cash and Cash Equivalents</u>	<u>Loans and Other Receivables</u>	<u>Available- for-sale Securities</u>
Concentration by sector:			
Financial intermediaries	P 86.3	P 1,546.8	P -
Manufacturing	-	2,670.1	-
Transportation, communication and energy	-	3,114.7	700.0
Wholesale and retail trade and personal activities	-	1,858.9	-
Real estate, renting and business activities	-	1,970.7	-
Agriculture, fishing and forestry	-	443.8	-
Other community, social and personal activities	-	2,958.1	1,343.1
	<u>P 86.3</u>	<u>P 14,563.1</u>	<u>P 2,043.1</u>
	2010		
	<u>Cash and Cash Equivalents</u>	<u>Loans and Other Receivables</u>	<u>Available- for-sale Securities</u>
Concentration by sector:			
Financial intermediaries	P 69.2	P 1,255.9	P -
Manufacturing	-	1,943.3	-
Transportation and communication	-	2,460.2	-
Wholesale and retail trade and personal activities	-	1,307.1	-
Real estate, renting and business activities	-	858.7	-
Agriculture, fishing and forestry	-	530.0	-
Other community, social and personal activities	-	3,606.4	1,524.4
	<u>P 69.2</u>	<u>P 11,961.6</u>	<u>P 1,524.4</u>

The carrying amount of financial assets recorded in the Group financial statements represents the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

	<u>2011</u>	
	<u>Loans and Other Receivables</u>	<u>Available- for-sale Securities</u>
Carrying amount	<u>P 14,571.3</u>	<u>P 2,043.1</u>
Individually impaired		
Grade D: Impaired	256.3	-
Grade E: Impaired	98.9	-
Grade F: Impaired	<u>56.3</u>	<u>-</u>
Gross amount	411.5	-
Allowance for impairment	(<u>285.1</u>)	<u>-</u>
Carrying amount	<u>126.4</u>	<u>-</u>
Past due but not impaired	<u>10.6</u>	<u>-</u>
<i>Aging of past due</i>		
30-60 days	9.5	-
61-90 days	0.3	-
91-180 days	0.5	-
More than 180 days	<u>0.3</u>	<u>-</u>
Carrying amount	<u>10.6</u>	<u>-</u>
Neither past due nor impaired		
Grades A to C	<u>14,434.3</u>	<u>2,043.1</u>
Total carrying amount	<u>P 14,571.3</u>	<u>P 2,043.1</u>

	2010	
	Loans and Other Receivables	Available- for-sale Securities
Carrying amount	P 11,953.0	P 1,524.4
Individually impaired		
Grade D: Impaired	302.6	-
Grade E: Impaired	111.2	-
Grade F: Impaired	122.4	-
Gross amount	536.2	-
Allowance for impairment	(234.3)	-
Carrying amount	301.9	-
Past due but not impaired	11.6	-
<i>Aging of past due</i>		
30-60 days	6.9	-
61-90 days	4.7	-
91-180 days	-	-
More than 180 days	-	-
Carrying amount (<i>forward</i>)	11.6	-
Neither past due nor impaired		
Grades A to C	11,639.5	1,524.4
Total carrying amount	P 11,953.0	P 1,524.4

Based on certain factors, loans and other financial assets with credit risk are assigned a specific grade. Grade A loans are considered to have very strong credits where the Group considers the default rate or credit risk to be very low. Grades B and C loans fall under the standard to substandard categories and have general acceptability as to credit risk. Grades D to F pertain to loans and other financial assets which were determined to be impaired.

The carrying value of loans and receivables whose terms have been renegotiated amounted to P46.7 and P10.0 as of December 31, 2011 and 2010.

The Group holds collateral against loans and other receivables in the form of mortgage interests over real and personal properties. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and are periodically updated especially when a loan is individually assessed as impaired. Collateral is not held against available-for-sale securities, and no such collateral was held at December 31, 2011 and 2010.

An estimate of the fair value of collateral and other security enhancements held against loans and other receivables that are not impaired as of December 31, 2011 and 2010 is shown below.

	<u>2011</u>		<u>2010</u>
Against past due but not impaired			
Real property	P 1.1	P	142.9
Personal property	7.5		522.0
Against neither past due but not impaired			
Real property	342.9		1,104.8
Personal property	<u>9,895.3</u>		<u>10,483.8</u>
	<u>P 10,246.8</u>	P	<u>12,253.5</u>

An estimate of the fair value of collateral and other security enhancements held against loans and other receivables that are impaired as of December 31, 2011 and 2010 is shown below.

	<u>2011</u>		<u>2010</u>
Real property	P 417.5	P	528.6
Personal property	<u>10,661.0</u>		<u>8,151.1</u>
	<u>P 11,078.5</u>	P	<u>8,679.7</u>

The Group's manner of disposing the collateral for impaired loans and receivables is normally through sale of these assets after foreclosure proceedings have taken place.

5.04 Liquidity Risk

The primary business of financing companies entails the borrowing and relending of funds. Consequently, financing companies are subject to substantial leverage, and are therefore exposed to the potential financial risks that accompany borrowing.

The Group expects that its continued asset expansion will result in higher funding requirements in the future. Like most financing companies in the Philippines, the Group does not have a license to engage in quasi-banking function, and as such, it is precluded from engaging in deposit-taking activities. In addition, it is precluded under the General Banking Act from incurring borrowings from more than 19 lenders at any one time, which to some extent, restricts its access to the public debt markets.

The Group believes that it currently has adequate debt funding from banks, other financial institutions, and through the issuance of Short-Term Commercial Papers (STCPs). The Group currently has a license from the SEC to issue P15.0 billion STCPs. The SEC granted the license related to the P15.0 billion STCP on December 9, 2011.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for short-term and long-term financial liabilities as well as cash outflows due in its day-to-day business.

Presented below are the financial assets and liabilities as of December 31, 2011 and 2010 analyzed according to when these are expected to be recovered or settled.

	<u>One to Three Months</u>	<u>Three Months to One Year</u>	<u>One to Three Years</u>	<u>More than Three Years</u>	<u>Total</u>
<u>2011</u>					
<u>Group</u>					
Financial assets					
Cash and cash equivalents	P 87.7	P -	P -	P -	P 87.7
Available-for-sale financial assets	2,043.1	-	-	-	2,043.1
Loans and other receivables	<u>1,682.10</u>	<u>3,178.6</u>	<u>6,520.5</u>	<u>3,190.1</u>	<u>14,571.3</u>
	<u>P 3,812.9</u>	<u>P 3,178.6</u>	<u>P 6,520.5</u>	<u>P 3,190.1</u>	<u>P 16,702.1</u>
Financial liabilities					
Bills payable	P 9,453.0	P 1,128.7	P 0.9	P -	P 10,582.6
Accounts payable and other liabilities	90.3	52.0	6.0	4.0	152.3
Lease deposits	<u>405.1</u>	<u>421.6</u>	<u>1,206.2</u>	<u>393.0</u>	<u>2,425.9</u>
	<u>P 9,948.4</u>	<u>P 1,602.3</u>	<u>P 1,213.1</u>	<u>P 397.0</u>	<u>P 13,160.8</u>
<u>Parent Company</u>					
Financial assets					
Cash and cash equivalents	P 86.3	P -	P -	P -	P 86.3
Available-for-sale financial assets	2,043.1	-	-	-	2,043.1
Loans and other receivables	<u>1,673.9</u>	<u>3,178.6</u>	<u>6,520.5</u>	<u>3,190.1</u>	<u>14,563.1</u>
	<u>P 3,803.3</u>	<u>P 3,178.6</u>	<u>P 6,520.5</u>	<u>P 3,190.1</u>	<u>P 16,692.5</u>
Financial liabilities					
Bills payable	P 9,399.9	P 1,128.7	P 0.9	P -	P 10,529.5
Accounts payable and other liabilities	82.0	52.0	6.0	4.2	144.2
Lease deposits	<u>405.2</u>	<u>421.6</u>	<u>1,206.2</u>	<u>348.9</u>	<u>2,381.9</u>
	<u>P 9,887.1</u>	<u>P 1,602.3</u>	<u>P 1,213.1</u>	<u>P 353.1</u>	<u>P 13,055.6</u>
<u>2010</u>					
<u>Group</u>					
Financial assets					
Cash and cash equivalents	P 71.9	P -	P -	P -	P 71.9
Loans and other receivables	1,524.4	-	-	-	1,524.4
Other assets	<u>2,551.6</u>	<u>3,110.3</u>	<u>3,640.5</u>	<u>2,650.6</u>	<u>11,953.0</u>
	<u>P 4,147.9</u>	<u>P 3,110.3</u>	<u>P 3,640.5</u>	<u>P 2,650.6</u>	<u>P 13,549.3</u>

	One to Three Months	Three Months to One Year	One to Three Years	More than Three Years	Total
Financial liabilities					
Bills payable	P 6,147.4	P 1,246.8	P 17.7	P 254.3	P 7,666.2
Accounts payable and other liabilities	81.2	8.7	10.7	4.1	104.7
Lease deposits	<u>664.8</u>	<u>517.6</u>	<u>923.0</u>	<u>512.3</u>	<u>2,617.7</u>
	<u>P 6,893.4</u>	<u>P 1,773.1</u>	<u>P 951.4</u>	<u>P 770.7</u>	<u>P 10,388.6</u>
Parent Company					
Financial assets					
Cash and cash equivalents	P 69.2	P -	P -	P -	P 69.2
Loans and other receivables	1,524.4	-	-	-	1,524.4
Other assets	<u>2,560.1</u>	<u>3,110.3</u>	<u>3,640.5</u>	<u>2,650.6</u>	<u>11,961.6</u>
	<u>P 4,153.7</u>	<u>P 3,110.3</u>	<u>P 3,640.5</u>	<u>P 2,650.6</u>	<u>P 13,555.2</u>
Financial liabilities					
Bills payable	P 6,115.1	P 1,246.8	P 17.7	P 254.3	P 7,633.9
Accounts payable and other liabilities	76.4	8.7	9.9	4.1	99.1
Lease deposits	<u>354.0</u>	<u>475.3</u>	<u>912.7</u>	<u>512.3</u>	<u>2,254.3</u>
	<u>P 6,545.5</u>	<u>P 1,730.8</u>	<u>P 940.3</u>	<u>P 770.7</u>	<u>P 9,987.3</u>

The Group and the Parent Company's maturing financial liabilities within the one to three month period pertain to bills payable due to various private entities and individuals. Maturing bills payable are usually settled through repayments. When maturing financial assets are not sufficient to cover the related maturing financial liabilities, bills payable and other currently maturing financial liabilities are rolled over/refinanced or are settled by entering into new borrowing arrangements with other counterparties.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as of December 31:

	<u>Group</u>		<u>Parent</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash on hand and in banks	P 73.2	P 43.9	P 71.8	P 41.2
Cash equivalents	<u>14.5</u>	<u>28.0</u>	<u>14.5</u>	<u>28.0</u>
	<u>P 87.7</u>	<u>P 71.9</u>	<u>P 86.3</u>	<u>P 69.2</u>

Cash in banks earn interest at rates based on daily bank deposit rates. Cash equivalents represent a special savings account and time deposit with annual interest rates ranging from 1.0% to 4.5% in 2011 and 1.0% to 3.2% in 2010.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

The composition of available-for-sale financial assets for the Group and the Parent Company as of December 31 pertains to the following:

	<u>2011</u>	<u>2010</u>
SMC Series “1” preferred shares	P 1,270.5	P 1,269.8
First Gen Corp. preferred shares	700.0	-
Club shares and other equity investments	<u>0.3</u>	<u>1.4</u>
	1,970.8	1,271.2
Accumulated unrealized fair value gains	<u>72.3</u>	<u>253.2</u>
	<u>P 2,043.1</u>	<u>P 1,524.4</u>

In August 2011, the Group acquired 7,000,000 perpetual preferred shares issued by First Gen Corp. (First Gen shares) at P100 per share. The First Gen shares carry an interest rate of 8% per annum. As of December 31, 2011, the closing price of the First Gen shares is at still P100 per share.

As of December 31, 2010, the SMC Series “1” preferred shares (the SMC shares) represents 16.9 million preferred shares originally acquired at P75 per share on December 22, 2009. The SMC shares bear an interest rate of 8% per annum, subject to adjustment at the end of the fifth year after October 2, 2009 if the SMC shares are not redeemed at the option of SMC. The rate will be the higher between the dividend rate or the 10-year PDSTF rate prevailing at the end of the fifth year from October 2, 2009 plus a spread of 3%.

On December 8, 2010, the SMC shares became publicly-traded. The shares closed at the price of P79.30 and P90 per share on December 31, 2011 and 2010, respectively. Thus, the Company recognized unrealized fair value gain of P246.4, net of deferred stock transaction tax at 1/2 of 1% of the total market value of P2,043.1 and P1,524.4 or P10.2 and P7.6, as of December 31, 2011 and 2010, respectively. The unrealized fair value gain amounting to P62.0 and P246.1 is included under Unrealized Fair Value Gain (Loss) on Available-for-Sale Financial Assets account in the statements of financial position while the deferred stock transaction tax amounting to P10.2 and P7.6 was recognized in Other Comprehensive Income and as part of Deferred Tax Liabilities account as of December 31, 2011 and 2010, respectively (see Note 20).

Club shares and other equity investments, consisting of Philippine Long Distance Telephone Co. (PLDT) preferred and golf and country club shares of stock, have fair values of P0.3 and P1.4 as of December 31, 2011 and 2010, respectively.

8. LOANS AND OTHER RECEIVABLES

This account consists of the following:

	<u>Group</u>		<u>Parent</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Receivable from customers:				
Finance lease receivables	P 5,042.5	P 4,740.3	P 5,042.5	P 4,740.3
Residual value of leased assets	2,367.0	2,235.5	2,367.0	2,235.5
Unearned leased income	(681.6)	(699.6)	(681.6)	(699.6)
	<u>6,727.9</u>	<u>6,276.2</u>	<u>6,727.9</u>	<u>6,276.2</u>
Loans and receivables financed	8,210.1	7,602.5	8,210.1	7,602.5
Unearned finance income	(236.9)	(1,695.7)	(237.1)	(1,695.7)
Client's equity	(53.3)	(129.5)	(52.9)	(129.5)
	<u>7,919.9</u>	<u>5,777.3</u>	<u>7,920.1</u>	<u>5,777.3</u>
Other receivables:				
Accounts receivable	26.2	31.8	20.1	29.9
Sales contract receivable	23.0	50.8	23.0	50.8
Accrued interest receivable	83.6	27.2	83.6	27.2
Dividends receivable	73.5	24.0	73.5	24.0
Accrued rental receivable	2.3	-	-	-
Due from subsidiary	-	-	-	10.5
	<u>208.6</u>	<u>133.8</u>	<u>200.2</u>	<u>142.4</u>
Total	14,856.4	12,187.3	14,848.2	12,195.9
Allowance for impairment	(285.1)	(234.3)	(285.1)	(234.3)
	<u>P 14,571.3</u>	<u>P 11,953.0</u>	<u>P 14,563.1</u>	<u>P 11,961.6</u>

As of December 31, 2011 and 2010, 97% and 94%, respectively, of the total receivables from customers of the Group are subject to periodic interest repricing. Remaining receivables from customers earn annual fixed interest rates ranging from 6% to 30% in 2011 and 8% to 30% in 2010.

Interest income on receivables pertaining to the residual value of assets under finance lease accrued using the effective interest method amounted to P3.4, P6.0 and P19.3 in 2011, 2010 and 2009, respectively, and is presented as part of Interest and Discounts in the Group and Parent Company statements of comprehensive income.

The breakdown of total loans as to secured and unsecured follows:

	<u>Group</u>		<u>Parent</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Secured				
Real estate mortgage	P 527.4	P 553.1	P 527.4	P 553.1
Chattel mortgage	8,189.8	7,311.3	8,189.8	7,311.3
	<u>8,717.2</u>	<u>7,864.4</u>	<u>8,717.2</u>	<u>7,864.4</u>
Unsecured	5,854.1	4,088.6	5,845.9	4,097.2
	<u>P 14,571.3</u>	<u>P 11,953.0</u>	<u>P 14,563.1</u>	<u>P 11,961.6</u>

An analysis of the Group's and Parent Company's finance lease receivables as of December 31, 2011 and 2010 is shown below:

	<u>2011</u>		<u>2010</u>
Maturity of gross investment in:			
Finance lease receivables			
Within one year	P 2,379.2	P	2,935.6
Beyond one year but not beyond five years	2,660.1		1,804.7
Beyond five years	<u>3.2</u>		-
	<u>5,042.5</u>		<u>4,740.3</u>
Residual value of leased assets			
Within one year	786.0		824.0
Beyond one year but not beyond five years	1,535.0		1,411.5
Beyond five years	<u>46.0</u>		-
	<u>2,367.0</u>		<u>2,235.5</u>
Gross finance lease receivable	7,409.5		6,975.8
Unearned lease income	<u>(681.6)</u>	(	<u>699.6)</u>
Net investment in finance lease receivables	<u>P 6,727.9</u>	P	<u>6,276.2</u>

An analysis of the Group's and Parent Company's net investment in finance lease receivables follows:

	<u>2011</u>		<u>2010</u>
Due within one year	P 2,840.6	P	3,321.7
Due beyond one year but not beyond five years	3,838.5		2,954.5
Beyond five years	<u>48.8</u>		-
	<u>P 6,727.9</u>	P	<u>6,276.2</u>

Past due finance lease receivables amounted to P234.8 and P354.8 as of December 31, 2011 and 2010, respectively.

Past due loans and receivables financed amounted to P199.1 and P313.0 as of December 31, 2011 and 2010, respectively.

In 2011 and 2010, the BOD approved the write-off of certain loans and receivables financed and finance lease receivables with total amount of P66.3 and P49.0, respectively.

Interest and discounts in the statements of comprehensive income consist of interest on:

	Group		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Loans and receivable financed	P 721.1	P 583.8	P 454.4
Finance lease receivables	444.3	440.1	399.0
Cash and cash equivalents	1.0	0.5	0.9
Due from affiliates and other loans	<u>-</u>	<u>4.4</u>	<u>10.8</u>
	<u>P 1,166.4</u>	<u>P 1,028.8</u>	<u>P 865.1</u>
	Parent Company		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Loans and receivables financed	P 721.8	P 583.8	P 460.2
Finance lease receivables	444.3	440.1	399.0
Cash and cash equivalents	0.6	0.5	0.9
Due from affiliates and other loans	<u>-</u>	<u>2.8</u>	<u>32.4</u>
	<u>P 1,166.7</u>	<u>P 1,027.2</u>	<u>P 892.5</u>

The changes in the allowance for impairment for the Group and the Parent Company are summarized below.

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Balance at beginning of year	P 234.3	P 184.3	P 132.9
Impairment losses during the year	117.1	99.0	94.5
Accounts written off	<u>(66.3)</u>	<u>(49.0)</u>	<u>(43.1)</u>
Balance at end of year	<u>P 285.1</u>	<u>P 234.3</u>	<u>P 184.3</u>

9. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2011 and 2010 are shown below.

	<u>Transportation and Other Equipment</u>	<u>Furniture, Fixtures and Others</u>	<u>Leasehold Improve- ments</u>	<u>Total</u>
Group				
December 31, 2011				
Cost	P 854.5	P 25.8	P 23.8	P 904.1
Accumulated depreciation and amortization	<u>(363.8)</u>	<u>(21.1)</u>	<u>(16.0)</u>	<u>(400.9)</u>
Net carrying amount	<u>P 490.7</u>	<u>P 4.7</u>	<u>P 7.8</u>	<u>P 503.2</u>

	<u>Transportation and Other Equipment</u>	<u>Furniture, Fixtures and Others</u>	<u>Leasehold Improve- ments</u>	<u>Total</u>
December 31, 2010				
Cost	P 2,855.4	P 22.5	P 24.9	P 2,902.8
Accumulated depreciation and amortization	(<u>2,016.4</u>)	(<u>15.6</u>)	(<u>13.9</u>)	(<u>2,045.9</u>)
Net carrying amount	<u>P 839.0</u>	<u>P 6.9</u>	<u>P 11.0</u>	<u>P 856.9</u>
January 1, 2010				
Cost	P 2,654.1	P 18.4	P 19.2	P 2,691.7
Accumulated depreciation and amortization	(<u>1,221.9</u>)	(<u>12.7</u>)	(<u>4.6</u>)	(<u>1,239.2</u>)
Net carrying amount	<u>P 1,432.2</u>	<u>P 5.7</u>	<u>P 14.6</u>	<u>P 1,452.5</u>
		<u>Furniture, Fixtures and Others</u>	<u>Leasehold Improve- ments</u>	<u>Total</u>
<u>Parent Company</u>				
December 31, 2011				
Cost		P 25.8	P 23.8	P 49.6
Accumulated depreciation and amortization		(<u>21.1</u>)	(<u>16.0</u>)	(<u>37.1</u>)
Net carrying amount		<u>P 4.7</u>	<u>P 7.8</u>	<u>P 12.5</u>
December 31, 2010				
Cost		P 22.5	P 24.9	P 47.4
Accumulated depreciation and amortization		(<u>15.6</u>)	(<u>13.9</u>)	(<u>29.5</u>)
Net carrying amount		<u>P 6.9</u>	<u>P 11.0</u>	<u>P 17.9</u>
January 1, 2010				
Cost		P 18.4	P 19.2	P 37.6
Accumulated depreciation and amortization		(<u>12.7</u>)	(<u>4.6</u>)	(<u>17.3</u>)
Net carrying amount		<u>P 5.7</u>	<u>P 14.6</u>	<u>P 20.3</u>

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2011 and 2010 is shown below.

	<u>Transportation and Other Equipment</u>	<u>Furniture, Fixtures and Others</u>	<u>Leasehold Improve- ments</u>	<u>Total</u>
<u>Group</u>				
Balance at January 1, 2011, net of accumulated depreciation and amortization	P 839.0	P 6.9	P 11.0	P 856.9
Additions	266.5	3.3	0.9	270.7
Disposals	(377.8)	-	-	(377.8)
Depreciation and amortization charges for the year	(237.0)	(5.5)	(4.1)	(246.6)
Balance at December 31, 2011, net of accumulated depreciation and amortization	<u>P 490.7</u>	<u>P 4.7</u>	<u>P 7.8</u>	<u>P 503.2</u>
Balance at January 1, 2010, net of accumulated depreciation and amortization	P 1,432.2	P 5.7	P 14.6	P 1,452.5
Additions	211.4	6.2	5.7	223.3
Disposals	(5.0)	(0.7)	-	(5.7)
Depreciation and amortization charges for the year	(799.6)	(4.3)	(9.3)	(813.2)
Balance at December 31, 2010, net of accumulated depreciation and amortization	<u>P 839.0</u>	<u>P 6.9</u>	<u>P 11.0</u>	<u>P 856.9</u>

	<u>Furniture, Fixtures and Others</u>	<u>Leasehold Improve- ments</u>	<u>Total</u>
<u>Parent Company</u>			
Balance at January 1, 2011, net of accumulated depreciation and amortization	P 6.9	P 11.0	P 17.9
Additions	3.3	0.9	4.2
Depreciation and amortization charges for the year	(5.5)	(4.1)	(9.6)
Balance at December 31, 2011, net of accumulated depreciation and amortization	<u>P 4.7</u>	<u>P 7.8</u>	<u>P 12.5</u>
Balance at January 1, 2010 net of accumulated depreciation and amortization	P 5.7	P 14.6	P 20.3
Additions	6.2	5.7	11.9
Disposals	(0.7)	-	(0.7)
Depreciation and amortization charges for the year	(4.3)	(9.3)	(13.6)
Balance at December 31, 2010, net of accumulated depreciation and amortization	<u>P 6.9</u>	<u>P 11.0</u>	<u>P 17.9</u>

Depreciation and amortization charges for 2011 and 2010 are included as part of Occupancy and Equipment-related Expenses account in the statements of comprehensive income.

In 2009 and 2008, the Group entered into sale and lease back transactions classified as operating lease with a particular lessee, with lease terms ranging from 20 to 24 months, involving various equipment. The gross carrying amount and accumulated depreciation of the subject equipment as of December 31, 2011 and 2010 follow:

	<u>2011</u>	<u>2010</u>
Cost	<u>P 730.0</u>	P 730.0
Accumulated depreciation	<u>(730.0)</u>	<u>(641.5)</u>
	<u>P -</u>	<u>P 88.5</u>

Total operating lease income earned from the leases with the particular lessee is presented as part of Rent in the Group statements of comprehensive income amounted to P56.0 in 2011, P356.6 in 2010 and P1,025.9 in 2009 (nil for the Parent Company). The carrying amount of lease deposits payable to the lessee were nil and P21.8 as of December 31, 2011 and 2010, respectively. Interest expense accrued on such lease deposits included as part of Interest and Financing Charges account in the Group statements of comprehensive income amounted to P0.4 in 2011, P25.6 in 2010 and P42.0 in 2009.

As of December 31, 2011 and 2010, the net book value of transportation and other equipment leased out by the Group (nil for the Parent Company) under operating lease arrangements amounted to P490.7 and P839.0, respectively.

In 2011, the Group disposed of various transportation equipment with carrying value of P377.8 resulting to gain on sale of P5.1. In 2010, the Group disposed of certain transportation equipment with carrying value of P5.0, resulting to gain on sale of P1.2 (see Note 16).

Also, in 2011, BDO Rental's lease contract with a lessee was terminated earlier than the original term stated in the agreement. BDO Rental recognized pretermination income amounting to P18.7 arising from the said transaction and loss on disposal of the related asset amounting to P31.2. The amount of pretermination income is included under Miscellaneous Income account (see Note 16) while the loss on disposal is included under Other Costs and Operating Expenses account in the 2011 statement of comprehensive income.

10. INVESTMENT PROPERTIES

Investment properties include land and building and improvements held for rentals and capital appreciation.

The carrying amounts and accumulated depreciation at the beginning and end of 2011 and 2010 in the Group and Parent Company financial statements are shown below.

	<u>Land</u>	<u>Building and Improve- ments</u>	<u>Total</u>
December 31, 2011			
Cost	P 461.1	P 109.4	P 570.5
Accumulated depreciation	-	(50.0)	(50.0)
Accumulated impairment	(40.2)	(51.4)	(91.6)
Net carrying amount	<u>P 420.9</u>	<u>P 8.0</u>	<u>P 428.9</u>
December 31, 2010			
Cost	P 690.1	P 128.6	P 818.7
Accumulated depreciation	-	(45.5)	(45.5)
Accumulated impairment	(41.5)	(30.4)	(71.9)
Net carrying amount	<u>P 648.6</u>	<u>P 52.7</u>	<u>P 701.3</u>

	<u>Land</u>	<u>Building and Improve- ments</u>	<u>Total</u>
January 1, 2010			
Cost	P 709.6	P 106.5	P 816.1
Accumulated depreciation	-	(34.7)	(34.7)
Accumulated impairment	(41.5)	(14.4)	(55.9)
Net carrying amount	<u>P 668.1</u>	<u>P 57.4</u>	<u>P 725.5</u>

A reconciliation of the carrying amounts at the beginning and end of 2011 and 2010 of investment properties in the Group and Parent Company financial statements is shown below.

	<u>Land</u>	<u>Building and Improve- ments</u>	<u>Total</u>
Balance at January 1, 2011, net of accumulated depreciation and impairment	P 648.6	P 52.7	P 701.3
Additions	93.1	13.9	107.0
Disposals	(346.4)	(8.8)	(355.2)
Reclassifications	25.6	(7.3)	18.3
Depreciation and amortization charges for the year	-	(20.5)	(20.5)
Impairment losses during the year	-	(22.0)	(22.0)
Balance at December 31, 2011, net of accumulated depreciation and impairment	<u>P 420.9</u>	<u>P 8.0</u>	<u>P 428.9</u>
Balance at January 1, 2010, net of accumulated depreciation and impairment	P 668.1	P 57.4	P 725.5
Additions	19.6	11.9	31.5
Disposals	(11.5)	-	(11.5)
Reclassifications	(27.6)	-	(27.6)
Depreciation and amortization charges for the year	-	(11.4)	(11.4)
Impairment losses during the year	-	(5.2)	(5.2)
Balance at December 31, 2010, net of accumulated depreciation and impairment	<u>P 648.6</u>	<u>P 52.7</u>	<u>P 701.3</u>

The appraised values of the investment properties as of December 31, 2011 and 2010 follow:

	2011		2010	
Land	P	633.4	P	931.1
Building and improvements		155.3		111.4
	P	788.7	P	1,042.5

Fair values have been determined based on valuations made by independent and/or in-house appraisers, which are market value for land and building and related improvements and reproduction cost for certain building and improvements. Valuations were derived on the basis of recent sales of similar properties in the same area as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made. In addition, there are certain significant assumptions that are considered in the valuation of these properties, based on the following: (a) extent, character and utility of the properties; (b) sales or listing of prices for similar properties; (c) highest and best use of the property; and (d) accumulated depreciation for depreciable properties. Internal appraisals were made for all properties with book value of P5 or less, while external appraisals were made for all properties with book value exceeding P5.

Direct operating expenses incurred on investment properties recognized in profit or loss are insignificant.

Gain on sale of investment properties included under Service Fees and Other Income amounted to P40.4, P12.4 and P7.2 in 2011, 2010 and 2009, respectively (see Note 16).

11. OTHER ASSETS

Other assets consist of the following:

	Group		Parent Company	
	2011	2010	2011	2010
Prepaid expenses	P	99.4	P	107.9
Repossessed chattels			P	15.7
and other equipment - net		46.4		33.2
Input value-added tax (VAT)		65.9		46.4
Investment in subsidiary		46.7	-	23.2
Miscellaneous - net		-		-
		400.0		400.0
		3.1		3.3
	P	215.1	P	180.9
		484.6		482.9

The gross carrying amounts and accumulated depreciation of repossessed chattels and other equipment are shown below.

	<u>2011</u>		<u>2010</u>
Cost	P 122.0	P	71.5
Accumulated depreciation	(56.1)	(	25.1)
	<u>P 65.9</u>	P	<u>46.4</u>

A reconciliation of the carrying amounts of repossessed chattels and other equipment at the beginning and end of 2011 and 2010 is shown below.

	<u>2011</u>		<u>2010</u>
Balance at January 1, net of accumulated depreciation	P 46.4	P	17.2
Additions	60.2		48.3
Disposals	(6.4)	(	7.9)
Depreciation charges for the year	(34.3)	(	11.2)
Net carrying amount	<u>P 65.9</u>	P	<u>46.4</u>

No impairment loss was recognized on repossessed chattels and other equipment in 2011, 2010 and 2009.

Input VAT includes transitional input tax and the VAT due or paid by the Group on purchases of goods, properties, and services, including lease or use of properties in the ordinary course of business.

Investment in a subsidiary represents 100% ownership of the Group in BDO Rental. The movements of this account are presented below.

	<u>2011</u>		<u>2010</u>
Balance at beginning of year	P 400.0	P	237.5
Additional investment during the year	-		162.5
Balance at end of year	<u>P 400.0</u>	P	<u>400.0</u>

On March 3, 2010, the Parent Company subscribed to additional 162.5 million preferred shares at P1 par value issued by BDO Rental or for a total of P162.5 million.

12. **BILLS PAYABLE**

This account consists of borrowings from:

	<u>Group</u>		<u>Parent</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Banks	P 2,489.0	P 623.0	P 2,435.9	P 623.0
Others	8,086.0	7,041.8	8,086.0	7,009.6
Accrued interest	7.6	1.4	7.6	1.3
	<u>P 10,582.6</u>	<u>P 7,666.2</u>	<u>P 10,529.5</u>	<u>P 7,633.9</u>

Bills payable to banks represent peso borrowings from local banks (including BDO Unibank as of December 31, 2011 and 2010 – see Note 19), with annual interest rates ranging from 4.0% to 4.25% in 2011 and from 6.21% to 7.36% in 2010. As of December 31, 2011 and 2010, bills payable - others represent short-term notes issued to individual investors, with annual interest rates ranging from 3.6% to 4.1% and from 3.75% to 4.00%. These rates approximate prevailing market rates.

The breakdown of bills payable as to secured and unsecured follows:

	<u>Group</u>		<u>Parent</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Unsecured	P 10,529.5	P 7,412.2	P 10,529.5	P 7,379.9
Secured - real estate mortgage	-	254.0	-	254.0
	<u>P 10,529.5</u>	<u>P 7,666.2</u>	<u>P 10,529.5</u>	<u>P 7,633.9</u>

Interest and financing charges consist of interest on:

	<u>Note</u>	<u>Group</u>		
		<u>2011</u>	<u>2010</u>	<u>2009</u>
Bills payable - banks		P 95.7	P 28.0	P 54.1
Bills payable - others		280.0	266.0	158.1
Amortization on lease deposits	14	12.0	36.9	69.2
		<u>P 387.7</u>	<u>P 330.9</u>	<u>P 281.4</u>
	<u>Note</u>	<u>Parent Company</u>		
		<u>2011</u>	<u>2010</u>	<u>2009</u>
Bills payable - banks		P 95.2	P 28.0	P 27.6
Bills payable - others		280.0	260.4	143.1
Amortization on lease deposits	14	6.1	11.2	35.8
		<u>P 381.3</u>	<u>P 299.6</u>	<u>P 206.5</u>

13. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities consist of the following:

	Notes	Group		Parent	
		2011	2010	2011	2010
Accounts payable		P 98.7	P 54.5	P 97.5	53.4
Accrued taxes and other expenses		19.0	15.6	19.0	15.6
Withholding taxes payable		9.2	6.6	9.0	6.2
Retirement benefit obligation	18	6.5	9.9	6.5	9.9
Other liabilities		18.9	18.1	12.2	14.0
		<u>P 152.3</u>	<u>P 104.7</u>	<u>P 144.2</u>	<u>P 99.1</u>

Management considers the carrying amounts of accounts payable and other liabilities recognized in the statements of financial position to be reasonable approximation of their fair values due to their short duration.

14. LEASE DEPOSITS

This account represents deposits on:

	Group		Parent Company	
	2011	2010	2011	2010
Finance leases	P 2,381.9	P 2,254.3	P 2,381.9	P 2,254.3
Operating leases	44.0	363.4	-	-
	<u>P 2,425.9</u>	<u>P 2,617.7</u>	<u>P 2,381.9</u>	<u>P 2,254.3</u>

Interest expense on lease deposits accrued using the effective interest method in the Group's financial statements amounted to P12.0, P36.9 and P69.2 in 2011, 2010 and 2009, respectively, and P6.1, P11.2 and P35.8 in 2011, 2010 and 2009, respectively, in the Parent Company financial statements (see Note 12). These are included as part of Interest and Financing Charges under Operating Costs and Expenses in the Group and Parent Company statements of comprehensive income.

15. EQUITY

15.01 Capital Management Objectives, Policies and Procedures

The Group's capital management objectives are:

- a. To provide an adequate return to shareholders by pricing products commensurately with the level of risk; and
- b. To ensure the Group's ability to continue as a going concern.

The Group sets the amount of capital in proportion to its overall financing structure and the Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group's capital and overall financing as of December 31, 2011 and 2010 are shown below:

	<u>2011</u>	<u>2010</u>
Total equity	P 4,361.0	P 4,565.8
Cash and cash equivalents	(87.7)	(71.9)
Net capital	<u>P 4,273.3</u>	<u>P 4,493.9</u>
Bills payable	P 10,582.6	P 7,666.2
Lease deposits	2,425.9	2,617.7
Total equity	<u>4,361.0</u>	<u>4,565.8</u>
Overall financing	<u>P 17,369.5</u>	<u>P 14,849.7</u>
Capital-to-overall financing ratio	<u>1 : 4.06</u>	<u>P 1 : 3.3</u>

Under RA No. 8556 the Group is required to maintain the following capital requirements:

- Minimum paid-up capital of P10 million; and
- Additional capital requirements for each branch of P1 million for branches established in Metro Manila, P0.5 million for branches established in other classes of cities and P0.25 million for branches established in municipalities.

As of December 31, 2011 and 2010, the Group is in compliance with this minimum paid-up capital requirement.

15.02 Preferred Shares

The Parent Company has 200,000 authorized preferred shares at P100 par value a share with the following features:

- a. Issued serially in blocks of not less than 100,000 shares;
- b. No pre-emptive rights to any or all issues on other disposition of preferred shares;
- c. Entitled to cumulative dividends at a rate not higher than 20% yearly;
- d. Subject to call or with rights for their redemption, either mandatory at a fixed or determinable date after issue; and
- e. Nonvoting, except in cases expressly provided for by law.

None of these authorized preferred shares are issued as of December 31, 2011 and 2010.

15.03 Common Shares

As of December 31, 2011 and 2010, out of the total authorized capital stock of 3,400,000,000 common shares with par value of one peso per share, 2,225,169,030 common shares amounting to P2,225,169,030 are issued and outstanding.

On December 7, 2011 and May 30, 2011, the BOD approved the declaration of cash dividends at P0.10 per share and P0.05 per share, respectively, amounting to P216.2 and P108.2 or for a total of P324.4 for the year. The December 2011 and May 2011 dividends were declared in favor of stockholders of record as of December 26, 2011 and June 14, 2011, respectively. As of December 31, 2011, the December 2011 dividends are still outstanding and is shown as Dividends Payable in the 2011 statement of financial position. The said dividends were paid subsequently on January 18, 2012.

On December 8, 2010 and May 31, 2010, the BOD approved the declaration of cash dividends at P0.10 per share and P0.05 per share, respectively, amounting to P216.2 and P108.2 or for a total of P324.4 for the year. The December 2010 and May 2010 dividends were declared in favor of stockholders of record as of December 22, 2010 and June 30, 2010, respectively. As of December 31, 2010, the December 2010 dividends are still outstanding and is shown as Dividends Payable in the 2010 statement of financial position.

15.04 Track Record of Registration of Securities

On January 6, 1997, the Parent Company was listed with the PSE with 106,100,000 new additional common shares and 15,120,000 existing common shares with par value of P1 per share. The listing was approved by the SEC in May 1996. As of December 31, 2011, the Parent Company's number of shares registered totaled 2,225,169,030 with par value of P1 per share and closed at a price of P1.61 per share. The total number of stockholders is 1,227 and 1,242 as of December 31, 2011 and 2010, respectively.

16. SERVICE FEES AND OTHER INCOME

This account is composed of the following:

	Notes	Group		
		2011	2010	2009
Dividend income	7	P 125.7	P 104.9	P -
Gain on assets acquired	10	40.4	12.4	7.2
Recovery on charged-off accounts		2.6	16.5	11.1
Service fees		0.7	1.9	95.6
Fair value gains - net		0.5	1.9	7.3
Gain on sale of property and equipment	9	5.1	1.2	10.7
Gain on sale of receivable		-	-	62.6
Miscellaneous	9	52.4	39.5	24.4
		<u>P 227.4</u>	<u>P 178.3</u>	<u>P 218.9</u>

	Notes	Parent Company		
		2011	2010	2009
Dividend income	7	P 125.7	P 104.9	P -
Gain on assets acquired	10	40.4	12.4	7.2
Recovery on charged-off accounts		2.6	16.5	11.1
Service fees		0.7	1.9	95.6
Fair value losses - net		(0.8)	(0.6)	(0.4)
Gain on sale of receivable	9	-	-	62.6
Miscellaneous	9	30.4	22.4	11.4
		<u>P 199.0</u>	<u>P 157.5</u>	<u>P 187.5</u>

Dividend income pertains to income earned for investments in SMC shares and First Gen shares (see Note 7).

Fair value gains (losses) – net represent the fair value gains on initial recognition of lease deposits (representing excess of principal amount over fair value of leased deposits), net of the fair value losses on initial recognition of the residual value receivables under finance lease.

In 2011, BDO Rental’s lease contract with a lessee was terminated earlier than the original term stated in the agreement. BDO Rental recognized pretermination income amounting to P18.7 arising from the said transaction and loss on disposal of the related asset amounting to P33.2. The amount of pretermination income is included under Miscellaneous Income in the 2011 Group profit or loss in the statement of comprehensive income.

17. LEASES

The Group’s finance lease contracts generally have lease terms ranging from 24 to 60 months.

In the ordinary course of business, the Group enters into various operating leases with lease terms ranging from 6 to 60 months. Operating lease income presented under Rent account in the Group statements of comprehensive income for the years ended December 31, 2011, 2010 and 2009 amounted to P244.5, P830.9 and P1,125.7, respectively.

Future minimum rental receivables under operating leases follow:

	2011	2010	2009
Within one year	P 123.9	P 138.8	P 1.1
After one year but not more than five years	39.3	159.5	898.2
	<u>P 163.2</u>	<u>P 298.3</u>	<u>P 899.3</u>

18. EMPLOYEE BENEFITS

18.01 Salaries and Employee Benefits Expense

Expenses recognized for salaries and employee benefits are presented below.

	<u>2011</u>		<u>2010</u>		<u>2009</u>
Salaries and wages	P 85.3	P	70.0	P	75.5
Bonuses	31.0		22.6		23.8
Retirement – defined benefit plan	21.9		18.1		14.2
Social security costs	6.4		2.8		3.5
Other benefits	<u>19.3</u>		<u>20.6</u>		<u>16.9</u>
	<u>P 163.9</u>	P	<u>134.1</u>	P	<u>133.9</u>

18.02 Post-employment Benefits

The Parent Company maintains a wholly-funded, tax-qualified, noncontributory retirement plan that is being administered by a trustee covering all regular full-time employees. Actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions.

The amounts of retirement benefit obligation presented in the statements of financial position as part Accounts Payable and Other Liabilities, respectively, are determined as follows (see Note 13):

	<u>2011</u>		<u>2010</u>
Present value of the obligation	P 135.5	P	101.5
Fair value of plan assets	(65.9)	(	<u>61.1</u>)
Excess of obligation	69.6		40.4
Unrecognized actuarial losses	(63.1)	(	<u>30.5</u>)
	<u>P 6.5</u>	P	<u>9.9</u>

The movements in the present value of the retirement benefit obligation recognized in the books follow:

	<u>2011</u>		<u>2010</u>
Balance at beginning of year	P 101.5	P	115.4
Current service cost and interest cost	17.3		19.4
Actuarial losses	37.6	(	15.0)
Transfer from the plan	-	(	5.0)
Settlement loss	3.1		-
Benefits paid by the plan	(24.0)	(	<u>13.3</u>)
Balance at end of year	<u>P 135.5</u>	P	<u>101.5</u>

The movements in the fair value of plan assets are presented below.

	<u>2011</u>		<u>2010</u>
Balance at beginning of year	P 61.1	P	51.3
Contributions paid into the plan	25.3		22.1
Benefits paid by the plan	(24.0)	(	13.3)
Actuarial gains (losses)	0.4		3.2
Transfer from the plan	-	(	5.0)
Expected return on plan assets	<u>3.1</u>		<u>2.8</u>
Balance at end of year	<u>P 65.9</u>	P	<u>61.1</u>

Actual return on plan assets amounted P3.4 in 2011, P6.1 in 2010 and P4.1 in 2009.

The amounts of retirement benefits expense recognized in profit or loss follow:

	<u>2011</u>		<u>2010</u>		<u>2009</u>
Current service cost	P 8.9	P	8.7	P	6.9
Interest cost	8.4		10.7		9.8
Expected return on plan assets	(3.1)	(	2.8)	(	3.2)
Other benefits	<u>7.7</u>		<u>1.5</u>		<u>0.7</u>
	<u>P 21.9</u>	P	<u>18.1</u>	P	<u>14.2</u>

In determining the retirement benefits, the following actuarial assumptions were used:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Discount rates	6.33%	8.25%	9.28%
Expected rate of return on plan assets	5.00%	5.00%	5.00%
Expected rate of salary increases	10.00%	10.00%	10.00%

For 2012, the Group expects to contribute P24.1 to the plan.

19. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Group enters into transactions with BDO Unibank and other affiliates. Under the Group's policy, these transactions are made substantially on the same terms as with other individuals and businesses of comparable risks.

- a. As of December 31, 2011 and 2010, total savings and demand deposit accounts maintained with BDO Unibank by the Group amounted to P72.9 and P42.6, respectively. Interest income earned on deposits amounted to P0.8, P4.7 and P0.8 in 2011, 2010 and 2009, respectively. Cash equivalents totaling P16.0 is also maintained with BDO Unibank as of December 31, 2010 (nil as of December 31, 2011).

- b. Total bills payable to BDO Unibank amounted to P2,488.1 as of December 31, 2011 and P351.0 as of December 31, 2010. Interest expense incurred on these bills payable amounted to P86.7, P0.5 and P14.2 in 2011, 2010 and 2009, respectively (see Note 12).
- c. The Parent Company leases its head office premises and certain branch offices from BDO Unibank for terms ranging from one to five years, renewable for such period and under such terms and conditions as may be agreed upon with the Parent Company and BDO Unibank. Related rent expense incurred amounted to P11.5, P13.6 and P10.5 in 2011, 2010 and 2009, respectively.
- d. In 2010, the Parent Company granted short-term unsecured loan amounting to P10.5 to BDO Rental, at prevailing market rates. The loan is presented as part of Loans and Other Receivables in the Parent Company's 2010 statement of financial position. In 2011, BDO Rental fully paid the loan.

Total interest income earned by the Parent Company amounted to P1.0 in 2010 on this loan transaction and is presented as part of Interest and Discounts in the Parent Company's 2010 statement of comprehensive income.

- e. Compensation of key management personnel (covering officer positions starting from Assistant Vice President and up) amounted to P44.7 in 2011, P26.2 in 2010 and P24.6 in 2009 and is included as part of Employee Benefits under Operating Costs and Expenses in the statements of comprehensive income of the Group and Parent Company. Short-term employee benefits include salaries, paid annual leave and paid sick leave, profit sharing and bonuses, and non-monetary benefits.

20. TAXES

20.01 Taxes and Licenses

This account is composed of the following:

	Group		
	2011	2010	2009
Gross receipts tax	P 52.2	P 57.7	P 56.9
Documentary stamp tax	51.3	36.9	24.2
Local taxes	13.4	13.4	8.3
Others	5.7	4.8	2.9
	P 122.6	P 112.8	P 92.3
	Parent Company		
	2011	2010	2009
Gross receipts tax	P 52.2	P 57.7	P 56.9
Documentary stamp tax	51.2	36.5	19.4
Local taxes	7.7	6.6	7.1
Others	3.6	3.3	2.1
	P 114.7	P 104.1	P 85.5

20.02 Current and Deferred Taxes

The components of tax expense reported in other comprehensive income for the years ended December 31 follow:

	<u>Group</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
<i>Reported in profit or loss</i>			
Current tax expense:			
Regular corporate income tax (RCIT)			
at 30% in 2011, 2010	P 88.8	P 83.4	P 157.9
and 2009	<u>0.2</u>	<u>0.8</u>	<u>2.1</u>
Final tax at 20%, 10% and 7.5%	89.0	84.2	160.0
Deferred tax expense (income)			
Deferred tax relating to			
origination and reversal of			
temporary difference	(<u>8.2</u>)	<u>15.7</u>	(<u>5.6</u>)
	P 80.8	P 99.9	P 154.4
<i>Reported in other comprehensive income</i>			
Deferred tax relating to			
origination of temporary difference	<u>P 2.6</u>	<u>P 7.6</u>	<u>P -</u>
	<u>Parent Company</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
<i>Reported in profit or loss</i>			
Current tax expense:			
Regular corporate income tax (RCIT)			
at 30% in 2011, 2010	P 88.8	P 70.1	P 147.5
and 2009	<u>0.1</u>	<u>0.4</u>	<u>2.2</u>
Final tax at 20%, 10% and 7.5%	88.9	70.5	149.7
Deferred tax expense (income)			
Deferred tax relating to			
origination and reversal of			
temporary difference	(<u>8.8</u>)	<u>18.1</u>	(<u>7.4</u>)
	P 80.1	P 88.6	P 142.3
<i>Reported in other comprehensive income</i>			
Deferred tax relating to			
origination of temporary difference	<u>P 2.6</u>	<u>P 7.6</u>	<u>P -</u>

A reconciliation of tax on pretax income computed at the applicable statutory rates to tax expense reported in the statements of comprehensive income follows:

	<u>Group</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax on pretax income at 30% in 2011, 2009 and 2008	P 115.4	P 122.6	P 136.3
Adjustment for income subjected to lower tax rates	(0.1)	(0.6)	(1.4)
Tax effects of:			
Non-deductible expense	4.5	8.4	26.4
Non-taxable income	(39.0)	(34.1)	(8.0)
Non-deductible interest expense	<u>-</u>	<u>3.6</u>	<u>1.1</u>
Tax expense reported in profit or loss	<u>P 80.8</u>	<u>P 99.9</u>	<u>P 154.4</u>
	<u>Parent Company</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax on pretax income at 30% in 2011, 2010 and 2009	P 116.6	P 118.5	P 132.1
Adjustment for income subjected to lower tax rates	-	(0.4)	(1.4)
Tax effects of:			
Non-deductible expense	2.1	0.2	16.3
Non-taxable income	(38.6)	(33.3)	(5.8)
Non-deductible interest expense	<u>-</u>	<u>3.6</u>	<u>1.1</u>
Tax expense reported in profit or loss	<u>P 80.1</u>	<u>P 88.6</u>	<u>P 142.3</u>

The components of net deferred tax liabilities as of December 31, 2011 and 2010 follow:

	Statement of Financial Position			
	Group		Parent Company	
	2011	2010	2011	2010
Deferred tax assets:				
Allowance for impairment on:				
Loans	P 82.8	P 68.2	P 82.8	P 68.2
Investment properties	27.8	21.2	27.8	21.2
Accounts receivable	2.0	2.1	2.0	2.1
Net operating loss carryover	7.2	-	-	-
Retirement benefit obligation	0.8	1.8	0.8	1.8
Others	0.6	0.6	0.6	0.6
	121.2	93.9	114.0	93.9
Deferred tax liabilities:				
Lease income differential	191.8	172.6	191.8	180.4
Unrealized fair value gain on available-for-sale financial assets	10.2	7.6	10.2	7.6
Unrealized gain on exchange of assets	1.6	1.6	1.6	1.6
Others	0.1	0.2	0.1	0.2
	203.7	182.0	203.7	189.8
Net deferred tax liabilities	P 82.5	P 88.1	P 89.7	P 95.9

The components of deferred tax expense (income) in profit and loss and in other comprehensive income for the years ended December 31, 2011, 2010 and 2009 follow:

	Group		
	2011	2010	2009
<i>In profit or loss:</i>			
Deferred tax assets:			
Allowance for impairment on:			
Loans and discounts	P 14.6	P 15.5	P 11.1
Investment properties	6.6	4.8	-
Accounts receivable	(0.1)	(0.5)	-
Retirement benefit obligation	(1.0)	(0.3)	0.1
Others	-	-	(1.1)
	20.1	19.5	10.1
Deferred tax liabilities:			
Lease income differential	11.8	35.3	4.2
Unrealized gain on exchange of assets	-	-	-
Others	0.1	(0.1)	0.3
	11.9	35.2	4.5
Net deferred tax expense (income)	(P 8.2)	P 15.7	(P 5.6)

	<u>Parent Company</u>					
	<u>2011</u>		<u>2010</u>		<u>2009</u>	
<i>In profit or loss:</i>						
Deferred tax assets:						
Allowance for impairment on:						
Loans and discounts	P	14.6	P	15.5	P	15.3
Investment properties		6.6		4.8		-
Accounts receivable	(	0.1)	(	0.5)	-	-
Retirement benefit obligation	(	1.0)	(	0.3)		0.1
Others		<u>-</u>		<u>-</u>	(	<u>0.7)</u>
		<u>20.1</u>		<u>19.5</u>		<u>14.7</u>
Deferred tax liabilities:						
Lease income differential		11.3		37.7		7.2
Others		<u>-</u>	(	<u>0.1)</u>		<u>0.1</u>
		<u>11.3</u>		<u>37.6</u>		<u>7.3</u>
Net deferred tax expense (income)	(P	<u>8.8)</u>	P	<u>18.1</u>	(P	<u>7.4)</u>
	<u>Group and Parent Company</u>					
	<u>2011</u>		<u>2010</u>			

In other comprehensive income:

Deferred tax liability on unrealized fair value gains on available-for-sale securities	P	<u>2.6</u>	P	<u>7.6</u>
--	----------	-------------------	---	------------

20.03 Supplementary Information Required Under Revenue Regulations (RR) 15-2010 and 19-2011

The Bureau of Internal Revenue issued Revenue Regulations 15-2010 and 19-2011 which required certain supplementary information to be disclosed as part of the notes to financial statements. The supplementary information is, however, not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards; it is neither a required disclosure under the Philippine Securities and Exchange Commission rules and regulations covering the form and content of financial statements under Securities Regulation Code Rule 68.

The Parent Company presented this tax information required by the BIR as a supplementary schedule filed separately from the basic financial statements.

21. EARNINGS PER SHARE

Basic earnings per share were computed as follows:

	Group		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net income	P 303.7	P 308.7	P 300.0
Divided by the weighted average number of outstanding common shares – net*	<u>2,162</u>	<u>2,162</u>	<u>2,162</u>
Basic earnings per share	<u>P 0.14</u>	<u>P 0.14</u>	<u>P 0.14</u>
	Parent Company		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net income	P 308.7	P 306.4	P 298.1
Divided by the weighted average number of outstanding common shares – net*	<u>2,162</u>	<u>2,162</u>	<u>2,162</u>
Basic earnings per share	<u>P 0.14</u>	<u>P 0.14</u>	<u>P 0.14</u>

* net of treasury shares

There were no outstanding dilutive potential common shares as of December 31, 2011 and 2010.

22. CONTINGENT LIABILITIES AND COMMITMENTS

In addition to those already mentioned in the preceding notes, in the ordinary course of business, the Group incurs contingent liabilities and commitments arising from normal business transactions which are not reflected in the accompanying financial statements. As of December 31, 2011, management does not anticipate significant losses from these contingencies and commitments that would adversely affect the Group's financial position and results of operations.

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2011

Statement of Management's Responsibility for Financial Statements

Report of Independent Auditors on Supplementary Schedules Filed Separately
from the Basic Financial Statements

- (1) Supplementary Schedules to Financial Statements
(Annex 68-E, SRC Rule 68)

<u>Schedule</u>	
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Intangible Assets - Other Assets
E	Long-Term Debt
F	Indebtedness to Related Parties
G	Guarantees of Securities of Other Issuers
H	Capital Stock

- (2) Reconciliation of Retained Earnings Available for Dividend Declaration

- (3) Map Showing the Relationship Between and Among Related Entities

- (4) List of Standards and Interpretations under Philippine Financial Reporting Standards
as of December 31, 2011

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

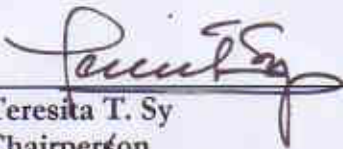
The management of **BDO Leasing and Finance, Inc.** (the Company), is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2011, 2010 and 2009 in accordance with Philippine Financial Reporting Standards (PFRS), including the additional components attached therein:


- a. Supplementary schedules required under Annex 68-E of the Securities Regulation Code
- b. Reconciliation of retained earnings available for dividend declaration
- c. Map showing the relationship between and among related entities
- d. List of standards and interpretations under Philippine Financial Reporting Standards as of December 31, 2011

This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and, in its report to the Board of Directors and stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signature : 
Teresita T. Sy
Chairperson

Signature : 
Geofgiana A. Gamboa
President

Signature : 
Rosalisa K. Alindahao
Comptroller

Signed this 14th day of March 2012

SUBSCRIBED and SWORN to me before this 16 day of MAR 16 2012, 2012 affiant exhibiting to me his/her Social Security Number, as follows:

NAMES

SSS NUMBER

Teresita T. Sy
Georgiana A. Gamboa
Rosalisa K. Alindahao

03-2832705-4
03-6940728-9
03-5894505-3

A
AIMEE C. ROSALES
Notary Public for Pasig City
Commission expires on December 31, 2012
Penthouse, Anson's Bldg., 23 ADB Ave.,
Ortigas Center, Pasig City
PTR No. 3178358; Makati; 1/4/2012
IBP No. 877854; Makati; 1/4/2012
Roll No. 52759

DOC. NO: 616
PAGE NO: 100
BOOK NO: AI
SERIES OF 20 D



Punongbayan & Araullo

Report of Independent Auditors on Supplementary Schedules Filed Separately from the Basic Financial Statements


20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 886-5511
F +63 2 886-5506; +63 2 886-5507
www.punongbayan-araullo.com

**The Board of Directors and Stockholders
BDO Leasing and Finance, Inc.
(A Subsidiary of BDO Unibank, Inc.)
BDO Leasing Centre, Corinthian Gardens
Ortigas Avenue, Quezon City**

We have audited in accordance with Philippine Standards on Auditing, the financial statements of BDO Leasing and Finance, Inc. and subsidiary (the Group) and BDO Leasing and Finance, Inc. (the Parent Company) for the year ended December 31, 2011, on which we have rendered our report dated February 8, 2012. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary schedules listed in the Index to Financial Statements and Supplementary Schedules of the Group are the responsibility of the management and presented for purposes of additional analysis in compliance with the requirements of the Securities Regulation Code Rule 68, and are not a required part of the basic financial statements. The information on such supplementary schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO


By: Benjamin P. Valdez
Partner

CPA Reg. No. 0028485
TIN 136-619-880
PTR No. 3174790, January 2, 2012, Makati City
SEC Group A Accreditation
Partner - No. 009-AR-3 (until Dec. 9, 2014)
Firm - No. 0002-FR-3 (until Jan. 18, 2015)
BIR AN 08-002511-11-2011 (until Sept. 22, 2014)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2012)

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

Name of issuing entity and association of each issue (i)	Number of shares or principal amount of bonds or notes	Amount shown on the balance sheet	Valued based on the market quotation at end of reporting period	Income received and accrued
Available-for-sale (AFS) Financial Assets				
San Miguel Corporation	16,933,000	P 1,269,975,000	P 1,342,786,900	P 101,598,000
First Gen Corporation	7,000,000	700,000,000	700,000,000	24,111,111
Valley Golf Country Club	1	25,000	200,000	-
Tagaytay Splendido	1	800,000	90,000	-
Total AFS Financial Assets		P 1,970,800,000	P 2,043,076,900	P 125,709,111
Loans and Receivables				
PETRON CORPORATION		P 854,608,856	P 854,608,856	P 79,728,061
BEACON ELECTRIC ASSET HOLDINGS INC		852,222,200	852,222,200	90,591,220
FIRST GEN CORPORATION		500,000,000	500,000,000	42,402,000
MANILA NORTH TOLLWAYS CORPORATION		500,000,000	500,000,000	23,145,205
CITY SAVINGS BANK INC		500,000,000	500,000,000	22,980,822
MAYNILAD WATER SERVICES, INC.		500,000,000	500,000,000	17,007,397
PHILIPPINE LONG DISTANCE TELEPHONE COMPANY		486,000,000	486,000,000	38,318,400
DMCI PROJECT DEVELOPERS INC		450,000,000	450,000,000	28,759,537
MEGAWIDE CONSTRUCTION CORPORATION		391,307,566	391,307,566	17,030,667
CARMEN COPPER CORPORATION		359,694,591	359,694,591	10,173,256
DOLE PHILIPPINES, INC.		355,855,100	355,855,100	49,054,944
FIRST PHILEC SOLAR CORPORATION		355,693,444	355,693,444	38,958,425
DELTA EARTH MOVING INC.		322,028,204	322,028,204	28,311,960
MONTENEGRO SHIPPING LINES INC		285,686,994	285,686,994	28,913,343
(FMEI) FERNANDO MEDICAL ENTERPRISES, INC.		188,937,478	188,937,478	7,939,907
QISHU HEAVY EQUIPMENT CORPORATION		174,990,298	174,990,298	2,258,858
SHOGUN SHIPS CO INC		171,453,814	171,453,814	11,751,313
ASIAPORT EQUIPMENT AND LOGISTICS CORPORATION		166,584,729	166,584,729	4,383,174
BM MARINE TANKER & SHIPPING, INC.		154,486,729	154,486,729	13,941,871
PHIL-NIPPON KYOEI CORPORATION ("RMU ACCOUNT")		147,067,747	147,067,747	14,334,677
PHILIPPINE RESOURCES SAVINGS BANKING COR		146,428,571	146,428,571	3,135,158
CTITMAX GROUP, INC.		133,634,859	133,634,859	7,253,170
TRAVELLERS INTERNATIONAL HOTEL GROUP, INC.		131,921,635	131,921,635	5,048,175
FILOIL GAS COMPANY, INC.		126,966,901	126,966,901	5,980,946
MIGHTY CORPORATION		121,128,245	121,128,245	6,141,952
MACRO INDUSTRIAL PACKAGING PRODUCTS CORPORATION		116,981,074	116,981,074	11,602,471
DEL MONTE MOTORWORKS INC		113,400,000	113,400,000	260,975
UNITED PULP & PAPER COMPANY, INC. (UPPC)		105,412,110	105,412,110	1,199,787
VRC LIGHTERAGE INCORPORATED		100,082,172	100,082,172	7,560,918
ORIENTAL PORT AND ALLIED SERVICES CORP.		92,455,194	92,455,194	5,360,730
MONTALBAN MILLEX-AGGREGATES CORPORATION		91,279,416	91,279,416	610,239
GLACIER REFRIGERATED SERVICES CORP. (RMU ACCOUNT)		84,960,206	84,960,206	5,345,569
DAGUPAN DOCTORS VILLAFLORES MEMORIAL HOSPITAL, INC.		84,542,430	84,542,430	5,889,752
EASTCRANES, INCORPORATED		77,984,445	77,984,445	4,394,188
SHIPLINK TERMINAL RESOURCES, INC.		77,515,804	77,515,804	4,344,727

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
CELSO C. FERRER-CONTRACTOR (Sps. Celso & Cristina Ferrer)		76,219,300	76,219,300	1,951,226
SOLAR ENTERTAINMENT CORPORATION		72,195,662	72,195,662	1,961,951
CITIBIKE CREDIT CORPORATION/BIKEWORLD CREDIT CORPORATION		72,014,436	72,014,436	4,210,240
NEPHROLOGY SERVICES PHILS., INC.		68,653,982	68,653,982	5,066,596
BIOSOLUTIONS, INC.		65,306,566	65,306,566	868,089
BAUER FOUNDATIONS PHILIPPINES, INC.		64,962,192	64,962,192	5,306,033
SIX IN ONE CORPORATION		64,901,639	64,901,639	2,899,148
INAEC AVIATION CORPORATION		60,195,122	60,195,122	6,019,512
OMENGAN CONSTRUCTION & DEVELOPMENT CORP.		60,108,499	60,108,499	8,483,072
SP PROPERTIES INC.		59,572,097	59,572,097	3,267,539
SFM SALES CORPORATION		55,400,902	55,400,902	461,299
ECOLOGY MARINE TRANSPORT SPECIALIST,		52,561,461	52,561,461	6,570,183
GENESIS TRANSPORT SERVICE INC		49,351,566	49,351,566	1,976,568
GMV CORPORATION		49,261,619	49,261,619	1,646,553
IPM CONSTRUCTION AND DEVELOPMENT		48,662,340	48,662,340	1,258,744
GLUE CONCEPTS, INC. ("RMU ACCOUNT")		45,743,736	45,743,736	1,919,363
DELTA CONCRETE CORPORATION		45,278,736	45,278,736	3,473,695
SENCO LINK TECHNOLOGIES, INC. ("RMU ACCOUNT")		44,928,366	44,928,366	3,765,148
KELLEN TRANSPORT INC		43,542,670	43,542,670	2,284,078
KRAFT FOODS PHILIPPINES INC. - 2A		37,399,368	37,399,368	-
RHEANAS IMPORT AND EXPORT / AMITH CHANDIRAMANI - 2		36,280,500	36,280,500	-
ALLCARD PLASTICS PHILIPPINES, INC.		35,982,050	35,982,050	2,163,146
ELECTRONIC NETWORK CASH TELLERS (ENCASH) INC.		35,355,199	35,355,199	3,884,473
GAMMON RESOURCES INC.		35,210,022	35,210,022	382,750
FIRST CAGAYAN LEISURE & RESORT		34,461,791	34,461,791	4,480,033
FIVE STAR RICE MILL & GRAINS CENTER/SPS. HENRY U. & ANA U PUA AND LEA U. HATOL		33,574,552	33,574,552	1,424,807
STORES SPECIALISTS, INC.		33,561,019	33,561,019	2,747,428
DEL MONTE MOTOR WORKS, INC.		33,118,001	33,118,001	2,351,777
ANSECA DEVELOPMENT CORPORATION		32,679,907	32,679,907	4,933,374
OCEANIC CONTAINER LINES, INC. LBP		32,236,299	32,236,299	4,513,082
MANILA NORTH HARBOUR PORT, INC.		32,123,509	32,123,509	1,447,502
JARDIS PRINTING CORPORATION		31,363,815	31,363,815	1,244,118
TILAH SEED CENTER		31,272,343	31,272,343	3,302,999
COASTLINE CONSTRUCTION & MAINTENANCE/Sps. Nestor & Charo Catapang		30,861,416	30,861,416	3,118,685
FRITZ & MACZIOL ASIA, INC.		30,039,864	30,039,864	205,323
SCC INNOVASIA INC. (Formerly SC & C Cosmetech Co., Inc.)		29,953,790	29,953,790	3,471,680
UY GAWANI STEEL CORP.		29,414,703	29,414,703	296,855
ASEC DEVELOPMENT AND CONSTRUCTION CORPORATION		29,062,363	29,062,363	2,016,354
KUDOS TRUCKING CORPORATION		28,659,173	28,659,173	1,201,486
GOOD YEAR GRAINS RICE MILL AND BUYING STATION / SPS. REYNANTE & ROSALIE PASCUA		28,598,997	28,598,997	2,150,409
RSL CONSTRUCTION INCORPORATED		28,219,180	28,219,180	1,386,982
R.A. NEPOMUCENO CONSTRUCTION SERVICES		27,989,355	27,989,355	2,397,198
EAGLE CORINTHIANS INTEGRATED SECURITY INC.,-2A		27,430,924	27,430,924	-
DALISAY SWEETS / CRISTINA R. BERROYA - 2		27,027,892	27,027,892	-
FIRST BALFOUR INC.		26,820,392	26,820,392	2,078,003

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

Name of issuing entity and association of each issue (i)	Number of shares or principal amount of bonds or notes	Amount shown on the balance sheet	Valued based on the market quotation at end of reporting period	Income received and accrued
JOEL CHAVEZ EQUIPMENT RENTALS CORPORATION		25,584,905	25,584,905	1,180,943
SPS. CELSO & CRISTINA FERRER (CELSO FERRER-CONTRACTOR)		25,286,426	25,286,426	1,033,856
CAPITOL UNIVERSITY MEDICAL CITY FOUNDATION, INC.		25,026,582	25,026,582	1,890,418
JOWELLES AUTO PARTS INC./JAPI		24,770,008	24,770,008	1,525,653
J. GATLABAYAN TRUCKING INC.		24,688,719	24,688,719	1,191,722
OILEXPRESS CORP		24,631,956	24,631,956	2,709,515
PARTAS TRANSPORTATION CO. INC.		24,393,069	24,393,069	2,788,310
ASSURANCE CONTROLS TECHNOLOGIES CO., INC.		23,765,079	23,765,079	1,097,572
GOODMORNING INTERNATIONAL CORPORATION		23,505,009	23,505,009	407,037
UNITED IMUS DOCTORS, INC		23,485,544	23,485,544	2,301,152
OILINERS INC		23,476,203	23,476,203	2,159,811
HELTITREND CORPORATION		23,276,268	23,276,268	2,346,758
IPM CONSTRUCTION AND DEVELOPMENT CORPORATION		22,829,117	22,829,117	1,854,553
MEGA CORINTHIANS INTEGRATED SECURITY INC.-2A		22,444,735	22,444,735	-
PRIME SALES INCORPORATED		21,907,569	21,907,569	2,255,706
HONDA PHILIPPINES, INC.		21,618,847	21,618,847	528,303
COVENANT ULTRATECH, INC./JOS CIRCUIT, INC.		21,509,846	21,509,846	1,882,379
D & M METAL INDUSTRY/SPS. DANILO & MARIVIC CO		21,468,386	21,468,386	795,924
AU WILLY UY		20,881,788	20,881,788	387,544
ALLADIN PALAY CORN GRAINS CENTER		20,809,692	20,809,692	1,127,121
Ramosco Logistics, Incorporated 2A		20,476,251	20,476,251	-
HESREAL DEVELOPMENT CORP.		20,416,203	20,416,203	743,366
FIVE STAR RICE MILL & GRAINS CENTER/SPS.		20,300,000	20,300,000	323,036
BEREX ENTERPRISES		19,833,686	19,833,686	988,251
GOLDILUCKS STEEL MANUFACTURING CORP.		19,807,970	19,807,970	1,624,811
ALTIS CONSTRUCTION - 2 (B)		19,166,838	19,166,838	-
XIMEX DELIVERY EXPRESS, INC.		18,918,407	18,918,407	1,207,018
VCL GARMENTS MANUFACTURING -2B		18,554,444	18,554,444	-
VILLA SHIPPING LINES		18,501,704	18,501,704	2,035,187
GLOBAL HEAVY EQUIPMENT & CONSTRUCTION CORPORATION		18,481,013	18,481,013	90,230
V-STAR TRUCKING AND LOGISTICS CORPORATION		18,013,688	18,013,688	1,683,109
PP BUS LINE, INC. (RMU ACCOUNT)		17,704,125	17,704,125	2,124,495
JNJKONS ENTERPRISES - 2A		17,222,358	17,222,358	2,884,745
PACIFIC ACTIVATED CARBON CO., INC. (RMU		16,799,724	16,799,724	1,969,802
DOLMAR PRESS, INC.		16,796,814	16,796,814	1,459,795
WELPRINTS SERVICES		16,366,753	16,366,753	817,894
HM TRANSPORT, INC.		16,197,207	16,197,207	2,105,637
GRAND ASIAN SHIPPING LINES INC		15,479,718	15,479,718	1,827,126
ISABELA LA SUERTE RICEMILL CORP.		15,386,935	15,386,935	965,209
R AND M CONSTRUCTION - 2		15,220,857	15,220,857	1,978,711
INVIDA PHILIPPINES, INC.		15,132,129	15,132,129	1,016,582
ASIAPHIL HOPE, INC.		15,075,891	15,075,891	2,125,757
SKY CABLE CORPORATION		15,017,000	15,017,000	18,882
CENTER FOR AGRICULTURE AND RURAL		15,000,200	15,000,200	1,392,019
TWINPACK CONTAINER CORP.		14,948,277	14,948,277	139,503

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
A-ONE GARMENTS PRINT HOUSE INC.		14,944,503	14,944,503	951,225
M.E. SICAT CONSTRUCTION, INC.		14,917,934	14,917,934	1,492,427
DOKTOR S GENERICS PHARMACY, INC.		14,816,922	14,816,922	326,054
MEMPHIS TRUCKING CORP		14,812,191	14,812,191	1,131,860
SUN SPRING PRINTING CORPORATION		14,805,038	14,805,038	339,162
E.I. CONSTRUCTION AND DEVELOPMENT CORPORATION		14,746,686	14,746,686	675,283
ASIAPRIME COMMODITIES CORP.		14,691,174	14,691,174	431,189
EDSA PRINTHAUS		14,595,766	14,595,766	1,668,698
AJAN JEADA, INC.		14,394,658	14,394,658	544,209
MIG-21 GASOLINE STATION/ R.U. MIGUEL CONST. SUPPLY & TRADING/ SPS. ROGER U. & JUDIE LINDA G. MIGUEL		14,342,677	14,342,677	1,182,811
ERJOHN AND ALMARK TRANSIT CORPORATION		14,225,581	14,225,581	1,826,859
JOS_CIRCUIT, INC.		14,156,126	14,156,126	209,926
MAKOBABI DISTRIBUTORS		13,863,008	13,863,008	1,846,553
GLOBAL PARTNERS, INC.		13,627,046	13,627,046	805,461
TAIHON CHEMICALS & SERVICES INC.		13,378,270	13,378,270	899,007
ORIENT COLD STORAGE, INC.		13,371,526	13,371,526	598,836
JDBEC, INC.		13,163,837	13,163,837	662,915
LIZAMEN PRINTING SERVICES/SPOUSES NAPOLEON AND MA. FLORDELIZA MENDOZA		13,063,948	13,063,948	193,648
J MOVERS INTERTRANSPORT CO.		12,810,532	12,810,532	723,185
ICON GRAPHICS, INC.		12,678,371	12,678,371	867,951
ALPS THE BUS, INC.		12,584,486	12,584,486	1,674,082
NATION PETROLEUM CORP.(RMU)		12,568,511	12,568,511	2,915,354
MAGICPLAS CORPORATION		12,556,877	12,556,877	1,148,304
PHIL. HATTORI CONSTRUCTION & DEVELOPMENT CORPORATION		12,521,838	12,521,838	540,234
D.M. CONSUNJI, INC. (DMCI)		12,498,141	12,498,141	787,599
IRS EASTERN INC		12,385,156	12,385,156	644,533
UNITED SHELTER HEALTH PRODUCTS		12,326,946	12,326,946	1,664,138
High Definition (HD) Builders and Construction		12,139,968	12,139,968	1,069,929
L ATIENZA ENTERPRISES		12,137,478	12,137,478	1,562,256
ANUPOL HARDWARE AND LUMBER/ Sps. Eraño & Vivian Anupol		12,009,472	12,009,472	413,514
WIRELESS SERVICES ASIA, INC.		11,863,230	11,863,230	293,818
SIYCHA TRANSPORT CORPORATION		11,793,800	11,793,800	1,179,380
JELL TRANSPORT INC		11,672,358	11,672,358	1,283,959
PARASAT CABLE TV, INC.		11,661,783	11,661,783	475,442
MONSANTO PHILIPPINES INCORPORATED		11,596,321	11,596,321	2,210,356
AC SICAT MARKETING / ARTURO CAMILING SICAT - 2		11,479,538	11,479,538	-
LBC DEVELOPMENT CORPORATION		11,431,337	11,431,337	1,432,805
DELBROS WATERFRONT LEASING CO.		11,189,635	11,189,635	1,128,839
COLORADO SHIPYARD CORPORATION (CSC)		11,088,467	11,088,467	636,516
KIAN CONSTRUCTION		10,803,556	10,803,556	422,762
GLOBAL EASY HARDWARE		10,744,547	10,744,547	803,998
PATRICK T PABLO		10,583,023	10,583,023	1,480,629
SPS. LEO A. WOO, SR & MYRNA B. WOO		10,376,577	10,376,577	1,243,605
SARANGANI AGRICULTURAL CO., INC.		10,363,935	10,363,935	388,551
SOUTH BAY TOOLING CORP. ("RMU ACCOUNT")		10,234,939	10,234,939	1,247,271

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

Name of issuing entity and association of each issue (i)	Number of shares or principal amount of bonds or notes	Amount shown on the balance sheet	Valued based on the market quotation at end of reporting period	Income received and accrued
PHILCAN INDUSTRIAL CORPORATION		10,157,337	10,157,337	602,641
JC TAYAG BUILDERS/JCT FARM/SPS. JUANITO & ELIZABETH TAYAG		10,127,549	10,127,549	796,978
ANDOK S LITSON CORPORATION		10,112,257	10,112,257	873,408
ASSOCIATED ANGLO-AMERICAN TOBACCO CORP.		10,081,686	10,081,686	605,455
CITYBEST JANITORIAL AND GEN. SERV. INC.-2B		10,059,067	10,059,067	-
MIG 21 GASOLINE STATION		9,974,469	9,974,469	1,396,426
SIXTEEN ENTERPRISES		9,852,605	9,852,605	519,781
STATUS MARITIME CORPORATION		9,566,647	9,566,647	1,175,151
THE FAB GROUP, INC.		9,526,773	9,526,773	487,321
GALLJNTINA INDUSTRIA CORPORATION		9,522,263	9,522,263	1,055,350
IONTECH, INC.		9,497,998	9,497,998	323,998
RICHJORDAN ENTERPRISES/NG CHING TING ("RMU ACCT.")		9,360,366	9,360,366	536,547
Unilime Minerals		9,354,203	9,354,203	1,164,598
FVT CORPORATION		9,289,582	9,289,582	889,923
WHITE BEAUTY CORPORATION - 2B		9,139,125	9,139,125	-
NORTHERN LUZON NUCLEAR MEDICINE CENTER (NLNMC) INC		9,119,361	9,119,361	539,063
MEDIANA, RUDY CARLO M. / RG & K CONSTRUCTION AND GENERAL MERCHANDISE and Sps. RUDY L. and MARICOR M. MEDIANA		8,980,531	8,980,531	309,543
LEWISON PHARMACEUTICALS CORPORATION		8,961,919	8,961,919	276,316
SPS. BENJAMIN A. WOO / ANGELICA C. WOO (WOO GENERAL MERCHANDISE & FARM SERVICES)		8,836,985	8,836,985	773,251
MARBY FOOD VENTURES CORPORATION-2A		8,798,106	8,798,106	-
MASTER CORRUGATED BOARD MAKERS INC. / TOUCH PACKAGING INC.		8,768,163	8,768,163	924,490
TELSTAR TEXTILE INDUSTRIES ("RMU ACCOUNT")		8,747,866	8,747,866	773,619
N DELA ROSA LINER INC NDRII		8,713,091	8,713,091	1,219,833
B-G FRUITS AND NUTS MANUFACTURING CORPORATION		8,708,572	8,708,572	967,497
SPS. RENATO V. MALIGALIG AND CAMILA S. MALIGALIG (REVERE CONSTRUCTION AND SUPPLY)		8,706,556	8,706,556	293,560
ARSD CONSTRUCTION CORPORATION		8,413,336	8,413,336	651,149
MENCORP TRANSPORT SYSTEMS INC		8,372,000	8,372,000	4,473
GEO-TRANSPORT & CONSTRUCTION, INC.		8,360,405	8,360,405	735,738
MEDICOTEK, INCORPORATED		8,337,303	8,337,303	912,884
ARCUSIT INCORPORATED		8,333,958	8,333,958	67,596
GENACE PHARMA DISTRIBUTOR/SPS. CHARLES & FE BASUEL		8,317,262	8,317,262	1,571,678
FORMAPLY INDUSTRIES, INC.		8,122,400	8,122,400	96,670
MTV KLINIKA INC.-RMU ACCT.		8,117,940	8,117,940	802,553
SID-ANN PRINTING SERVICES, INC. (FORMERLY SIDANN DESIGN & PRINTING SERVICES)		8,108,437	8,108,437	564,505
MRC GRAINS TRADING		8,100,000	8,100,000	213,189
RITROWIL ENTERPRISE, INC.		8,084,988	8,084,988	906,013
GEMMA S GRAINS AND AGRI BUSINESS/SPS. CESARIO O. & GEMMA D. OH		8,027,967	8,027,967	326,522
ESTOPERES, CEZAR U.		7,969,629	7,969,629	397,927
VICTOR R. DEL ROSARIO RICE MILL CORP.		7,935,335	7,935,335	630,031
NISSAN CAR LEASE PHILIPPINES INC		7,874,202	7,874,202	328,128
BN CHAVEZ DEVELOPMENT INC.		7,859,344	7,859,344	573,255
RUSTAN MARKETING SPECIALISTS, INC.		7,782,701	7,782,701	907,334
R.B. CAPISTRANO ENTERPRISES		7,731,948	7,731,948	470,431
NETFORCE INTERNATIONAL INC.		7,721,337	7,721,337	835,758
MAPTAN CONSTRUCTION AND EQUIPMENT		7,660,057	7,660,057	1,129,858

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
WHITE BEAUTY CORPORATION - 2		7,522,125	7,522,125	-
TLC Enterprises		7,515,148	7,515,148	331,667
CELEBES CANNING CORPORATION (CCC)		7,474,143	7,474,143	857,602
SPS. JEFFREY E. & ARLENE T. BORJA (JAJ AGGREGATES/TOLEDO DEVELOPMENT SERVICES)		7,300,372	7,300,372	329,769
DIAMOND PACKAGING INDUSTRIAL CORPORATION		7,242,686	7,242,686	394,220
SUPREME GENERAL CONTRACTOR & TRADERS COMPANY		7,225,378	7,225,378	683,176
BM EQUIPMENT RESOURCES, INC.		7,175,457	7,175,457	657,076
PENTA MARITIME CORPORATION		7,175,160	7,175,160	932,771
AU, WILLY U./NOLITA L.		7,086,284	7,086,284	695,002
PERMAC RETREADING		7,007,717	7,007,717	677,017
White Beauty Corporation - 2C		6,968,625	6,968,625	-
VGPUYAT GROUP, INC.		6,956,052	6,956,052	658,396
HUANG CONSTRUCTION CORPORATION		6,910,048	6,910,048	543,881
ZENSHIN SYSTEMS CORPORATION		6,902,273	6,902,273	3,940
TRANSBULK CARRIERS CORPORATION		6,853,594	6,853,594	890,967
D CIMA FRANCA TRUCKING CORP		6,769,005	6,769,005	156,757
VISAYAN VETS PORT SERVICES, INC.		6,564,011	6,564,011	1,102,662
RPD CONSTRUCTION INC		6,543,170	6,543,170	712,707
MEDICAL ONE CORPORATION		6,533,883	6,533,883	240,414
MATRIX CORPORATE SECURITY AND GENERAL SERVICES, INC.		6,516,027	6,516,027	212,269
SANDVIK TAMROCK (PHILS.) INC.		6,405,154	6,405,154	455,817
STANDARD INSURANCE CO., INC.		6,376,598	6,376,598	831,364
CHASSET PRIME FOODS & MEATSHOP/SPS.		6,361,881	6,361,881	697,489
DIRECTION TRAVEL & TOURS INC		6,347,488	6,347,488	49,458
WATER DRAGON CONSTRUCTION/CLARITA M. GADDI & JINKEE LOU M GADDI/TRIKERS PETRON GAS STATION		6,326,582	6,326,582	355,697
VERMAN SHUTTLE SERVICE RMU ACCOUNT		6,315,789	6,315,789	1,326,316
PRIMERO COMPANIA CENTRALE CO.		6,309,183	6,309,183	452,586
ROUNCE PRINTING CORPORATION		6,302,499	6,302,499	756,300
DURASTRESS CORPORATION		6,298,129	6,298,129	469,343
EVER LINES INCORPORATED		6,243,535	6,243,535	874,095
MEDIAPOOL, INCORPORATED		6,129,611	6,129,611	393,045
FSAP Company Incorporated (RMU ACCOUNT)		6,074,268	6,074,268	523,389
YSA JEWELLER WHOLESALE AND RETAIL		6,061,323	6,061,323	848,585
MEGA MAIL EXPRESS AND GENERAL SERVICES INC. -2B		6,049,639	6,049,639	-
C. R. DOMINGO CONSTRUCTION INC.		5,978,035	5,978,035	434,994
DAGUPAN ENDOSCOPIC AND LAPAROSCOPIC CENTER, INC.		5,961,738	5,961,738	307,218
SULTAN KUDARAT MILLING AND TRADING INC.		5,881,592	5,881,592	429,418
POTENCIANO & ANECITA LARRAZABAL ENT. CORP. (PALEC)		5,880,193	5,880,193	536,017
NICOJEM S GRAINS BUYING STATION/SPS.		5,879,452	5,879,452	784,962
A.L.R. CONSTRUCTION CORPORATION		5,870,984	5,870,984	463,883
UNIBLESS PLASTIC MFG. CORP.		5,865,236	5,865,236	594,841
FASTCARGO LOGISTICS CORP.		5,854,391	5,854,391	372,396
C & J GENERAL MERCHANDISE & SERVICES		5,823,888	5,823,888	480,402
EUSEBIO X BITUIN		5,767,900	5,767,900	1,095,901
PRINTOFLEX PHIL. INC.		5,662,424	5,662,424	526,806

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
SUNSHINE INTERLINK PUBLISHING HOUSE, INC.		5,633,206	5,633,206	580,539
BATMAN STAREXPRESS CORPORATION		5,624,851	5,624,851	646,858
SERAH PRINTING SERVICES / SPOUSES RODRIGO T. SOTTO AND EVELYN D. SOTTO		5,616,587	5,616,587	392,270
GRABATO, IRENEO II E. and CHERIE GOLD C.		5,608,252	5,608,252	518,457
WATERDRAGON CONSTRUCTION/CLARITA M.		5,581,382	5,581,382	584,549
Sun Valley Food Manufacturing Corporation		5,575,625	5,575,625	671,712
BANNUAR SECURITY AGENCY INC. - 2		5,531,333	5,531,333	-
JEJOR S CONSTRUCTION CORPORATION		5,497,231	5,497,231	243,181
EC SOFT PACKAGING CORPORATION		5,493,589	5,493,589	327,460
ONE SOURCE MANPOWER SOLUTIONS AND GENERAL SERVICES -2B		5,491,432	5,491,432	-
DAIRYMAN ICE CREAM/MY FAVORITE ICE CREAM(SPS. ANTONIO/RUFINA AGUSTIN) RMU ACCOUNT		5,487,017	5,487,017	100,792
S & T FARM AND TRUCKING SERVICES		5,437,401	5,437,401	277,471
BATANES MULTI PURPOSE COOPERATIVE INC		5,426,050	5,426,050	651,126
REDSTONE APPAREL INDUSTRIES/NENITA M.		5,414,244	5,414,244	812,137
FIRST ORIENTAL PACKAGING, INCORPORATED		5,399,750	5,399,750	4,625
CLO Lumber & Hardware / Sps. Charlie A. & Amilene U. Ong		5,328,782	5,328,782	651,203
ODD CUBES INCORPORATED		5,320,004	5,320,004	488,912
JEFFERSON L GO		5,317,999	5,317,999	850,880
PACIFIC CONCRETE PRODUCTS INC.		5,301,905	5,301,905	243,151
SPS. WILFREDO B. DE LEON JR. & MARIA THERESA D. DE LEON (BIMBO CONSTRUCTION AND SUPPLY)		5,300,000	5,300,000	29,196
TEXICON AGRI VENTURES CORP.		5,258,478	5,258,478	330,697
DIOSA PALAY AND CORN TRADING		5,226,613	5,226,613	476,502
RODOLFO S. PAMINTUAN CONSTRUCTION SUPPLY AND AGGREGATES		5,213,035	5,213,035	578,101
ORLANDO B. RIRAO BUYING STATION/ SPS. ORLANDO B. AND LILY F. RIRAO		5,098,237	5,098,237	724,768
EXILE INCORPORATED-RMU ACCT.		5,033,517	5,033,517	444,290
VICTORIA FILLING PLANT, INC.		5,014,350	5,014,350	394,282
MAC BUILDERS		5,008,973	5,008,973	142,267
LYNS PETRON AND SERVICE STATION/SPS. HERMINIO AND LOURDES LAGAMAYO/MA. TERESA LAGAMAYO		5,000,000	5,000,000	16,507
I.T. LOG PARK CORPORATION		4,931,418	4,931,418	63,003
SPS. APOLINAR AND MARYTESS SIMARA (RICH ADS CONSTRUCTION AND SUPPLY) (BATANGAS DESK)		4,900,823	4,900,823	399,879
SPS. AMADO & RAQUEL GUTIERREZ (A.G. FARM & TRUCKING)		4,836,087	4,836,087	549,380
PHILHARBOR FERRIES AND PORT SERVICES,		4,833,023	4,833,023	724,953
ADAPTAR, ALEJANDRO B. AND GRACE A.		4,766,331	4,766,331	325,352
PHILSTONE INDUSTRIAL & MANUFACTURING CORPORATION		4,756,311	4,756,311	169,484
MLB ENTERPRISES		4,694,416	4,694,416	298,567
RHONA AND RYAN TRANSIT		4,656,259	4,656,259	791,564
TRIPLE A SECURITY AGENCY, INC. - 2A		4,645,892	4,645,892	-
LD ESTRELLANES TRADING		4,594,474	4,594,474	629,768
PATRILA BUILDERS, INC.		4,591,500	4,591,500	770,354
SAGADA CONSTRUCTION DEVELOPMENT CORPORATION		4,584,284	4,584,284	498,350
Edgardo F. Faderon and Sps. Edren and Dareen Faderon/E.Y.F. Enterprises and Construction		4,440,730	4,440,730	485,207
ARTEMIS SALT CORPORATION		4,429,604	4,429,604	529,860
INNOVATION PRINTSHOPPE, INC.		4,423,472	4,423,472	377,792
R.D. INTERIOR JUNIOR CONSTRUCTION/SPS.RICARDO & SUSAN INTERIOR		4,420,210	4,420,210	150,971
ALUFORM ARCHITECTURAL INNOVATIONS CORPORATION		4,416,188	4,416,188	465,383

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
RUSON PARTS CORPORATION		4,404,133	4,404,133	129,863
TUV RHEINLAND PHILIPPINES, INC.		4,403,456	4,403,456	80,449
918 AGGREGATES & CONSTRUCTION SUPPLY/ Sps. Ruel & Emelyn Homena		4,380,569	4,380,569	319,431
SPECTRUMED INC.		4,338,513	4,338,513	230,383
CENTER LINE ENGINEERING/SPS. ANGELITO DE LEON SANTOS AND CARMELITA C. SANTOS		4,334,874	4,334,874	157,077
ST. THOMAS SECURITY & GENERAL SERVICES CORPORATION		4,320,833	4,320,833	384,248
DIMENSIONAL SERVICE CORPORATION		4,302,947	4,302,947	59,642
DON BOSCO TECHNICAL INSTITUTE OF MAKATI, INC.		4,288,946	4,288,946	330,556
VINEYARD CONSTRUCTION/SPS. RAMONBITO B. UY & MARIA SHEILA R. UY		4,288,662	4,288,662	339,728
RCPJC CORP. CORPORATION (formerly RCPJC CONSTRUCTION SUPPLY CORP.)		4,264,744	4,264,744	244,660
MADYAW CONSTRUCTION & DEVELOPMENT CORPORATION		4,260,020	4,260,020	156,650
ESR CONSTRUCTION AND SUPPLIES		4,257,982	4,257,982	187,166
E.S. VALMOCINA ENT./ SPS. EDGARDO & SYLVIA VALMOCINA		4,253,321	4,253,321	355,756
ZULUETA THEODORE E		4,250,113	4,250,113	92,920
IRONBASE DEVELOPMENT AND TRADING CORPORATION		4,226,450	4,226,450	221,640
FORESEE DEVELOPMENT CORPORATION		4,192,957	4,192,957	202,505
STRINGS COMPUTERS & TECHNOLOGIES-BRANCH I/SPS. ADOLFO & MA. CHRISTINE MONTEMAYOR		4,174,307	4,174,307	410,901
MYSERV INTERNATIONAL, INC.		4,169,052	4,169,052	223,821
METALITE BUILDERS DEVELOPMENT CO., INC.		4,168,288	4,168,288	353,801
ASIAN MARINE TRANSPORT CORP.		4,141,063	4,141,063	500,781
TRANSTECH SHUTTLE SERVICE INC.		4,140,115	4,140,115	786,622
C. T. O. SHELL GAS STATION/SPS. CONSTANT E T & MARISSA U OANDASAN		4,117,197	4,117,197	246,065
KHUMBU ENTERPRISES, INC.		4,111,565	4,111,565	340,786
GRAX ENTERPRISES/ ROMEO A. MARCELO & GIGI M. MAYA		4,073,614	4,073,614	178,807
OXFORD MINES, INC.		4,051,553	4,051,553	340,284
FORMING ACCESS & SUPPORT INC. (FAST)		4,041,155	4,041,155	398,596
PATRIOT PHARMACEUTICALS CORPORATION		4,024,907	4,024,907	309,150
U B M CORPORATION		4,024,385	4,024,385	171,910
FEEDMIX SPECIALIST INC. II		4,000,521	4,000,521	202,487
L. ATIENZA ENTERPRISES / LOURDES A. LIWAG (WIDOWER) & SPS RONALDO G & LEONIDA G ATIENZA		3,985,968	3,985,968	458,349
MILLENNIUM SHIPPING COMPANY INC		3,976,240	3,976,240	196,089
R.S. BAUTISTA TRUCKING SERVICES (Sps. Reynaldo & Nenita Bautista)		3,966,271	3,966,271	169,425
FIRST MASS TRANSPORT GROUP INC.		3,942,945	3,942,945	433,724
HYPERKEM AND MACHINERIES INC. - 2C		3,936,908	3,936,908	-
ICON SECURITY SPECIALIST AND INVESTIGATION AGENCY INC.		3,883,373	3,883,373	454,301
MARSMAN DRYSDALE MEDICAL PRODUCTS, INC.		3,883,173	3,883,173	282,758
NATRAPHARM, INC.		3,853,649	3,853,649	337,533
TACLOBAN RAS CONSTRUCTION CORPORATION		3,833,163	3,833,163	571,759
JOBIT AQUAMARINE PRODUCTS INC.		3,792,969	3,792,969	2,716,914
BEAUTY LOOM MANUFACTURING, INCORPORATED-2A		3,789,027	3,789,027	-
RNE MARKETING		3,785,975	3,785,975	548,966
GASTON, JOSE MA. D. AND CHRISTINA MARIE B.		3,781,806	3,781,806	264,865
SPS. WILFREDO & JOCELYN NATIVIDAD/Triple 8 Construction & Supply		3,773,090	3,773,090	211,989
TWIN PINES INCORPORATED		3,760,261	3,760,261	160,619
DELSAN OFFICE SYSTEMS CORPORATION		3,755,369	3,755,369	267,347

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
RCC Construction/Sps. Reynado & Chona Cruz		3,725,369	3,725,369	276,632
JOHN JEFF MINI DRESS _		3,713,313	3,713,313	283,433
DEL MONTE CITY TRANS CORP		3,706,199	3,706,199	574,461
Ron Rice Mill / Ronillo S. Mاريو		3,695,832	3,695,832	726,058
SPS. FLORO AND GRACIA BORJA/F.S. BORJA CONSTRUCTION/BRYAN R. BORJA		3,648,443	3,648,443	18,214,740
GMV MATERIALS, INC.		3,640,611	3,640,611	379,085
CHINA CAMC ENGINEERING CO. LTD. PHIL.		3,579,908	3,579,908	230,402
COLORPOINT CLASSIC INC. ("RMU ACCOUNT")		3,522,636	3,522,636	203,261
SPS. RALPH MANUEL V. / JAYDEE C. BASA (MYRMIDON CONSTRUCTION)		3,518,179	3,518,179	208,271
JNJKONS ENTERPRISES - 2		3,506,897	3,506,897	587,405
GOOD YEAR GRAINS RICE MILL AND BUYING		3,496,750	3,496,750	205,085
TE, ANTONIO AND TERESITA / TE, MICHAEL AND ESTHER		3,496,062	3,496,062	256,967
J.S. CRUZ CONSTRUCTION & DEVELOPMENT, INC.		3,484,440	3,484,440	239,063
GONZALES, SPS. AUGUSTUS M. AND STELLA MARIE D.		3,481,241	3,481,241	296,704
DZ CARD PHILIPPINES, INC.		3,465,609	3,465,609	389,605
LA CROESUS PHARMA, INC.		3,461,755	3,461,755	89,906
UNITED LAND TRANSPORT AND BUS COMPANY, WELLREACH SALES INTERNATIONAL, INC.		3,439,114	3,439,114	-
SPS. NESTOR & BENILDA PACER/N. PACER GENERAL MERCHANDISING		3,435,101	3,435,101	201,698
SOPOCO, ARMANDO M.		3,426,955	3,426,955	217,214
SMART LABEL & SYSTEM TECHNOLOGY / SPS. JOSELITO AND ROSEMARIE ELLEMA		3,384,719	3,384,719	570,157
E.S. FRIAS SERVICE SPECIALISTS, INC.		3,380,398	3,380,398	270,392
DESMOND A. MALIC TRUCKING SERVICES INC. - 2A		3,380,263	3,380,263	330,512
TESCO MANUFACTURING CORPORATION		3,369,385	3,369,385	-
Sps. Vincent Paul and Catherine Sanvicente / VPS Palay Trading		3,340,840	3,340,840	503,436
BALENKO GRAVEL AND SAND/ LUISITO O CUMIGAD AND GLADYS C REGINALDO		3,323,719	3,323,719	173,114
YALETRAK PHILS., INC.		3,306,975	3,306,975	133,820
BRENNTAG INGREDIENTS, INC. (FORMERLY EAC INDUSTRIAL INGREDIENTS, INC.)		3,294,770	3,294,770	382,305
M.C. CRUZ GRAINS CENTER/SPS. ANATOLY S. AND MA. LOIDA C. CRUZ		3,283,921	3,283,921	101,104
PETROLEUM ENERGY VENTURES, INC.		3,275,278	3,275,278	425,376
MSB VITUG CONSTRUCTION/SPS. MARK STEPHEN & JUDITH VITUG		3,268,501	3,268,501	103,418
INTER-ART METALWOOD PRODUCTS, INC.		3,267,659	3,267,659	167,826
GBM CONCRETE PRODUCTS MANUFACTURING AND TRADING		3,201,903	3,201,903	309,312
JENTEC STORAGE, INC.		3,169,983	3,169,983	320,783
PHOENIX PETROLEUM PHILIPPINES, INC.		3,163,580	3,163,580	241,824
BROTHER S VENTURE TRADING CORPORATION		3,162,082	3,162,082	134,648
SUNSYS TRUCKING SERVICES		3,130,972	3,130,972	240,517
PHILMAN POWER CTR., INC. - 2A		3,129,206	3,129,206	166,036
ALBERT S GALIZA SR		3,129,099	3,129,099	-
PIONEERING PROFESSIONAL CORPORATION		3,125,317	3,125,317	76,720
LAGUNA CARPARTS MANUFACTURING INC		3,067,830	3,067,830	368,140
RMC TRANSPORT SERVICES AND EQUIPMENT RENTAL		3,067,718	3,067,718	307,716
SANDVIK PHILIPPINES INC.		3,063,545	3,063,545	155,732
W.J.P. CONSTRUCTION & SUPPLY/SPS. PERFECTO P. & CHITA S.CEZAR		3,061,586	3,061,586	163,805
BLM TRUCKING /SPS BENNET V.AND LU-ANNE N. MELENCIO		3,053,338	3,053,338	188,541
		3,050,950	3,050,950	116,364

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
MAYERVET DISTRIBUTION INC / Sps.Ericson And Irma Nario 2		3,031,343	3,031,343	-
LUTHER Z. RAMIRO MEDICAL CENTER, INC.		3,015,753	3,015,753	215,458
GRJ JARO ENTERPRISE INC		3,005,909	3,005,909	57,674
SPS. EMELITO S. AND ACELA E. PASCUAL (LUCKY LEONARD CONSTRUCTION DEVELOPMENT AND SUPPLY)		3,003,779	3,003,779	126,806
GENEMARK TRUCKING / SPS. ERIBERTO AND LINA BAYONETO		2,993,052	2,993,052	429,099
PINTAKASI TRANSPORT INC		2,980,467	2,980,467	566,289
ESPIRITU, REYNALDO AND ELVIRA / LHE CONSTRUCTION & ENG'G SERVICES		2,963,337	2,963,337	54,065
B.A.C. TRUCKING		2,960,071	2,960,071	202,712
D & C AGRICULTURAL SUPPLY/SPS. DANNY S. & MARIA CELIA M. DE LEON		2,955,875	2,955,875	201,798
R AND M (RIC MALEN) CONSTRUCTION, INC.		2,948,377	2,948,377	383,289
LIBRE, EDDIE J.		2,937,309	2,937,309	264,123
OBEDOZA, EMERSON N. & JOSEPHINE D. OBEDOZA		2,934,171	2,934,171	32,308
AGAFAER CONSTRUCTION/ SPS. EULOGIO F. AND LUDE MIRIA G. AGATEP		2,912,781	2,912,781	262,741
FRASEC VENTURES CORP.		2,888,982	2,888,982	311,476
PROFESSIONAL MARKETING INSIGHTS, INC.		2,885,472	2,885,472	69,840
SPS. GIL AND ANNABELLE GANTUANGCO(A.L.GANTUANGCO CONSTRUCTION)		2,882,363	2,882,363	246,889
COASTLINE CONSTRUCTION & MAINTENANCE SERVICES(RMU)		2,881,571	2,881,571	218,187
ANFLO INTERCHEMICAL SUPPLY CORP.		2,880,489	2,880,489	165,928
POWERBRIGHT ENTERPRISES / SPS. JOSETTE C. & WILSON Y. BIANO		2,869,983	2,869,983	213,777
E.P.L. GENERAL CONSTRUCTION (ELENA P. LO)		2,860,266	2,860,266	80,967
ARMEL INDUSTRIES CORPORATION ("RMU ACCOUNT")		2,855,576	2,855,576	71,151
SPS. MELECIO R. LEPARTO/ELFE C. LEPARTO (LEPARTO STORE)-AIAI ACCT		2,852,383	2,852,383	82,591
VIKING CONSTRUCTION AND SUPPLIES/SPS LEE ALAIN C & MARIANNE L		2,844,385	2,844,385	125,989
TAYABAS LIME INDUSTRIES / SPS. ALBERT S. REYES AND JOWIMA A. REYES		2,830,438	2,830,438	143,269
ARROWAY TOWING & SERVICES		2,823,717	2,823,717	204,353
GOLDWIN D GREAT MULTI TRADE / SPS DONATO AND FILOMENA PASTORES		2,805,000	2,805,000	9,063
MRSD TRADING		2,784,305	2,784,305	280,039
Jayrald Trading / Sps. Nicolas, Feliciano S. & Alice F. and Nicofran Pawnshop / Jayrald F. Nicolas		2,782,646	2,782,646	361,119
CARMELI CARGOES CARRIER CORPORATION		2,780,826	2,780,826	165,558
FDRCON COMPANY, INC.		2,775,718	2,775,718	164,041
TAYABAS LIME INDUSTRIES		2,760,109	2,760,109	39,038
Rolando M. Meliquitones / Meliquitones Furniture and Lumber Dealer		2,760,026	2,760,026	217,526
BETONBAU PHIL., INC.		2,759,286	2,759,286	279,326
DATU ENTERPRISES/SPS. IGNACIO G. & WILMA R. DATU		2,740,305	2,740,305	261,208
T'EVANGELISTA ENTERPRISES (SPS TEODORO AND JULIETA EVANGELISTA)		2,731,678	2,731,678	262,444
JAMAICA REALTY AND MARKETING CORPORATION		2,710,215	2,710,215	570,500
SIGNUM AUDIO VISUAL LIGHTING CORPORATION		2,707,964	2,707,964	127,276
DDT KONSTRACT, INC.		2,706,863	2,706,863	205,641
A.S. BALDAZO TRADING & TRUCKING SERVICES/SPS. ARSENIO & MA. CONCEPCION BALDAZO		2,694,444	2,694,444	245,905
FOTOSTUFF PHOTOGRAPHY & ADVERTISING/FOTOSTUFF PRINTSHOPPE/PRINT AVENUE GRAPHIC DESIGN & PRINTSHOPPE/SPS. TI		2,692,388	2,692,388	313,160
CERTEZA INFOSYS CORP.		2,674,146	2,674,146	427,863
CABALLES TRUCKING INCORPORATED		2,665,398	2,665,398	107,366
Proton Gas Station & Convenience Store / Sps. Labador, PerfectoM. & Annabelle P.		2,661,804	2,661,804	401,151
GMV MATERIALS, INC.		2,660,434	2,660,434	109,395
D OABELS TRANSPORT/HERMIE JUAN J. OABEL		2,640,515	2,640,515	102,409

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
CHAN TRADING/ SPS. JOSE ALEX & ANITA WOLCOTT		2,636,299	2,636,299	210,735
V TRUCKING & CONSTRUCTION SUPPLIES TRADING / Sps. Hernando & Rosario Vitug		2,636,028	2,636,028	246,946
MEL JEAN CONSTRUCTION CORPORATION		2,620,343	2,620,343	88,401
ZLB TRADING / SPS. BRIAN SM. & ROMA R. CRUZ		2,606,449	2,606,449	162,966
918 AGGREGATE AND CONSTRUCTION		2,602,200	2,602,200	217,676
Tenbinza Manpower Solutions / Sps. Edwin and Jasmine – 2A		2,597,177	2,597,177	-
RDV PETRON GASOLINE		2,586,389	2,586,389	489,434
GBM SURPLUS CENTER		2,577,374	2,577,374	196,194
DOMAIN WIRE AND METAL PRODUCTS - 2		2,572,408	2,572,408	-
D HOME DEPOT ENTERPRISES / MS. FATIMA R. CADELIÑA & SHARON R. CADELIÑA		2,555,757	2,555,757	273,980
Sps. Loreto and Nemesia Cuasay/L.B. Cuasay Transport Services		2,544,829	2,544,829	205,066
R.U. AQUINO CONSTRUCTION AND DEVELOPMENT CORPORATION		2,527,162	2,527,162	166,432
ADTEL INC.		2,525,548	2,525,548	178,568
AIJ GRAINS/SPS. IRENEO B. AND JENNIFER T. MARCELO JR		2,525,218	2,525,218	175,776
ORANGE & BRONZE SOFTWARE LABS, INC.		2,511,624	2,511,624	170,201
SPS. DOMINADOR & HOSSANA MAE PAJELA/EASTERN PANGASINAN MEDICAL & LOGISTIC CLINIC		2,510,616	2,510,616	315,890
SHEM TRANSPORT/MR. EDGARDO S. MENESES		2,507,445	2,507,445	376,117
HONCHOS MARKETING -2A		2,500,641	2,500,641	-
GM JOE TOURS & TRANSPORT CORP.		2,492,161	2,492,161	398,746
GLOBAL BUSINESS SUPPORT, INC. - 2B		2,486,363	2,486,363	-
ARTHUR BLANCO CONSTRUCTION AND DEVELOPMENT CORPORATION		2,485,976	2,485,976	222,550
V2B BUILDERS / Sps. Valiente & Eva Bertes		2,464,710	2,464,710	293,056
ISHIMOTO DIESEL CALIBRATION CENTER / SPS. GERARDO & KRISTINE BALBOA		2,462,128	2,462,128	64,181
ALEX S CONSTRUCTION & SUPPLY / SPS. ALEXANDER M. & CELIA V. ANG		2,457,679	2,457,679	327,904
OROPHIL STONECRAFT INC.		2,453,212	2,453,212	220,168
TRAVELEASE, INC. ("RMU ACCOUNT")		2,448,441	2,448,441	416,235
Darnie Transport / Sps. Hipolito, Efren A. & Zenaida B.		2,445,920	2,445,920	415,829
ADVECT MARKETING CORPORATION		2,437,256	2,437,256	100,976
ALMA ABANTO CARPIO GROCERY		2,434,705	2,434,705	389,553
GO UNIVERSAL FORTUNE TRANSPORT SYSTEM		2,401,825	2,401,825	480,365
KOTICO, SPS. ROBERT JOSE & LEOVA / AGK FARMS & TRUCKING SERVICES		2,400,000	2,400,000	2,978
CHASSET MARKETING AND		2,399,823	2,399,823	254,757
SPS. DANDY U. AND MA. SHARON S. DEYTO (PALANCA PRINTING PRESS)		2,392,226	2,392,226	138,758
G C BALLESTEROS CONSTRUCTION		2,390,998	2,390,998	140,088
V.M. LUMBA RICE MILL / SPS. RUDY D. & VICTORIA M. LUMBA		2,389,013	2,389,013	72,005
TAMARAW COMPUTER RENTAL		2,383,951	2,383,951	82,324
SPS. AYLMERITA AND WILLIAM PEÑALOZA		2,383,194	2,383,194	204,350
RGP EXPRESS CARGO SERVICES / SPS. PANGAN, REMIGIO G. AND CAROLINA L.		2,381,896	2,381,896	103,689
STO NIÑO JUNK SHOP		2,350,000	2,350,000	124,767
VICTON MARKETING GEN CONS		2,323,162	2,323,162	383,322
MANUEL, SPS. RUBEN M. & REMEDIOS M./ISABELA DERM CENTRE SKIN & FACIAL CLINIC		2,300,000	2,300,000	2,477
V2B BUILDERS/SPS. VALIENTE & EVA BERTES		2,296,682	2,296,682	218,904
A.D. MARRERO GENERAL CONSTRUCTION/ SPS ANTONIO D & JOSEPHINE B MARRERO		2,278,471	2,278,471	157,173
LOUIE AND SUZETTE MARKETING		2,270,873	2,270,873	363,340
FRILOU CONSTRUCTION AND TRADING INC.		2,262,033	2,262,033	106,822

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
A.C. SICAT MARKETING /Sps. Arturo & Regina Sicat		2,262,009	2,262,009	121,478
ALMARIE ROSE GENERAL MERCHANDISE / SPS. ALEXANDER & MARILYN CABALTICA		2,261,490	2,261,490	190,739
HIGH INTENSITY COMPUTER CENTER/SPS.		2,258,541	2,258,541	343,972
FORTUNE RELIANCE STAFF BUILDERS AND MGNT - 2		2,251,777	2,251,777	343,396
CENTER POINT CSGT DISTRIBUTION, INC. (CPD)		2,243,821	2,243,821	248,540
LEONARDO A DELLA		2,239,130	2,239,130	403,043
UNILIME Minerals/Sps. Claro and Monina Talaga		2,224,346	2,224,346	194,964
SPS. MACARTHUR M. & GERTRUDES C. SAMSON		2,220,190	2,220,190	265,526
PRINT TRENDS PRINTING SERVICES		2,210,517	2,210,517	55,716
PHILIPPINE ACCREDITING ASSOCIATION		2,192,700	2,192,700	159,496
NEGROS INTEGRATED INDUSTRIES CORPORATION		2,192,230	2,192,230	200,036
METRO CLARK WASTE MANAGEMENT (MCWM) CORPORATION		2,185,237	2,185,237	103,901
DEKM CONSTRUCTION/SPS. DIONESIO, JR. P & ELMA M. URBINA		2,150,726	2,150,726	261,467
MAXIPRINTS, INC.		2,150,058	2,150,058	7,095
CHUA, PATRICK C.		2,130,595	2,130,595	238,748
RC NEW CHEMICAL RESOURCES, INC.		2,128,764	2,128,764	13,039
MALATE CONSTRUCTION AND DEVELOPMENT CORPORATION (MCDC)		2,124,640	2,124,640	169,276
TW & CO., INC.		2,121,491	2,121,491	128,824
MERULLA GOLDEN ENTERPRISES CORPORATION		2,119,791	2,119,791	209,290
NM NAVARRO TRADING/SPS. NATHANIEL M. & EVAROSE C. NAVARRO		2,119,406	2,119,406	114,738
JERA GENERAL CONSTRUCTION & SUPPLY		2,118,159	2,118,159	214,869
JAMBERG HEALTH SYSTEM, INC.		2,113,485	2,113,485	354,124
SPS. APOLINAR AND MARYTESS SIMARA (RICH ADS CONSTRUCTION AND SUPPLY)		2,107,573	2,107,573	130,448
HIGH INTENSITY COMPUTER CENTER/SPS. ROBERTO JR. S. & DAISY L. URMENETA		2,104,581	2,104,581	140,209
PUERTOLLANO, HENRIC C. and ENRIQUETA E.		2,102,681	2,102,681	261,319
SAN FERNANDO INTEGRATED SERVICES AND EQUIPMENT CORPORATION		2,101,994	2,101,994	35,969
KIMRYAN TRADING		2,095,456	2,095,456	426,006
F R FRIAS ENTERPRISE, INC.		2,089,172	2,089,172	218,196
ARAMAMA ENTERPRISES/ALREYARL PETRON SERVICE		2,084,546	2,084,546	200,192
G.V. ANTONIO S POULTRY FARM/SPS GIL V & LIRIO C ANTONIO		2,073,174	2,073,174	153,116
ABM PRINTING PRESS/ALLAN B. MANIANGLONG (RMU ACCOUNT)		2,059,615	2,059,615	227,561
PHILHEAVY EQUIPMENT RENTAL ENTERPRISES		2,056,516	2,056,516	112,582
JOSEPHINE P. KIM(JPK BUYING STATION)		2,045,326	2,045,326	250,971
DELMAS TRUCKING		2,040,914	2,040,914	189,618
LOT-GAR & PHOENIX GAS STATION		2,035,925	2,035,925	146,252
B.G.S. Gravel and Sand		2,033,009	2,033,009	61,256
S AND D MEGA TRADING CO.		2,030,660	2,030,660	205,272
INTERWORLD CAFE CORP.		2,028,393	2,028,393	329,614
BARGAIN CITY, INC.		2,020,289	2,020,289	76,751
MBD GENERAL CONSTRUCTION		2,010,118	2,010,118	242,232
PALERMO, GERONIMO S. / LOURDES O. PALERMO / JESSE GERONE PALERMO		2,002,004	2,002,004	319,921
J. A. YAMONGAN ENTERPRISES/SPS JIMMY A & CLARITA Q YAMONGAN		1,998,338	1,998,338	213,870
LVRO CONSTRUCTION & SUPPLY		1,991,230	1,991,230	154,630
MYBASIC GRAPHICS ENTERPRISES / ROMMEL T. REYES		1,980,097	1,980,097	274,906
SIXTEEN ENTERPRISES		1,974,602	1,974,602	63,140

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
WTG CONSTRUCTION & DEVELOPMENT CORP.		1,961,695	1,961,695	113,791
EXPRESS LEAD TIME SOLUTIONS, INC.		1,950,091	1,950,091	86,277
DEGAS DESIGN SERVICES / JOEL ROBERTO L. CRUZ		1,943,396	1,943,396	161,771
Jiencar Trucking Services, Inc.		1,923,704	1,923,704	218,178
CESAR B. CARVAJAL BUILDERS/SPS CESAR & ADELA CARVAJAL		1,920,825	1,920,825	187,428
YEE, SPS. JOSE DANILO R./JOYCE J.		1,917,547	1,917,547	49,761
MOON ROCK AGGREGATES CORPORATION		1,916,067	1,916,067	116,164
GENECORZ ENTERPRISES		1,915,217	1,915,217	216,017
EDWARD T. QUILALA TRUCKING/EDWARD T. QUILALA		1,914,156	1,914,156	137,231
DATU, SPS. BENIGNO G. & MARIA THERESA B./ KARRUBA HARDWARE & GENERAL MERCHANDISE		1,913,316	1,913,316	69,485
LVRO CONSTRUCTION & SUPPLY		1,885,407	1,885,407	202,681
KING PRINTERS DAVAO INC.		1,884,266	1,884,266	194,035
SUNGA & SISON S MERCHANDISING/Sps. Romarico & Susana Sunga		1,871,860	1,871,860	211,596
DELA PENA, Sps. GUILBERT A. and ROSALIE L.		1,869,292	1,869,292	317,243
BROTHERS VENTURE CORPORATION		1,867,676	1,867,676	166,682
PIEDRA PINOY STONE CRAFT/SPS. DOMINADOR B. & RACQUEL O. CABANSAG		1,866,626	1,866,626	130,321
SIRUMA MINERALS CORPORATION		1,865,948	1,865,948	198,566
MADE M PRINTING SERVICES, INC.		1,856,275	1,856,275	58,505
A.S.M. Rice Mill (Antonio R. Mariano & Sylvia B. Mariano)		1,855,010	1,855,010	78,281
JOBLINK PROMOTIONAL SERV./PRENCESITA C. DAVID - 2		1,850,000	1,850,000	-
EDNAS CAKELAND		1,839,153	1,839,153	269,988
ELAIF TRADING & SERVICES		1,837,700	1,837,700	170,377
HOLY FAMILY PRINTING CORPORATION		1,834,639	1,834,639	172,183
ASSURANCE CONTROLS TECHNOLOGIES CO.,		1,833,902	1,833,902	247,577
E.F. MARIANO BUILDERS & TRADING /SPS. ERANO & JOSEPHINE MARIANO / ERANO F. MARIANO JR.		1,831,660	1,831,660	135,778
EDDMARI CONSTRUCTION AND TRADING		1,828,488	1,828,488	53,937
SMC Plastic Center		1,803,142	1,803,142	52,373
J.F. ANTONIO PALAY TRADING/SPS. ANTONIO, JUANITO F. AND EDNA B.		1,771,371	1,771,371	148,591
SAKIAN PALAY TRADING / Sps. Rommel and Beverly Velasco		1,769,736	1,769,736	47,951
A.J. CONSTRUCTION		1,768,590	1,768,590	389,694
BLUE TRANSPORT SERVICES CORPORATION		1,763,341	1,763,341	348,428
MAPECON PHILIPPINES, INC. (FORMERLY: MANILA PEST CONTROL CO. PHILS., INC.)		1,761,751	1,761,751	121,415
STAFFRIGHT SOLUTIONS, INCORPORATED		1,750,756	1,750,756	291,203
R. U. AQUINO CONSTRUCTION AND DEVELOPMENT CORPORATION		1,746,302	1,746,302	107,549
EDES GENERAL MDSE		1,717,591	1,717,591	257,639
SPS. ROBERTO / MARRIETA ABOGADO		1,716,329	1,716,329	222,289
TLC ENTERPRISES/SPS. SILVINO AND THELMA CARANDANG		1,702,859	1,702,859	52,953
RCS LOGISTICS (PHILS.), INC.		1,695,358	1,695,358	159,816
GEMSS GENSAN CORPORATION		1,689,462	1,689,462	506,839
Super Sand Enterprises/ Sps. Romy & Marilyn Relocano(RMU)		1,688,304	1,688,304	261,415
PINK ROCK ENTERPRISES		1,680,549	1,680,549	128,744
DMS Aggregates Enterprises / DMS Construction		1,669,105	1,669,105	195,812
NOCOS HAULING SERVICES		1,666,740	1,666,740	102,957
LONGLIFE METAL SCRAP & JUNKSHOP/SPS. PIO AND ELIZABETH MARTICIO		1,661,635	1,661,635	137,833
PRUDENTIAL LIFE PLAN GROUP, INC.		1,661,589	1,661,589	208,023

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
PIABOL, AURELIO B. AND ANALIE P.		1,653,632	1,653,632	131,740
EDWIN M OLAPE		1,646,216	1,646,216	395,092
MARTIN P TIU		1,645,564	1,645,564	358,568
ATO AQUA FARM		1,645,247	1,645,247	93,309
MARCONI LOGISTICS/MARCIANITO S. CAPARROS		1,637,791	1,637,791	99,885
FFB CUSTOMS BROKERAGE AND CARGO FORWARDERS		1,635,687	1,635,687	120,115
RMM Farm /Sps. Ronald & Niña Nazarene Mendoza		1,635,653	1,635,653	102,994
CAMJ CONSTRUCTION, INC.		1,629,099	1,629,099	113,727
F & C RICE MILL / SPS.FLORANTE C. AND CLARITA Z. COJUANGCO		1,624,447	1,624,447	20,545
ALMAZORA MOTORS CORPORATION		1,619,631	1,619,631	194,356
PEÑARANDA, ROMAN JR. M. AND SOCORRO S.		1,605,662	1,605,662	228,848
DULIG, SPS. DAN A. & MA. ANGELINA B./DANYSONS CONSTRUCTION		1,602,823	1,602,823	33,650
NDC METAL DEVICE MANUFACTURING - 2A		1,600,908	1,600,908	-
FELIMON T DAMOLO		1,600,000	1,600,000	336,000
JOY-ANN ENTERPRISES/SPS. JUANITO H. & MINA S. AVANCEÑA		1,584,314	1,584,314	50,853
DIMAANOS COMMERCIAL (Sps. Marcelino and Melissa Dimaano)		1,573,095	1,573,095	175,253
LPJ LUMBER & HARDWARE/MR. LEONARDO N. PEÑA AND MAGDALENA C. BAUTISTA		1,567,554	1,567,554	228,932
LA CANADA AGGREGATES CORP.		1,563,546	1,563,546	63,396
KALAYAAN PETRON SERVICE CENTER/CELLE KONSTRUCT & SUPPLIES/SPS. ROSELLER & JOCELLE HILARIO		1,540,688	1,540,688	78,623
V.M. AGBAYANI RICEMILL /AGFAM VENTURES / SPS VINCENT VIR AND EVALYN AGBAYANI		1,536,859	1,536,859	30,982
FURAO CONSTRUCTION / EDWIN P. UY AND ENCARNITA D. SALVATUS		1,528,921	1,528,921	67,704
GREATSTAR CONSTRUCTION SUPPLY AND GENERAL MERCHANDISE/SPS. BENJAMIN M. BARRETTO, JR		1,523,616	1,523,616	53,201
SARCA ESTATE DEVELOPMENT CORPORATION		1,508,421	1,508,421	87,501
A.D. VILLANUEVA BUILDERS / SPS. ANTONIO AND MARY JOAN VILLANUEVA		1,497,760	1,497,760	170,132
MONTALBAN REALTY RESOURCE CORPORATION		1,481,527	1,481,527	269,418
V TRUCKING CONSTRUCTION SUPPLIES TRADING/Sps. Hernando & Rosario Vitug		1,469,691	1,469,691	160,344
JOHN RAY CONCRETE PRODUCTS & CONST. SUPPLY/SPS. REYNALDO & GINA GAMBOA		1,455,758	1,455,758	111,357
ROMA TOURS & TRANSPORT INC.		1,444,592	1,444,592	173,351
BIÑAN READY MIX CEMENT(SPS. DIOSDADO L. CERVANTES & CYNTHIA M. CERVANTES)		1,443,465	1,443,465	98,492
NDA GRAINS BUYING STATION/SPS ADDUN NELSON D AND ESTHER T		1,442,774	1,442,774	81,211
ARTEX TRADING AND INDUSTRIAL SERVICES, CO.		1,432,970	1,432,970	243,605
BAGGAO, SPS. ERNI G. & CAROLINE G./EGB CONSTRUCTION		1,426,211	1,426,211	31,401
RICHWORLD AIRE AND TECHNOLOGIES CORP. - 2		1,425,762	1,425,762	245,944
SEALION OIL LINKS DISTRIBUTION (SOLD) SYSTEM		1,422,527	1,422,527	120,271
KAIZEN FOOD ENTERPRISES, INC.		1,422,073	1,422,073	46,282
OCTOGRAFIX ADVERTISING / Sps. Rufo Arnold & Maria Cielo Espinoza		1,419,357	1,419,357	105,680
828 LUMBER & CONSTRUCTION SUPPLY(PEPE P. TAN/PATRICK S. CHAN)		1,419,040	1,419,040	54,712
SPS. REYMUND AND KAREN CONTI / REY PRINCE TRUCKING		1,414,911	1,414,911	85,338
SAN MARCELINO MEDICAL CLINIC/ ARLENE L. JACOBO		1,410,081	1,410,081	113,249
JAY CONCRETE PRODUCTS, GRAVEL AND SAND / JESSIE M. DASIG AND SPS. MANUEL S. AND CARLITA M. DASIG		1,403,064	1,403,064	96,125
PUA, SPS. MARVIN U. AND CHEIRIE L./MRC GRAINS TRADING		1,394,859	1,394,859	1,401
DE LUXE ASIA PACIFIC CO.		1,390,643	1,390,643	201,643
LEWISON PHARMACEUTICALS CORP. - 2		1,387,500	1,387,500	-
KIM BRYCE TRADING AND CONSTRUCTION		1,370,057	1,370,057	62,871
PHIL MOUSEDEER INC		1,369,068	1,369,068	175,931

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
BOLINA, CARMENCITA B.		1,368,024	1,368,024	149,233
SUPNET, ALAN C.		1,358,495	1,358,495	44,570
PANAY MINERAL PRODUCT RESOURCES CORPORATION		1,352,569	1,352,569	138,628
SPEED COMPUTER SALES & SERVICES		1,352,111	1,352,111	189,296
KUBONG SAWALI RESTAURANT		1,347,367	1,347,367	242,526
JAMERO ENTERPRISES/Sps. Rodolfo M. and Eleonor O. Jamero		1,337,640	1,337,640	64,181
PANA LINER/SPS. SERGIO S. PANA &		1,335,820	1,335,820	-
RAS ENTERPRISES		1,333,939	1,333,939	226,770
AGRO FREIGHT SERVICES/WINSTON T. FLORES		1,329,552	1,329,552	103,675
C.E. PRINTING SERVICES COMPANY		1,324,826	1,324,826	112,198
LA CONSOLACION COLLEGE MANILA, INC.		1,322,834	1,322,834	181,367
Medical Mission Group Hospital and Health Services Cooperative of Camarines Sur (MMG Camarines Sur)		1,321,626	1,321,626	130,355
CARL S TRUCKING		1,317,703	1,317,703	328,372
D & M METAL INDUSTRY / SPS. DANILO & MARIVIC CO		1,303,491	1,303,491	62,751
COQUILLA, FERDINAND FRANCIS		1,298,387	1,298,387	64,774
MILLENIUM STAR CENTURY PROPERTIES INC		1,296,885	1,296,885	249,002
Conacor Tarlac Solid Trading		1,290,540	1,290,540	115,280
ACES CHASSIS LEASING, INC.		1,282,801	1,282,801	205,248
MAR-LEN TRADING formerly R.DIZON TRADING/E.P.DIZON POULTRY/SPS. ROLANDO & ERLINDA DIZON (RMU)		1,282,350	1,282,350	307,764
SPS. FABIAN M. & ERNA A. TAMAYO (F.M. TAMAYO)		1,280,369	1,280,369	60,276
SPS. PEDRO AND FLORENCIA GENEROSO/PFG CONSTRUCTION & GEN. MDSE.		1,268,649	1,268,649	116,246
M.C. CRUZ GRAINS CENTER/SPS. MA. LOIDA C. & ANATOLY S. CRUZ		1,268,305	1,268,305	182,677
DELFI FOODS, INC.		1,264,218	1,264,218	54,409
IKK ICHIGAN INC.		1,257,230	1,257,230	189,508
Interworld Cafe Corporation (.75)		1,249,910	1,249,910	203,110
MAJ-C VENTURES DISTRIBUTOR CO. LTD		1,242,699	1,242,699	57,397
Sps. Marvin and Aileen Christy Parto(Ultimate Petroleum Refilling Station)		1,239,872	1,239,872	136,509
QUEZON FARMERS AGRICULTURAL SUPPLY OR SPS. OSCAR AND MELECIA DANTA		1,231,048	1,231,048	145,409
JT-CL GRAVEL & SAND/SPS. VIRGELIO & MA. CECILIA DABALOS		1,230,000	1,230,000	126,197
GENACE PHARMA DISTRIBUTOR		1,224,455	1,224,455	75,548
M.J. TENG ENTERPRISES, INC.		1,221,189	1,221,189	54,204
JETRIS Construction & Aggregates Supply/Hernando M. Ilao		1,216,881	1,216,881	57,319
HILCON MARKETING AND GENERAL CONSTRUCTION		1,210,932	1,210,932	80,113
SUNRISE MARKETING AND GENERAL MERCHANDISE		1,209,658	1,209,658	193,545
DANYSONS CONSTRUCTION/SPS. DAN & MARIA ANGELINA DULIG		1,206,537	1,206,537	58,469
YAP PROPERTY VENTURES COPRORATION		1,201,586	1,201,586	24,700
TTC CONSTRUCTION		1,195,662	1,195,662	56,132
JETHRO LINER		1,177,934	1,177,934	235,587
Central Motor Parts		1,177,371	1,177,371	105,240
JETRIS CONSTRUCTION AND AGGREGATES SUPPLY		1,176,194	1,176,194	155,396
STAY CONSTRUCTION/YUBOS TERIO A & STELLA D(SPS)		1,170,693	1,170,693	115,641
ANGELO V. SORIANO ENTERPRISES / ANGELO V. SORIANO & MARY JANE ESTORES		1,159,040	1,159,040	106,333
JNJKONS ENTERPRISES		1,157,689	1,157,689	193,913
SPS. EGLIN E. AND GRACE L. SIA (EGLIN ENTERPRISES)		1,157,042	1,157,042	120,424
E. HORA GASOLINE STN		1,153,661	1,153,661	161,513

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
MIRALLES, SPS. CORNELIO D./LORNA O.		1,144,979	1,144,979	48,602
SIBAL, SPS. ROMELITO C. & HERMOSILA B. (FAYE IMMACULATE GENERAL MERCHANDISE)		1,141,831	1,141,831	94,150
LITTAUA, RAOUL ANTONIO E.		1,140,704	1,140,704	65,744
SIYCHA TRANSPORT CORPORATION		1,137,382	1,137,382	74,176
MA. CRISTINA B. UY (NITA S AGRICULTURAL SUPPLY)		1,123,968	1,123,968	58,769
SOLIS FERRER ENTERPRISE / SPS. RAYMUNDO & ERLINDA FERRER		1,123,200	1,123,200	821
MAYA EMPORIUM		1,120,744	1,120,744	190,527
QUINTOS HOME FURNISHING AND MARKETING/Erlinda Q. Quintos		1,118,113	1,118,113	280,346
FRANCES GRACE B. MERCADO		1,117,018	1,117,018	20,056
SPS. GUIDO AND MACARIA BAGSIC (GID BAGSIC RICEMILL)		1,109,711	1,109,711	71,348
OLIVE FARMS		1,098,217	1,098,217	263,572
ELYSSA JOYCE TRUCKING / Sps. Jojit & Elisa Talampas		1,095,974	1,095,974	100,565
LAMAR ADVERTISING SERVICES, INC. ("RMU ACCOUNT")		1,094,904	1,094,904	87,394
JOEL L.OLFATO/JOMAT MARKETING		1,092,188	1,092,188	153,973
Sps. Edwin and Ma. Gemma Dazal/Dazal Junk Shop/E. Dazal Trucking		1,088,932	1,088,932	71,527
L. CORPUZ BAKERY AND GROCERY		1,081,808	1,081,808	129,817
107 CONSTRUCTION/Sps. Allan & Joan Tapang		1,081,663	1,081,663	97,749
ALFREDO G. GUINEZ HARDWARE & CONSTRUCTION SUPPLIES/Sps. Alfredo G. Guinez & Ledevinia T. Guinez and Leonilo T. Guinez		1,080,545	1,080,545	50,361
Guided Star Construction, Inc.		1,074,308	1,074,308	86,095
QUIJANO, MARISSA & ESTEBAN / DOLOR CUSTOMS BROKERAGE & CARGO HANDLING SERVICES		1,065,885	1,065,885	130,353
ABR GRAINS BUYING STATION		1,059,915	1,059,915	43,123
CRUZ TELEPHONE CO., INC. (CRUZTELCO)		1,056,229	1,056,229	126,747
E. SARMIENTO HAULING GRAVEL & SAND SUPPLY / SPS.MARK AND ELISA SARMIENTO		1,055,718	1,055,718	35,916
GOLDEN DRAGON METAL PRODUCTS, INC.		1,055,707	1,055,707	35,645
RANICH JOMIBE CONSTRUCTION SUPPLY/SPS. ELENO A. & HAYDEE M. CARINGAL		1,040,061	1,040,061	28,239
AM CRUZ TRUCKING SERVICES		1,034,893	1,034,893	165,583
MARKETVENTURE DISTRIBUTOR SALES INC		1,033,474	1,033,474	65,278
HINAGU AN ENTERPRISES		1,027,968	1,027,968	92,546
SEA-JET INTERNATIONAL FORWARDES, INC.		1,026,622	1,026,622	62,547
JOHN DEE B. BUSTAMANTE CONSTRUCTION/ Sps. John Dee & Pia Bustamante		1,026,392	1,026,392	130,959
RUJEN S POULTRY FARM/SPS ANTONIO F & ELIZABETH B TUGAB & ROBERTO B BAYABOS IV		1,019,837	1,019,837	89,641
DELLOSA, REYNALDO AND MARIA CECILIA / DELLOSA DESIGN BUILD SERVICES		1,017,054	1,017,054	120,598
BRIGHTEN TRADING		1,010,927	1,010,927	126,130
CESAR B CARVAJAL BUILDERS		1,004,553	1,004,553	135,704
Sps. Arvin & Josephine Sagnit (Don Manolos Breads, Cakes & Pastries)		1,000,031	1,000,031	48,807
NECO REAL ENTERPRISES		1,000,000	1,000,000	6,055
PIECOFOODS, INC.		995,856	995,856	89,933
LAJMAR MANAGEMENT AND TECHNOLOGY RESOURCES INC. -		995,423	995,423	-
MCBRIDE Logistics Services/Sps. Johnson C. Cacio & Ma. Theresa P. Cacio		995,012	995,012	142,040
JARDENIL, SPS. RAUL J. AND YOLY N.		993,197	993,197	113,997
MEYER S FOODS AND SERVICES, INC.		992,394	992,394	68,110
SANTIAGO COMMERCIAL CENTER, INC.		987,915	987,915	76,992
MARCHELLE TRADING		976,652	976,652	156,264
TRIPLE A GENERAL SERVICES, INC. - 2A		976,271	976,271	-
APO GENERAL CONSTRUCTION/SPS. ALFONSO & BENITA PEL-EY		974,812	974,812	79,398

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
FALAME, SPS. JOSEFINO SR. F. / BABY F.		970,124	970,124	102,259
PFG Construction and General Merchandise/ Sps. Pedro and Florencia Generoso		969,756	969,756	108,034
PHIL ASIA INTERPORT SERVICES CORP		962,122	962,122	173,182
STAR HONDA INC./CITIBIKE SALES INC./MOTORCENTRAL SALES CORPORATION/CITIBIKE CREDIT CORP.		961,318	961,318	132,800
GOLDZONE ENTERPRISES		958,207	958,207	172,477
ESCRUZ TRADING / SPS. EDGARDO S. & AMALIA D. CRUZ		956,883	956,883	46,802
C.L.O LUMBER & HARDWARE / SPS. Charlie A. & Amilene U. Ong		951,185	951,185	52,828
NORTHERN LUZON MARKET ASSOCIATES CORPORATION/ANDRE JOSE D. BAUTISTA		945,721	945,721	122,021
SBP PRINTERS/SPOUSES SIMPLICIO JR. & NANCY MAESTRADO		943,332	943,332	105,454
AM CRUZ TRUCKING/Sps. Armando & Louella Cruz		942,144	942,144	31,689
MYPERCOM COMPUTER SALES AND RENTAL CENTER/SPS MICHAEL T & KAREN MAY B DE GUZMAN		941,825	941,825	78,140
Sps. George T. Concepcion & Remelie G. Concepcion (Geo4 Logistics & Warehouse / Geomel Trucking Services)		940,376	940,376	86,289
AGUSTIN, LEVY P. (LEPAGUS ENTERPRISES)/AGUSTIN, SPS. MUELIVYN P. & MARILOU M. (VYRAGUS CONSTRUCTION)		940,000	940,000	1,091
BALMORIS, ELOISA D.		939,933	939,933	86,250
JQS VENTURES INC. ("RMU ACCOUNT")		936,532	936,532	111,110
R. R. Esguerra Fresh Dressed Chicken and Cold Cuts / Rodel R. Esguerra		928,457	928,457	52,474
CENTRAL BOOK SUPPLY, INC.		924,729	924,729	41,559
NAVARRA, JOEFRIE S.		923,500	923,500	39,227
G V ANTONIO S POULTRY		919,596	919,596	165,527
ROMASAN VENTURES CORP.		915,007	915,007	39,175
R. PLATA CONSTRUCTION SUPPLY/SPS. ROMEO L. PLATA AND GERONIMA A. PLATA		901,474	901,474	63,791
ST. CLAIR SECURITY & INVESTIGATION AGENCY, INC.		894,027	894,027	51,421
REYTA INTEGRATED FARMS		893,789	893,789	160,882
PRECIOUS SARAH ENTEPRRISES		889,200	889,200	155,610
J.A. YAMONGAN ENTERPRISES/SPS. JIMMY A. AND CLARITA Q. YAMONGAN		889,186	889,186	109,328
617 TRADING		884,884	884,884	84,253
R.R. ESGUERRA FRESH DRESSED CHICKEN AND COLD CUTS/RODEL R. ESGUERRA		883,385	883,385	81,444
GM GAMBOA ENTERPRISES/SPS. GERALD MART B. & RONA GAIL A. GAMBOA52206		874,873	874,873	116,699
LANAO DEL NORTE ELECTRIC COOPERATIVE, INC.		873,986	873,986	86,404
SANCHO RAFAEL P RAMIREZ		872,125	872,125	139,540
FARIÑAS ENTERPRISES/SPS RAFFY C & KRISTINE MARIE U FARIÑAS		871,572	871,572	71,025
LPN ENTERPRISE AND GENERAL SERVICES - 2A		870,944	870,944	-
ALEXS CONSTRUCTION & SUPPLY		870,645	870,645	165,423
B3 Marketing or Ferdinand Q. Chua		869,651	869,651	68,912
FANDIALAN COCONUT AND COPRA TRADING		866,191	866,191	47,354
CONFREIGHT PHILS, INC.		864,405	864,405	64,983
BEAMARIE TRUCKING (SPS LAMBERTO AND MARIECEL UMALI)		861,858	861,858	111,165
RED DOOR PRINTING/ SPS. OLIVER & CHERRY TORRECHANTE		860,891	860,891	83,268
BG MOTORS		860,792	860,792	223,806
TAISON CORPORATION		859,251	859,251	97,866
ALVIN B CONSTANTINO		849,790	849,790	125,749
LAOAG CITY MULTI-MEDICAL DIAGNOSTIC CENTRE/SPS. PAULINO VICTORINO M. JR. & EUFROSINA A. SISTOZA		848,306	848,306	87,531
LDA ENTERPRISES		847,828	847,828	178,044
GMAN SALES INCORPORATED		846,223	846,223	82,988
E-PINS CORPORATION		843,594	843,594	137,084

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
J2 Enterprises / Sps. Juico, Louie B. & Rowena S.		836,608	836,608	74,370
PEDRITOS BAKESHOP		831,956	831,956	81,154
JONATHAN LANDOIL INTERNATIONAL CO., INC.		829,441	829,441	123,621
C. DY BUILDERS & GENERAL MERCHANDISE		827,962	827,962	96,347
MAKOBABI DISTRIBUTORS / Sps. Luis Q. & Rosario M. Mutuc		827,078	827,078	21,402
MINDANAO MEDICAL CENTER INC.		826,782	826,782	173,807
PRINTSITE INC.		824,846	824,846	71,918
TRANSPACIFIC COMPONENTS TRADING CORP.		817,938	817,938	130,870
DE LUXE ASIA PACIFIC CO. - 2		816,482	816,482	-
BENDIMIL CONSTRUCTION & DEVELOPMENT		812,960	812,960	118,670
NOCOS HAULING SERVICES		809,165	809,165	9,222
BALAYAN REFILLING STATION, INC.		804,559	804,559	64,278
DEKM CONSTRUCTION/SPS. DIONESIO JR P & ELMA M URBINA		803,642	803,642	46,576
DELTON CONSTRUCTION & ELECTRICAL SERVICES		803,146	803,146	65,799
J-CEF PRINTING PRESS / SPS. JOHN MARIE C. AND ROCELYN D. FAVORITO		797,449	797,449	50,309
JOY-ANN ENTERPRISES/AVANCEÑA GAS DEALER/SPS. JUANITO & MINA AVANCENA		794,606	794,606	42,786
RABUKAWA TRADING		794,086	794,086	110,440
Sps. Roy and Liza Flores / CMJM Enterprises		792,686	792,686	69,298
CBD FREIGHT SERVICE (CARLITO B DIMAYUGA)		791,605	791,605	12,823
AYP DRESSING PLANT/AYP MULTI-FARM/ANTONIO Y PINZON		787,262	787,262	47,408
NIEVES GRAINS TRADING/ SPS. ANTONIO U. &		783,421	783,421	77,269
Marilou M. Reyta Integrated Farms		779,122	779,122	163
ELDAMAR PRINT HOUSE & DIE-CUTTING SERVICES / SPS. DANILO T. SANTOS & ELSIE L. SANTOS		778,021	778,021	61,321
GOD S FAVOR ENTERPRISES/EMELITA P. SANCHEZ		768,500	768,500	77,005
CROWN ASIA COMPOUNDERS CORP.		762,810	762,810	12,508
TANZA FAMILY GENERAL HOSPITAL		760,517	760,517	167,314
PRIME GLOBALPRINTS, INC.		758,697	758,697	43,640
KING PRINTERS DAVAO INC.		758,150	758,150	136,467
FARFOODS, INC.		757,085	757,085	20,722
AOKI, SUSAN S.		751,577	751,577	89,003
Fritz'n Pinas Dine In / Sps. Bernadette M. Quililan and Simeon B. Quililan		746,624	746,624	39,856
MILOUCH ENTERPRISES		745,144	745,144	21,331
Inlander Freight Service Co./Rodolfo O. Santos, Jr. and Ronald O. Santos		743,601	743,601	21,232
RS PASCUAL TRUCKING/RODRIGO S. PASCUAL & RACHELLE ANNE C. PASCUAL		742,259	742,259	27,293
ANNE RICE & PALAY DEALER/Rachelle Anne Pascual		738,803	738,803	72,839
ROLLY C RABINA		737,106	737,106	191,648
Sps. LEO and JOSEFA LIM		736,127	736,127	24,345
ERH PRINTING		734,881	734,881	66,152
G. U. FORONDA PALAY TRADING/ SPS. GERARDO U. & MARYLOU L. FORONDA		730,267	730,267	42,002
GUILMAR MARBLE DEVELOPMENT CORP.		729,538	729,538	132,418
JRS STEEL & GLASS FABRICATOR		727,430	727,430	21,362
ARAYA Trading & Trucking Services		725,623	725,623	16,687
SRZ ENTERPRISES/SPS MARK DONALD M & ANNALYN G ANGELES		724,333	724,333	69,716
MOON ROCK AGGREGATES CORPORATION		716,283	716,283	143,257
RCG PRINTING PRESS AND GENERAL ENGRAVING SERVICES / SPOUSES REYNALDO J. GASIS AND WINNIE D. GASIS		714,873	714,873	58,322

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
HERNANDO ENTERPRISES/Sps. Angel Miguel L. & Iluminada R. Hernando		714,565	714,565	76,955
RENATO ROY Y MORTITZ		709,962	709,962	141,992
URBAN HEAVY EQUIPMENT CORPORATION		708,475	708,475	190,496
DEN-DEN S AGRI-VET AND POULTRY SUPPLY		707,897	707,897	98,486
24 Property Enterprises		706,416	706,416	40,684
NICOFRAN PAWNSHOP / Jayrald Nicolas & JAYRALD TRADING / Sps. Feliciano, Jr. & Alice Nicolas		705,533	705,533	19,812
CBD FREIGHT SERVICES (SPS. CARLITO & ALICIA DIMAYUGA)		705,201	705,201	56,278
SUNWORLD LOGISTICS CORPORATION		695,879	695,879	57,264
MEGA SPECIALTY LABELS, INC.		686,207	686,207	57,318
EAGLEROCK CONSTRUCTION AND DEVELOPMENT CORPORATION		685,271	685,271	23,672
JAYGIL ENTERPRISE/ GATBONTON, SPS. GILBERT A. & ROSALIE P.		675,652	675,652	24,835
ST. ISIDRIAN MARKETING INC.		671,746	671,746	68,753
MAYORICO F ABADILLA		657,791	657,791	60,846
EDWIN E. SALAZAR/EE SALAZAR		655,134	655,134	42,753
SURESCA, SPS. POLICARPIO C./FELISA A. AND HERES JUN A.		652,399	652,399	85,988
COOL JAM PURIFIED DRINKING WATER STATION		651,799	651,799	71,064
Sps. Garciano and Ma. Cristy Dimayacyac(Maria Venus Builder s Supply)		651,641	651,641	24,449
ICM AQUA FARM/SPS MATEO ISAAC C JR & PATRICIA E		646,098	646,098	97,568
RONALD G DESCALLAR HAULING SERVICES		646,080	646,080	33,623
NELSON V DORIA		645,363	645,363	167,794
DOUBLE J GRAINS TRADING		639,884	639,884	46,238
BLC CONSTRUCTION & AGGREGATES		636,001	636,001	50,570
GBM CONCRETE PRODUCTS MANUFACTURING AND TRADING/MR. GILBERT BAQUING		632,584	632,584	28,186
HR Serapio Enterprises/Sps. Henry and Liza Serapio		623,939	623,939	50,100
SPS. EDUARDO N. DUGAY AND NILDA A. DUGAY(NILDA DUGAY TRUCKING SERVICES)		617,906	617,906	88,061
RIONEL L SARAMOSING		615,326	615,326	159,985
Belgro Farms / Sps. Belarmino, Alvin P. & Gloria P.		607,366	607,366	55,407
JEDEL ENTERPRISES/SPS.EDILBERTO & JESUSA TORRES		601,775	601,775	27,005
G.S. HALILI PALAY BUYING STATION & FEEDS SUPPLY		600,387	600,387	62,546
GALLEGOS STORE		593,577	593,577	96,397
DIOSMARIE CALTEX STATION (SPS DIOSDADO AND SEMIA ANDAL)		584,871	584,871	50,070
RONALDO B. UY/RBU Palay & Corn Buying Station/RBU-Jodel Agricultural & Poultry Supply		584,737	584,737	23,870
TRI-FLEX INDUSTRIAL COMPANY		577,077	577,077	41,671
BEATRISH FARM SUPPLY/SPS ANGELITO R & EMELYN D DELA CRUZ		573,729	573,729	18,357
JOSIER FROZEN FOODS		571,543	571,543	85,731
CASTILLA, Sps. ZENON R., JR. and ELENA S.		569,326	569,326	53,294
SPS. SAMUEL S. BUGAS & ELIZABETH BUGAS		567,411	567,411	34,072
J. BISWAS & SON, INC.		566,890	566,890	22,613
Willtess Trading & Waste Management Services		566,069	566,069	59,461
LAZDAV FIELDS LAUDRY SERVICES, INC		565,713	565,713	101,828
Sps. Nerio and Judith Sagales / NB Sagales Construction and Supply		564,631	564,631	43,705
CEK CONSTRUCTION & WATER SUPPLY		549,539	549,539	159,366
SPS. VICTORIANO A. SERVADO / MARICHU C. SERVADO (VAS VEGETABLES & FRUIT DEALER)		541,023	541,023	65,380
RIRAO CONSTRUCTION SUPPLIES AND LUMBER/SPS. MARJORIE R. & TIRSO D. TUABAN		530,422	530,422	76,488
A.R. CAR DEALER		530,243	530,243	82,188

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
LOR CALMA DESIGN ASSOCIATES, INC.		523,897	523,897	23,905
PAGKAKAISA HARDWARE & CONCRETE PRODUCTS / Sps. Julius Allan & Irene Co		521,686	521,686	43,461
KING CJ BUILDERS & DESIGN/Sps. Jacinto & Rosario Pagaduan		519,909	519,909	34,319
JNJKONS ENTERPRISE/MARIJANE CACALDA ISON		513,566	513,566	56,346
PALMA, Sps. CESAR JR. T. / MEDILINE S.		511,855	511,855	31,256
SACORTOZA ENT. / ENGR. TEODORO M. CORTEZ		508,709	508,709	51,288
Sps. Emmanuel and Judith Jambalos/(J-V) Family Mart)		505,932	505,932	51,769
CONVEYING AND PACKAGING CO., INC.		505,911	505,911	36,433
Sps. Reynaldo & Pinky Ocampo (NEW CABLAO COMMERCIAL)		505,610	505,610	54,830
DR ANTHONY AND LEAH ACEDILLO		496,650	496,650	119,196
MANIQUIS TECHNOFARMS AND AGRICULTURAL SUPPLY/Sps. Magtanggol & Leileeni Maniquis		496,174	496,174	20,400
WOODLUCK HOME BUILDERS SUPPLY/ SPS AFICIAL GERALD C & JOLLY S		495,202	495,202	70,098
CURRIMAO SHELL STATION		494,629	494,629	79,141
MAPTAN CONSTRUCTION AND EQUIPMENT RENTALS INC.		490,588	490,588	14,100
NBM SAND & GRAVEL EQUIP RENTAL		489,624	489,624	127,302
ALLPLUS CORPORATION		486,759	486,759	55,011
D.L. MAGBITANG MARKETING / SPS. DENNIS AND ROSARIO MAGBITANG		478,822	478,822	35,438
PAYNAMICS TECHNOLOGIES, INC. (FORMERLY WIRECARD ASIA PACIFIC, INC.)		478,775	478,775	59,371
MN ELECTRO INDUSTRIAL SUPPLY & SERVICES / SPS. MARIO L. & CRISTINA M. NICOLAS		477,377	477,377	30,561
BALALLO S ENTERPRISES INC		476,667	476,667	10,851
LAZDAV-FIELDS LAUNDRY SERVICES, INC.		472,899	472,899	32,087
MISAMIS ORIENTAL II ELECTRIC SERVICE COOPERATIVE INC.		470,022	470,022	39,649
SPS. ARNOLD S. AND MAIZEL C. QUIGAMAN (QUIGAMAN STORE)		465,801	465,801	43,744
JAC LINER, INC.		465,114	465,114	62,790
GEMMA V CARONGAY		459,407	459,407	-
VERNON AARON R. CRUZ		458,356	458,356	15,184
NELSON O DAANOY		455,608	455,608	118,458
SPS. VICTOR JESUS D. AND LALAINE Y. VILLAROMAN and SPS. MELANIO G. SINGSON III and MARIA VIDA V. SINGSON (DR. VISTOR S. VII)		454,091	454,091	43,143
GROUND SPECIALISTS INC.		451,732	451,732	47,263
C. E. SANCHEZ PALAY & CORN BUYING STATION/SPS CHRISTOPHER E & MERCEDES M SANCHEZ		449,432	449,432	48,739
RACAL CERAMICS BARGAIN CENTER INC.		449,400	449,400	17,101
OCAMPO S CONSUMER DISTRIBUTORS		448,149	448,149	61,845
PHARMACEUTICAL & HEALTHCARE ASSOCIATION OF THE PHILIPPINES, INC.		446,533	446,533	59,164
SANTOS, CATALINA DE BELEN		445,406	445,406	21,109
Sps. Erni G. Baggao & Caroline G. Baggao (EGB Construction & General Merchandise)		443,400	443,400	17,101
WM MEAT PRODUCTS		443,103	443,103	56,741
ROSALIE STA. MARIA TRADING		439,007	439,007	49,355
AHL FISH BROKER / ALELI J. ESCUDERO		431,918	431,918	31,607
ADVAN INTEGRATED SERVICES INC. - 2B		431,846	431,846	-
STYROWARE TRADING AND GENERAL MERCHANDISE / ALFREDO M. GUTIERREZ		429,748	429,748	27,484
ALFRED S LUMBER / Sps. Ariel & Rina Laxa		429,514	429,514	41,473
VERSON TRUCKING SERVICES (LOUIE T. TARUC)		426,003	426,003	24,659
L. S. T. GENERAL MERCHANDISE/LOTIS S. TALARO		425,075	425,075	34,892
SPS. DIOSDADO & MILAGROS SILVESTRE/ERIC SILVESTRE(D.D.S. STEEL BARS AND GENERAL MERCHANDISING)		419,755	419,755	52,706
DTS VEGETABLE DEALER/SPS BILAN L & EVELYN J DADA-AN		415,673	415,673	12,283

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
I & E Industrial System Services Inc.		412,241	412,241	33,537
VITAL SPARK HEALTHCARE SOLUTIONS/RODOLFO PALAY FONTE, JR. AND AMELIA FONTE DUBLIN		400,692	400,692	7,437
JAMEX ENTERPRISES/SPS. MANUEL & ESTER MAGBITANG		400,153	400,153	15,398
MEL S CITY INTERNET CAFE/SPS MELCHOR JR Q & HEIDEE B CABREROS		399,424	399,424	52,987
HAPPY HOME REPUBLIC RETAILERS INC.		398,353	398,353	34,294
MKMI GENERAL MDSE/MINALIN CALTEX STATION		398,114	398,114	33,370
JOSE X KHO		397,776	397,776	115,355
SOPHIE MARTIN PHILIPPINES, INC.		393,126	393,126	35,424
K AND K MARKETING/SPS. RICHARD A. & JANNICE C. BARROZO		390,201	390,201	36,207
MAGPAYO AGRI-VET SUPPLIES/SPS. JOEL C. & MARILYN C. MAGPAYO		385,362	385,362	35,850
A.P. AGAPITO RICE / Sps. Adelaido & Julieta Agapito		383,683	383,683	30,748
BIGGS INCORPORATED		382,687	382,687	49,561
PARAMOUNT COMMERCIAL		382,263	382,263	42,855
PRECIOUS SARAH ENTERPRIZE/SPS RONALD L & LENY P RAMIREZ		379,743	379,743	12,311
JAIME H CANETE		379,245	379,245	102,396
CHEF S SECRET, INC.		378,420	378,420	32,799
PSICOM PUBLISHING, INC.		377,275	377,275	18,238
SPS. LAMBERTO AND MARIECEL UMALI (BEAMARIE TRUCKING)		376,392	376,392	29,131
AMU MINERALS TRADING/AMELITA M URSUA		374,668	374,668	18,615
DAYFREE TRADING INCORPORATED		373,794	373,794	32,035
LENICHEM ENTERPRISES (LENISA C. SIMPELO)		373,576	373,576	39,495
360 CHICKEN PRODUCT		369,722	369,722	48,824
NICANOR A YU		368,416	368,416	103,156
SD SUNICO TRUCKING SERVICES		368,232	368,232	-
D.E.C. TRUCKING		367,275	367,275	69,782
FROMARC BUILDERS & GENERAL MERCHANDISE		366,375	366,375	52,035
SAILE INDUSTRIES/TERESITA M. OLEGARIO		364,675	364,675	29,165
MARIETA M CABALLERO		362,681	362,681	65,282
MCT TRANSPORT & CARGO HANDLING SERVICES		362,487	362,487	72,497
ACCESSLINK CORPORATION		361,918	361,918	29,611
REMORE CORPORATION		360,880	360,880	17,820
JBRC CONSTRUCTION/SPS JUANITO B & CARMELA S BERNARDO/RHODORA B BUENO		360,724	360,724	17,480
ROADSTAR MARKETING & TRUCKING, INC.		357,897	357,897	17,312
FIRST ANALYTICAL SERVICES AND TECHNICAL COOPERATIVE		357,555	357,555	33,670
Josefina Beltran and Bernard Beltran(New Correas Harware & Lumber)		355,505	355,505	38,500
PMB ROCKWELL BUILDERS SUPPLY/SPS PETER JOHN G & MARIA CESILIA Q BAUA		352,131	352,131	33,820
CLAVERIA SHELL GASOLINE STATION/SPS MARLOWE B & DARLENE G GUERRERO		351,225	351,225	22,802
EURASIA RESEARCH PHARMA CORP. ("RMU ACCOUNT")		344,517	344,517	154,050
J A YAMONGAN ENTERPRISES		338,630	338,630	36,405
BORDA, RUFINA M.		335,244	335,244	29,389
Angelina P. Oplencia & Alejandro P. Oplencia (Mello Ice Plant)		328,329	328,329	6,983
ANGELITO A PEREZ GRAINS BUYING STATION		327,786	327,786	72,113
RIZAL V MACA		323,131	323,131	84,014
GREEN REFRASTECHNOLOGIES, INC.		322,649	322,649	17,897
SPS. TIBURCIO & MA. CRESENCIA CARANDANG/TIPECA ENTERPRISES		321,014	321,014	7,548

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
PRINCESS AND ME ENTERPRISE COMPANY		319,533	319,533	11,616
KONAMAE ENTERPRISES		314,734	314,734	56,652
CC LINER/ SPS. PETER RAYMOND & MA.		308,564	308,564	-
4M TRUCKING AND TRADING SERVICES CORPORA		304,601	304,601	45,690
Sps. Vincent Vir and Evalyn Agbayani/AGFAM Ventures		300,745	300,745	16,614
FHARRK TRANSPORT SERVICES, INC.		295,928	295,928	13,238
JOFARENZ PRINTING & ENTERPRISES ("RMU ACCOUNT")		293,413	293,413	4,683
BUDGET N TIPIID HOUSEWARE CORP		292,172	292,172	52,591
TWO ANGEL S PALAY TRADING / SPS ALEJANDRO S. & IRMA M. GALLARDO		292,155	292,155	11,409
J.J. MANALANG GENERAL SERVICES		286,183	286,183	-
IPVG CORP. (formerly MBf, Inc.) AND IP E-Game Ventures Inc./IP Contact Center Outsourcing Inc.		284,569	284,569	22,757
RK HARDWARE & FURNITURE CENTER / Sps. Raynino & Kharen Galang		277,774	277,774	16,872
DIGOS TESSON CONS AND SUP AND TKS BLDRS		277,344	277,344	32,825
E.F. MARIANO BUILDERS & TRADING		273,411	273,411	51,948
V.C. CRUZ CONSTRUCTION		270,887	270,887	56,913
LUCAS L BALLESTEROS		268,158	268,158	48,268
BIG 8 ENTS AND SONS INC		266,927	266,927	50,716
ARSD CONSTRUCTION CORPORATION		258,954	258,954	54,380
POLYTECHNIC COLLEGE OF LA UNION INC. (PCLU)		253,651	253,651	26,647
L & E EQUIPMENT SERVICES (SPS LEO & ESTRELLA ESPIRITU)		250,807	250,807	21,895
SPS. NORMAN C. & MARCELA N. PERIDO / PPB S PIGGERY FARM		236,497	236,497	3,699
FLORES, SAGAD & SONS INC.		234,096	234,096	4,403
ROBERTO C RABINA		222,316	222,316	57,802
ELENA LINER / SPS. ANGELITO & ELENA		214,745	214,745	-
CARLO B SALAZAR		214,317	214,317	71,239
RON ROCEL ENTERPRISES		207,370	207,370	31,728
CAREPAK MOVING AND STORAGE, INC.		198,795	198,795	10,116
PIOL RICE MILL		187,020	187,020	39,274
PAPERMAX DISTRIBUTORS, INC.		180,334	180,334	6,603
NATIONAL UNIVERSITY, INCORPORATED		178,839	178,839	6,463
TEQUESTA INTERNATIONAL, INC.		175,584	175,584	9,429
PEARL CONSTRUCTION & SUPPLY		166,882	166,882	48,396
DOMINGO & ANSELMA BREEDER FARM/SPS. DOMINGO & ANSELMA LABRADOR(RMU)		137,654	137,654	3,226
JERRY C PAYOT		136,218	136,218	43,590
POWERASIA EQUIPMENT RESOURCES, INC.		119,677	119,677	5,750
MARILOU G INIHAO		116,640	116,640	16,680
FERDINAND M COQUILLA		109,543	109,543	28,481
A OMBY, NEMESIA / EDG		108,344	108,344	28,169
5RJSI TRUCK SVC		102,268	102,268	22,499
FERNANDO D MACARAEG		95,668	95,668	22,941
GERSON F SALVAN		94,185	94,185	-
COMMERCIAL MOTORS CORP. (SRU)		92,123	92,123	14,740
AVCP TRADING SYSTEMS INTERNATIONAL		89,030	89,030	15,135
MAREYLEIZ TRADING		78,288	78,288	14,875
ECONO FAST PRESS		66,925	66,925	1,341

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
CFD TRUCKING / ALMASITA MARAMBA -2		61,814	61,814	10,045
MASTER CORRUGATED BOARD MAKERS INC		57,805	57,805	9,827
VAS VEGETABLES & FRUIT DEALER		50,142	50,142	12,536
KRINOCHE , INC.		49,477	49,477	10,390
KFCA TRADING AND GENERAL MERCHANDISE		49,403	49,403	9,821
RBC-MDC CORPORATION 2		49,071	49,071	-
SERGIO R FANDIALAN COCONUT AND COPRA DEA		41,549	41,549	9,972
FURACON BUILDERS & GENERAL SERVICES		41,480	41,480	9,955
FASTPOINT ENTERPRISES, INC.		39,052	39,052	6,248
JAY-AR C VILLAMOR		30,746	30,746	7,853
DATU ENTERPRISES/DATU, IGNACIO G. & WILMA R. (SPS)		28,632	28,632	6,013
SATELLITE ENTERPRISES		26,499	26,499	5,565
RENATO C ESTEPA		25,966	25,966	6,227
JOVER S LLAMIS		16,746	16,746	4,521
RAYMOND M PERALTA		8,160	8,160	-
VERSON TRUCKING SVC		4,055	4,055	-
S & K PRANTILLA TRUCKING SERVICES		3,307	3,307	794
RJ EXPRESS INC		2,360	2,360	378
PLP accounts		1,148	1,148	-
TJ & J ENTERPRISES		249	249	65
TENSOREX INDUSTRIAL CORPORATION (LEGAL ACCOUNT)		34	34	7
FIRST EXCELSIOR, INCORPORATED (RMU		32	32	6
FIRST EXCELSIOR, INCORPORATED ("RMU ACCOUNT")		30	30	5
EASTMAN MOTOR SALES		22	22	5
ASIAN CONSTRUCTION & DEVELOPMENT CORP. (LEGAL ACCOUNT)		20	20	6
BOONGALING BUYING & SELLING OF TRUCKS(RMU)		20	20	4
NER SEAFOODS CO. (LEGAL ACCOUNT)		18	18	3
KROCH TRADING CORPORATION (LEGAL ACCOUNT)		16	16	5
BCV SOUTH DISTRIBUTION, INC. FORMELY SOUTH 2000 GEN. MARKETING(ARLU)		16	16	4
D & P Trading Co. Ltd.(RMU)		14	14	3
COMPACT CONTAINER CORPORATION (LEGAL ACCOUNT)		14	14	3
UNICAP MARKETING (UNIMARK) CORPORATION (LEGAL ACCOUNT)		13	13	4
ST. FERDINAND LUMBER & TRADING CORP. (LEGAL ACCOUNT)		13	13	3
ARIEL S MEAT PRODUCTS/SPS. ARIEL & MA. KATHERINE GALANG/SPS. EDGAR & CARMELA GALANG (LEGAL ACCOUNT)		13	13	3
ELS PHARMA		12	12	3
A & A MARKETING/SPS. MANUEL & CELERINA NAVARRO		12	12	3
NAGA DYNASTY ALLIED MARKETING CORPORATION(RMU)		12	12	3
STANWOOD INDUSTRIES CORPORATION/WENCO CORPORATION (LEGAL ACCOUNT)		12	12	2
TTAN MEGA BAGS INDUSTRIAL CORP. ("RMU ACCOUNT")		10	10	3
PETER CARLOS AUTO ACCESSORIES/JULIUS PETER A. CARLOS (LEGAL ACCOUNT)		9	9	2
FIORELLI, INC.		8	8	3
CARLOS AND AURORA TRADING/SPS. CARLOS S. & AURORA M. SANTIAGO (LEGAL ACCOUNT)		8	8	2
CHENG, ROMEO O.		7	7	2
FOUNDATION SPECIALISTS, INC.		7	7	2
GILD CONSTRUCTION & DEV'T. CORPORATION (LEGAL ACCOUNT)		7	7	2

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
JARIZZA MARKETING/SPS. TIA (LEGAL ACCOUNT)		6	6	2
UNIVERSAL BEARING CORPORATION		6	6	2
UNIVERSAL PLANTERS PRODUCTS (LEGAL ACCOUNT)		6	6	2
F. GUTIERREZ CONSTRUCTION (LEGAL ACCOUNT)		6	6	2
JSG MOTORS CORPORATION		6	6	2
T.Y. FLORES TRADING/MRS. TERESITA F. LIM ("RMU ACCOUNT")		6	6	1
APEX PETROLEUM TRADING (LEGAL ACCOUNT)		6	6	1
ARNEL BORJA MOTOR WORKS & REPAIR SHOP(RMU ACCOUNT)		6	6	1
HARBOUR LINK TRANSPORT, INC. (LEGAL ACCOUNT)		6	6	1
ELECTROBUS CONSOLIDATED, INC. ("RMU ACCOUNT")		6	6	1
RMK ENTERPRISES (LEGAL ACCOUNT)		5	5	2
RIORDAN COMMERCIAL CO., INC.		5	5	1
PHIL. WIRELESS, INC. (LEGAL ACCOUNT)		5	5	1
CESAR C. TRAJANO / CCT BUILDERS		5	5	1
SERG'S PRODUCTS INCORPORATED (LEGAL)		5	5	1
NATION PETROLEUM CORP.(RMU)		5	5	1
CIRCULATION ENTERPRISES		5	5	1
L & L LAWRENCE FOOTWEAR INC. (LEGAL ACCOUNT)		5	5	1
MTC OPTO-MEDIC, INC. ("RMU ACCOUNT")		5	5	1
R.C. DISTRIBUTORS, INC. (RMU ACCOUNT)		5	5	1
VISIONAIRE GARMENTS		4	4	1
WILLSAN PLASTIC & PRINTING MANUFACTURING (LEGAL ACCOUNT)		4	4	1
E.B.VILLAROSA & PARTNERS CO., LT.		4	4	1
FIVE FRANKLINS INTERNATIONAL CORP.		4	4	1
JDS DAYRIT BUILDERS (legal account)		4	4	1
F S ZAPLAN TRUCKING		4	4	1
VL FREIGHT LINE		4	4	1
FIRST CHOICE COMMERCIAL(LEGAL)		4	4	1
LAKESIDE NEST REALTY INC.(RMU)		4	4	1
E.C. Salome Marble Quarry/Sps. Eduardo C. Salome & Cresencia(RMU)		4	4	1
JKM PRINTECH/SPOUSES LUCRESIO D. AND LILIA M. VILLAMOR ("RMU ACCOUNT")		4	4	1
ELVITA PRINTING PRESS/JOEL T. ANG (LEGAL ACCOUNT)		4	4	1
ALBERTO V BUTT		3	3	1
WEB LINK PHILIPPINES, INC. (LEGAL		3	3	1
VIRPA TRADING AND GENERAL MERCHANDISE (LEGAL ACCOUNT)		3	3	1
MACQUARIE INT'L. TRADING CORP. (LEGAL)		3	3	1
HEAVENS GATE CONST.& EQUIP./RIGHT PLACE TRADING (LEGAL ACCOUNT)		3	3	1
ACTIVE CONCRETE AGGREGATES CORPORATION		3	3	1
ADPULSE TRADING SPECIALIST (LEGAL ACCOUNT)		3	3	1
AA BONSOLE TRADING/SPS. ANTHONY & GERALDINE BONSOLE (Legal)		3	3	1
FIRST BUSINESS PAPER CORP.		3	3	1
PROFCOM ENTERPRISES/SPS JONATHAN A & GENALYN A LIDANG		3	3	1
INCUSE BUSINESS SOLUTION INC. (LEGAL ACCOUNT)		3	3	1
NLT TRUCKING(ARLU)		2	2	16
CEM TRUCKING CORPORATION (LEGAL ACCOUNT)		2	2	1

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
RAMON B DICDICAN	2	2	2	1
JOSEPH O PAHANG	2	2	2	1
PAUL S LUMANLAN	2	2	2	1
RUDANTE P VALDEZ	2	2	2	1
JAMPACK PLASTIC MANUFACTURING	2	2	2	1
J.TY CONSTRUCTION & DEVELOPMENT CORPORATION	2	2	2	1
BAUTISTA, LEODEGARIO JR.	2	2	2	1
ARABIA BOY EXPRESS/IRENE P. ALEJANDRO	2	2	2	1
ANTONIO T OLITRES	2	2	2	1
MILKIE A AMATONG	2	2	2	1
ALBA TRANSPORT	2	2	2	1
ANTHONY A BONSOLO	2	2	2	1
JVC CUSTOMS BROKERAGE, INC. (LEGAL ACCOUNT)	2	2	2	1
S. KAKIAGE SURPLUS, INC.	2	2	2	1
GORRICETA, SPS. ROSS/MARINA LUZ	2	2	2	1
BENZ CONSTRUCTION/SPS.EDUARDO & NORMA AYTONA (LEGAL ACCOUNT)	2	2	2	1
S.M. OSIN ENTERPRISES, INC.	2	2	2	1
MCS TRANSPORT SERVICES (LEGAL ACCOUNT)	2	2	2	1
MR. MELCHOR MAPAYE	2	2	2	1
AQUA-PISCES TRUCKING/SPS. GAUDENCIO & CARINA MAGUNDAYAO	2	2	2	-
DJM TRADING AND SERVICES	2	2	2	-
EAGLECREST TRADING/SPS. RONALD IAN AND FRITZIE DE GUZMAN(RMU)	2	2	2	-
EINANLOO CORPORATION	2	2	2	-
FILIPINAS DAEWOO INDUSTRIES CORPORATION	2	2	2	-
HEAVENS GATE CONSTRUCTION & EQUIPMENT RENTALS INC (LEGAL ACCOUNT)	2	2	2	-
J.A. SAMAN BUILDERS/JOSE ARNEL A. SAMAN(LEGAL)	2	2	2	-
KOSIE PRECISION TOOLINGS AND FABRICATION/Sps. Leynard D. & Dallife V. Gocalin (RMU ACCOUNT)	2	2	2	-
LIBERTY PLASTIC PRODUCTS (LEGAL ACCOUNT)	2	2	2	-
LOR-MAR TRADING CORPORATION	2	2	2	-
NESPOR TRADING CO. (LEGAL ACCOUNT)	2	2	2	-
PHILSTAR DISTRIBUTORS/ARNULFO & PATRICIA TANHUECO	2	2	2	-
SPS.MIGUELA & EDWIN ARENAS/GEM CONSTRUCTION & SUPPLY	2	2	2	-
SUPER MAX PHILIPPINES, INC.	2	2	2	-
TENNEGEN HOLDINGS, INCORPORATED (LEGAL ACCOUNT)	2	2	2	-
THAMES PHILIPPINES, INC.	2	2	2	-
WKG FOOD TECH INTERNATIONAL, INC. (LEGAL)	2	2	2	-
BENJAMIN VILLANUEVA	1	1	1	-
DOMINGO P GEDORIO	1	1	1	-
I SIANGCO, MOISES PHIL	1	1	1	-
LYDIA X MANCHERA	1	1	1	-
NORMA B ORDONEZ,	1	1	1	-
4 GERS TRADING AND SERVICES	1	1	1	-
72 LINAW ST., QUEZON CITY	1	1	1	-
A MILAN TRADING	1	1	1	-
ABC TRANS. EXPRESS, INC. (LEGAL	1	1	1	-

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
ACP GENERAL SERVICES & MARKETING/AGAPITO C. PONGOS	1	1	1	-
ADORA B IBRAHIM	1	1	1	-
AIDA F CUALING	1	1	1	-
ALBERT MAREGMEN RENT A CAR/SPS. MAREGMEN, ALBERTO M. & TERESA C.	1	1	1	-
ALBERT R ANG	1	1	1	-
ALEX M PALABRICA	1	1	1	-
ALEXANDER A NUNEZ	1	1	1	-
ALFREDO X ROSARIO	1	1	1	-
ALMEDA R SUELLO	1	1	1	-
AMALIA G SISON	1	1	1	-
AMELITA X MALABED	1	1	1	-
AMPARO B TAGLE	1	1	1	-
ANTONIO S MAGALONA	1	1	1	-
ANTONIO X SALVADOR	1	1	1	-
ARLENE G CORTADO	1	1	1	-
ARROWHEAD CONSTRUCTION	1	1	1	-
ASSOCIATED WIRE CORPORATION OF THE PHILIPPINES (LEGAL)	1	1	1	-
AURELYN L CHAN	1	1	1	-
AUREO NALAGON	1	1	1	-
AVT, INC. (LEGAL ACCT)	1	1	1	-
BAGTING, LIBERTY M.	1	1	1	-
BASIL M ICALINA	1	1	1	-
BEETHOVEN FERENAL	1	1	1	-
BIAN GEORGE H.	1	1	1	-
BIG AAS CORPORATION (LEGAL ACCOUNT)	1	1	1	-
BJA ENTERPRISES/SPS. ROXANELL AND ELISA DEVIBAR	1	1	1	-
BSL CONSTRUCTION/SPS. MA. THERESA &	1	1	1	-
C. MORALES SUPERMARKET, INC.(LEGAL)	1	1	1	-
CAGAYAN BRAKE CENTER	1	1	1	-
CAMILO S DARAMAN	1	1	1	-
CANDELARIO ENTERPRISES	1	1	1	-
CARDLINE INC. (RMU ACCOUNT)	1	1	1	-
CASVIC TRADING CORPO	1	1	1	-
CATALINA V HINGPIT	1	1	1	-
CEBUANO MANUFACTURING GLOVES CORP. (Legal Account)	1	1	1	-
CENDANT PHILIPPINES, INC. (LEGAL ACCOUNT)	1	1	1	-
CHAOPHAYA RIVER AGRICORP. (CRAC) / TGEH HOLIDAY CORPORATION ("RMU ACCOUNT")	1	1	1	-
CHO-CHO S DRESSED CHICKEN	1	1	1	-
CHRONICLE SECURITIES CORP. (LEGAL)	1	1	1	-
CIPRIANO P OCTURA	1	1	1	-
COOPERATIVE BANK OF DAVAO CITY	1	1	1	-
DAEWOO MOTOR SALES CORPORATION	1	1	1	-
DAVAO RJB CONSTRUCTION CORPORATION	1	1	1	-
DELA CRUZ X DELA CRUZ	1	1	1	-
DISPO PHILIPPINES, INC. ("RMU ACCOUNT")	1	1	1	-

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
DOERS TRADING/Sps Erwin & Dolores Ramos	1		1	-
DRAGON ENTERPRISES CORPORATION (LEGAL ACCOUNT)	1		1	-
E & A PRINTING SERVICES	1		1	-
EASY BYTES COMPUTER VENTURES/ SPS. MICHAEL AND AVA FLORES	1		1	-
EASYBYTES COMPUTER VENTURES/SPS. MICHAEL F. FLORES & AVA(LEGAL)	1		1	-
ECC GRAPHICS/SPOUSES EDWIN & ANNABELLE CASTILLO ("RMU ACCOUNT")	1		1	-
EDITH L PACLIBAR	1		1	-
EDL ENTERPRISES	1		1	-
EDMUND D CAWALO	1		1	-
EDNA L FEDERISO	1		1	-
EDWARD G YAP	1		1	-
ELEAZER G D LONSOD	1		1	-
ELORDE O PLAZA	1		1	-
EMILIO B MIESDE	1		1	-
ENERGIZER PHILIPPINES, INC.(FORMERLY	1		1	-
EPIFANIO J CASTANAGA	1		1	-
ERNESTO C LEDESMA	1		1	-
ESCALONA ROY NILO	1		1	-
ESJ PRECISION TOOLINGS / RUEL S. DUALLO ("RMU ACCOUNT")	1		1	-
ESPIRITU C CELERINO	1		1	-
EURO ART SILK SCREEN PRINTING	1		1	-
F. GUTIERREZ CONSTRUCTION (LEGAL	1		1	-
F.F.T. TRADING (LEGAL ACCOUNT)	1		1	-
FEOROZA ENTERPRISES/SPS.	1		1	-
FERDINAND M PARAS	1		1	-
FIDELA S PILAPIL	1		1	-
FIRST ALANPAC PACKAGING CORPORATION	1		1	-
FLORENCIO MERADORES	1		1	-
FLORENCIO D ANG	1		1	-
FRANCISCO E ATIENZA JR	1		1	-
GENEBELL FILMS & TELEVISION PRODUCTION (LEGAL ACCT.)	1		1	-
GEORGE C GAMBOA	1		1	-
GEORGE H BIAN	1		1	-
GERONIMO M BAUTISTA	1		1	-
GERRY ALCANTARA SHOES INC.	1		1	-
GIL U BANAAG	1		1	-
GOLDEN ELVES DISTRIBUTION & GENERAL MERCHANDISE (LEGAL ACCOUNT)	1		1	-
GOLDEN HIGHWAY TRANSIT, INC	1		1	-
GRACE C PANGANDIAN	1		1	-
GRANDEUR TEXTILE MILLS, INCORPORATED	1		1	-
GRANDEUR TEXTILE MILLS, INCORPORATED (LEGAL ACCOUNT)	1		1	-
HARANAH TOURS (LEGAL ACCOUNT)	1		1	-
HCD TRANSPORT	1		1	-
HEAVENS MANNA FOOD CHAIN, INC. (RMU ACCT.)	1		1	-
HENRY O CORONEL	1		1	-

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
HUGE SUCCESS AGRICULTURAL CORPORATION	1		1	-
IDEAS DRIVEN, INC. (LEGAL ACCOUNT)	1		1	-
IMSA TRADING/SPOUSES IGNACIO SR. & REBECCA SABILAO (RMU ACCOUNT)	1		1	-
IMSA TRADING/SPOUSES IGNACIO SR. & REBECCA SABILAO (RMU ACCT)	1		1	-
ISAGANI X RIMANDO	1		1	-
JACINTO PRESS COAT CORPORATION (LEGAL ACCOUNT)	1		1	-
JAIME S DE DIOS	1		1	-
JIMENEZ TOMAS C	1		1	-
JIMMY P SARIP	1		1	-
JOSE ENRIQUE ARANETA LUISTRO	1		1	-
JOSE G DEL MUNDO	1		1	-
JOSEPH D CHIO	1		1	-
JR AGANA DEVELOPMENT	1		1	-
JUN DELOS SANTOS TRADING / SPS. FLORENCIO, JR. AND ROSARIO DELOS SANTOS	1		1	-
KALAYAAN PRESS MARKETING ENTERPRISES, INC.	1		1	-
KARJ GLOBAL MARKETING NETWORK, INC. (LEGAL ACCOUNT)	1		1	-
KD SURPLUS (LEGAL ACCOUNT)	1		1	-
KENNETH O MANGAOANG	1		1	-
KONEKTA GROUP INTERNATIONAL, INC. (LEGAL ACCOUNT)	1		1	-
L CRUZ ENTERPRISES	1		1	-
LA PALOMA MOTOR SALES	1		1	-
LACANILAO, ROMEL R./AURORA I. LACANILAO	1		1	-
LEGAL ACCOUNT	1		1	-
LEVEFLEX INDUSTRIAL CORPORATION	1		1	-
LFJLK TRUCKING /SPS. HENRY G. & RONALYN A. BUMAGAT	1		1	-
LIKI CORPORATION ("RMU ACCOUNT")	1		1	-
LUCKY FOREST DEVELOPMENT CORPORATION(LEGAL)	1		1	-
M.L.A. APPAREL INC.(formerly Melissa L. Aguilar Collection) (LEGAL ACCT.)	1		1	-
MACALINOG A MACABOROD	1		1	-
MADANG BROTHERHOOD ASSOCIATION	1		1	-
MAMARIL, LUCIA D.	1		1	-
MANTO AGRO-INDUSTRIAL CORPORATION	1		1	-
MARNES MARKETING	1		1	-
MARPAC PORT MASTER'S SERVICES, INC.(LEGAL ACCOUNT)	1		1	-
MARTHA D VILBAR	1		1	-
MAXIMA B BUGUIS	1		1	-
MEGAPLAN INC	1		1	-
MERZA PROTACIO J	1		1	-
N. OCANA COPY SYSTEMS	1		1	-
NAVARRO MANUEL N	1		1	-
NC FRANCLA CONSTRUCTION CORP.	1		1	-
NEW UNITEDWARE MARKETING CORP.	1		1	-
NILDA ESPANOLA	1		1	-
NISSAN INDUSTRIES/SPS. ANG TIAN LOK & LUZMINDA CHAN (LEGAL ACCOUNT)	1		1	-
NITA C PATALINGHUG	1		1	-

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
NLT TRUCKING SERVICES/SPS. SHELDON & RUTH YAP ("RMU ACCOUNT")	1	1	1	-
O.M.S. STAR	1	1	1	-
OSCAR X DE MESA	1	1	1	-
PABLO T TOLENTINO	1	1	1	-
PADILLA ROMEO T	1	1	1	-
PAZ PRINTING PRESS	1	1	1	-
PEDRO L. GUILLEN	1	1	1	-
PEREZ AGRO SUPPLY	1	1	1	-
PMC CONSTRUCTION CORPORATION	1	1	1	-
POLLO RICO RESTAURANT/ MS. ANNA LEE KAIN	1	1	1	-
PRESS WORKS PRINTING CO. ("RMU ACCOUNT")	1	1	1	-
QUIRINO R CABALLERO	1	1	1	-
R. S. ZAPLAN BUILDERS / Sps. Roger & Loida Zaplan	1	1	1	-
R.B. CABATO CONSTRUCTION AND TRADING CO.,INC	1	1	1	-
R.C. DISTRIBUTORS, INC. (RMU ACCOUNT)	1	1	1	-
RAMON R CALMA	1	1	1	-
RAMOS, RAMONA D.	1	1	1	-
RB SUMAGANG & COMPANY,INC.	1	1	1	-
ROGELIO R CALMA	1	1	1	-
ROMEO B SARAYNO	1	1	1	-
RONALDO E BANCOD	1	1	1	-
RONALDO S CAPARAS	1	1	1	-

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
RONIRUFO L TORRES	1		1	-
ROQUE X SAN DIEGO	1		1	-
ROSELLA C VILLAHERMOSA	1		1	-
SAHARA LENDING INVESTORS, INC.	1		1	-
SALUPE B BALINGGAN	1		1	-
SAMUEL S QUINONES	1		1	-
SANAO MARKETING CORPORATION	1		1	-
SERGIO S VENTURA	1		1	-
SHIPSHAPE FERRY, INC. (LEGAL ACCOUNT)	1		1	-
SILVER IMAGE PHOTOGRAPHY (LEGAL ACCOUNT)	1		1	-
SISON MANUEL	1		1	-
SONNY V REYES	1		1	-
SPECTRUM GRAPHICS, INC.	1		1	-
SPS. NEHRO & EDEN RANAY (LEGAL ACCOUNT)	1		1	-
SPS. RICHARD/GIGI MARIE TY (legal account)	1		1	-
ST. GIRARD PRINTERS, INC.	1		1	-
STA. MARIA, ALEXANDER C.	1		1	-
STA. CRUZ RICEMILL AND TRADING CORP.	1		1	-
SUYAT PEDRO R	1		1	-
TC DISTRIBUTORS/SPS. DEOGRACIAS/YVONNE TALAO	1		1	-
TEODORO J LUCERO	1		1	-
THE CONFISERIE, INC. (LEGAL ACCOUNT)	1		1	-
THREE KINGS PRINTING CORP. (RMU)	1		1	-
TIMCAH PRINTING & TRADING	1		1	-
TIMOTEO JUANITO	1		1	-
TITAN MEGATILES INDUSTRIAL CORPORATION ("RMU ACCOUNT")	1		1	-
TRADERS AUTOMOTIVE CENTER, INC.	1		1	-
TRUE TEXTURE AQUAMARINE TRADING/SPS. FRANCISCO AND JENEFER BALATBAT	1		1	-
UP-RISE ENTERPRISES, INC.	1		1	-
VERDADERO ASISCLO III G	1		1	-
VICENTE COMMERCIAL	1		1	-
VICTOR D JO	1		1	-
VI-MAR S SAND & GRAVEL	1		1	-
VIRGO MEAT DEALER/DOLORES T. PRADAS (LEGAL ACCOUNT)	1		1	-
WAGNER A CONTADA	1		1	-
WESTERN SAMAR SHIPPING LINES, INC.	1		1	-
WILFREDO B TIBAYAN	1		1	-
WILFREDO M GABULE	1		1	-
WILMER C RANARIO	1		1	-
YU SHIELA MARIE	1		1	-
ZENAIDA R ANGELES	1		1	-
ZENLEX ENTERPRISE	1		1	-
Subtotal		<u>14,700,976,662</u>	<u>14,700,976,662</u>	<u>1,043,747,526</u>

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue (i)</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at end of reporting period</i>	<i>Income received and accrued</i>
Accrued interest receivable		83,591,236	83,591,236	
Dividends receivable		73,499,028	73,499,028	
Client's equity		(52,936,453)	(52,936,453)	
Sales contract receivable		22,952,019	22,952,019	
Accounts receivable		<u>20,067,817</u>	<u>20,067,817</u>	
		<u>147,173,647</u>	<u>147,173,647</u>	
Total Loans and Receivables		<u>P 14,848,150,308</u>	<u>P 14,848,150,308</u>	

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY

(A Subsidiary of BDO Unibank, Inc.)

SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

DECEMBER 31, 2011

(Amounts in Philippine Pesos)

Name and designation of debtor	Balance at beginning of period	Additions	Deductions		Ending Balance		Balance at end of period
			Amounts collected	Amounts written off	Current	Not current	

Amounts Due from Related Parties:

- nothing to report -

Advances to Officers and Employees:

- nothing to report -

Loans to Officers and Employees:

ABAPO, JOSE EDMUND T.	P	58,512	P	-	P	58,512	P	-	P	-	P	-
AGUSTIN, ALLAN S.		19,080		-		19,080		-		-		-
ALAJAR, RACHEL D.		51,132		-		51,132		-		-		-
ALAVA, EVA MARIE L.		15,585		-		15,585		-		-		-
ALCANTARA, RONABEL JOYCE D.		31,975		-		31,975		-		-		-
ALILIO, ANNABELLE D.		65,201		-		65,201		-		-		-
ANDAYA, MARIE CHELANN P.		41,976		-		41,976		-		-		-
ANGUE, GAYLE ANGEL LOU M.		29,248		-		29,248		-		-		-
APARENTE, RYAN C.		54,875		-		54,875		-		-		-
ARAGON, JERICHO R.		36,903		-		36,903		-		-		-
ARELLANO, TRISTAN GEORGE P.		23,850		-		23,850		-		-		-
BALUCAN, RUBY ROSALYN N.		47,970		-		47,970		-		-		-
BALUNSAT, OLIVA		60,620		-		60,620		-		-		-
BAREZA, MARIE SHAYNE B.		39,273		-		39,273		-		-		-
BARONGAN, ADOLFO A. JR.		328,828		-		328,828		-		-		-
BARRERA, JESSELYN E.		54,897		-		54,897		-		-		-
BASANES, JOEL II D.		78,864		-		78,864		-		-		-
BELARMINO, ROSITA R.		308,226		-		308,226		-		-		-
BELGIRA, JOCELYN B.		20,034		-		20,034		-		-		-
BENAVIDEZ, VANESSA JOYCE C.		90,630		-		90,630		-		-		-
BERNAL, ANNA LOUELA G.		55,983		-		55,983		-		-		-
BIEN, LILIA M.		41,136		-		41,136		-		-		-
BIRREY, KAREN ANNE S.		33,390		-		33,390		-		-		-
BOHOLST, LOLITA		312,363		-		312,363		-		-		-
BORBE, RANDY PENARUBIA		184,440		-		184,440		-		-		-
BORINAGA, JOEL C.		71,232		-		71,232		-		-		-
BUTAD, EDWIN V.		17,808		-		17,808		-		-		-
CABALLERO, ERNIE MICHAEL R.		41,181		-		41,181		-		-		-
CALAMBRO, JOSEPH GLENN A.		143,973		-		143,973		-		-		-
CALUBAYAN, CORAZON E.		292,674		-		292,674		-		-		-
CASIN, JOANN C.		169,086		-		169,086		-		-		-
CASTRO, BENJIE C.		28,620		-		28,620		-		-		-
CASTRO, CYNTHIA D.		20,565		-		20,565		-		-		-
CASTRO, ELLEN D.		102,882		-		102,882		-		-		-
CONEL, REDENTOR R.		20,787		-		20,787		-		-		-
CORTEZ, CHONA R.		277,920		-		277,920		-		-		-
DECENA, JANICE MARIE S.		340,476		-		340,476		-		-		-
DELA CRUZ, MARYSETH F.		40,068		-		40,068		-		-		-
DELA CRUZ, VERNIE C.		43,856		-		43,856		-		-		-
DELA PAZ, MA. CRISSETTE F.		59,301		-		59,301		-		-		-
DIAZ, MANOLO O.		238,500		-		238,500		-		-		-
DIME, JANICE A.		152,958		-		152,958		-		-		-
ESPINOSA, MA. LOURDES M.		533,931		-		533,931		-		-		-
EVANGELISTA, ROBERTO H.		43,725		-		43,725		-		-		-
FERNANDO, NOEMI R.		54,378		-		54,378		-		-		-
GARCIA, BENIVER P.		84,588		-		84,588		-		-		-
GIANGAN, MAUREEN C.		202,209		-		202,209		-		-		-
GONZALES, FLORECIITA R.		858,600		-		858,600		-		-		-
HANDIG, JOEVEN Y.		136,905		-		136,905		-		-		-

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY

(A Subsidiary of BDO Unibank, Inc.)

SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

DECEMBER 31, 2011

(Amounts in Philippine Pesos)

Name and designation of debtor	Balance at beginning of period	Additions	Deductions		Ending Balance		Balance at end of period
			Amounts collected	Amounts written off	Current	Not current	
HARE, VANESSA E.	249,761	-	249,761	-	-	-	-
HIPOLITO, EMILIANO A.	150,255	-	150,255	-	-	-	-
JUGADORA, JENNIFER F.	86,813	-	86,813	-	-	-	-
KATIGBAK, FRANCISCA D.	576,608	-	576,608	-	-	-	-
LABOG, FREDERICK ALLAN R.	14,310	-	14,310	-	-	-	-
LACHICA, MARTINA H.	114,480	-	114,480	-	-	-	-
LAGUNA, FERMIN E.	461,100	-	461,100	-	-	-	-
LIM, ELVIE A.	457,167	-	457,167	-	-	-	-
Lopez, Rethel Anne C.	89,309	-	89,309	-	-	-	-
LUBIANO, RENALYN M	57,985	-	57,985	-	-	-	-
LUMANOG, RYAN F.	131,680	-	131,680	-	-	-	-
LUZADA, LEBERT C	146,122	-	146,122	-	-	-	-
LUZANO, ROGELIO JR. D.	161,928	-	161,928	-	-	-	-
MACAINAG, SCANDUTCH THERESA D.	155,190	-	155,190	-	-	-	-
MAGDAMO, MA. CHERYL D.	143,100	-	143,100	-	-	-	-
MARTINEZ, THERESA JEAN B.	66,780	-	66,780	-	-	-	-
MARZAN, ANGELO A.	20,670	-	20,670	-	-	-	-
MATURAN, PAUL MAYNARD C.	20,670	-	20,670	-	-	-	-
MERILLOS, MILAN YU	47,080	-	47,080	-	-	-	-
MIRANDA, VIVIAN D.	161,217	-	161,217	-	-	-	-
MIRANDILLA, ANALYN V.	20,561	-	20,561	-	-	-	-
MONTESA, CAROLINE A.	52,311	-	52,311	-	-	-	-
NARANJO, CECILIA L.	89,089	-	89,089	-	-	-	-
NEPOMUCENO, SHEILA C.	349,075	-	349,075	-	-	-	-
NICOLAS, SHERLYN C.	82,824	-	82,824	-	-	-	-
OPINION, EDUARDO G.	108,915	-	108,915	-	-	-	-
PADERON, RUBY LYN C.	31,800	-	31,800	-	-	-	-
PANGAN, EVELYN I.	122,112	-	122,112	-	-	-	-
PANGILINAN, LARA MAY B.	120,204	-	120,204	-	-	-	-
PASIA, MARLON V.	28,938	-	28,938	-	-	-	-
PAULATE, AGAPITO D.J.	218,501	-	218,501	-	-	-	-
PERALTA, JOVIL L.	17,490	-	17,490	-	-	-	-
PERCIANO, FRISIANNE MARIE F.	41,340	-	41,340	-	-	-	-
REQUINTA, ABEGAIL B.	97,473	-	97,473	-	-	-	-
REYES, JODEL M.	234,667	-	234,667	-	-	-	-
RIVERA, CHRISTOPHER A.	95,400	-	95,400	-	-	-	-
ROBINOL, HENRY FRANCIS C.	47,700	-	47,700	-	-	-	-
ROCES, VANESSA M.	89,887	-	89,887	-	-	-	-
RÓMERO, DIOWELLA MAY C.	60,420	-	60,420	-	-	-	-
ROXAS, JOSE RAMON BENJAMIN T.	380,562	-	380,562	-	-	-	-
RUANTO, RUVERO P.	65,808	-	65,808	-	-	-	-
SANCHEZ, LAWRENCE	188,021	-	188,021	-	-	-	-
SANTOS, RAINIER C.	28,938	-	28,938	-	-	-	-
SANTOS, RUEL A.	26,871	-	26,871	-	-	-	-
TIBAYAN, SARRAH KAY M	39,750	-	39,750	-	-	-	-
VILLASIS, ANDIE M.	5,788	-	5,788	-	-	-	-
VINLUAN, KAREN A.	10,416	-	10,416	-	-	-	-
Grand Total	P 12,028,302	P -	P 12,028,302	P -	P -	P -	P -

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY

(A Subsidiary of BDO Unibank, Inc.)

SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2011

(Amounts in Philippine Pesos)

<i>Name and designation of debtor</i>	<i>Balance at beginning of period</i>	<i>Additions</i>	<i>Deductions</i>		<i>Ending Balance</i>		<i>Balance at end of period</i>
			<i>Amounts collected</i>	<i>Amounts written off</i>	<i>Current</i>	<i>Not current</i>	

- nothing to report -

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE D - INTANGIBLE ASSETS - OTHER ASSETS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Description</i>	<i>Beginning balance</i>	<i>Additions at cost</i>	<i>Charged to cost and expenses</i>	<i>Charged to other accounts</i>	<i>Other changes additions (deductions)</i>	<i>Ending balance</i>
Prepaid expenses	P 107,887,242	P -	P -	P -	(P 8,531,542)	P 99,355,701
Repossessed chattels and other equipment - net	46,429,350	60,210,785	-	-	(40,751,221)	65,888,913
Input value-added tax (VAT) - net	23,210,442	23,528,958	-	-	-	46,739,400
Miscellaneous - net	<u>3,371,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(259,016)</u>	<u>3,112,299</u>
	<u>P 180,898,349</u>	<u>P 83,739,743</u>	<u>P -</u>	<u>P -</u>	<u>(P 49,541,779)</u>	<u>P 215,096,313</u>

Note: The Group has no intangible assets as of December 31, 2011.

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE E - LONG-TERM DEBT
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Title of issue and type of obligation</i>	<i>Amount authorized by indenture</i>	<i>Amount shown under caption "Current portion of long-term debt" in related balance sheet</i>	<i>Amount shown under caption "Long-Term Debt" in related balance sheet</i>
Bills payable	P <u>933,333</u>	<u>P -</u>	P <u>933,333</u>

Bills payable pertains to outstanding obligation to Land Bank of the Philippines and is payable until April 2014 and bears effective interest at an annual average rate of 6.89% per annum.

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY

(A Subsidiary of BDO Unibank, Inc.)

SCHEDULE F - INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)

DECEMBER 31, 2011

(Amounts in Philippine Pesos)

<i>Name of related party</i>	<i>Balance at beginning of period</i>	<i>Balance at end of period</i>
------------------------------	---------------------------------------	---------------------------------

- nothing to report -

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE G - GUARANTEE OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2011
(Amounts in Philippine Pesos)

<i>Name of issuing entity of securities guaranteed by the company for which this statement is filed</i>	<i>Title of issue of each class of securities guaranteed</i>	<i>Total amount of guaranteed and outstanding</i>	<i>Amount owned by person for which statement is filed</i>	<i>Nature of guarantee</i>
---	--	---	--	----------------------------

- nothing to report -

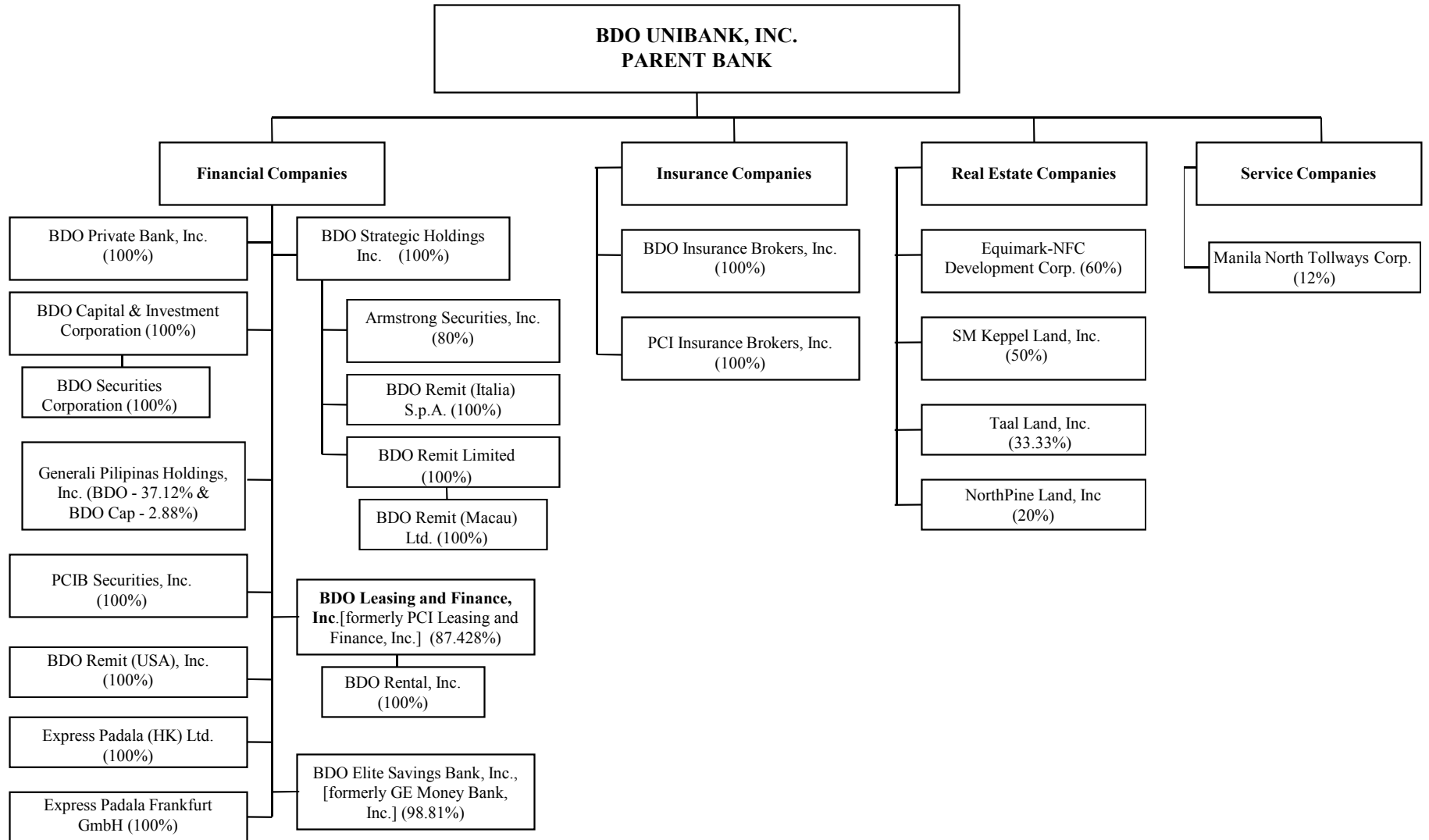
BDO LEASING AND FINANCE, INC AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
SCHEDULE H - CAPITAL STOCK
DECEMBER 31, 2011

<i>Title of Issue</i>	<i>Number of Shares Authorized</i>	<i>Number of Shares Issued and Outstanding under Related Balance Sheet Caption</i>	<i>Number of Shares Reserved for Options, Warrants, Conversions and Other Rights</i>	<i>Number or Shares Held By</i>		
				<i>Related Parties (Parent, Affiliates)</i>	<i>Directors, Officers and Employees</i>	<i>Others</i>
Preferred Shares	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Common Shares	<u>3,400,000,000</u>	<u>2,162,475,312</u>	<u>-</u>	<u>1,890,610,907</u>	<u>134,340</u>	<u>271,730,065</u>

BDO LEASING AND FINANCE, INC.
(A Subsidiary of BDOUnibank, Inc.)
RECONCILIATION OF SURPLUS FREE AVAILABLE FOR DIVIDEND DISTRIBUTION
DECEMBER 31, 2011
(Amounts in Millions of Philippine Pesos)

SURPLUS FREE AVAILABLE FOR DIVIDEND DECLARATION AT BEGINNING OF YEAR	P <u>1,385.8</u>
Net Income Realized for the Year	
Net income per audited financial statements	308.6
Add (Less) Changes in Surplus Free for the Year	
Dividend declarations during the year	(<u>324.4</u>)
SURPLUS FREE AVAILABLE FOR DIVIDEND DECLARATION AT END OF YEAR	P <u>1,370.0</u>

BDO UNIBANK GROUP
Subsidiaries/Affiliates
December 31, 2011



BDO LEASING AND FINANCE, INC.

**List of Effective Standards and Interpretations under
Philippine Financial Reporting Standards as of December 31, 2011**

Standards and Interpretations	Adoption	Remarks
-------------------------------	----------	---------

Philippine Financial Reporting Standards (PFRS)

PFRS 1	First-time Adoption of Philippine Financial Reporting Standards	Adopted	
PFRS 2	Share-based Payment	Not Applicable	
PFRS 3	Business Combinations	Not Applicable	
PFRS 4	Insurance Contracts	Not Applicable	
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable	
PFRS 6	Exploration for and Evaluation of Mineral Resources	Not Applicable	
PFRS 7	Financial Instruments: Disclosures	Adopted	
PFRS 8	Operating Segments	Adopted	

Philippine Accounting Standards (PAS)

PAS 1	Presentation of Financial Statements	Adopted	
PAS 2	Inventories	Not Applicable	
PAS 7	Statement of Cash Flows	Adopted	
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Adopted	
PAS 10	Events after the Reporting Period	Adopted	
PAS 11	Construction Contracts	Not Applicable	
PAS 12	Income Taxes	Adopted	
PAS 16	Property, Plant and Equipment	Adopted	
PAS 17	Leases	Adopted	
PAS 18	Revenue	Adopted	
PAS 19	Employee Benefits	Adopted	
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable	
PAS 21	The Effects of Changes in Foreign Exchange Rates	Adopted	
PAS 23	Borrowing Costs	Not Applicable	
PAS 24	Related Party Disclosures	Adopted	
PAS 26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable	
PAS 27	Consolidated and Separate Financial Statements	Adopted	
PAS 28	Investments in Associates	Not Applicable	
PAS 29	Financial Reporting in Hyperinflationary Economies	Not Applicable	
PAS 31	Interests in Joint Ventures	Not Applicable	
PAS 32	Financial Instruments: Presentation	Adopted	
PAS 33	Earnings per Share	Adopted	
PAS 34	Interim Financial Reporting	Adopted	
PAS 36	Impairment of Assets	Adopted	
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	Adopted	
PAS 38	Intangible Assets	Not Applicable	
PAS 39	Financial Instruments: Recognition and Measurement	Adopted	
PAS 40	Investment Property	Adopted	
PAS 41	Agriculture	Not Applicable	

BDO LEASING AND FINANCE, INC.

**List of Effective Standards and Interpretations under
Philippine Financial Reporting Standards as of December 31, 2011**

Standards and Interpretations	Adoption	Remarks
-------------------------------	----------	---------

Philippine Interpretations - International Financial Reporting Interpretations Committee (IFRIC)

Philippine Interpretation IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	Not Applicable	
Philippine Interpretation IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments	Not Applicable	
Philippine Interpretation IFRIC 4	Determining Whether an Arrangement Contains a Lease	Adopted	
Philippine Interpretation IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Not Applicable	
Philippine Interpretation IFRIC 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	Not Applicable	
Philippine Interpretation IFRIC 7	Applying the Restatement Approach under PAS 29, Financial Reporting in Hyperinflationary Economies	Not Applicable	
Philippine Interpretation IFRIC 9	Reassessment of Embedded Derivatives	Not Applicable	
Philippine Interpretation IFRIC 10	Interim Financial Reporting and Impairment	Adopted	
Philippine Interpretation IFRIC 12	Service Concession Arrangements	Not Applicable	
Philippine Interpretation IFRIC 13	Customer Loyalty Programmes	Not Applicable	
Philippine Interpretation IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Adopted	
Philippine Interpretation IFRIC 16	Hedges of a Net Investment in a Foreign Operation	Not Applicable	
Philippine Interpretation IFRIC 17	Distributions of Non-cash Assets to Owners	Adopted	
Philippine Interpretation IFRIC 18	Transfers of Assets from Customers	Not Applicable	
Philippine Interpretation IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	Adopted	

Philippine Interpretations - Standing Interpretations Committee (SIC)

Philippine Interpretation SIC 7	Introduction of the Euro	Not Applicable	
Philippine Interpretation SIC 10	Government Assistance - No Specific Relation to Operating Activities	Not Applicable	
Philippine Interpretation SIC 12	Consolidation - Special Purpose Entities	Not Applicable	
Philippine Interpretation SIC 13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers	Not Applicable	
Philippine Interpretation SIC 15	Operating Leases - Incentives	Adopted	
Philippine Interpretation SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets	Not Applicable	
Philippine Interpretation SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	Not Applicable	
Philippine Interpretation SIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	Adopted	
Philippine Interpretation SIC 29	Service Concession Arrangements: Disclosures	Not Applicable	
Philippine Interpretation SIC 31	Revenue - Barter Transactions Involving Advertising Services	Not Applicable	
Philippine Interpretation SIC 32	Intangible Assets - Web Site Costs	Not Applicable	

ANNEX

A

CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, **MA. LEONORA V. DE JESUS**, Filipino, of legal age and residing at Unit 2900-A Ritz Towers, 6745 Ayala Avenue, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **BDO LEASING AND FINANCE, INC. ("BDOLF")**
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
University of the Philippines	Professional Lecturer	June 1, 2004 – present
BDO Capital & Investment Corporation	Independent Director	August 28, 2010 - present
BDO Elite Savings Bank, Inc.	Independent Director	August 24, 2009 - present
SM Development Corporation	Independent Director	August 2, 2011 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of BDOLF, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
5. I shall inform the corporate secretary of BDOLF of any changes in the abovementioned information within five days from its occurrence.

Done, this ____ day of _____ 2012, at Makati City, Philippines.


MA. LEONORA V. DE JESUS
Affiant

SUBSCRIBED AND SWORN TO BEFORE ME this ____ day of FEB 29 202012 at Makati City, Philippines, affiant exhibiting to me her Community Tax Certificate No. 26383703 issued on June 1, 2011 at City of Manila, and her Passport No. XX3249775 issued on March 16, 2009 at DFA-Manila and is valid up to March 15, 2014.

Doc. No. 525 ;
Page No. 104 ;
Book No. 1 ;
Series of 2012.

NOTARY PUBLIC

Atty. MARICHELLE Q. GERARDO
Appointment No. M-441
Notary Public until 31-December 2012
14/F BDO North Tower, BDO Corporate Center
7899 Makati Avenue, Makati City
Roll No. 45121
IBP No. 877979, 1/4/2012, Quezon City
PTR No. 3181662, 1/5/2012, Makati City
MCLE Compliance No. III-0004698, 9/04/2009

CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, **JESSE H. T. ANDRES**, Filipino, of legal age and residing at No. 39 Mt. Rainer Street, Mountainview Village, New Marikina Subdivision, Marikina City, after having been duly sworn to in accordance with law do hereby declare that:

- 1. I am an independent director of **BDO LEASING AND FINANCE, INC. ("BDOLF")**
- 2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Andres Marcelo Padernal Guerrero and Paras Law Offices	Managing Partner	July 1, 2011 – present

- 3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of BDOLF, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
- 4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
- 5. I shall inform the corporate secretary of BDOLF of any changes in the abovementioned information within five days from its occurrence.

Done, this ____ day of FEB 27 2012, 2012, at Makati City, Philippines.



JESSE H. T. ANDRES
Affiant

SUBSCRIBED AND SWORN TO BEFORE ME this FEB 27 2012 day of FEB 27 2012 20____ at Makati City, Philippines, affiant exhibiting to me his Community Tax Certificate No. 01122871 issued at Pasay City on January 9, 2012, and his Driver's License No. N02-83-051929 issued at LTO East Avenue, Quezon City with validity up to July 18, 2013.

Doc. No. 44 ;
Page No. 10 ;
Book No. II ;
Series of 2012.

NOTARY PUBLIC



Atty. **REAGAN C. OLIVA**
Appointment No. M-401

Notary Public until 31 December 2012
14/F BDO North Tower, BDO Corporate Center
7899 Makati Avenue, Makati City
Roll No. 43988
IBP No. 877972, 1/4/2012, Quezon City
PTR No. 3181664, 1/5/2012, Makati City
MCLE Compliance No. III-0005546, 12/4/2009

CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR


I, **JESUS G. TIRONA**, Filipino, of legal age and residing at No. 14 Fabian de la Rosa St., Loyola Heights, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **BDO LEASING AND FINANCE, INC. ("BDOLF")**
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
BDO Unibank, Inc.	Adviser to the Board	July 27, 2007 – present
BDO Capital & Investment Corporation	Independent Director	Aug. 7, 2007 – present
Armstrong Securities, Inc.	Independent Director	May 24, 2006 – present
BDO Foundation, Inc. (non-stock, non-profit organization)	Trustee	January 9, 2010 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of BDOLF, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
5. I shall inform the corporate secretary of BDOLF of any changes in the abovementioned information within five days from its occurrence.

Done, this _____ day of FEB 23 2012, at Makati City, Philippines.


JESUS G. TIRONA
 Affiant

SUBSCRIBED and sworn to before me this ____ day of FEB 23 2012, in the City of **CITY OF MAKATI**, Philippines, affiant exhibited to me his Community Tax Certificate No. 24922615 issued on April 12, 2011 at Quezon City, and his Passport No. EB0205886 issued on 12 May 2010 at DFA – Manila and is valid up to 11 May 2015.

NOTARY PUBLIC

Doc. No. 565 ;
 Page No. 102 ;
 Book No. 1 ;
 Series of 2012.

Atty. MARICHELLE Q. GERARDO
 Appointment No. M-441
 Notary Public until 31 December 2012
 14/F BDO North Tower, BDO Corporate Center
 7899 Makati Avenue, Makati City
 Roll No. 4571
 IBP No. 877579, 1/4/2012, Quezon City
 PTR No. 3181662, 1/5/2012, Manila City
 MCLE Compliance No. III-0004698, 9/04/2009