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## BDO Leasing Posts Stable Revenues in 1H 2019

BDO Leasing and Finance, Inc. (BDOLF) posted ₱1.54 billion revenues in 1H 2019 compared with ₱1.58 billion a year-ago. Loans and receivables amounted to ₱28.7 billion, largely due to the sale of a portion of its lower-yielding portfolio earlier this year to mitigate the impact of compressed margins. These resulted as funding costs, which increased substantially with the rapid rise in interest rates last year, adjusted faster than asset yields. It should be noted that the company's earning assets typically carry fixed interest rates for three (3) to five (5) years, which is customary for lease transactions, while funding is via short-term commercial papers and bank loans. As such, BDOLF registered a net loss of ₱28.8 million during the period.

This is seen as a temporary situation, as the sale of the company's lower-yielding portfolio, combined with the application of prevailing interest rates to new loan bookings and the re-pricing of existing loans, is expected to result in a recovery in margins in the second half of 2019.

### About BDO Leasing

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