

May 15, 2012

THE DISCLOSURE DEPARTMENT
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: MS.JANET A. ENCARNACION
Head, Disclosure Department

Gentlemen:

Please find the SEC Form 17Q of BDO Leasing and Finance, Inc.(BDOLF) for the quarter ending March 31, 2012.

Thank you very much.



SERGIO M. CENIZA
Compliance Officer

BDO Leasing & Finance, Inc.
BDO Leasing Centre
Corinthian Gardens, Ortigas Avenue
Quezon City, Philippines
Tel +63(2) 635 6418
Fax +63(2) 635 5811, 635 5805, 635 3898

COVER SHEET

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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	.		
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(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)

GEORGIANA A. GAMBOA

(632) 635-6416
Company Telephone Number

1	2	3	1
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Month Day
Fiscal Year

SEC FORM 17-Q
FORM TYPE

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

N/A
Secondary License Type, If Applicable

CFD
Dept. Requiring this Doc

Amended Articles Number / Sec.

1,216
Total No. of Stockholders

Total Amount of Borrowings
PhP 11,636,331,873.74
Domestic

-
Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended March 31, 2012
2. Commission identification number 097869 3.BIR Tax Identification No. 000-486-050-000

BDO LEASING & FINANCE, INC.

4. Exact name of issuer as specified in its charter

Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only) **3**

BDO Leasing Centre, Corinthian Gardens, Ortigas Ave., Q. C.

7. Address of issuer's principal office

632/ 635-64-16, 635-58-17, 635-38-98, 840-7000

8. Issuer's telephone number, including area code

N/A

9. Former name, former address and former fiscal year, if changed since last report

N/A

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of each Class</u>	<u>Number of shares of common stock outstanding and amount of debt outstanding</u>
<u>Common Stock, P1.00 par value</u>	<u>2,162,475,312 / P 11,636,331,873.74</u>

11. Are any or all of the securities listed on a Stock Exchange?

Yes No

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange, Inc.

Common stock



12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a) – 1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes No

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes No

PART I--FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

The financial statements of BDO Leasing & Finance, Inc. and Subsidiary are prepared and presented in accordance with Philippine Financial Reporting Framework.

The accounting policies and methods of computation used in the audited financial statements as of and for the year ended December 31, 2011 were consistently applied in the interim financial reports.

Adoption of New Interpretations, Revisions and Amendments to PFRS

There are new PFRS, revisions, amendments, annual improvements and interpretations to existing standards that are effective for periods subsequent to 2011. Management has initially determined the following pronouncement, which the Company will apply in accordance with their transitional provisions, to be relevant to its financial statements.

PFRS 9, *Financial Instruments* (effective from January 1, 2013). PAS 39 will be replaced by PFRS 9 in its entirety which is being issued in phases. The main phases are (with a separate project dealing with derecognition):

- Phase 1: Classification and Measurement
- Phase 2: Impairment Methodology
- Phase 3: Hedge Accounting

To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning January 1, 2013. Other chapters dealing with impairment methodology and hedge accounting are still being developed. Management is yet to assess the impact that this amendment is likely to have on the financial statements of the Company. However, it does not expect to implement the amendments until all chapters of PFRS 9 have been published at which time the Company expects it can comprehensively assess the impact of the revised standard.

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BDO LEASING & FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
BALANCE SHEETS
In Millions

	March 31, 2012	(Audited) December 31, 2011	March 31, 2011
ASSETS			
Cash and Cash Equivalents	104.0	87.7	78.1
Available-for-Sale Investments	2,004.1	2,043.1	1,287.3
Loans & Other Receivables - net			
Finance Lease Receivables			
Finance lease receivables	5,421.9	5,042.5	4,701.3
Residual value of leased assets	2,502.2	2,367.0	2,195.4
Unearned lease income	(712.7)	(681.6)	(658.5)
	<u>7,211.4</u>	<u>6,727.9</u>	<u>6,238.2</u>
Loans and Receivables Financed			
Loans and receivables financed	8,792.5	8,210.1	9,226.5
Unearned finance income	(226.0)	(236.9)	(2,138.8)
Clients' Equity	(46.9)	(53.3)	(88.7)
	<u>8,519.6</u>	<u>7,919.9</u>	<u>6,999.0</u>
Other Receivables			
Accounts Receivable	23.6	26.2	17.5
Sales Contract Receivable	26.4	23.0	59.2
Dividends Receivable	59.5	73.5	24.0
Accrued Interest Receivable	86.7	83.6	37.0
Accrued Rental Receivable	-	2.3	-
	<u>196.1</u>	<u>208.6</u>	<u>137.7</u>
Allowance for loan losses	(306.7)	(281.7)	(265.7)
Allowance for losses - misc. receivables	(3.0)	(3.4)	(6.1)
	<u>(309.7)</u>	<u>(285.1)</u>	<u>(271.8)</u>
	15,617.4	14,571.3	13,103.1
Property, Plant and Equipment - net	513.9	503.2	800.9
Investment Properties - net	455.0	428.9	723.8
Other Assets - net	208.3	215.1	240.8
	<u>18,902.7</u>	<u>17,849.3</u>	<u>16,234.0</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Bills Payable	11,636.3	10,582.6	9,018.6
Accounts Payable, Accrued Interest and Other Liabilities	298.3	479.8	238.7
Lease Deposits	2,550.0	2,425.9	2,576.2
	<u>14,484.7</u>	<u>13,488.3</u>	<u>11,833.5</u>
Stockholders' Equity			
Capital Stock	2,225.2	2,225.2	2,225.2
Additional Paid-in Capital	571.1	571.1	571.1
Retained Earnings	1,680.2	1,584.5	1,675.8
Unrealized gain/(loss) on available-for-sale invest	23.3	62.0	10.2
Treasury Stock	(81.8)	(81.8)	(81.8)
	<u>4,418.0</u>	<u>4,361.0</u>	<u>4,400.5</u>
	<u>18,902.7</u>	<u>17,849.3</u>	<u>16,234.0</u>

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BDO LEASING & FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
STATEMENTS OF INCOME
In Millions

<u>For the three months ended</u>	<u>March 31</u>	<u>March 31</u>
	<u>2012</u>	<u>2011</u>
INCOME		
Interest and discounts	303.6	268.4
Rent	51.2	100.0
Service fees & other income	60.3	43.7
	<u>415.1</u>	<u>412.1</u>
EXPENSES		
Interest and financing charges	108.0	82.3
Occupancy and equipment-related expenses	59.6	110.4
Compensation and fringe benefits	38.3	33.9
Taxes and licenses	32.7	27.6
Provision for impairment and credit losses	25.0	42.5
Litigation/assets acquired expenses	8.4	11.2
Management & Other Fees	4.9	2.4
Entertainment, Amusement and Recreation	3.9	2.7
Traveling & transportation expenses	3.4	1.7
Postage, Telephone & Telegraph	1.7	1.3
Others	9.4	4.6
	<u>295.3</u>	<u>320.6</u>
INCOME BEFORE INCOME TAX	119.8	91.5
PROVISION FOR INCOME TAX	24.0	20.8
NET INCOME	95.8	70.7
OTHER COMPREHENSIVE INCOME		
Unrealized Fair Value Gain/(Loss) on AFS-net	(38.7)	(235.9)
TOTAL COMPREHENSIVE INCOME/(LOSS)	57.1	(165.2)
BASIC EARNINGS PER SHARE**	0.04	0.03
DILUTED EARNINGS PER SHARE**	0.04	0.03

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY**(A Subsidiary of BDO Unibank, Inc.)****STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

In Millions

	For the Three Months Ended March 31,	
	2012	2011
CAPITAL STOCK		
Preferred - P100 par value		
Authorized and unissued - 200,000 shares		
Common - P1 par value		
Authorized - 3,400,000,000 shares		
Issued - 2,225,169,030 shares	2,225.2	2,225.2
Treasury Stock (at cost) - 62,693,718 shares in 2011 and 2010	(81.8)	(81.8)
ADDITIONAL PAID-IN CAPITAL	571.1	571.1
RETAINED EARNINGS		
Balance at beginning of the year	1,584.4	1,605.1
Net income	95.8	70.7
Cash dividends issued	-	-
Balance at end of reporting period	1,680.2	1,675.8
Unrealized gain/(loss) on available-for-sale investments	23.3	10.2
	4,418.0	4,400.5

BDO LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)
STATEMENTS OF CASH FLOWS

For the three months ended

	March 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	119,804,637	91,490,425
Adjustments to reconcile income before income tax to net cash provided by (used in) operations:	-	-
Provision for probable losses	25,000,000	42,500,001
Depreciation and amortization	51,634,041	102,280,747
Loss/(Gain) on sale of property and equipment	(850,277)	(166,857)
Loss/(Gain) on sale of investment properties	(10,550,229)	(2,557,295)
Changes in operating assets and liabilities:	-	-
Decrease (increase) in:	-	-
Finance lease receivables and loans and receivables financed	(1,063,238,328)	(1,183,729,121)
Other assets	(9,691,777)	(74,686,151)
Increase (decrease) in:	-	-
Accounts payable, accrued interest and other liabilities	3,389,211	(223,940,636)
Lease Deposits	124,117,573	(41,499,284)
Net cash generated from (used in) operations	(760,385,149)	(1,290,308,172)
Income taxes paid	(21,585)	1,608,317
Net cash provided by (used in) operating activities	(760,406,735)	(1,288,699,855)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (acquisition) of investment properties	(18,302,894)	(22,948,863)
Net acquisitions of property and equipment	(50,009,144)	(36,021,281)
Net cash used in investing activities	(68,312,039)	(58,970,144)
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of Treasury Stocks	-	-
Payment of cash dividend	(216,247,531)	-
Net (payments) of bills payable	1,061,290,047	1,353,860,477
Net cash provided by (used in) financing activities	845,042,516	1,353,860,477
NET DECREASE IN CASH AND CASH EQUIVALENTS	16,323,742	6,190,478
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	87,720,152	71,899,540
CASH AND CASH EQUIVALENTS AT END OF QUARTER	104,043,894	78,090,018

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

March 2012 Compared to March 2011

The company registered a net income of P95.8 million for the quarter ending March 2012 as compared to P70.7 million for the same period in 2011.

Gross revenues for the 1st quarter of 2012 amounted P415.1 million, a slight increase by 0.73% from P412.1 million last year. This was due to the net impact of the decline in operating lease income attributable to maturity of rental contracts in 2011 of BDO Rental, Inc., a subsidiary of BDO Leasing and the increase in other income due to increase in income from investments.

Interest and financing charges for March 2012 amounted to P108.0 million, consisting of financing charges on borrowings of P106.6 million and interest expense on leased deposits of P1.4 million. Financing charges on borrowings increased by P28.6 million versus March 2011's P78.0 million mainly due to the increase in Bills Payable level from P9.018 billion in March 2011 to P11.636 billion in March 2012 to fund the growth in leveling portfolio. The increased level of bills payable also resulted in higher taxes & licenses of P5.0 million, mainly from related documentary stamp taxes.

In 2011, the Company undertook to build up its general loan loss provisioning. This is the reason why provision for credit losses dropped in 2012 when compared with 2011 figures. Provision for impairment and credit losses for 2012 is 41.18% lower than last year's P42.5 million balance.

Occupancy and equipment related expenses as of March 2012 amounted to P59.6 million, a decrease of P50.8 million from 2011's P110.4 million. This is attributable to the decline in the depreciation on leased assets of BDORI from several matured accounts as of 1st quarter of 2012 compared to same period last year. This also corresponds with the lower rental income received during the three months of the year. This is also the cause of the increase in our net profit margin this year (23.08%) versus (17.16%) last year.

Litigation/assets acquired expenses declined to P8.4 million in 2012 from 2011's P11.2 million primarily due to reduced legal filing and docket fees, resulting from the Company's intense efforts to recover from its delinquent accounts initially in early 2011.

Other expenses showed a net increase of 106.5% from P4.6 million in 2011 to P9.5 million in 2012. This is mainly resulting from a P5.2 million increase in fair value loss on residual value of leased equipment from new bookings as of March 2012.

Total assets increased by P2.669 billion from March 2011's P16.234 billion to P18.903 billion as of March 2012, mainly due to the increase in net loans and other receivables by P2.514 billion, from 2011's P13.103 billion to P15.617 billion this year. The Company's net lease portfolio went up by P973.2 million while net non-lease portfolio also increased by P1.5 billion. Property, Plant and Equipment-net decreased to P513.9 million from P800.9 million in 2011 as a result of lower net leased assets of BDO Rental. Cash & cash equivalents went up to P104.0 million from P78.1 million in 2011. Other Assets, including available-for-sale investments, went up from a total of P2.252 billion in March 2011 to P2.667 billion for the same period in 2012. Increase in other assets is mainly due to the increase in net investment in available-for-sale securities amounting P716.8 million.

Bills Payable increased by P2.617 billion from P9.019 billion to P11.636 billion in 2012 primarily to finance business growth and increasing volume of portfolio.

Accounts Payable, accrued expenses and other liabilities increased by P59.6 million mainly due to increased miscellaneous liabilities in 2012 from RMU accounts, reaching P71.5 million as of March 2012

Lease deposits declined from P2.576 billion in 2011 to P2.550 billion in 2012.

Stockholders' equity stood at P4.418 billion as of March 2012.

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

BDO LEASING & FINANCE, INC.
FINANCIAL RATIOS

	<u>March 2012</u>	<u>March 2011</u>
Current Ratio	0.40:1	0.49:1
Quick asset ratio	0.39:1	0.48:1
Debt to Equity Ratio	3.37:1	2.69:1
Return on Equity	8.67%	6.43%
Net Profit Margin	23.08%	17.16%

Formulas used:

Current ratio	=	Current Assets over Current Liabilities
Net profit margin	=	Net income over Gross Revenues
Debt to equity	=	Total liabilities over Total Stockholders' Equity
Return on ave. equity	=	Annualized Net income over Ave. Stockholders' Equity
Quick assets ratio	=	Quick assets over Current Liabilities

RELATED PARTY TRANSACTIONS

(Amounts in Millions of Philippine Pesos)

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 March 31, 2012, March 31, 2011 and December 31, 2011, total savings and demand deposit accounts maintained with BDO Unibank by the Group amounted to P88.9, P68.9 and P72.9, respectively. Respective periodic interest income earned on deposits amounted to P0.07, P0.06 and P0.76. Cash equivalents of P40.2 was also maintained with BDO Unibank as of March 31, 2011.
 - b. Total bills payable to BDO Unibank amounted to P1,975.4, P2,607.0, and P2,488.1 as of March 31, 2012, March 31, 2011 and December 31, 2011 respectively. Interest expense incurred on bills payable amounted to P18.9, P2.1 and P86.7 as of March 31, 2012, March 31, 2011 and December 31, 2011 respectively.
 - 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 P2.8, P2.9 and P11.5 in March 31, 2012, March 31, 2011 and December 31, 2011 respectively.
 - d. As of March 31, 2012, the Parent Company granted short-term unsecured loan amounting P15.9 to BDO Rental, at prevailing market rates. The existing loan's carrying amount is presented as part of Loans and Other Receivables in the Parent Company's statements of financial position.
- Total interest income earned by the Parent Company amounted to P0.06 as of March 31, 2012 this loan transaction; and is presented as part of Interest and Discounts in the Parent Company's statements of comprehensive income.

Commitments and Contingencies

In the ordinary course of business, the company may incur contingent liabilities and commitments such as guarantees and pending litigation arising from normal business transactions which are not shown in the accompanying financial statements. Management does not anticipate significant losses from these commitments and contingencies that would adversely affect the company's operations.

Economic Events

Management is continuously evaluating the current business climate and the impact of the economic events on the present operations of the company. As the need arises, the company will recognize related effects in the ensuing financial statements.

Risk Factors

We assessed the financial risk exposure of the company and subsidiaries particularly on currency, interest, credit, market and liquidity risks. There were no changes that would materially affect the financial condition and results of operation of the company.

Risk management of the company's credit risks, market risks, liquidity risks, and operational risks is an essential part of the 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 for risk, including risk policies and risk Philosophy of the Company.

Plans for the Next Quarter

- We will continue to extensively market our products, especially on BDO Leasing & Finance's branches, and also use the extensive network of branches of BDO Unibank, Inc. to boost our business volume.
- We will aggressively market Factoring product through our Metro Manila lending units
- We will look for fixed-term sources of funds to match our medium-term loans and leases.
- We will increase and maximize the issuance of our short-term commercial paper license to lower funding costs.
- Control over operating expenses shall also be continuously pursued to ensure that these remain at a level which is compatible with the level of volume bookings.
- We will continue to pursue process improvements through various initiatives, such as Lean Six Sigma, in order to improve our services to our various stakeholders

PART II--OTHER INFORMATION

Nothing to report.

BDO LEASING AND FINANCE INC.
AGING OF LOAN PORTFOLIO

As of MARCH 31, 2012

Account	Total	1 Month	Over 1 Mos to 3 Mos.	Over 3 Mos. to 6 Mos.	Over 6 Mos. to 1 Yr.	Over 1 Yr. to 3 Yrs.	3 to 5 yrs.	Over 5 Yrs.	Past Due & Litigation
Factored Receivable	360,461,381.74	-	293,548,104.01	-	-	-	-	-	66,913,277.73
Receivables Purchased	3,731,030.13	-	-	-	-	-	-	-	3,731,030.13
Inst. Paper Purch./F/H/ Stock Fin.	1,696,063,382.72	91,365,464.36	165,741,615.34	116,009,249.06	128,940,605.10	1,008,416,228.85	188,699,136.60	-	4,891,083.21
Amortized Commercial Loans	6,732,202,870.70	124,811,906.55	243,934,807.89	323,253,408.72	574,267,272.40	1,875,121,146.11	1,956,104,904.64	1,527,108,919.34	107,601,405.06
Amortized Consumer Loans	-	-	-	-	-	-	-	-	-
Lease Contract Receivables	7,924,098,597.61	468,320,773.67	472,037,141.47	801,959,288.14	1,236,436,978.45	3,823,297,226.40	835,840,917.79	-	287,206,271.69
Personal Loans Programs	1,148.00	-	-	-	-	-	-	-	1,148.00
	16,716,558,410.91	684,497,844.58	1,175,261,668.71	1,241,221,945.92	1,938,644,855.95	6,698,834,601.36	2,980,644,959.23	1,527,108,919.34	470,344,215.82
Less: Allowance For Credit losses	<u>306,673,357.06</u>								
Finance Receivables - Net	<u><u>16,409,885,053.85</u></u>								

BDO LEASING & FINANCE, INC. AND SUBSIDIARY
SEGMENT INFORMATION

For the three months ended March 31, 2012

(in millions)

	Leasing	Financing	Others	Total
Gross income	162.1	189.2	63.8	415.1
Segment revenues	162.1	189.2	63.8	415.1
Segment expenses	115.3	134.6	45.4	295.3
Segment results	46.8	54.6	18.4	119.8
Income tax expense				240.1
Net Income				(120.3)
Segment assets - net	7,337.0	8,329.9	-	15,666.9
Unallocated assets				3,235.8
Total Assets				18,902.7
Segment liabilities	6,650.5	7,535.3	-	14,186.4
Unallocated liabilities				298.3
Total Liabilities				14,484.7

Segment expenses are allocated on the basis of gross income.

Net segment assets are comprised of the following:

	Leasing	Financing
Receivables	5,421.9	8,792.5
Equipment under lease	242.6	
Residual value of leased assets	2,502.2	-
	8,166.7	8,792.5
Unearned income	(712.7)	(226.0)
Allowance for probable losses	(117.0)	(189.7)
Clients' equity	-	(46.9)
	7,337.0	8,329.9

**Explanation for each information where disclosure of such is not applicable
in our interim financial statements**

ITEM 1-7

- C. The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.

In the course of integration of Banco de Oro – EPCI, Inc. (the "Bank") and its subsidiaries, it has been determined based on a review conducted that there is a need to restate the retained earnings of the Company for 2007 and prior years 2005 and 2006. The need arose from overstatement of income in terms of the timing in recognition of revenues.

As of September 30, 2007, adjustments have been made to correct the balance of retained earnings amounting to P237 million. But after final validation, this will be reduced to P228 million of which P91 million pertains to adjustments prior to 2005.

In December 31, 2010, the balance of Retained Earnings and other statement of financial position accounts as of January 1, 2008 have been restated from the amounts previously stated to recognize the additional impairment loss on an investment property based on an appraisal that should have been reflected in the 2006 financial statements, and to adjust the balance of the deferred tax asset based on the balance at the end of 2007 of certain temporary differences relating to impairment losses and retirement liability. The restatements have no effect on the previously reported net profit of the Group and the parent company for the last two years

- D. The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period.

As explained in item c above, the restatement resulted to a reduction in income recognition for prior years 2005 and 2006 of P37 million and P100 million respectively. However, it resulted to an increase in income of P132 million for year to date September 2007.

- F. Dividends paid (aggregate or per share) separately for ordinary shares and other shares.

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.

- G. Segment revenue and segment result for business segments or geographical segments.

Please see attached.

- H. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

Not applicable – There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

- I. The effect of changes in the composition of the issuer during the interim period, including business combination, acquisition or disposal of subsidiaries and long term investments.

Not applicable – There are no business combination, acquisition or disposal of subsidiary and long term investments since the last interim balance sheet dates.

- J. Changes in contingent liabilities or contingent assets.

Not applicable – There were no changes in contingent liabilities or contingent assets since the last interim balance sheet dates.

- K. Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period.

Not applicable – There were no existing material contingencies and any other events or transactions that would affect the understanding of the current interim period.

ITEM 2

- A. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

Not applicable – There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the company's liquidity.

- B. Any material commitments for capital expenditure, the general purpose of such commitments and the expected sources of funds for such expenditures.

Not applicable – There were no material commitments for capital expenditure.

- C. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales / revenues / income from continuing operations.

Not applicable – 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 / revenues / income from continuing operations.

- D. Any significant elements of income or loss that did not arise from the issuer's continuing operations.

Not applicable – There were no significant elements of income or loss that would have surfaced in the company's continuing operations.

**Management's Discussion and Analysis (MDA) of Financial Condition
and Results of Operations [(Part III, Par. (A)(2)(b)]**

3. Discussion and analysis of material event/s and uncertainties known to management that would address the past and would have an impact on future operations of the following:

- b. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;

Not applicable. There are no events that will trigger direct or contingent financial obligation that is material to the company.

- c. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

Not applicable. 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.


- h. Any seasonal aspects that had a material effect on the financial condition or results of operations.


Not applicable. There are no seasonal aspects that has a material effect on the financial condition or results of operations.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report (March 2012 SEC Form 17-Q Report) to be signed on its behalf by the undersigned thereunto duly authorized.

BDO LEASING & FINANCE, INC.


GEORGIANA A. GAMBOA
President


RGSALISA K. ALINDAHAO
Vice President

May 2012
Date