

December 27, 2011

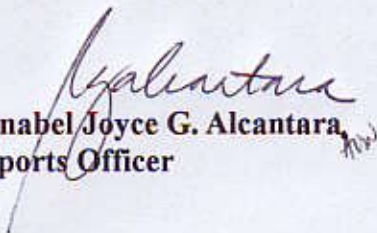
THE DISCLOSURE DEPARTMENT
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

Please find the amended SEC Form 17Q of BDO Leasing and Finance, Inc.(BDOLF) in line with the Securities and Exchange Commission's directive to submit a duly accomplished report that fully complies with SRC Rule 17 and 68, as amended. The said directive instructs BDOLF to include "Adoption of New Interpretations, Revisions and Amendments to PFRS".

Thank you very much.


Ronabel Joyce G. Alcantara
Reports Officer

BDO Leasing & Finance, Inc.
BDO Leasing Centre
Corinthian Gardens, Ortigas Avenue
Quezon City, Philippines
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112262011000465



SECURITIES AND EXCHANGE COMMISSION

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Company Information

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Industry Classification
Company Type Stock Corporation

Document Information

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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 .
A N D S U B S I D I A R Y
AND SUBSIDIARY

(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 .
BDO LEASING CENTRE, CORINTHIAN
GARDENS ORTIGAS AVE. Q. C. M. M.

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

GEORGIANA A. GAMBOA
Contact Person

635-64-16 / 840-7000
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

AMENDED 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

C F D
Dept. Requiring this Doc

Amended Articles Number / Sec.

1,233
Total No. of Stockholders

Total Amount of Borrowings
PhP 10,604,712,510.87
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 September 30, 2011
2. Commission identification number 097869 3.BIR Tax Identification No. 000-486-050-000
3. BDO LEASING & FINANCE, INC.
4. Exact name of issuer as specified in its charter
5. Philippines
6. Province, country or other jurisdiction of incorporation or organization
7. Industry Classification Code: (SEC Use Only)
8. BDO Leasing Centre, Corinthian Gardens, Ortigas Ave., Q. C. 1100
9. Address of issuer's principal office Postal Code
10. 632/ 635-64-16, 635-58-17, 635-38-98, 840-7000
11. Issuer's telephone number, including area code
12. N/A
13. Former name, former address and former fiscal year, if changed since last report
14. N/A
15. 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 10,604,712,510.87</u>

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

Yes [X] No []

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

Philippine Stock Exchange, Inc.

Common stock

10

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of 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, 2010 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 2010. 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

	September 30, 2011	(Audited) December 31, 2010	(as restated) September 30, 2010
ASSETS			
Cash and Cash Equivalents	120.6	71.9	299.4
Available-for-Sale Investments	2,026.0	1,524.4	1,270.4
Loans & Other Receivables - net			
Finance Lease Receivables			
Finance lease receivables	4,987.0	4,740.3	4,716.7
Residual value of leased assets	2,366.5	2,235.5	2,202.6
Unearned lease income	(692.6)	(699.6)	(713.7)
	<u>6,660.9</u>	<u>6,276.2</u>	<u>6,205.6</u>
Loans and Receivables Financed			
Loans and receivables financed	7,906.3	7,602.5	7,185.0
Unearned finance income	(253.0)	(1,695.8)	(1,785.9)
Clients' Equity	(41.9)	(129.5)	(118.8)
	<u>7,611.4</u>	<u>5,777.2</u>	<u>5,280.3</u>
	15,259.8	14,578.3	14,104.3
Other Receivables			
Accounts Receivable	22.6	31.8	30.2
Sales Contract Receivable	21.6	50.8	50.8
Dividends Receivable	59.5	24.0	24.0
Accrued Interest Receivable	68.1	27.2	22.4
	<u>171.7</u>	<u>133.8</u>	<u>127.3</u>
Allowance for loan losses	(337.4)	(230.6)	(227.0)
Allowance for losses - misc. receivables	(3.6)	(3.6)	(3.0)
	<u>(341.1)</u>	<u>(234.2)</u>	<u>(229.9)</u>
	14,103.0	11,953.0	11,383.2
Property, Plant and Equipment - net	833.2	856.9	906.6
Investment Properties - net	749.4	701.3	719.5
Other Assets - net	217.9	180.9	170.7
	<u>18,050.2</u>	<u>15,288.4</u>	<u>14,749.9</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Bills Payable	10,604.7	7,666.2	7,508.8
Accounts Payable, Accrued Interest and Other Liabilities	236.8	438.7	213.8
Lease Deposits	2,734.5	2,617.7	2,578.0
	<u>13,576.0</u>	<u>10,722.6</u>	<u>10,300.6</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	1,714.4	1,605.2	1,735.0
Unrealized gain/(loss) on available-for-sale	45.3	246.1	(0.3)
Treasury Stock	(81.8)	(81.8)	(81.8)
	<u>4,474.2</u>	<u>4,565.8</u>	<u>4,449.2</u>
	<u>18,050.2</u>	<u>15,288.4</u>	<u>14,749.9</u>

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

For the nine months ended	September 30	September 30
	2011	2010
INCOME		
Interest and discounts, rent	1,063.0	1,447.7
Service fees & other income	111.1	135.2
	<u>1,174.1</u>	<u>1,582.9</u>
EXPENSES		
Interest and financing charges	279.4	248.9
Taxes and licenses	89.5	84.4
Provision for impairment and credit losses	124.6	75.0
Compensation and fringe benefits	112.1	99.3
Occupancy and equipment-related expenses	230.6	728.5
Litigation/assets acquired expenses	21.3	18.1
Entertainment, Amusement and Recreation	9.9	7.6
Management & Other Fees	6.6	4.1
Traveling & transportation expenses	6.9	5.3
Information & Technology expenses	3.9	1.4
Postage, Telephone & Telegraph	5.1	4.5
Others	7.3	10.4
	<u>897.2</u>	<u>1,287.5</u>
INCOME BEFORE INCOME TAX	276.9	295.4
PROVISION FOR INCOME TAX	59.5	73.1
NET INCOME	<u>217.4</u>	<u>222.3</u>
Other Comprehensive Income		
Unrealized fair value gain on AFS-net	15.9	-
TOTAL COMPREHENSIVE INCOME	<u>233.3</u>	<u>222.3</u>
BASIC EARNINGS PER SHARE**	<u>0.10</u>	<u>0.10</u>
DILUTED EARNINGS PER SHARE**	<u>0.10</u>	<u>0.10</u>

** NET INCOME DIVIDED BY THE TOTAL NUMBER OF OUTSTANDING SHARES AS OF THE CUT-OFF DATE:

NET INCOME	217.4	222.3
DIVIDED BY OUTSTANDING SHARES	2,162.5	2,162.5
EPS(Basic and Diluted)	0.10	0.10

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

For the three months ended	September 30	September 30
	2011	2010
INCOME		
Interest and discounts, rent - net of depreciation	349.2	429.4
Service fees & other income	46.2	40.9
	<u>395.4</u>	<u>470.3</u>
EXPENSES		
Interest and financing charges	101.5	85.7
Taxes and licenses	32.3	38.5
Provision for impairment and credit losses	38.7	10.0
Compensation and fringe benefits	39.8	30.5
Occupancy and equipment-related expenses	60.8	182.3
Litigation/assets acquired expenses	3.9	8.5
Entertainment, Amusement and Recreation	4.1	2.8
Management & Other Fees	1.9	1.3
Traveling & transportation expenses	2.9	1.8
Information & Technology expenses	0.9	0.6
Postage, Telephone & Telegraph	2.9	1.2
Others	2.8	3.4
	<u>292.5</u>	<u>366.6</u>
INCOME BEFORE INCOME TAX	102.9	103.7
PROVISION FOR INCOME TAX	21.0	25.7
NET INCOME	81.9	78.0
	-	(0.0)
Other Comprehensive Income		
Unrealized fair value gain on AFS-net	15.9	-
TOTAL COMPREHENSIVE INCOME	97.8	78.0
BASIC EARNINGS PER SHARE**	0.04	0.04
DILUTED EARNINGS PER SHARE**	0.04	0.04

** NET INCOME DIVIDED BY THE TOTAL NUMBER OF OUTSTANDING SHARES AS OF THE CUT-OFF DATE:

NET INCOME	81.9	78.0
DIVIDED BY OUTSTANDING SHARES	2,162.5	2,162.5
EPS(Basic and Diluted)	0.04	0.04

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

	For the Nine Months Ended September 30,	
	2011	(as restated) 2010
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	1,605.1	1,620.8
Net income	217.4	222.3
Cash dividends issued	(108.1)	(108.1)
Balance at end of the period	1,714.4	1,735.0
Unrealized gain/(loss) on available-for-sale investments	45.3	(0.3)
	4,474.2	4,449.2

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

	For the Three Months Ended September 30,	
	2011	(as restated) 2010
CAPITAL STOCK		
Preferred - P100 par value		
Authorized and unissued - 200,000 shares		
Common - P1 par value		
Authorized - 3,400,000,000 shares		
Issued - 2,225,169,054 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 quarter	1,740.6	1,657.0
Net income	81.9	78.0
Cash dividends issued	(108.1)	-
Balance at end of the quarter	1,714.4	1,735.0
Unrealized gain/(loss) on available-for-sale investments	45.3	(0.3)
	4,474.2	4,449.2

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

For the nine months ended

	September 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	276,971,134	295,358,253
Adjustments to reconcile income before income tax to net cash provided by (used in) operations:		
Provision for probable losses	124,649,090	75,000,000
Depreciation and amortization	205,639,287	698,344,711
Loss/(Gain) on sale of property and equipment	19,623,581	(591,638)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Finance lease receivables and loans and receivables financed	(2,280,204,331)	(2,274,709,256)
Other assets	(759,707,749)	(32,020,712)
Increase (decrease) in:		
Accounts payable, accrued interest and other liabilities	(179,454,697)	8,657,179
Lease Deposits	116,865,557	276,105,946
Net cash generated from (used in) operations	(2,475,618,128)	(953,855,517)
Income taxes paid	(87,029,577)	(115,696,762)
Net cash provided by (used in) operating activities	(2,562,647,705)	(1,069,552,279)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net disposal (acquisition) of investment properties	(59,394,683)	9,680,117
Net acquisitions of property and equipment	(164,426,703)	(135,153,623)
Net cash used in investing activities	(223,821,386)	(125,464,506)
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of Treasury Stocks	-	-
Payment of cash dividend	(108,123,767)	(108,123,765)
Net availments (payments) of bills payable	2,943,327,578	1,370,153,144
NET DECREASE IN CASH AND CASH EQUIVALENTS	48,734,720	67,012,594
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	71,899,540	232,366,329
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	120,634,260	299,378,923

6

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

For the three months ended

	September 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	103,009,238	103,673,976
Adjustments to reconcile income before income tax to net cash provided by (used in) operations:		
Provision for probable losses	38,787,565	10,000,000
Depreciation and amortization	53,312,116	173,014,453
Loss/(Gain) on sale of property and equipment	(115,957)	(261,005)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Finance lease receivables and loans and receivables financed	(206,856,068)	(323,762,290)
Other assets	(677,257,954)	(22,736,660)
Increase (decrease) in:		
Accounts payable, accrued interest and other liabilities	28,389,440	(90,568,813)
Lease Deposits	153,277,681	106,705,493
Net cash generated from (used in) operations	(503,603,754)	(43,934,846)
Income taxes paid	(38,742,163)	(7,291,784)
Net cash provided by (used in) operating activities	(542,345,917)	(51,226,630)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (acquisition) of investment properties	(26,456,012)	342,580
Net acquisitions of property and equipment	(71,973,723)	(71,311,939)
Net cash used in investing activities	(102,279,921)	(70,969,359)
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of Treasury Stocks	-	-
Payment of cash dividend	(108,123,767)	-
Net (payments) of bills payable	797,034,089	(77,793,238)
NET DECREASE IN CASH AND CASH EQUIVALENTS	44,284,484	(199,989,227)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	76,349,775	499,368,150
CASH AND CASH EQUIVALENTS AT END OF QUARTER	120,634,260	299,378,923

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

September 2011 Compared to September 2010

The company registered a net income of P217.4 million for the semester ending September 2011 as compared to P222.3 million for the same period in 2010.

Gross revenues for the 1st three quarters of 2011 amounted P1.174 billion, a decrease by 25.83% from P1.583 billion from the same period last year. This was primarily due to the maturity of rental contracts of BDO Rental, Inc., a subsidiary of BDO Leasing. Other income also went down to P111.1 million versus last year's P135.2 million mainly due to loss on disposal of leased assets in BDORI.

Interest and financing charges for September 2011 amounted to P279.4 million, consisting of financing charges on borrowings of P269.2 million and interest expense on leased deposits of P10.2 million. Financing charges on borrowings increased by P51.6 million versus September 2010's P217.6 million mainly due to the increase in Bills Payable level from P7.51 billion in September 2010 to P10.6 billion in September 2011 to fund the growth in leveling portfolio. This is also attributable to the decline in interest coverage ratio to 0.99:1 as of September 30, 2011 from 1.19:1 as of the same period last year. The increased level of bills payable also resulted in higher taxes & licenses of P5.1 million, mainly from related documentary stamp taxes.

In 2011, the Company undertook to build up its general loan loss provisioning, which resulted in an increase of P49.6 million in total provision for credit losses when compared with 2010 figures. Previous year's provisioning were mostly related to specific loan loss provision only.

Occupancy and equipment related expenses as of September 2011 amounted to P230.6 million, a decrease of P497.9 million from 2010's P728.5 million. This is attributable to the decline in the depreciation on leased assets of BDORI from several maturing accounts during the 1st semester of 2011. This also corresponds with the lower rental income received during the first half of the year. This is also the cause of the increase in our net profit margin this year (18.52%) versus (14.04%) last year.

Litigation/assets acquired expenses increased to P21.3 million in 2011 from 2010's P18.1 million primarily due to additional legal filing and docket fees, resulting from the Company's more intense efforts to recover from its delinquent accounts.

Other expenses showed a net increase of 19.22% from P33.3 million in 2010 to P18.1 million in 2011. This is mainly resulting from increases in Management and Other Professional Fees of BPO and various RATA-related expenses.

Total assets increased by P3.3 billion from September 2010's P14.7 billion to P18.1 billion as of September 2011, mainly due to the increase in net loans and other receivables by P2.7 billion, from 2010's P11.8 billion to P14.1 billion this year. The Company's net lease portfolio went up by P455.3 million while net non-lease portfolio also increased by P2.3 billion. Property, Plant and Equipment-net decreased to P833.2 million from P906.6 million in 2010 as a result of lower net leased assets of BDO Rental. Cash & cash equivalents went down by P178.7 million from P299.4 million in 2010 to P120.6 million in 2011. Other Assets, including available-for-sale investments, went up from a total of P1.441 billion in June 2010 to P2.244 billion for the same

by

period in 2011. Increase in other assets is mainly due to the increase in net carrying value of non-current assets held-for-sale amounting to P60.6 million.

Bills Payable increased by P3.096 billion from P7.509 billion to P10.605 billion in 2011 primarily to finance business growth and increasing volume of portfolio.

Accounts Payable, accrued expenses and other liabilities increased by P23.0 million mainly due to the P18.3 million periodic increase in income tax payable.

Lease deposits increased from P2.578 billion in 2010 to P2.735 billion in 2011.

Stockholders' equity stood at P4.474 billion as of September 2011.

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

	<u>September 2011</u>	<u>September 2010</u>
Current Ratio	0.42:1	0.59:1
Quick asset ratio	0.41:1	0.57:1
Debt to Equity Ratio	3.03:1	2.32:1
Return on Equity	6.48%	6.66%
Net Profit Margin	18.52%	14.04%

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

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 September 30, 2011, 2010 and December 31, 2010, total savings and demand deposit accounts maintained with BDO Unibank by the Group amounted to P66.0, P148.5 and P42.6, respectively. Respective periodic interest income earned on deposits amounted to P0.7, P2.8 and P4.7. Cash equivalents totaling P50.0, P144.2 and P16.0 is also maintained with BDO Unibank as of September 30, 2011, 2010 and December 31, 2010.

b. Total bills payable to BDO Unibank amounted to P2,820.0 and P P351.0 as of September 30, 2011 and December 31, 2010. Interest expense incurred on bills payable amounted to P59.2, P0.3 and P0.5 as of September 30, 2011, 2010 and December 31, 2010 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 P8.6, P10.5 and P17.8 in September 2011, 2010 and December 31, 2010 respectively

d. As of September 30, 2011 and in 2010, the Parent Company granted short-term unsecured loan amounting to P28.0 and P10.5, respectively, to BDO Rental, at prevailing market rates. The 2010 loan was fully paid as of September 30, 2011. The loans carrying amount are 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 P0.6 as of September 30, 2011 and P1.0 in year-end of 2010 on these loan transactions; 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 enhance our IT system to fully address the requirements of new accounting standards. This is in coordination with our Parent Bank's Information Technology group.

PART II--OTHER INFORMATION

Nothing to report.

18

BDO LEASING & FINANCE, INC. AND SUBSIDIARY
 SEGMENT INFORMATION

For the nine months ended September 30, 2011
 (in millions)

	Leasing	Financing	Others	Total
Gross income	526.3	530.6	117.2	1,174.1
Segment revenues	526.3	530.6	117.2	1,174.1
Segment expenses	402.1	405.4	89.6	897.1
Segment results	124.1	125.2	27.7	277.0
Income tax expense				595.3
Net Income				(318.3)
Segment assets - net	6,726.1	7,404.5	-	14,130.6
Unallocated assets				3,919.6
Total Assets				18,050.2
Segment liabilities	8,578.7	4,760.5	-	13,339.2
Unallocated liabilities				236.8
Total Liabilities				13,576.0

Segment expenses are allocated on the basis of gross income.

Net segment assets are comprised of the following:

	Leasing	Financing
Receivables	4,987.0	7,906.3
Equipment under lease	195.7	
Residual value of leased assets	2,366.5	-
	7,549.2	7,906.3
Unearned income	(692.6)	(253.0)
Allowance for probable losses	(130.5)	(206.9)
Clients' equity	-	(41.9)
	6,726.1	7,404.5

**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 June 29, 2011, the BOD approved the declaration of cash dividends at P0.05 per share, amounting to P108.2 million. The June 2011 dividends were declared in favor of stockholders of record as of July 14 2011 and was paid last July 29, 2011.

- 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.

Item 2. 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 (SEPTEMBER 2011 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


ROSALISA K. ALINDAHAO
Vice President

DECEMBER 2011
Date