

Via ODiSy

May 31, 2012

PHILIPPINE STOCK EXCHANGE, INC.

Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Ms. Marsha M. Résurreccion**
Head, Issuer Regulation Division

Re: **Net Income for First Quarter 2012**
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Dear Ms. Resurreccion:

We reply to your letter dated May 30, 2012 requiring BDO Leasing and Finance, Inc. (BDO Leasing), to explain why the alleged release to the media of the Company's net income for the first quarter of 2012 without prior or simultaneous disclosure to the Exchange does not constitute a violation of Sections 4.1, 4.2 and 4.4 of the Disclosure Rules. The letter stemmed from the news article entitled "Aggressive target set" posted in *BusinessWorld Online* on April 18, 2012, the pertinent portion of which reads:

".....

BDO Leasing and Finance, Inc. (BDO Leasing) has set an ambitious 38% net income growth target for this year, expecting heavy demand for its equipment by companies undertaking projects under the government's public-private partnership (PPP) scheme.

.....

In the first quarter, BDO Leasing booked a net income of P95.8 million, up 35% from a year ago, due primarily to a 19% expansion in its loan portfolio.

Our explanation below:

Section 4.1 (Disclosure of Material Information):

Section 4.2 (Selective Disclosure of Material Information)

We respectfully note that the net income for the first quarter of 2012 was part of the President's Report delivered by Ms. Georgiana A. Gamboa during BDO Leasing's Annual Stockholders' Meeting held on April 18, 2012. The annual meeting was attended by stockholders holding or owning at least 2/3 of the outstanding capital stock, as well as by brokers and media personnel. The President's report was in good faith intended as a report to BDO Leasing's shareholders to highlight the accomplishments of BDO Leasing, and to focus on the initial success of the company in 2012.

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Section 4.1 of the Disclosure Rules requires that disclosure be made to the Exchange prior to the release to the news media of any material information, corporate act, development or event. As we noted above, information on net income was made during the stockholders' meeting. This information was randomly picked up by *BusinessWorld Online* at said meeting, and was merely clarified by Ms. Gamboa immediately after the stockholders' meeting. BDO Leasing did not release any material information that was not then disclosed to the stockholders at the annual meeting.

To penalize BDO Leasing for not fully disclosing what was in the President's report may be setting an unnecessarily heavy burden on all listed companies in the future.

Section 4.4 (Events Mandating Prompt Disclosure)

The net income for the first quarter of 2012 was reported to the stockholders at the annual meeting in the normal course of any stockholders' meeting, hence BDO Leasing felt this information was no longer material for reporting to the Exchange. There was no independent release of the net income information to the media.

We assure the Exchange that BDO Leasing shall continue to strictly adhere to the Disclosure Rules. In connection with the release of the net income information, we respectfully request that you grant us your leniency should you consider us in default of our disclosure obligations considering that this is the first time that BDO Leasing was cited on this matter. Moreover, we assure the Exchange that BDO Leasing has in place adequate internal controls to ensure that its officers privy to material non-public information shall comply with the Disclosure Rules.

Thank you.

Very truly yours,



SERGIO GENIZA
Compliance Officer