

COVER SHEET

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S.E.C. Registration Number

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

(Company's Full Name)

P	C	I	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

ROBERTO E. LAPID

Contact Person

635-64-16

Company Telephone Number

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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

C F D

Dept. Requiring this Doc

Amended Articles Number / Sec.

1,279

Total No. of Stockholders

Total Amount of Borrowings

PhP 3,641,091,199.45

Domestic

-

Foreign

To be accomplished by SEC Personnel concerned

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File Number

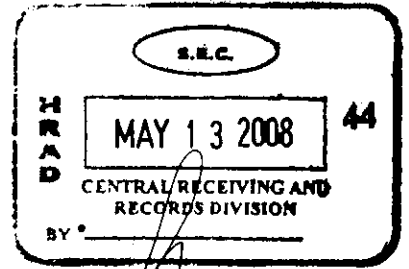
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SECURITIES AND EXCHANGE COMMISSION

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, 2008
2. Commission identification number 097869 3.BIR Tax Identification No. 000-486-050-000
3. PCI 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
6. Industry Classification Code: (SEC Use Only)
7. PCI Leasing Centre, Corinthian Gardens, Ortigas Ave., Q. C. 1100
8. Address of issuer's principal office Postal Code
9. 632/ 635-64-16, 635-58-11, 635-58-05, 635-38-98
10. Issuer's telephone number, including area code
11. N/A
12. Former name, former address and former fiscal year, if changed since last report
13. N/A
14. 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>2,162,475,336 / P3,641,091,199</u>

15. 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

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 [**X**] No []

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

Yes [**X**] No []

PART I--FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

The company follows the generally accepted accounting principles in the preparation of its interim financial statements. Also, the accounting policies and methods of computation used in the audited financial statements as of and for the year ended December 31, 2007 were consistently applied in the interim financial reports.

Accounting transactions emanating from a financing company are constant in nature. Interim operation does not change a lot if compared to a previous interim cycle.

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

March 2008 compared to March 2007

Gross Income as of March, 2008 amounted to P294.7 million, an increase of P75.1 million or 34.19% from P219.6 million as of March, 2007. Interest, discounts and service fees went up to P253.7 million in 2008 or an increment of P57.7 million or 29.44% over 2007's P196.0 million. This is due to higher loans booked in 2008. Other Income increased by 186.09% or P15.4 million primarily due to interest earned on residual value of leased assets of P7.2 million and day one gain of P6.3 million in guaranty deposit when presented at present value. The Company's leasing portfolio stood at P5.253 billion in 2008 against P4.897 billion in 2007 or an increase of P355.9 million. The Company's financing portfolio amounted to P4.511 billion in 2008 as compared to P4.771 billion in 2007. Total leasing and financing portfolio as of March 2008 was at P9.764 billion, an increase of P96.4 million or 0.9%.

Interest and financing charges for the 3-month ended March, 2008 amounted to P52.5 million against 2007's P60.5 million or a decrease of P8.0 million or 13.19%. This is due to decline in borrowing rates. Bills payable as of March 2008 stood at P3.641 billion or an increase of P124.2 million over 2007's P3.516 billion.

Provision for impairment and credit losses as of March, 2008 is P15.0 million or an increase of P12.0 million as compared to 2007's P3.0 million provision.

Taxes and licenses amounted to P18.01 million in March 2008 or an increase of P3.7 million from 2007 due to increase in revenue.

Employee benefits is at P22.5 million in 2008 against P18.6 million in 2007 or an increase of P3.9 million, partly due to monetization of some employee benefits and increased contribution on retirement funds. Occupancy and equipment related expenses as of March, 2008 was at P18.1 million, or an increase of P3.6 million from 2007's P14.5 million due to depreciation incurred by BDO Rental and depreciation of investment property.

Litigation/assets acquired expenses amounted to P4.8 million in 2008 as against P5.2 million in 2007. This is due to reversal of expenses as part of loan accounts restructured in 2008.

Other expenses of P13.6 million decreased by P6.1 million as compared to 2007's P7.5 million due to loss recognized on present value of residual value of leased assets.

The Company generated a net income P78.6 million as of March, 2008 as compared to P83.5 million in 2007. Gross profit margin was at P201.2 million compared to P135.5 million in 2007.

Total assets increased by P131.7 million from March 2007's P10.696 billion. Leasing and financing portfolio showed an increase of 0.9% while allowance for probable losses showed an increase of 52.43%. This was due to additional provision made in 2008. Investment properties-net stood at P692.5 million in 2008 against P625.1 million in 2007 or an increase of 10.78%. Property and equipment-net showed a slight increase. Other assets-net amounted to P102.2 million in 2008 against P140.7 million in 2007. This was due to disposal of repossessed chattels and other equipment.

Accounts payable and accrued expenses decreased by P86.72 million due to the settlement of accrual of expenses recognized in 2007.

Lease deposits increased by P9.2 million from 2007's figure of P1.584 billion to P1.594 billion in 2008.

Stockholder's equity stood at P4.220 billion as of March, 2008.

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

	March 2008	March 2007
Current Ratio	1.43 : 1	1.44 : 1
Quick Assets Ratio	1.40 : 1	1.41 : 1
Debt to Equity Ratio	1.29 : 1	1.25 : 1
Return on Equity Ratio	1.86%	1.92%
Net Profit Margin	26.70%	38.06%

Commitments and Contingencies

In the ordinary course of the company's business, there are outstanding commitments and contingent liabilities such as guarantees, pending litigation and loan commitments that are not shown in the accompanying financial statements. Management does not anticipate losses

from these commitments and contingencies that would adversely affect the company's operations.

Economic Events

Unfavorable economic developments continue to affect the general business climate and have led to substantially slower economic activity. Management is continuously evaluating the impact of these economic events and will recognize the related effects in the ensuing financial statements as the need arises.

Plans for the Next Quarter

- We will continue to extensively market our products and also use the extensive network of branches of BDO Unibank, Inc. to boost our volume.
- We will maintain a reasonable level of marketing personnel in head office and branches to ensure marketing services are at its high level continuously.
- We will continue to monitor our cost of funds to keep it at a level that will allow us to continuously offer competitive lending rates.
- Control over other costs and 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 system to fully address the requirements of new accounting standards.

PART II--OTHER INFORMATION

Nothing to report.

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

For the three months ended	March 31	March 31
	2008	2007
INCOME		
Interest and discounts, rent and service fees	274,497,468	217,155,571
Other income	20,197,366	2,448,389
	<u>294,694,834</u>	<u>219,603,960</u>
EXPENSES		
Interest and financing charges	65,934,933	60,503,030
Taxes and licenses	18,014,978	14,249,754
Provision for impairment and credit losses	15,000,000	4,284,536
Compensation and fringe benefits	22,543,291	18,698,292
Occupancy and equipment-related expenses	18,152,416	15,958,959
Traveling expenses	937,850	1,368,550
Fuel and lubricants	537,023	1,631,976
Entertainment, Amusement and Recreation	355,762	1,207,877
Litigation/assets acquired expenses	4,862,938	5,213,044
Others	11,055,862	15,398,095
	<u>157,395,053</u>	<u>138,514,113</u>
INCOME BEFORE INCOME TAX	137,299,781	81,089,847
PROVISION FOR INCOME TAX	58,625,517	(2,492,036)
NET INCOME	<u>78,674,264</u>	<u>83,581,883</u>
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	78,674,264	83,581,883
DIVIDED BY OUTSTANDING SHARES	2,162,475,336	2,162,475,336
EPS(Basic and Diluted)	0.04	0.04

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

	March 31 2008	(Audited) December 31, 2007	March 31 2007
ASSETS			
Cash and Cash Equivalents	258,024,700	210,180,331	147,079,582
Available-for-Sale Investments - at market	1,089,228	1,087,000	1,087,000
Loans and Receivables	-	8,175,211,308	-
Finance Lease Receivables			
Finance lease receivables	4,143,637,073		3,775,879,212
Residual value of leased assets	1,468,683,846		1,400,075,964
Unearned lease income	(571,402,305)		(491,675,379)
Allowance for credit losses	(80,195,814)		(72,169,999)
	<u>4,960,722,800</u>		<u>4,612,109,798</u>
Loans and Receivables Financed			
Loans and receivables financed	4,151,737,705		4,571,725,352
Unearned finance income	(606,874,511)		(434,900,029)
Allowance for credit losses	(141,894,766)		(148,903,613)
Clients' Equity	(89,134,374)		(64,763,300)
	<u>3,313,834,054</u>		<u>3,923,158,410</u>
Property, Plant and Equipment - net	318,789,753	310,083,386	317,247,985
Investment Properties - net	692,533,627	706,276,736	625,118,275
Other Assets - net	104,386,435	47,498,587	143,531,268
	<u>9,649,380,597</u>	<u>9,450,337,348</u>	<u>9,769,332,318</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Bills Payable	3,641,091,199	3,513,220,864	3,516,877,047
Accounts Payable, Accrued Interest and Other Liabilities	194,363,766	247,465,408	320,932,852
Lease Deposits	1,593,580,722	1,547,980,431	1,584,378,136
	<u>5,429,035,687</u>	<u>5,308,666,703</u>	<u>5,422,188,035</u>
Stockholders' Equity			
Capital Stock	2,225,169,054	2,225,169,054	2,225,169,054
Additional Paid-in Capital	571,095,676	571,095,676	571,095,676
Retained Earnings	1,506,141,809	1,427,467,543	1,632,941,181
Unrealized loss on available-for-sale investments	(285,000)	(285,000)	(285,000)
Treasury Stock	(81,776,629)	(81,776,628)	(81,776,628)
	<u>4,220,344,910</u>	<u>4,141,670,645</u>	<u>4,347,144,283</u>
	<u>9,649,380,597</u>	<u>9,450,337,348</u>	<u>9,769,332,318</u>

PCI LEASING AND FINANCE, INC. AND SUBSIDIARY
(A Subsidiary of BDO Unibank, Inc.)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	For the Three Months Ended March 31	
	2008	2007
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	2,225,169,054	2,225,169,054
Treasury Stock (at cost) - 62,693,718 shares in 2007 and 2006	(81,776,628)	(81,776,628)
ADDITIONAL PAID-IN CAPITAL	571,095,676	571,095,676
RETAINED EARNINGS		
Balance at beginning of the year	1,427,467,544	1,549,359,298
Net income	78,674,264	83,581,883
Balance at end of three months	1,506,141,808	1,632,941,181
Unrealized loss on available-for-sale investments	(285,000)	(285,000)
	4,220,344,910	4,347,144,283

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

For the three months ended

	March 31,	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	137,299,781	81,089,847
Adjustments to reconcile income before income tax to net cash provided by (used in) operations:	-	-
Provision for probable losses	15,000,000	4,284,536
Depreciation and amortization	11,934,714	9,644,678
Loss/(Gain) on sale of property and equipment	-	-
Amortization of Deferred Rent	-	-
Loss/(Gain) on sale of investment properties	-	-
Changes in operating assets and liabilities:	-	-
Decrease (increase) in:	-	-
Finance lease receivables and loans and receivables financed	(114,345,545)	71,259,770
Other assets	(58,273,497)	907,041,358
Increase (decrease) in:	-	-
Accounts payable, accrued interest and other liabilities	(16,006,632)	(919,942,698)
Lease Deposits	45,600,291	52,501,420
Net cash generated from (used in) operations	21,209,112	205,878,911
Income taxes paid	(95,720,527)	(566,284)
Net cash provided by (used in) operating activities	(74,511,415)	205,312,627
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (acquisition) of investment properties	11,724,721	47,615,010
Net acquisitions of property and equipment	(17,239,272)	(87,701,624)
Net cash used in investing activities	(5,514,551)	(40,086,614)
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of Treasury Stocks	-	-
Net (payments) of bills payable	127,870,335	(166,259,745)
Net cash provided by (used in) financing activities	127,870,335	(166,259,745)
NET DECREASE IN CASH AND CASH EQUIVALENTS	47,844,369	(1,033,732)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	210,180,331	148,113,314
CASH AND CASH EQUIVALENTS AT END OF QUARTER	258,024,700	147,079,582

PCI LEASING & FINANCE, INC. AND SUBSIDIARY
 SEGMENT INFORMATION
 FOR THE THREE MONTHS ENDED MARCH 31, 2008

	Leasing	Financing	Others	Total
Gross income	126,534,597	144,295,209	23,865,028	294,694,834
Segment revenues	126,534,597	144,295,209	23,865,028	294,694,835
Segment expenses	67,581,502	77,067,357	12,746,193	157,395,054
Segment results	58,953,095	67,227,852	11,118,835	137,299,781
Income tax expense				58,625,517
Net Income				78,674,264
Segment assets - net	4,960,722,800	3,313,834,054	-	8,274,556,854
Unallocated assets				1,374,823,743
Total Assets				9,649,380,597
Segment liabilities	3,388,733,851	1,845,938,070	-	5,234,671,921
Unallocated liabilities				194,363,766
Total Liabilities				5,429,035,687

Segment expenses are allocated on the basis of gross income.

Net segment assets are comprised of the following:

	Leasing	Financing
Receivables	4,143,637,073	4,151,737,705
Residual value of leased assets	1,468,683,846	-
	5,612,320,919	4,151,737,705
Unearned income	(571,402,305)	(606,874,511)
Allowance for probable losses	(80,195,814)	(141,894,767)
Clients' equity	-	(89,134,373)
	4,960,722,800	3,313,834,054

Bills payable amounting to P3,641,091,199 is allocated between the leasing and financing segments based on net-to-close balances of receivables of these segments as of March 31, 2008. Lease deposits amounting to P1,593,580,722 as of March 31, 2008 is included in the leasing segment.

The products under the leasing segment are the following:

- * Direct leases; and
- * Sale-and-leaseback arrangements

The products under the financing segment are the following:

- * Amortized commercial loans;
- * Amortized consumer loans;
- * Installment paper purchases;
- * Discounting of receivables; and
- * Factoring of receivables

The Company's products and services are marketed by its Head Office in Metro Manila and its 8 branches.

PCI LEASING AND FINANCE INC.
AGING OF LOAN PORTFOLIO
(In Thousand Pesos)
As of March 31, 2008

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
Receivables Purchased	511,081	281,915	117,005	27,555	2,429	-	-	-	82,177
Installment Paper Purchased	347,304	153,374	68,113	70,650	19,862	24,337	912	-	10,056
Amortized Commercial Loans	2,609,522	873,600	129,619	74,397	73,308	856,011	244,742	138,200	219,645
Amortized Consumer Loans	339,034	27,989	14,987	35,707	29,222	71,951	43,487	2,692	112,999
Lease Contract Receivables	5,617,768	1,391,165	226,246	153,323	157,339	2,603,191	694,468	-	392,036
Personal Loans Programs	11,056	-	-	502	-	-	-	-	10,554
Factored Receivable	328,294	-	89,134	239,160	-	-	-	-	-
	9,764,058	2,728,042	645,104	601,294	282,160	3,555,490	983,609	140,892	827,467

Less: Allowance For Credit losses

Finance Receivables - Net

222,091

9,541,967

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.

- 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 January 18, 2005, the Board of Directors (BOD) approved the declaration of cash dividends at P0.20 per share or a total amount of P196,607,759 in favor of stockholders of record as of February 1, 2005, payable on or before February 28, 2005, and stock dividends in the aggregate amount of P1,179,646,554 in favor of the stockholders of record as of March 23, 2005.

The Company is further authorized by the BOD to buy any fractional shares arising out of the stock dividend declaration at book value.

- 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.

On March 15, 2005, the Board of Directors noted and confirmed the action of Management to organize a wholly-owned rental company under the name of Equitable Pentad Rental, Inc.

Its primary purpose is to engage in the business of renting and leasing (excluding financial leases) of equipment, motor vehicles, and real properties; while its secondary purpose is to carry on the business of a common and/or private carrier.

On March 19, 2008, Securities & Exchange Commission approved the change of name of Equitable Pentad Rental, Inc. to BDO Rental, Inc.

- 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 to be signed on its behalf by the undersigned thereunto duly authorized.

PCI LEASING & FINANCE, INC.


ROBERTO E. LAPID
Acting President


CORAZON S. CHIU
Assistant Vice President 

March 2008
Date