

**MINUTES OF THE
ANNUAL MEETING OF STOCKHOLDERS**

BDO LEASING AND FINANCE, INC.

**HELD ON MONDAY, MAY 30, 2011, AT 9:30 A.M.
AT THE FRANCISCO SANTIAGO HALL, MEZZANINE FLOOR, SOUTH TOWER
BDO CORPORATE CENTER, 7899 MAKATI AVENUE, MAKATI CITY**

NUMBER OF SHARES HELD BY SHAREHOLDERS:

Present In Person or Represented By Proxy, and Participant Brokers	-	1,842,854,048
Number of Total Outstanding Shares	-	2,162,475,312
Percentage of the Total Shares Represented By Proxies & In-Person	-	85.2197%

DIRECTORS PRESENT:

Ms. Teresita T. Sy	Chairperson
Mr. Roberto E. Lapid	Vice Chairman
Ms. Georgiana A. Gamboa	President
Atty. Jesse H. T. Andres	Independent Director
Mr. Antonio N. Cotoco	Director
Ms. Ma. Leonora V. De Jesus	Independent Director
Atty. Fulgencio S. Factoran, Jr.	Director
Mr. Antonio A. Henson	Director
Atty. Edmundo L. Tan	Director
Mr. Nestor V. Tan	Director
Mr. Jesus G. Tirona	Independent Director
Mr. Exequiel P. Villacorta, Jr.	Director
Ms. Evelyn L. Villanueva	Director
Mr. Walter C. Wassmer	Director

ABSENT:

Mr. Gerard Lee B. Co	Director
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ALSO PRESENT:

Atty. Joseph Jason M. Natividad	Corporate Secretary
Ms. Rebecca S. Torres	Assistant Corporate Secretary
Mr. Ricardo V. Martin	Executive Vice President, BDO Unibank
Mr. Mario D. Rabanal	Consultant, BDO Unibank

I. Call to Order

Mr. Nestor V. Tan was requested to act as Chairman of the Meeting. In that capacity, Mr. Tan called the Annual Stockholders' meeting to order at 9:34 in the morning and presided over the same.

Atty. Joseph Jason M. Natividad, Corporate Secretary, recorded the minutes of the meeting.

II. Certification of Notice and Quorum

The Chair verified whether notices of the annual meeting of the stockholders had been sent to the corporation's shareholders. Atty. Joseph Jason M. Natividad, Corporate Secretary, replied that notices of the meeting were sent to stockholders of record as of 04 April 2011 in accordance with Article II, Section 2 of the By-Laws in relation to Paragraphs 3 and 11 of SRC Rule 20 of the Amended Implementing Rules and Regulations of the Securities Regulation Code.

The Corporate Secretary reported that there was a quorum present and that the meeting was regularly and lawfully convened for the transaction of business.

III. Reading and Approval of the Minutes of the Previous Stockholders' Meeting

The Chairman of the Meeting stated that the next item in the agenda was the reading and approval of the minutes of the annual meeting of shareholders held on May 31, 2010.

A motion was made to dispense with the reading of the minutes of the annual stockholders' meeting held last May 31, 2010, and that the said minutes as appearing in the minutes book of BDO Leasing and Finance, Inc. be approved by the stockholders.

On the basis of the motion made, which was duly seconded, the reading of the minutes of the annual stockholders' meeting held on May 31, 2010 was dispensed with, and the said minutes as appearing in the minutes book of BDO Leasing and Finance, Inc. was approved by the stockholders.

IV. Consideration of the President's Report on the Results of the Corporation's Operations for the Year Ended December 31, 2010, and the 2010 Financial Statements of the Corporation

Ms. Georgiana A. Gamboa, President, rendered his report to the Stockholders. The report is hereto attached as Annex "A" and made an integral part hereof.

The Chairman opened the table for questions regarding the report of the President and the Company's financial statements. The following matters were taken up in the course of the discussions:

Mr. Philip Turner, stockholder, inquired if it would be possible to indicate in the report the receivables being paid on time and those that are past due or delinquent. Mr. NV Tan replied that there was already a specific portion in the report on the Non-Performing Loans (NPL) of BDOLF with the NPL ratio at 3%. The Net Receivables amounted to P11.9 Billion while the Past Due was around P355 Million. Mr. Turner commented that legal actions should be taken on the Past Due accounts. Mr. NV Tan assured Mr. Turner that Management has been closely monitoring these accounts and legal action would be taken if it would be commercially viable to the company.

After the discussions were concluded, Ms. Vernie C. Dela Cruz, proxy holder, moved for the notation and approval of the President's Report on the result of the operations of the corporation for the year ended December 31, 2010 and the audited financial statements for the same period.

Ms. Ma. Lourdes M. Espinosa, proxy holder, seconded the motion.

There being no objection, the Stockholders adopted the following resolution:

Stockholders' Resolution No. 2011-01

RESOLVED, That the President's Report on the result of the operations of BDO Leasing and Finance, Inc. and the Audited Financial Statements for the year ended December 31, 2010 be, as they are hereby, noted and approved.

V. Ratification of Actions Taken by the Board of Directors, the Duly Constituted Committees, the Management and the Officers of the Corporation Since the Last Annual Meeting of the Stockholders

Ms. Retz C. Lopez, proxy holder, moved that all the acts and proceedings of the Board of Directors, the acts of the duly constituted committees, the acts of the Management and the acts of the officers of the Corporation up to the date of this meeting be, in all respects, confirmed, ratified and approved and that the directors, officers and employees of the corporation be commended for the satisfactory results of the corporation's operations for the year 2010.

Thereafter, Mr. Manolo O. Diaz, proxy holder, seconded the motion.

There being no further questions or objection, the Stockholders adopted the following resolution:

Stockholders' Resolution No. 2011-02

RESOLVED, That all the acts and proceedings of the Board of Directors, the acts of the duly constituted committees, the acts of the Management and the acts of the officers of BDO Leasing and Finance, Inc. (the "Corporation") in carrying out and promoting the purposes, objects, and interests of the Corporation, are confirmed, ratified and approved and hereby made the acts and deeds of the Corporation.

RESOLVED FURTHER, That the Directors, Officers and Employees of the Corporation be commended for the satisfactory results of the Corporation's operations for the year 2010.

VI. Election of the Board of Directors

The Chairman then announced that the next item on the agenda was the election of the regular and independent members of the Board of Directors for the ensuing year and until the next succeeding annual stockholders meeting of the Corporation. The Chairman also informed all the stockholders in attendance of the mandatory requirement of electing independent directors.

Atty. Edmundo L. Tan, Chairman of the *Corporate Governance, Nomination and Compensation and Remuneration Committee* (Committee) of the Corporation informed the Chairman that the following nominations have been received and passed upon by the Committee, and that the Committee found the following nominees to possess the qualifications necessary to be regular and independent directors, respectively, of the corporation:

Nominees for Regular Directors

1. Gerard Lee B. Co
2. Antonio N. Cotoco
3. Fulgencio S. Factoran, Jr.
4. Georgiana A. Gamboa
5. Antonio A. Henson
6. Roberto E. Lapid
7. Teresita T. Sy
8. Edmundo L. Tan
9. Nestor V. Tan
10. Exequiel P. Villacorta, Jr.
11. Evelyn L. Villanueva
12. Walter C. Wassmer

Nominees for Independent Directors:

13. Jesse H. T. Andres
14. Ma. Leonora V. De Jesus
15. Jesus G. Tirona

Mr. Turner noted that the Certification on the nominees for independent directors, particularly the one for Mr. Jesus G. Tirona, was not properly notarized. Atty. Tan answered that based on the record on file, the certification was properly notarized. Mr. Turner then raised his

concerns on the qualification of the independent directors particularly Mr. Tirona and Atty. Jesse H.T. Andres. Mr. NV Tan assured Mr. Turner that BDOLF complies with all the requirements under the Securities Regulation Code and all regulatory issuances on the qualifications and disqualifications of independent directors and that Mr. Tirona and Atty. Andres are qualified to be elected as such.

Mr. Elmer J. Cruz, proxy holder, observed that since the nomination period has expired and closed, and there are fifteen (15) nominees for the fifteen (15) seats in the corporation's Board of Directors, she moved that the Corporate Secretary be directed to cast all votes in favour of the foregoing individuals respectively nominated as regular and independent directors.

Ms. Vernie C. Dela Cruz seconded the motion.

Mr. Turner manifested that he was withholding his votes from the independent directors in the light of the issues that he raised.

Subject to the manifestation/comment of Mr. Turner, the Chairman ordered the Corporate Secretary to cast all the other votes in favor of all those nominated.

Thereafter, the stockholders adopted the following resolution:

Stockholders' Resolution No. 2011-03

RESOLVED, That the following are elected directors of BDO Leasing and Finance, Inc., to act as such until their successors are elected and qualified:

Regular Directors:

1. Gerard Lee B. Co
2. Antonio N. Cotoco
3. Fulgencio S. Factoran, Jr.
4. Georgiana A. Gamboa
5. Antonio A. Henson
6. Roberto E. Lapid
7. Teresita T. Sy
8. Edmundo L. Tan
9. Nestor V. Tan
10. Exequiel P. Villacorta, Jr.
11. Evelyn L. Villanueva
12. Walter C. Wassmer

Independent Directors:

13. Jesse H. T. Andres
14. Ma. Leonora V. De Jesus
15. Jesus G. Tirona

VII. Appointment of External Auditor

The next item in the agenda was the appointment of the external auditor of BDOLF for the year 2011.

Mr. Manolo O. Diaz moved that the Accountancy and Auditing Firm of Punongbayan & Araullo, CPA's, be appointed as the external auditor of BDOLF for 2011, and that the Board of Directors be authorized to determine the terms of said external auditor's professional engagement.

Ms. Retz C. Lopez seconded the motion.

There being no objection, the Stockholders adopted the following resolution:

RESOLVED, That the Accountancy and Auditing Firm of Punongbayan & Araullo, CPA's, be appointed as the external auditor of BDOLF for 2011;

RESOLVED FURTHER, That the Board of Directors of BDOLF or such person or persons duly authorized by the Board, be, as it/he is hereby authorized to determine the terms of engagement of the external auditor, to sign, execute and deliver the agreement and other documents pertaining to such engagement, and generally, to perform all acts necessary or appropriate to carry out the foregoing resolution and the intent hereof.

VIII. Other Matters

1. Declaration of Cash Dividends

Mr. NV Tan informed the stockholders that the Board of Directors of BDO Leasing and Finance, Inc., at its regular meeting held earlier, 30 May 2011, resolved to declare a cash dividend of Php 0.05 per share. The record date and payment date will be set after approval by the regulatory agencies of the dividend declared. The declaration of cash dividends by the Board Directors was duly noted by the stockholders.

IX. Adjournment

There being no further business to transact, Ms. Ma. Lourdes M. Espinosa moved to adjourn the meeting.

Ms. Ma. Aurora R. Parugganan seconded the motion.

There having been no objection to the motion, the meeting was thereupon adjourned at 10:20 in the morning.

CERTIFIED CORRECT:



JOSEPH JASON M. NATIVIDAD
CORPORATE SECRETARY

ATTESTED:



TERESITA T. SY
CHAIRPERSON