

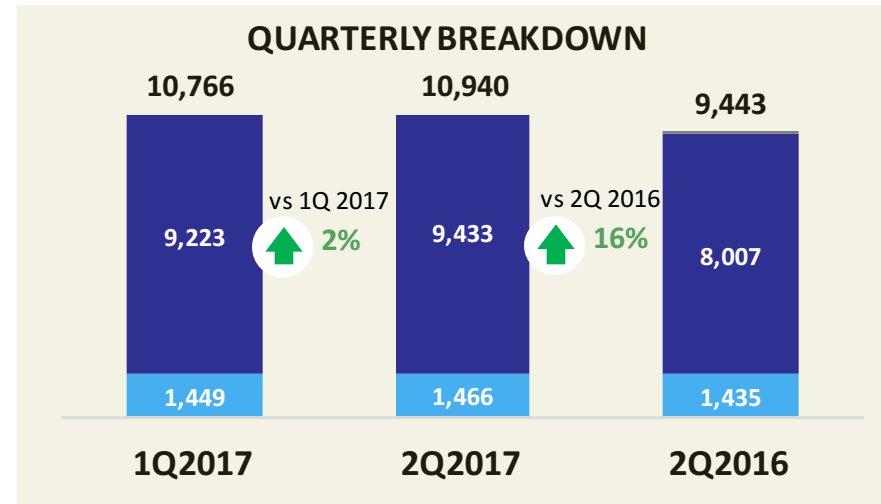
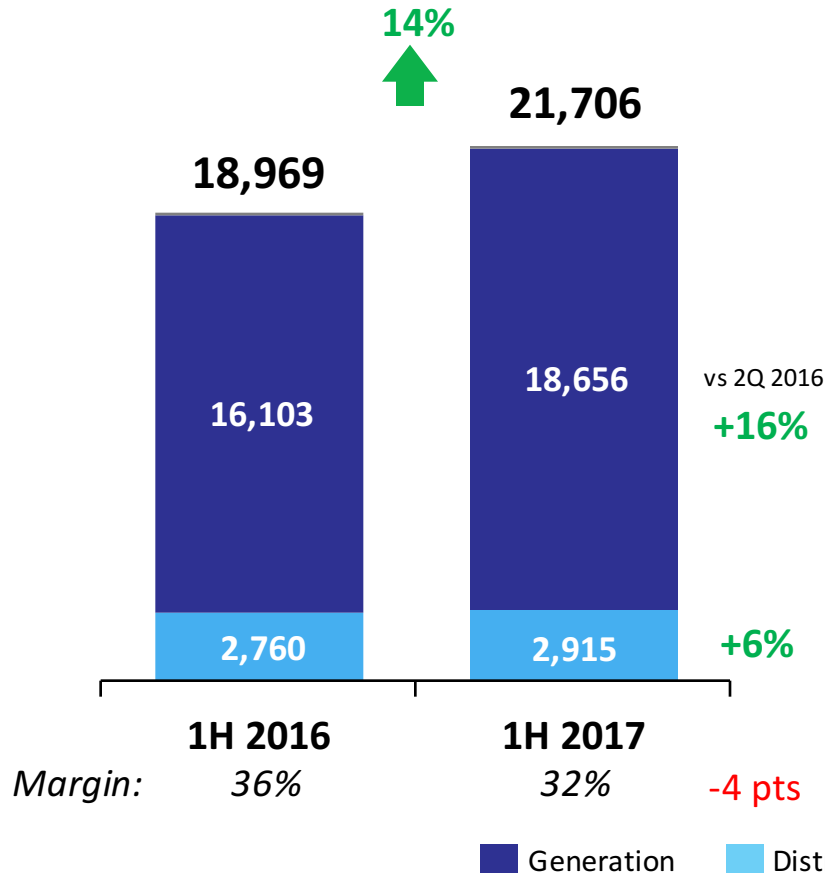
Aboitiz Equity Ventures

Second Quarter /First Half 2017
Financial & Operating Results
2 August 2017

- **Review of Business Units**
 - **Power**
 - Banking & Financial Services
 - Food
 - Land
 - Infrastructure
- **AEV Financials**
- **Q&A**

2Q/1H 2017 Beneficial EBITDA

In Php mn

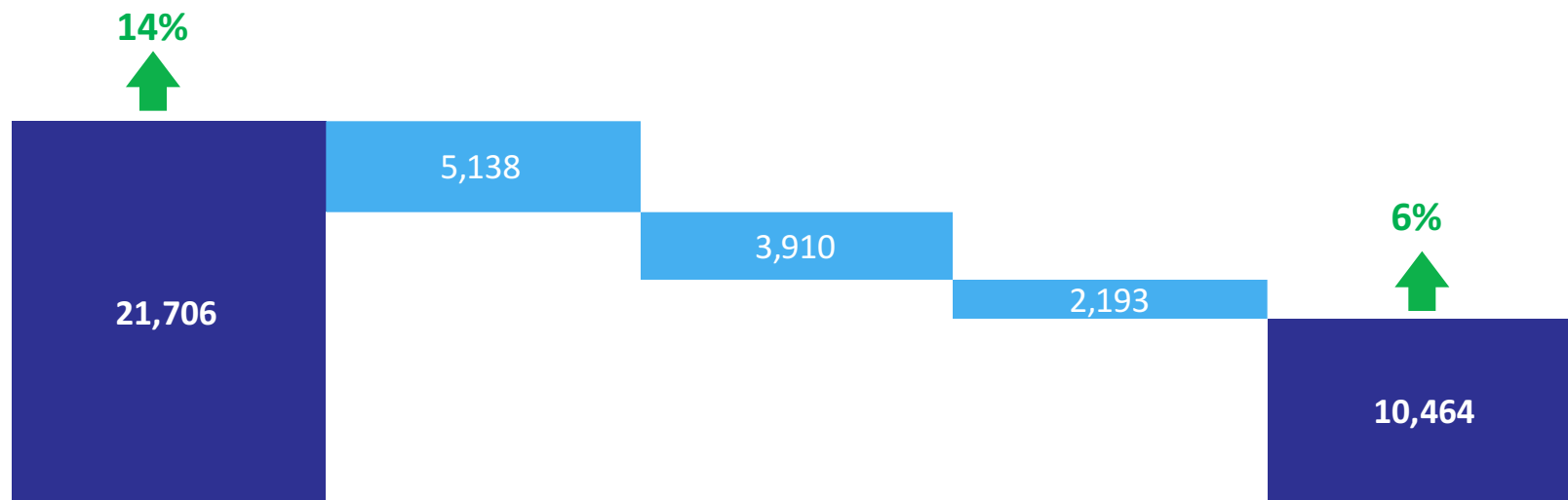


14% growth vs 1H2016, of which...

- +8% from hydro group driven by better hydrology
- +8% from coal group (+17% from GMCP addition partially offset by TSI supplier settlement in 2016)
- -2% from geothermal group driven by outages

2Q/1H 2017 Core Net Income

In Php mn



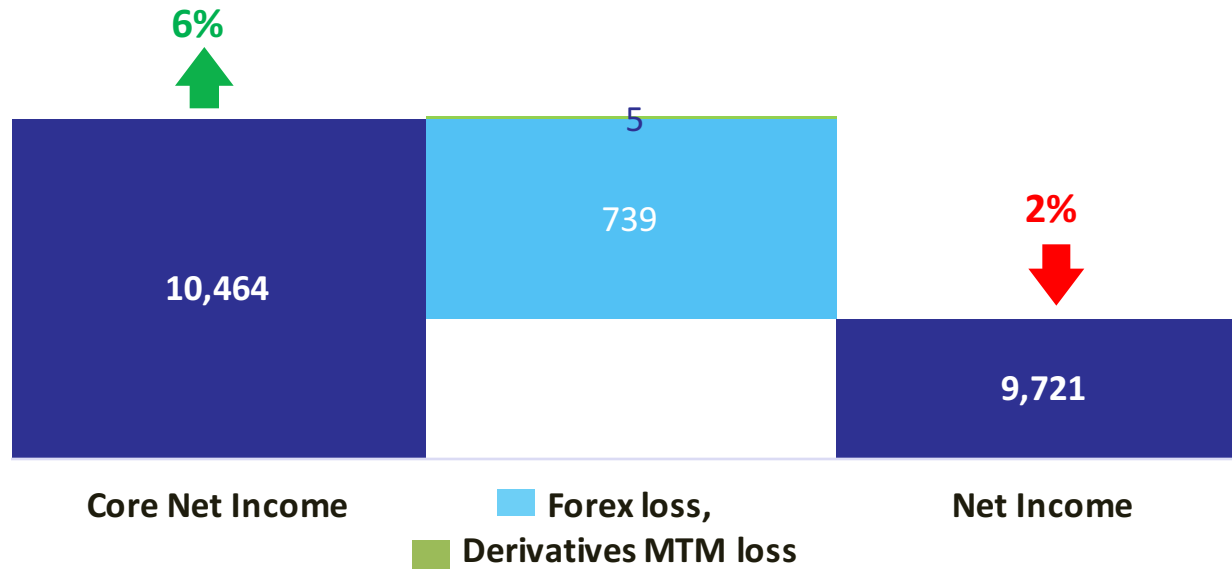
	EBITDA	Interest Expense	Depcn. & Amort.	Tax & Others	Core Net Income
Php mn					
	1H2016	1H2017	Change		
EBITDA	18,969	21,706	14%		
-Interest Expense	3,656	5,138	41%		
-Depcn. & Amort.	3,250	3,910	20%		
-Tax & Others	2,236	2,193	-2%		
Core Net Income	9,827	10,464	6%		
EPS	1.34	1.42			

Interest expense increased...

- First take up of share in GMCP interest expense
- Interest expense on TPI Loan
- **Depcn & Amort** increased due to first time take up of GMCP and first full year of TSI Unit 2 D&A

2Q/1H 2017 Net Income

In Php mn



	Net Income		
Php mn	1H2016	1H2017	Change
Core Net Income	9,827	10,464	6%
Non-recurring gains/(losses)	130	(744)	-670%
Net Income	9,958	9,721	-2%
EPS	1.35	1.32	

Non-core items decreased...

- Forex losses on revaluation of US dollar denominated liabilities

FX in June 2017: 50.47 vs 47.06 in 2016

1H2017 Balance Sheet

In Php mn, except ratios

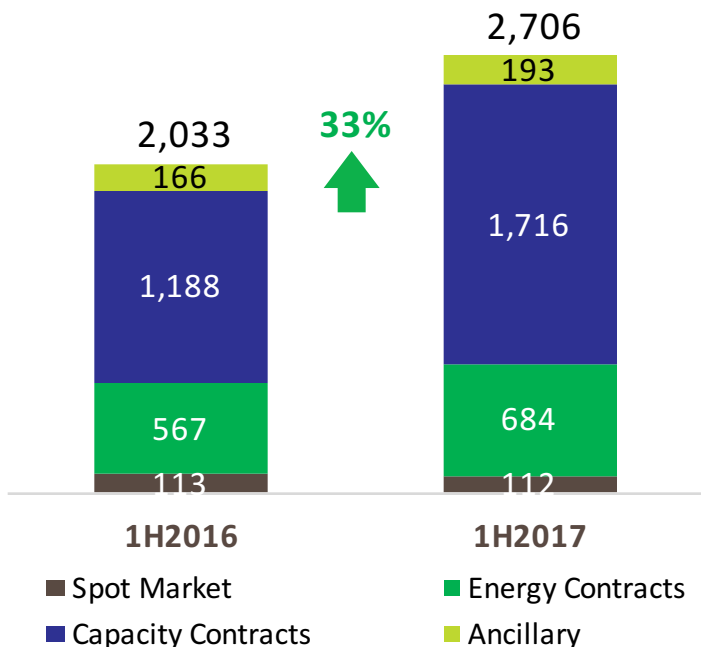


(Php mn)	CONSOLIDATED	
	YE2016	1H2017
Cash and Cash Equivalents	47,095	39,832
Investments and Advances	30,596	31,947
Property, Plant and Equipment	192,634	197,999
Total Assets	354,776	354,084
Total Liabilities	243,147	241,774
Total Equity	111,629	112,310
Total Interest Bearing Debt	214,217	207,767
Net Debt	165,022	172,116
Net Debt to Equity	1.5x	1.5x
Debt to Equity*	1.9x	1.8x

*Interest bearing debt/Total equity

Operating Highlights: Generation

Capacity Sales Breakdown (MW)



- Increased capacity sales driven by GN Power Mariveles and hydro units

Capacity Sold Factor

Fuel Group	1H2016	1H2017	Change pts
Mini Hydro	26%	41%	15
Large Hydro	70%	90%	20
SNAP Magat	53%	77%	24
SNAP Benguet	96%	107%	11
Geothermal	79%	73%	(6)
Coal	91%	99%	8
Therma Luzon	88%	101%	13
Therma South	100%	100%	-
GN Power Mariveles	-	104%	-
Oil	95%	89%	(6)
Solar	13%	10%	(3)
AP Generation	82%	90%	8

Capacity Sales: Capacity Contracts (MW) + ((Spot (MWh) + Energy Contracts (MWh) + Ancillary (MWh))/Days_Year/Hours_Day)
 Capacity Sold Factor: Capacity Sales (MW) / Net Sellable Capacity (MW)

Operating Highlights: Generation

	Beneficial Energy Dispatch (GWh)		
	1H2016	1H2017	Change
Mini Hydro	208	298	43%
Large Hydro	373	504	35%
SNAP Magat	208	309	49%
SNAP Benguet	165	195	18%
Geothermal	1,347	1,244	-8%
Coal	3,941	5,127	30%
Therma Luzon	2,469	2,352	-5%
Therma South	944	696	-26%
GN Power Mariveles	-	1,625	-
Oil	1,012	364	-64%
Solar	8	11	26%
AP Generation	6,889	7,547	10%

- Higher energy dispatched
- The decrease in dispatch of Therma South and Therma Marine don't impact our EBITDA as we these have capacity contracts

Operating Highlights: Generation



Average Revenue

Fuel Group	Capacity Contracts (P/kW-h)		Energy Contracts (P/kWh)	
	1H2016	1H2017	1H2016	1H2017
	Hydro	1.95	2.30	4.63
Oil	2.20	1.81	4.67	6.32
Coal	3.56	3.38	3.97	3.89
Geothermal & Solar	-	-	3.83	4.45
AP Generation	2.95	2.93	4.07	4.67

- Total average BCQ price increased from **P4.13/kWh** to **P5.04/kWh** primarily on account of higher indices.

Notes:

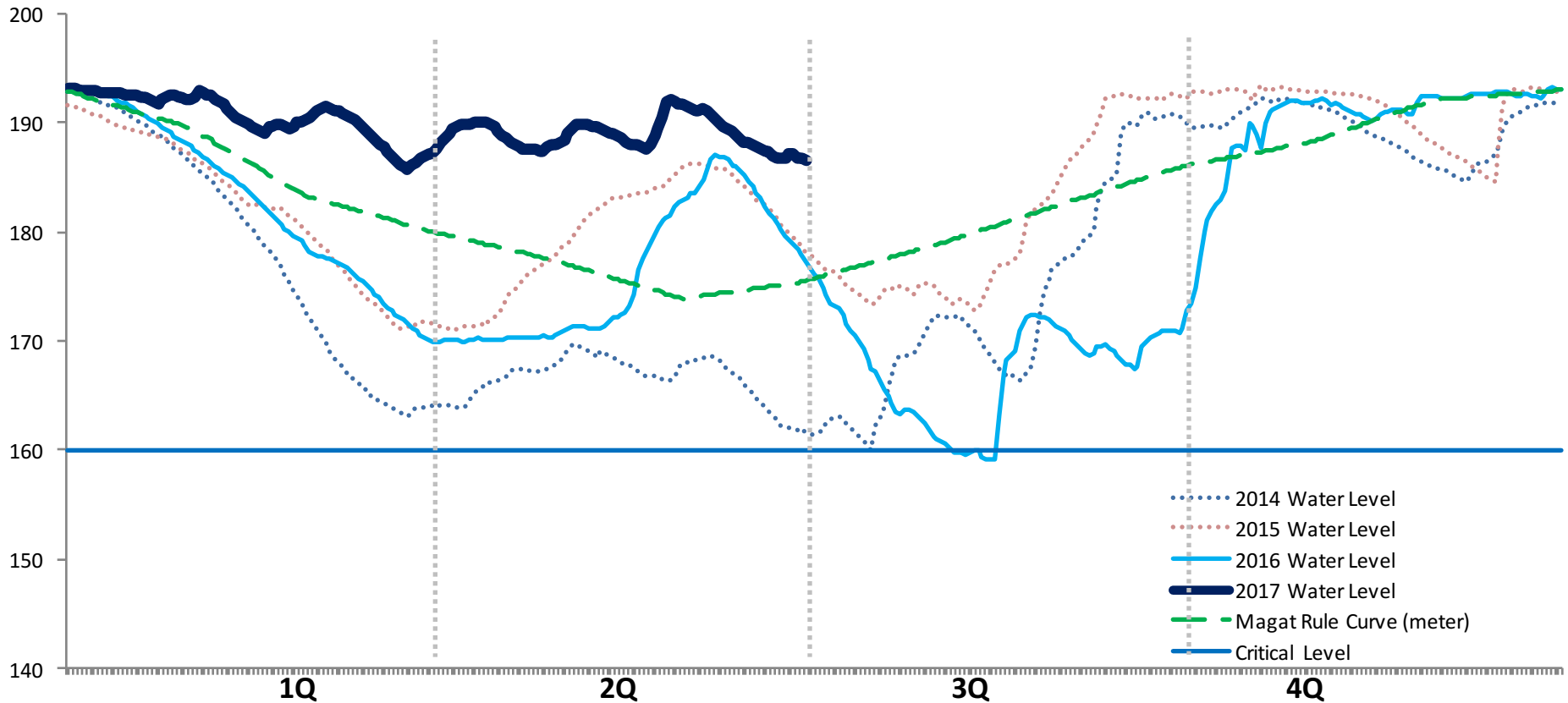
Capacity contracts include ancillary; energy contracts include spot

kWh: Based on total energy sold

kW-h: Based on Contracted_capacity *Days_year*Hours_days

Operating Highlights: Generation

Magat's Water Level vs. Rule Curve (in MASL)

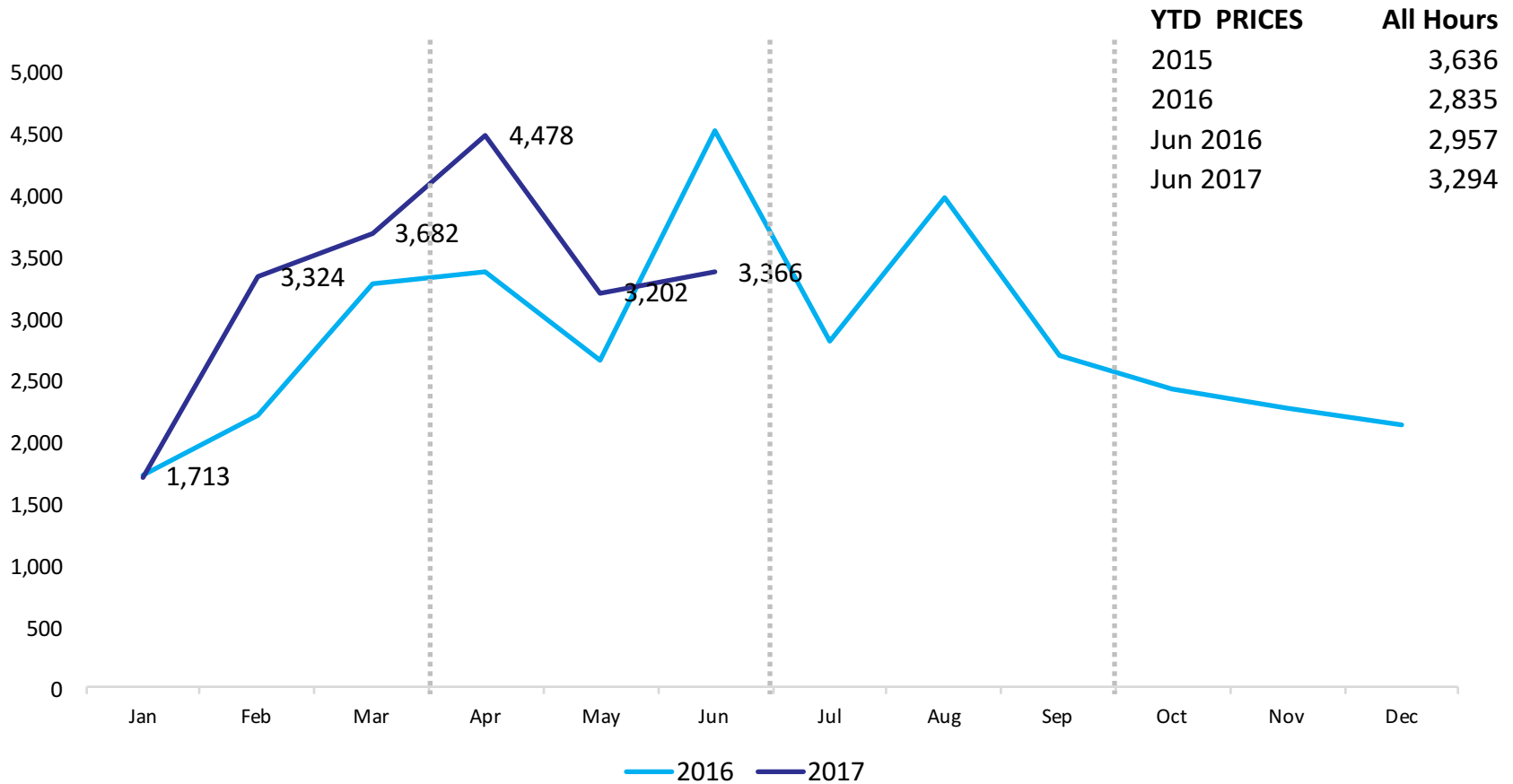


- Water levels remained above the rule curve throughout summer

Operating Highlights: Generation



WESM TIME WTD AVERAGE PRICES (P/MWh) – Luzon Grid

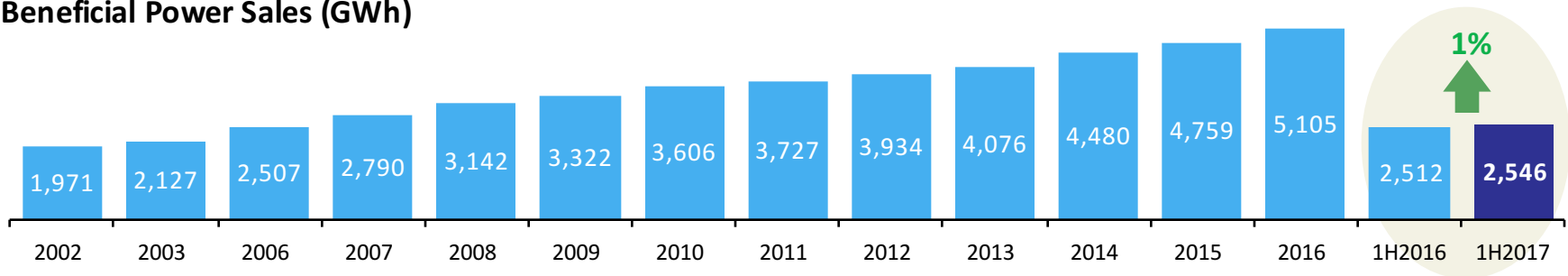


Source: WESM

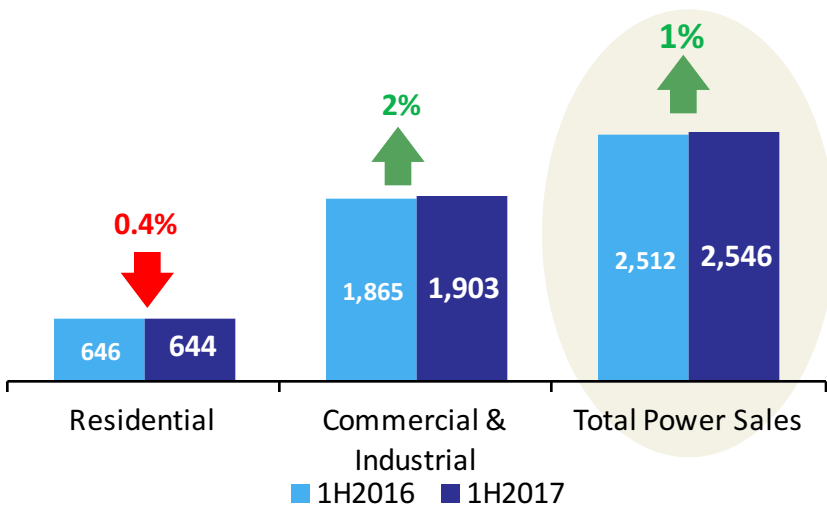
Operating Highlights: Distribution

- Almost flat growth in distribution sales

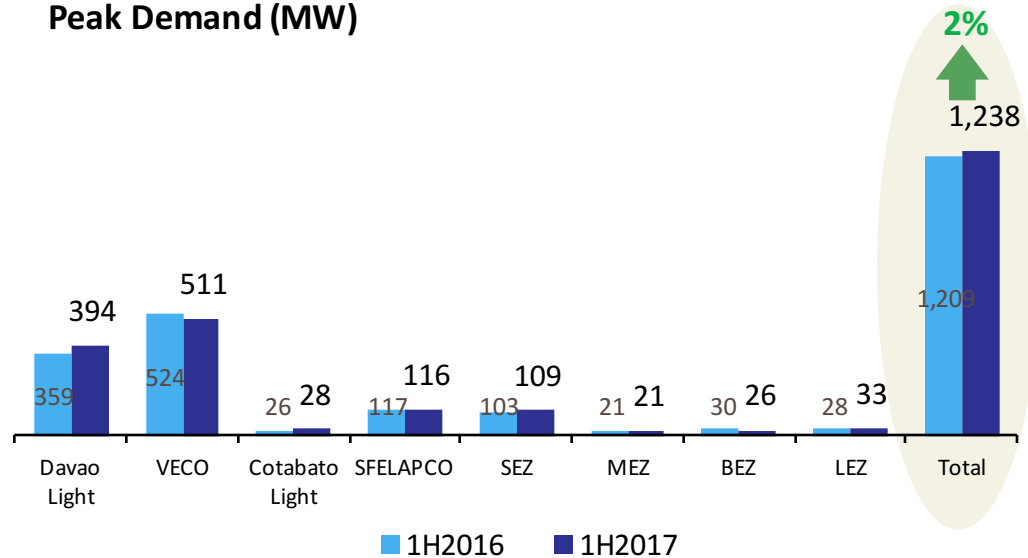
Beneficial Power Sales (GWh)



Beneficial Power Sales By Customer Type (GWh)

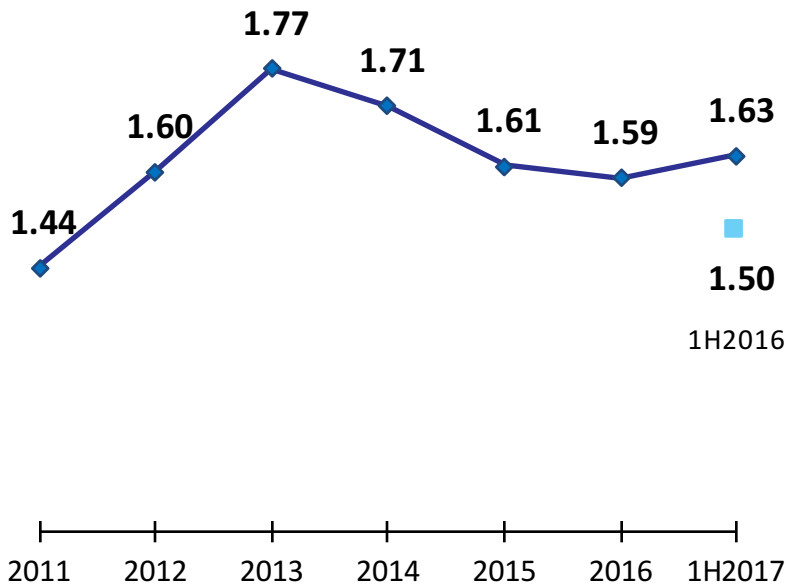


Peak Demand (MW)

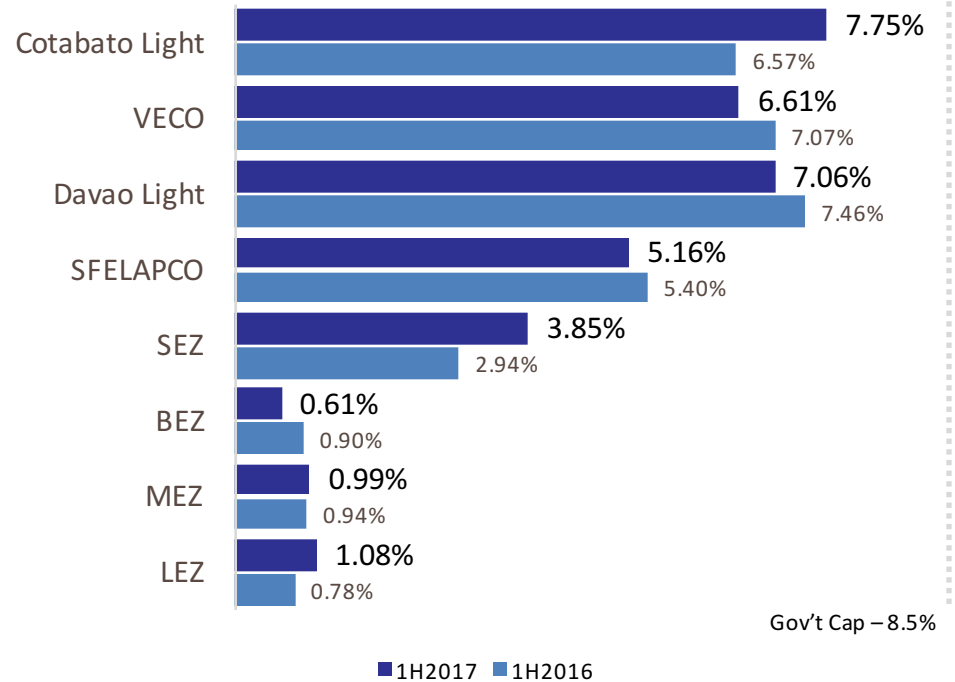


Operating Highlights: Distribution

Gross Margin/kWh



System Loss



Project Updates



- Pipeline on track to reach our target of 4,000 MW by 2020

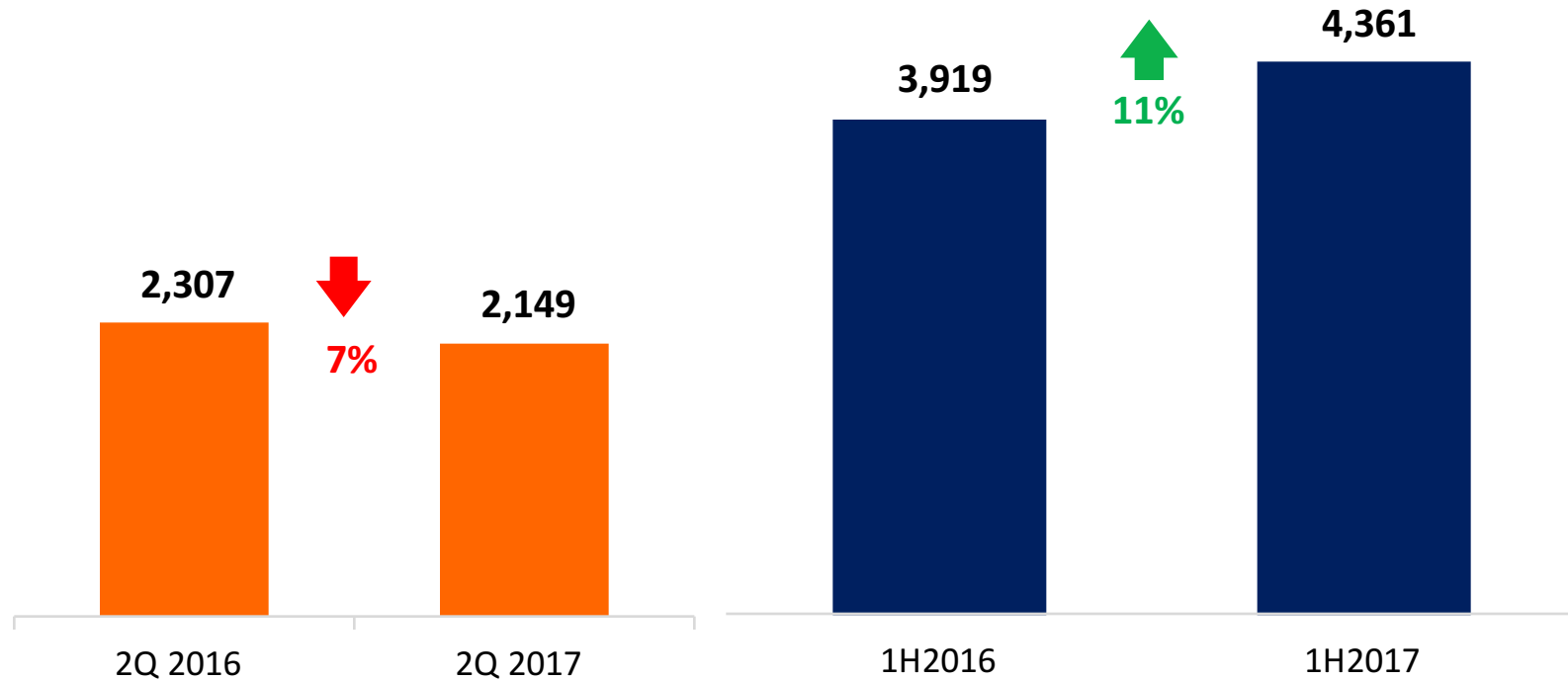
GRID	Project	Capacity (Net)	% Ownership	Attributable Net Capacity	Estimated Completion
LUZON	Pagbilao 3 (Coal – Pagbilao Energy)	400 MW	50%	200 MW	Dec 2017
	Maris (Hydro – SNAP Magat)	8.5 MW	50%	4.3 MW	Nov 2017
	Dinginin Unit 1 (Coal – GNPD)	668 MW	40%	267 MW	2019
	Subic (Coal – RP Energy)	600 MW	25%	150 MW	2020
VISAYAS	Cebu (Coal – Therma Visayas)	300 MW	80%	240 MW	2018
MINDANAO	Manolo Fortich (Hydro – Hedcor Bukidnon)	68 MW	100%	68 MW	Oct 2017
				2,045 MW	929 MW

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2Q/1H 2017 Net Income

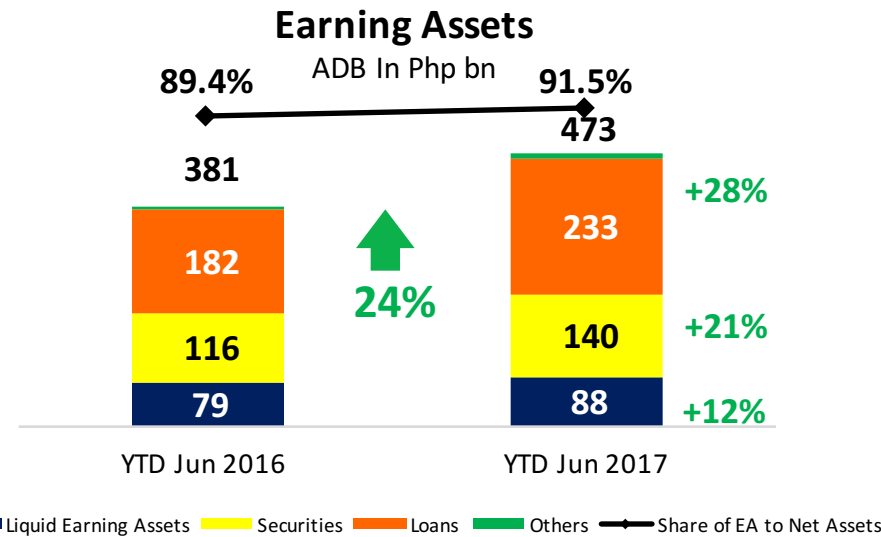
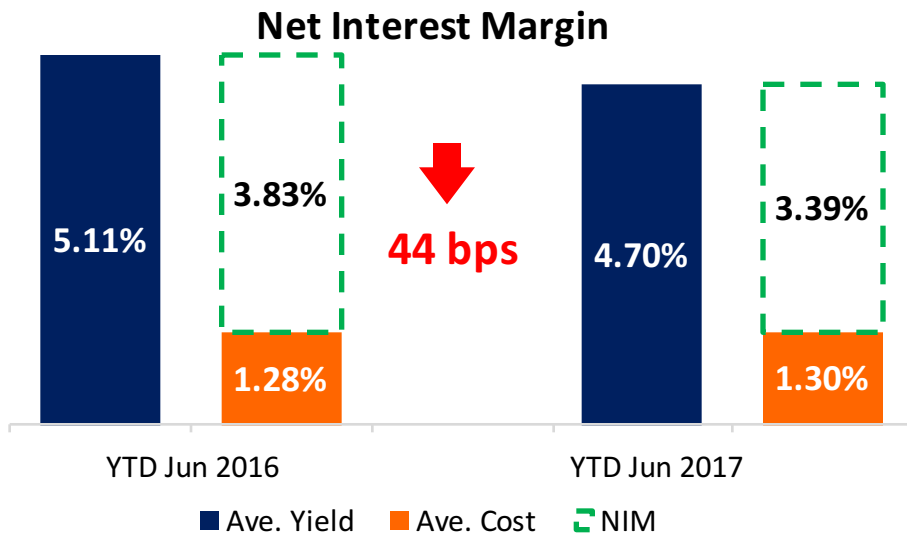
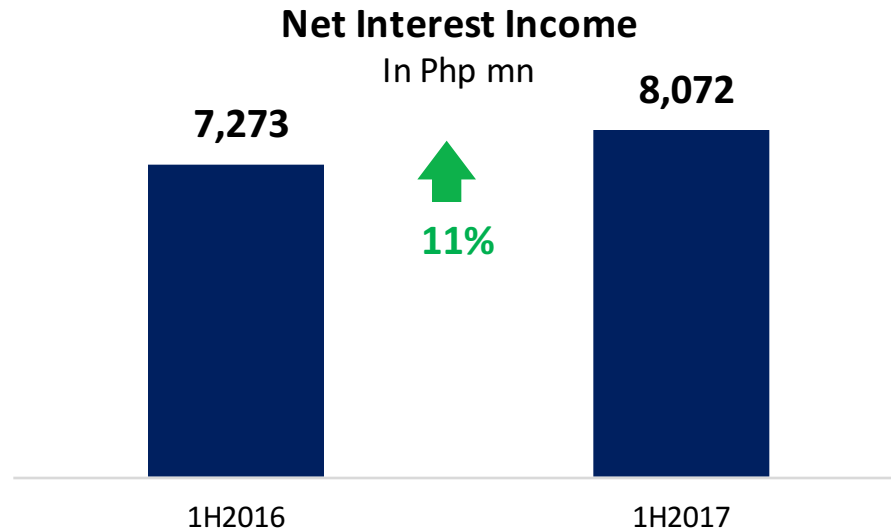
In Php mn

- Net Income up by 11%



Attributable to Parent Bank's Stockholders

Sustained growth in recurring net interest income

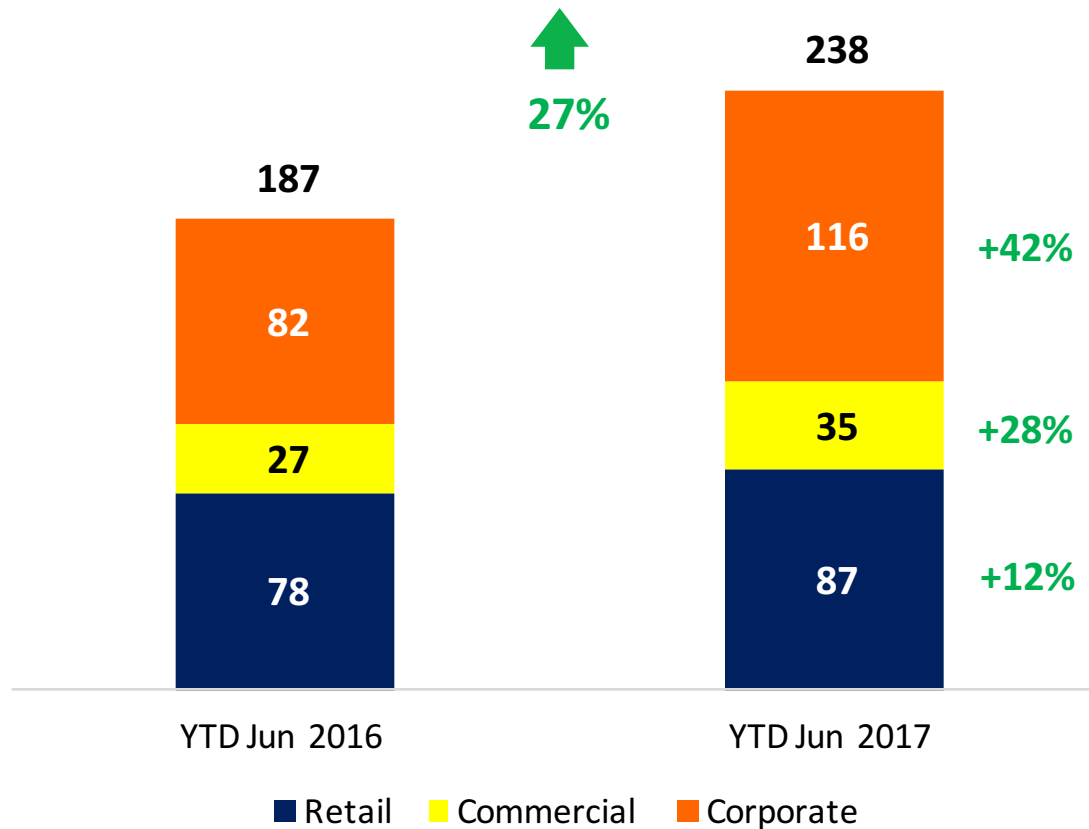


1H 2017 Credit Portfolio

ADB In Php bn



- Credit portfolio continued to post double-digit expansion

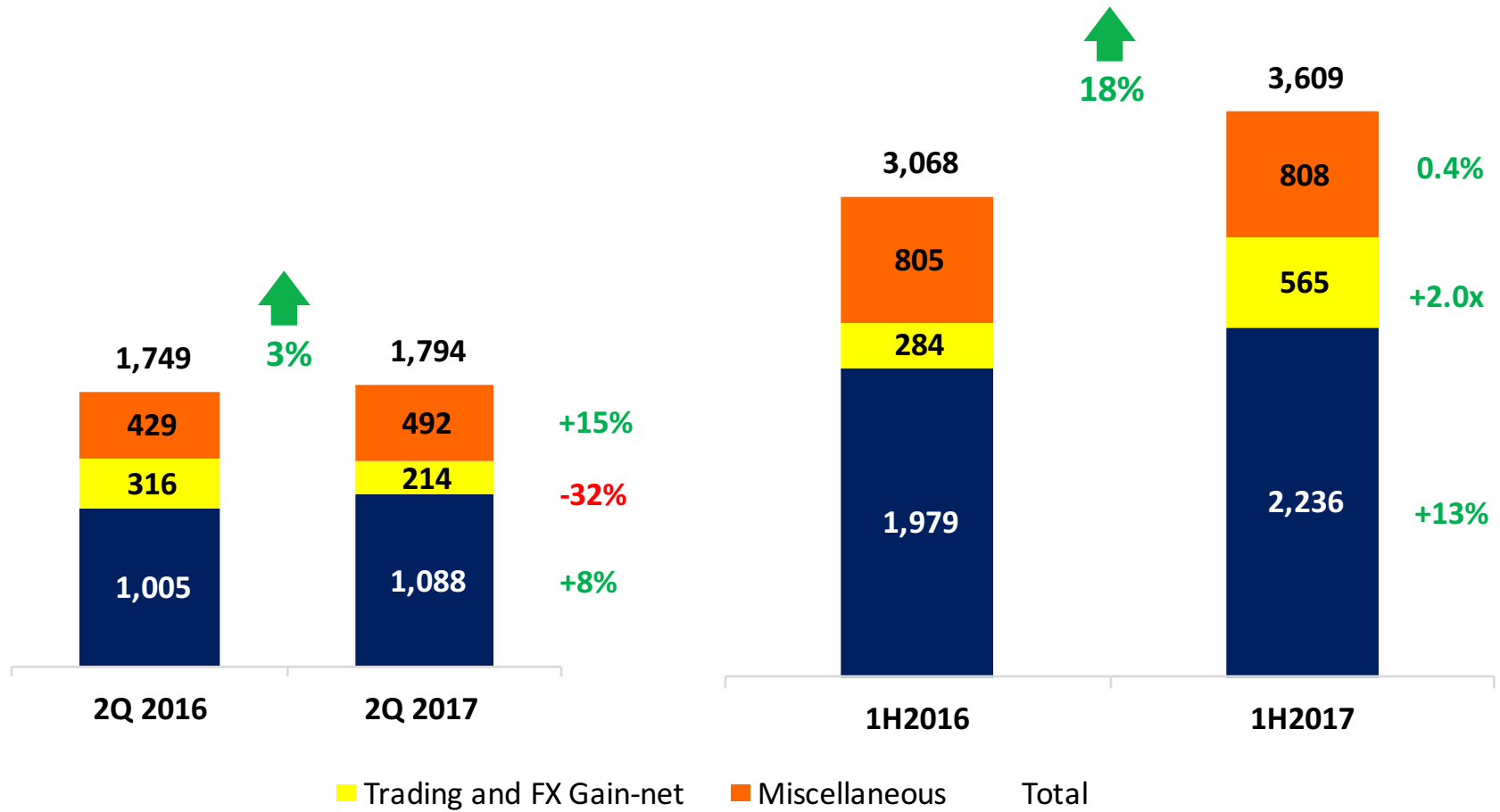


2Q/1H 2017 Non-Interest Income

ADB In Php bn



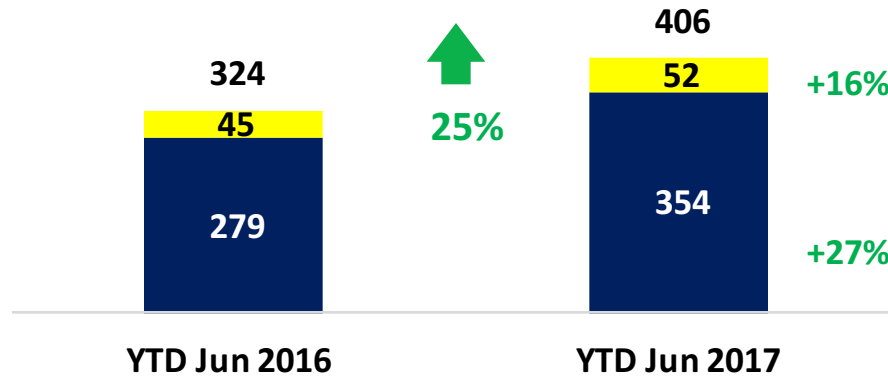
- Non-interest income driven by higher fee-based income and trading profits



Expansion in assets supported by strong deposit growth

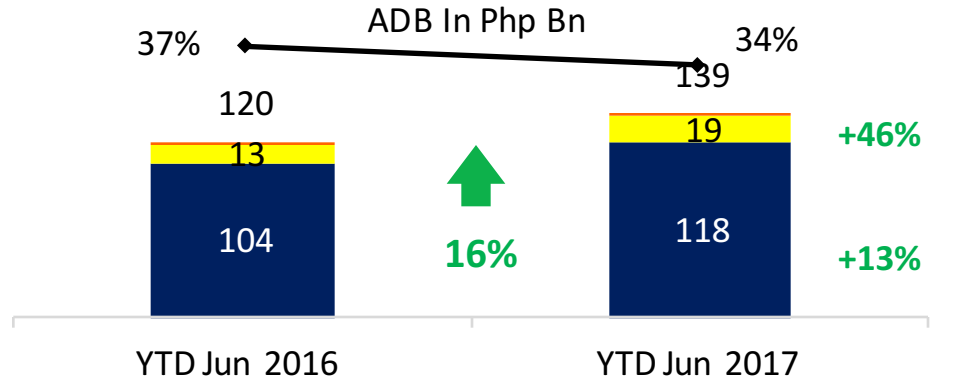


Total Deposits
ADB In Php Bn



■ UnionBank ■ Subsidiaries

Casa Deposits
ADB In Php Bn

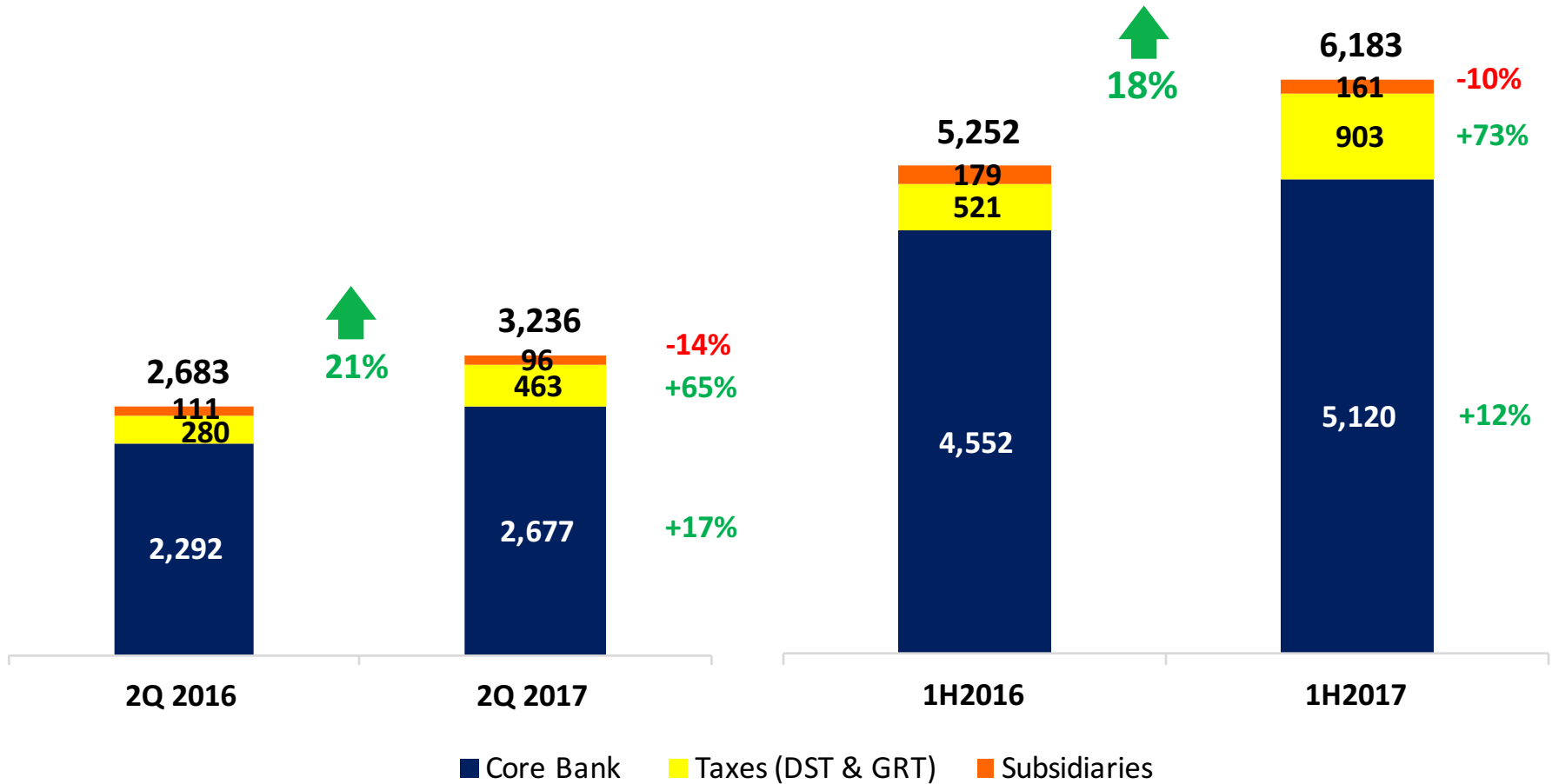


■ Peso ■ FCDU ■ Subsidiaries ◆ Share of CASA to Total

2Q/1H 2017 Operating Expenses

In Php mn

- Operating Expenses was up due to business growth

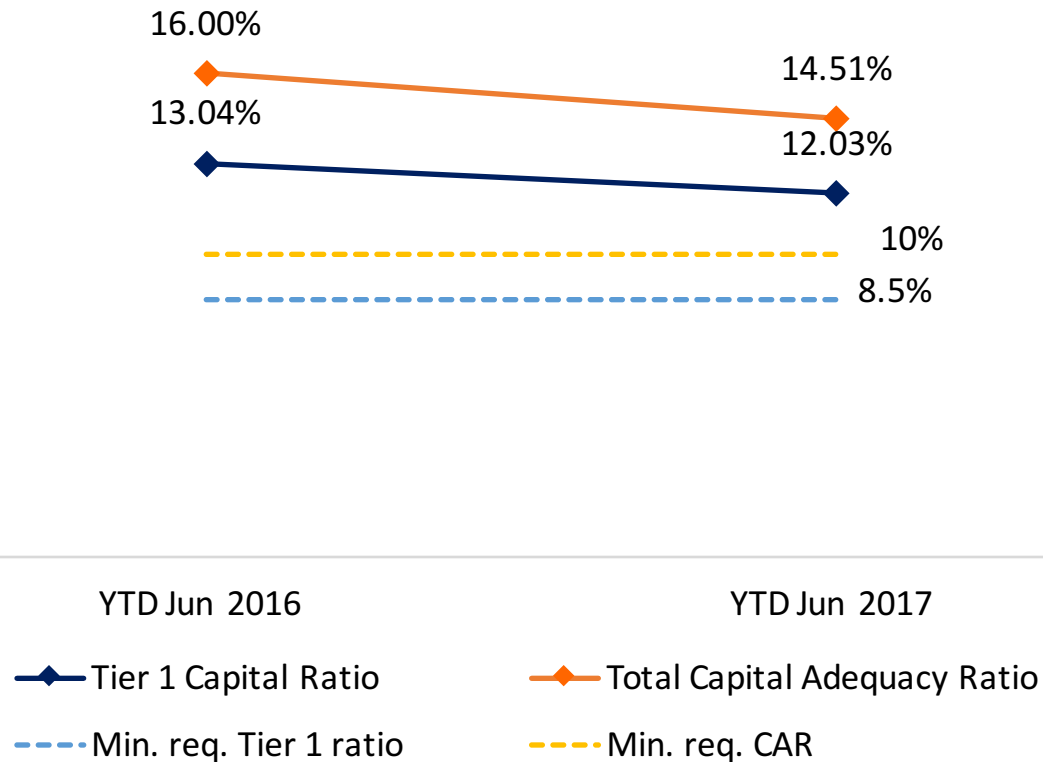


1H 2017 Capital Adequacy Ratios

Consolidated Basis



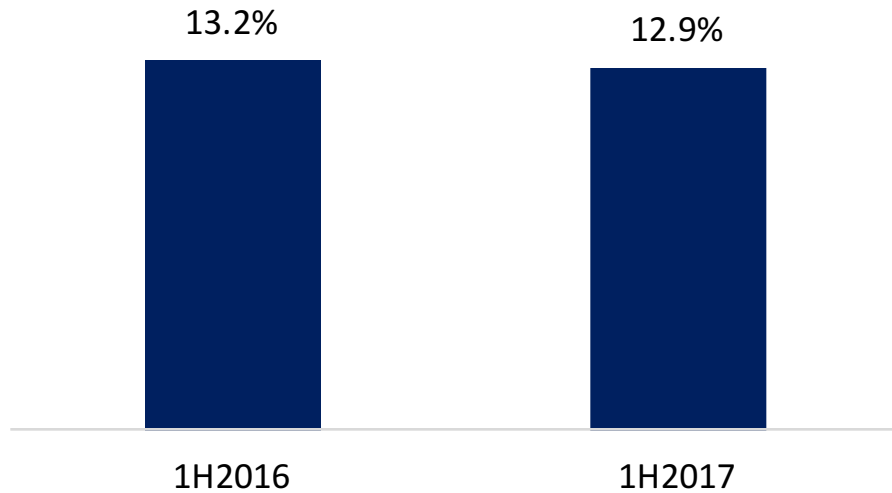
- Capital ratios remained healthy



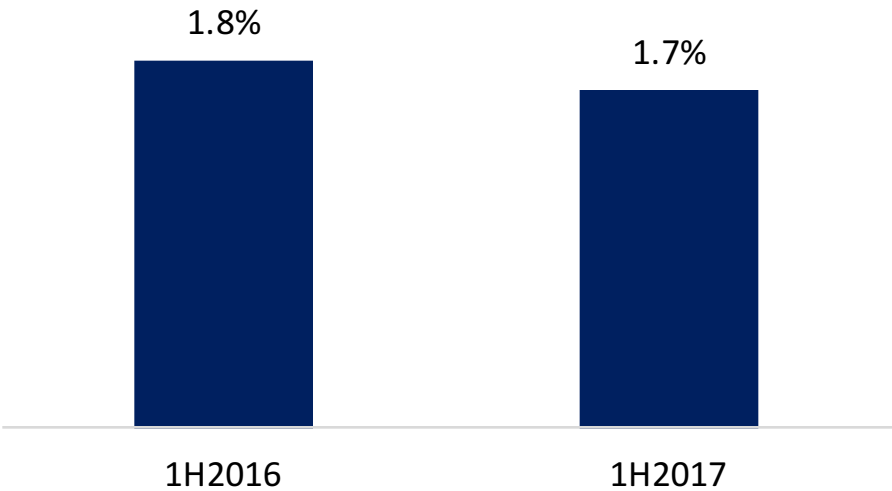
Profitability ratios slightly dropped



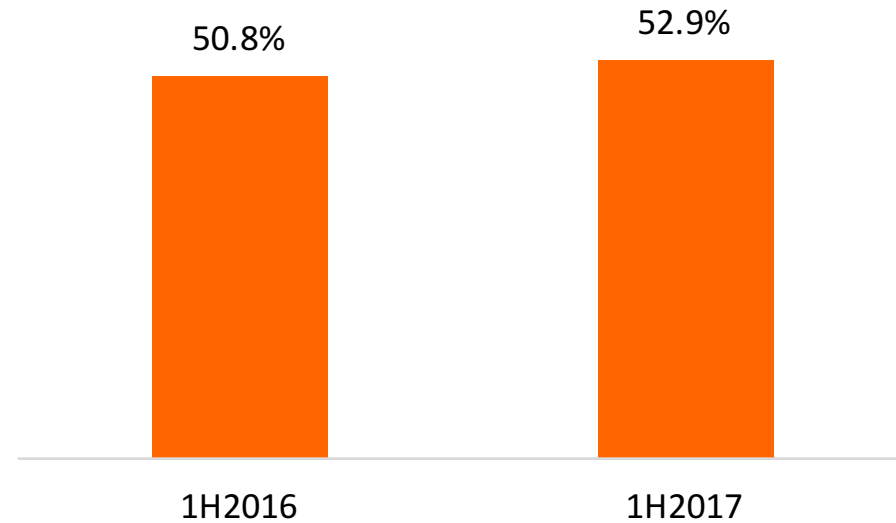
Return On Equity



Return On Ave. Assets



Cost-to-Income Ratio

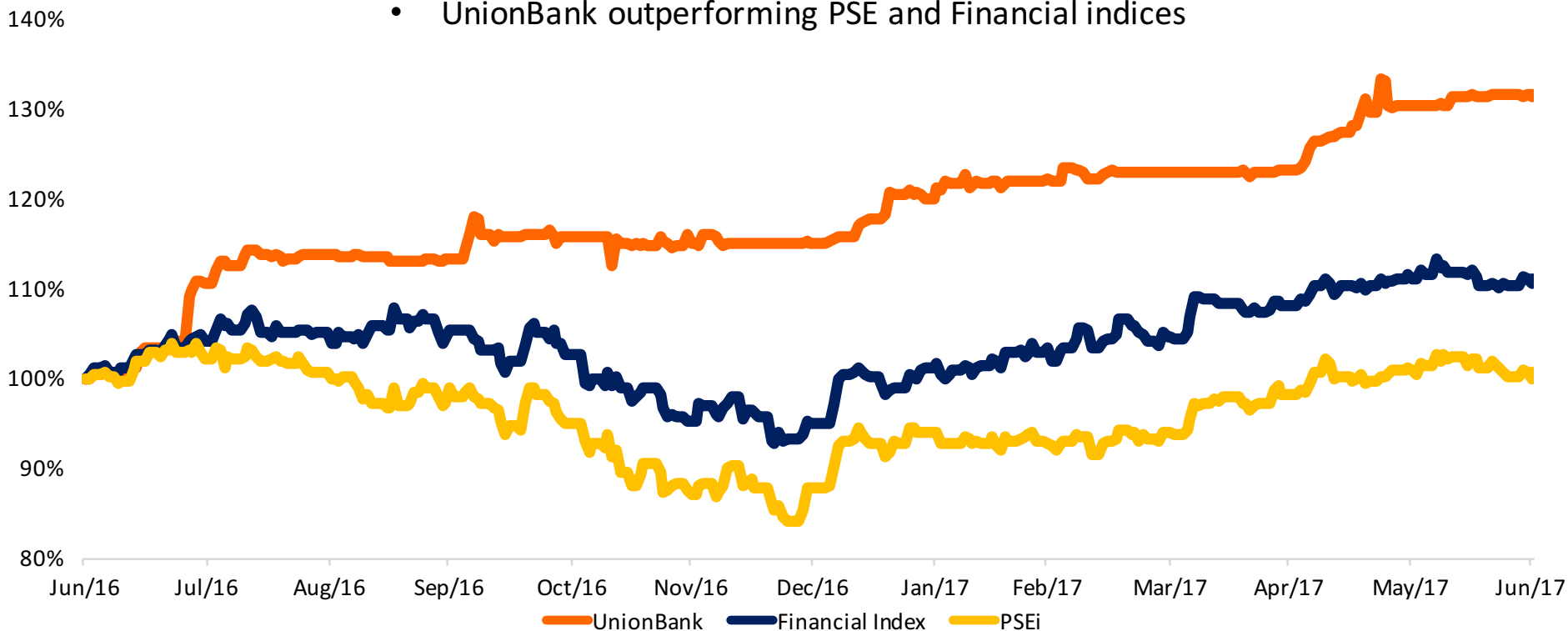


Rebased Stock Performance

6/30-2016 – 6/30/2017



- UnionBank outperforming PSE and Financial indices



	UBP	BPI	BDO	Metrobank	Security Bank	PNB	Chinabank	RCBC	PSEi	Financial Index
06/30/2016	64.80	97.30	107.02	90.35	191.90	57.50	36.20	31.95	7,796.25	1,753.42
06/30/2017	85.15	104.00	124.00	87.50	217.00	66.75	36.70	58.50	7,843.16	1,937.94
% Change	31%	7%	16%	-3%	13%	16%	1%	83%	1%	11%
Rank	2	6	4	8	5	3	7	1		

- **Review of Business Units**
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1H 2017 Financial Performance

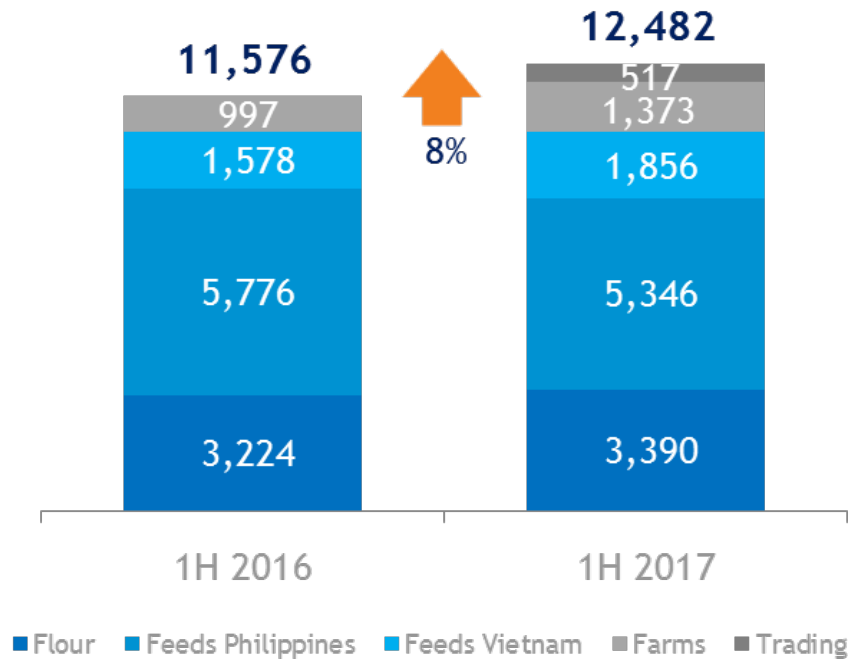
In Php mn

pilMICO

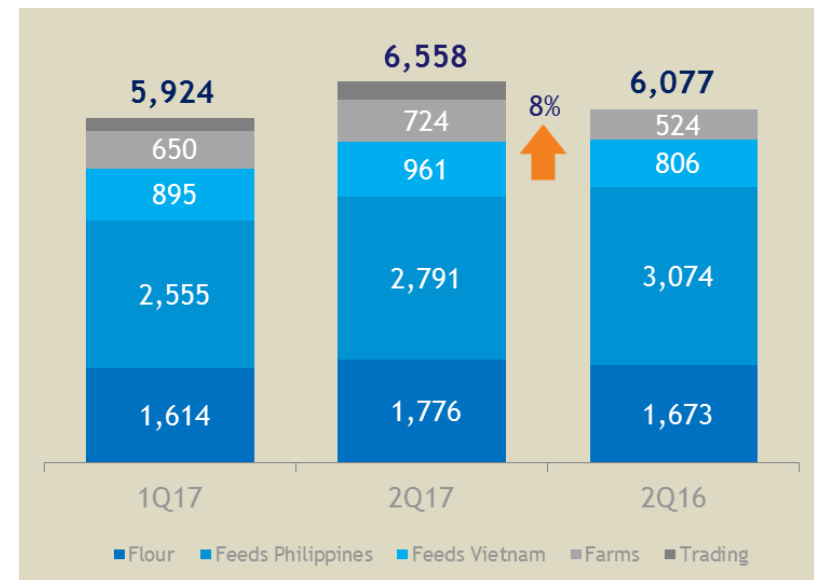
	Revenue 12,482	vs. 1H16 + 8 %
	EBITDA 1,432	-12%
	EBITDA Margin 11%	-300bps
	NIAT 727	-20%

2Q/1H 2017 Revenue

In Php mn

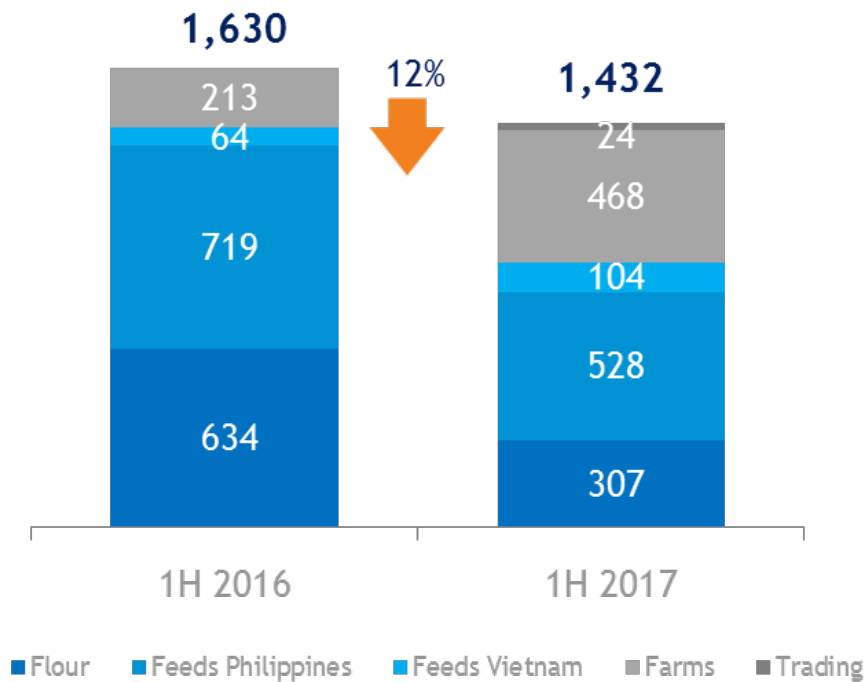


QUARTERLY BREAKDOWN

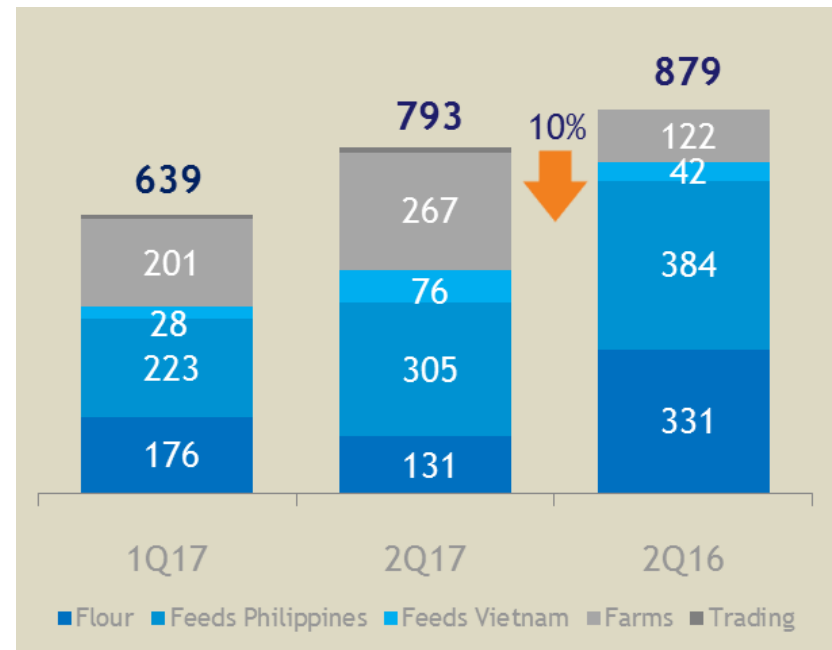


2Q/1H 2017 EBITDA

In Php mn

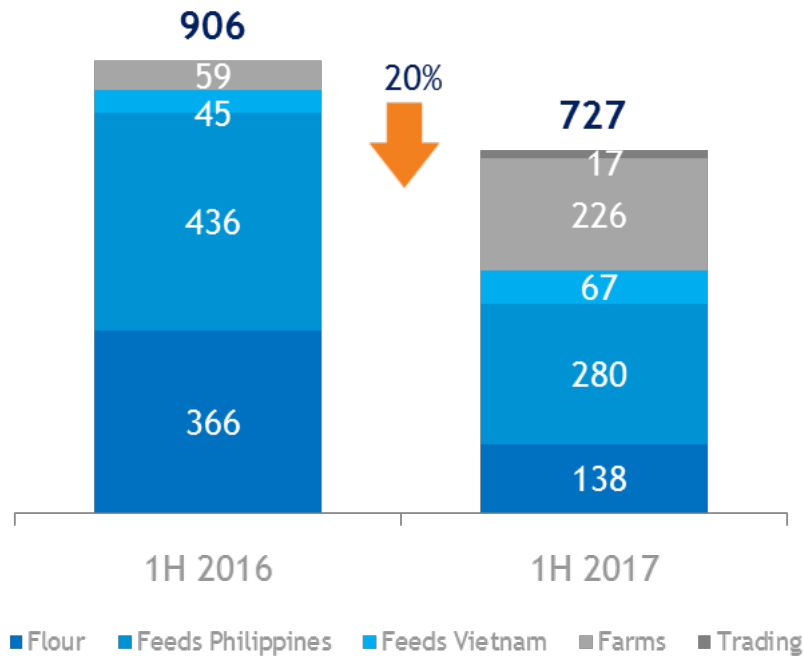


QUARTERLY BREAKDOWN

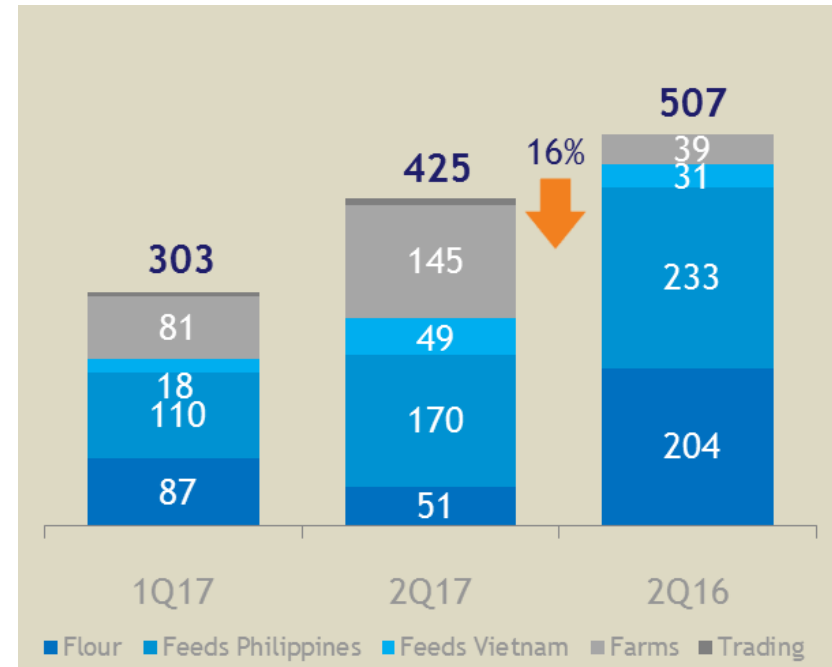


2Q/1H 2017 Net Income

In Php mn

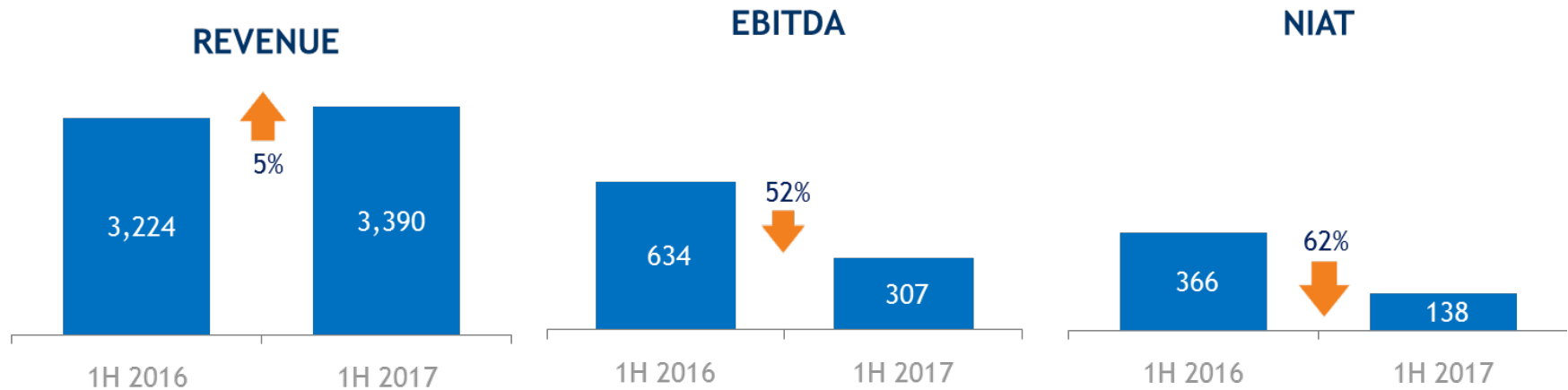


QUARTERLY BREAKDOWN



1H 2017 Flour Financial Highlights

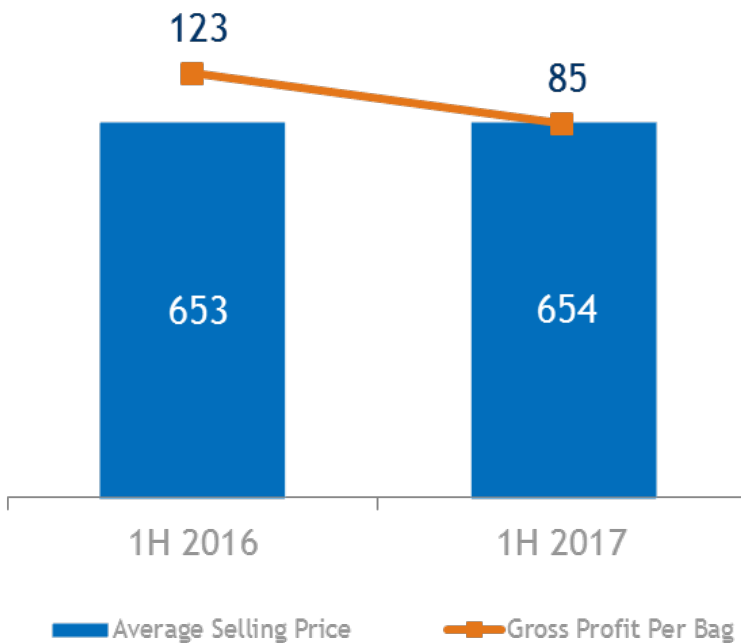
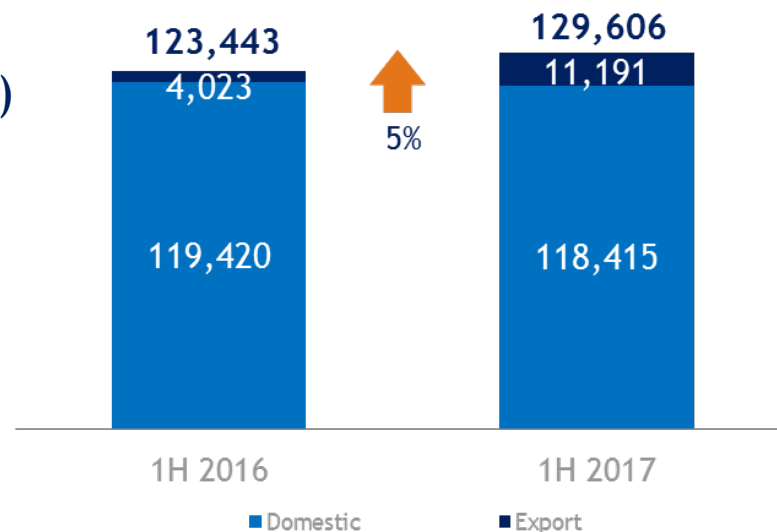
In Php mn



1H 2017 Flour Operating Highlights



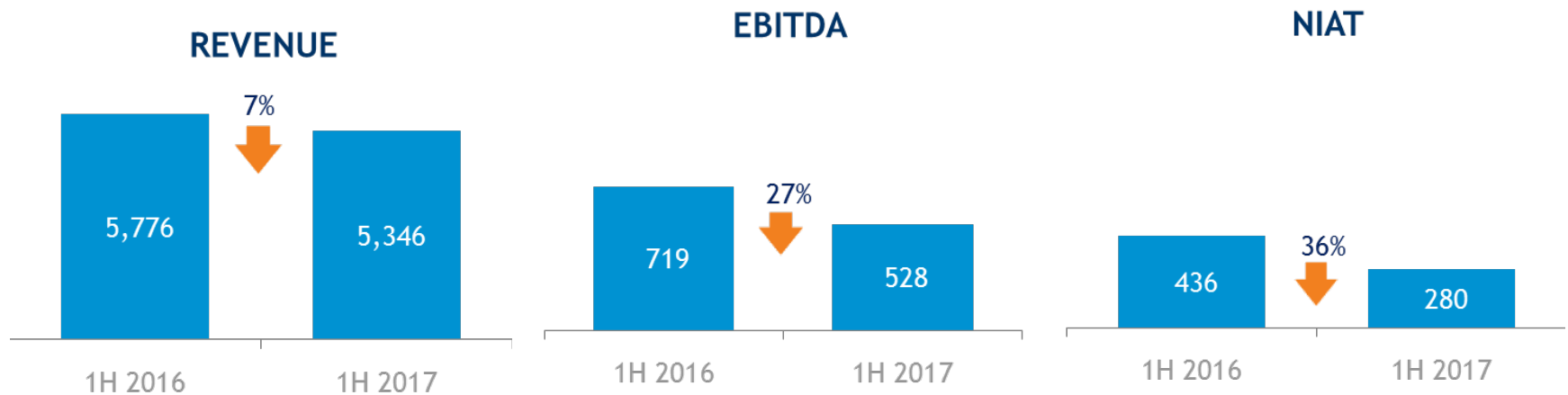
Sales Volume (in Tons)



Average Selling Prices and Gross Profit (Php|Bag)

1H 2017 Feeds Philippines Financial Highlights

in Php mn

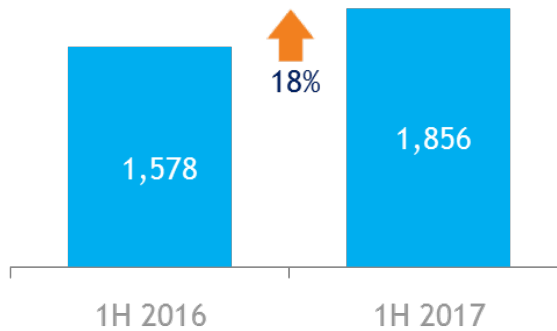


1H 2017 Feeds Vietnam Financial Highlights

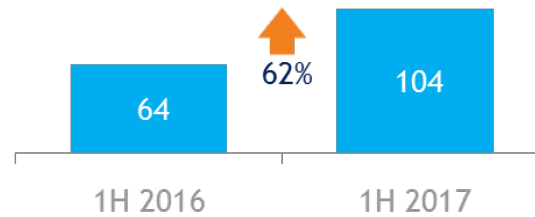
in Php mn



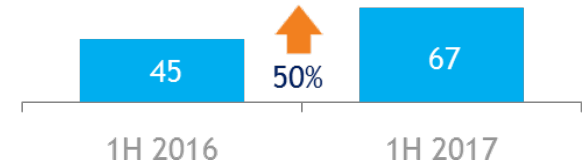
REVENUE



EBITDA



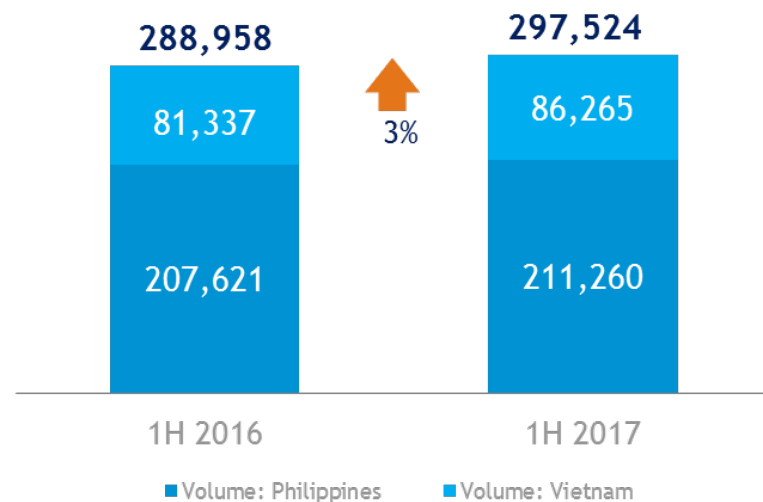
NIAT



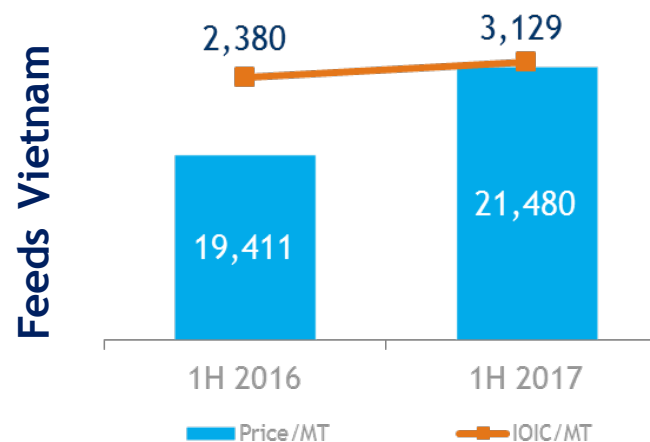
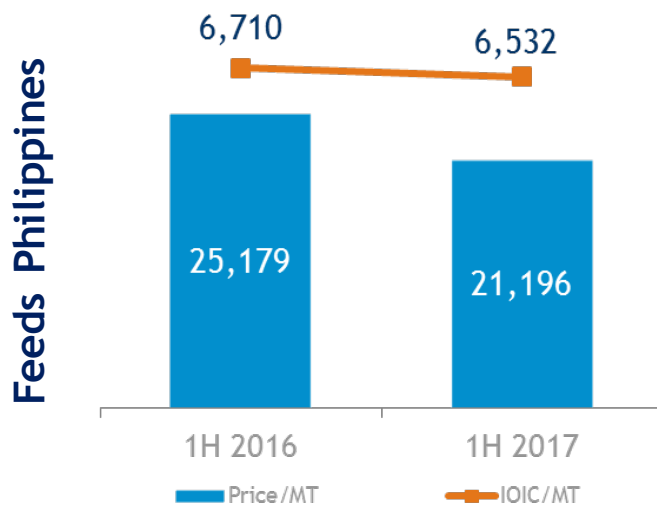
1H 2017 Feeds Operating Highlights



Sales Volume (in Tons)



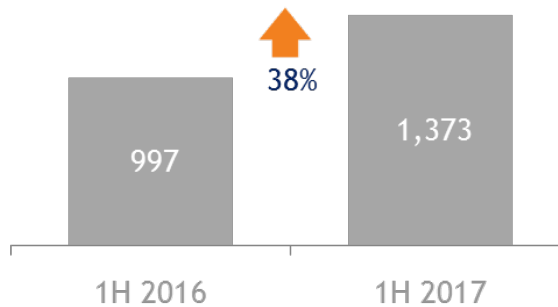
Average Selling Prices and Income Over Ingredient Cost (Php|Mt)



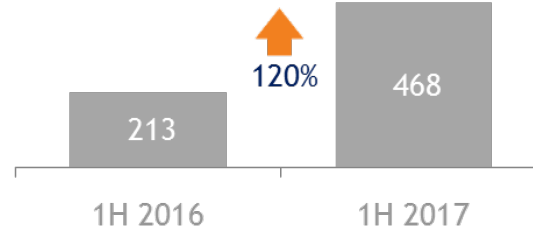
1H 2017 Farms Financial Highlights

in Php mn

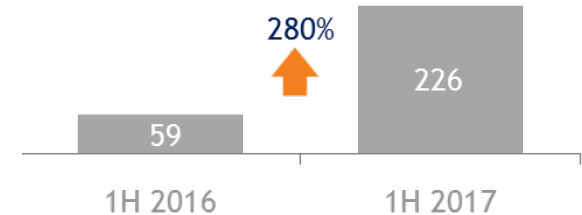
REVENUE



EBITDA

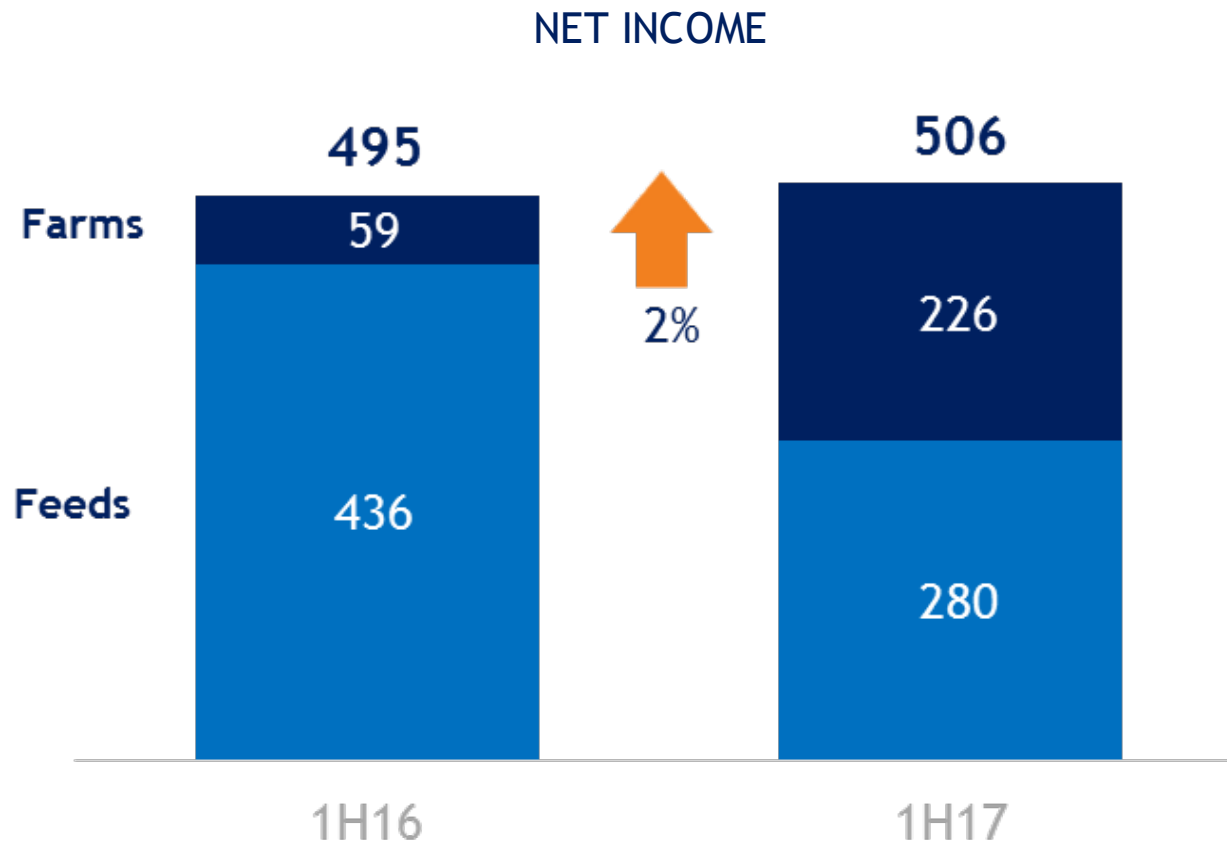


NIAT



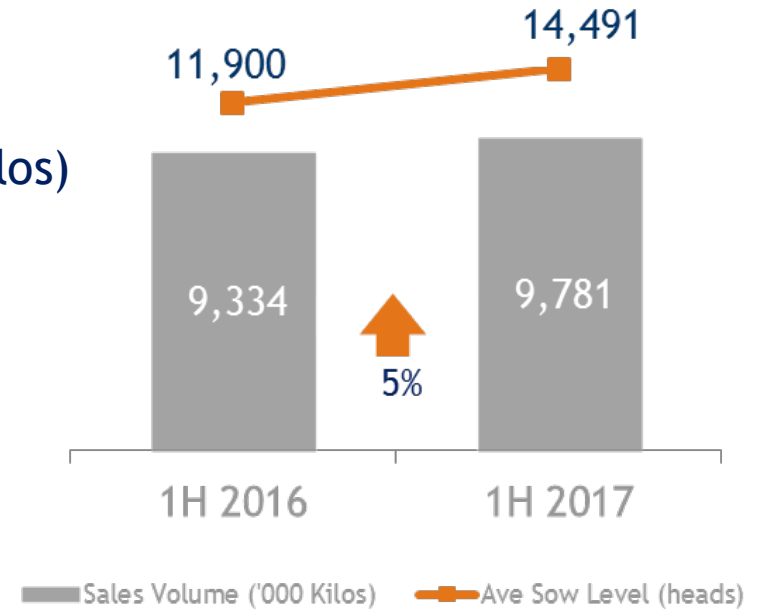
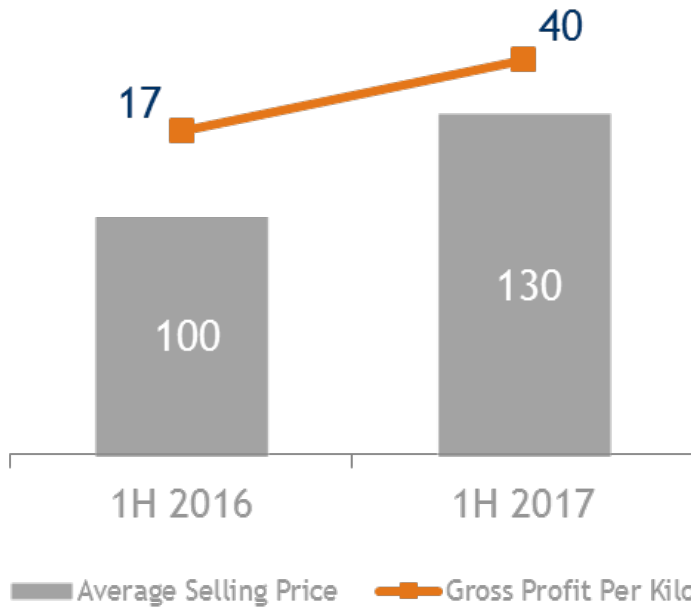
1H 2017 Feeds & Farms Financial Highlights

in Php mn



1H 2017 Farms Operating Highlights

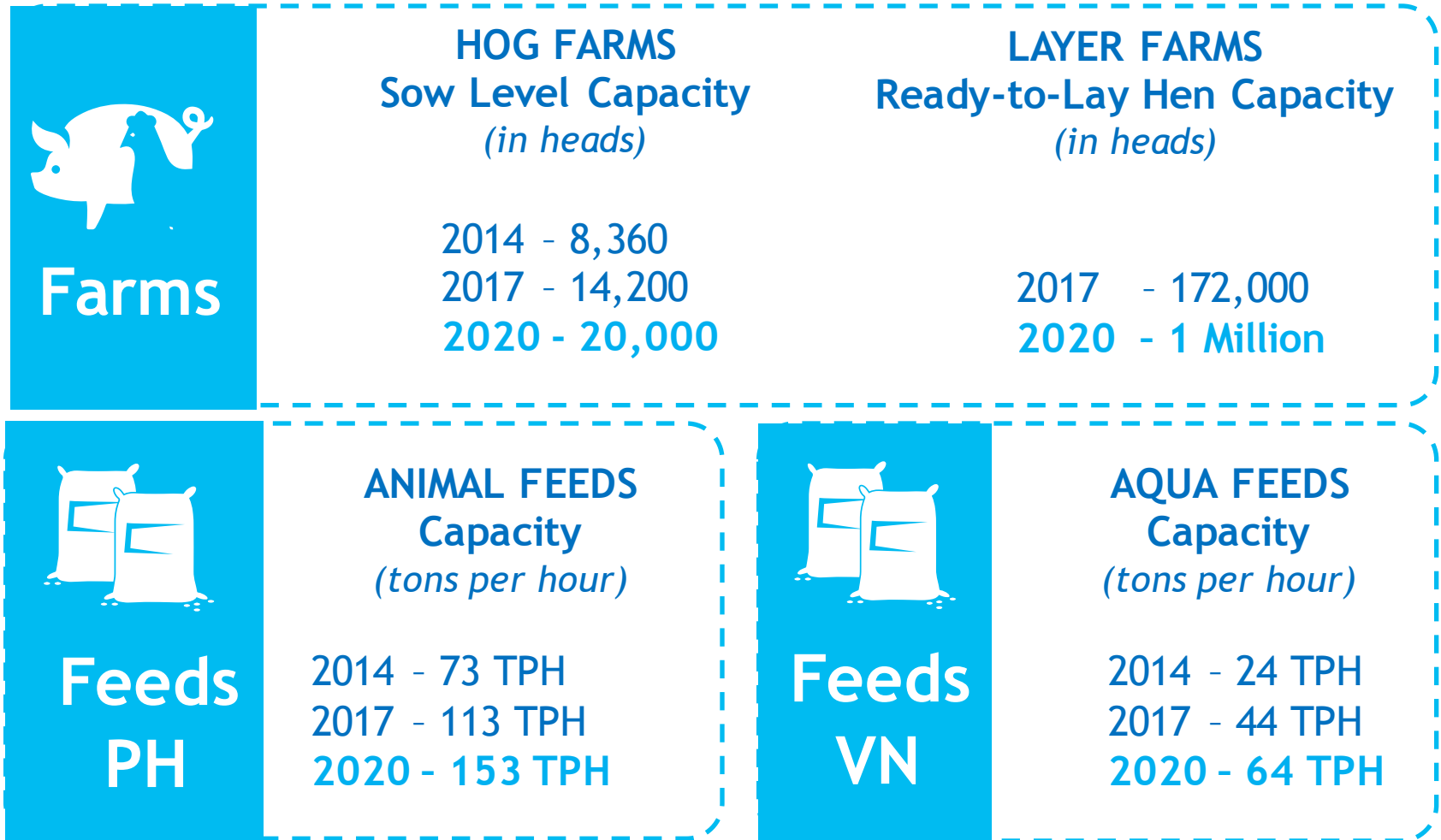
Sales Volume (in '000 Kilos) and Ave Sow Level



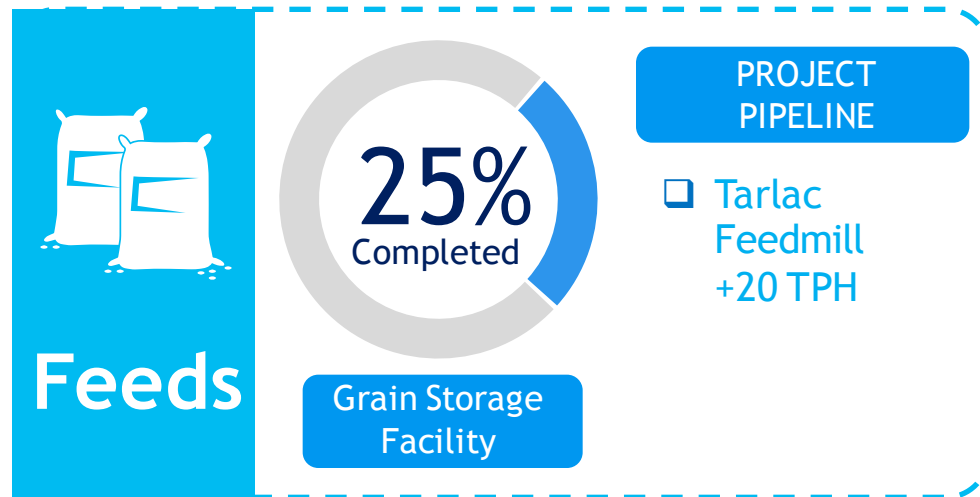
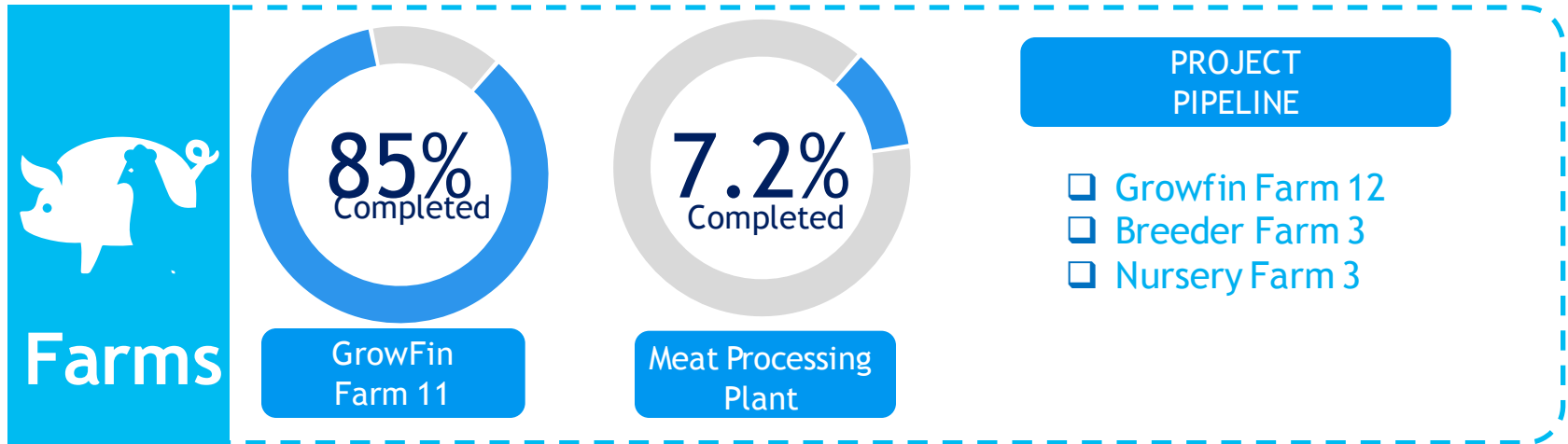
Average Selling Prices and Gross Profit (Php|Kg)

Project Updates

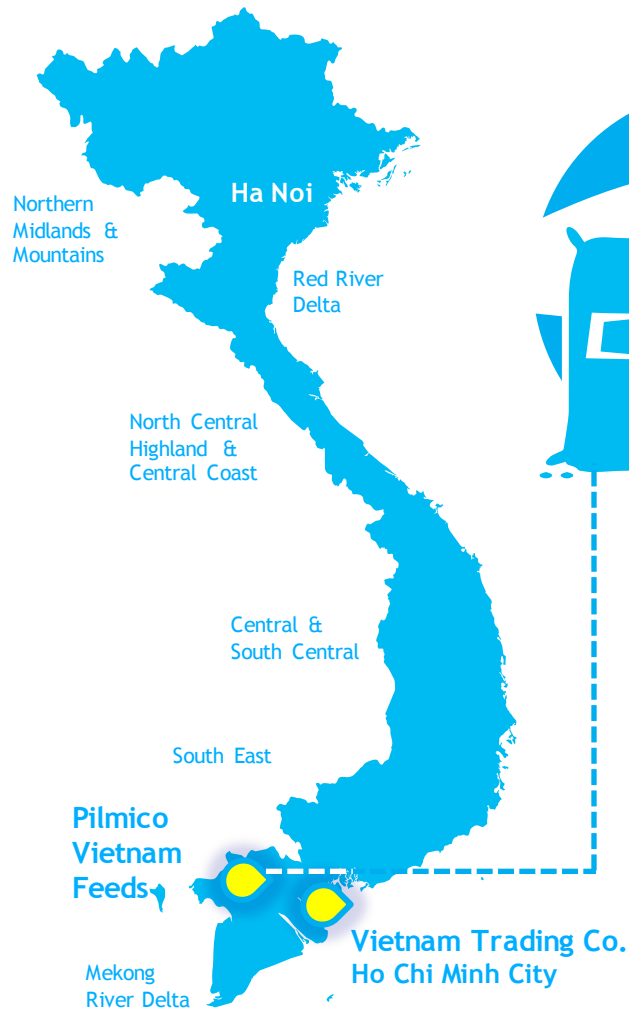
Capacity Expansion



Project Updates



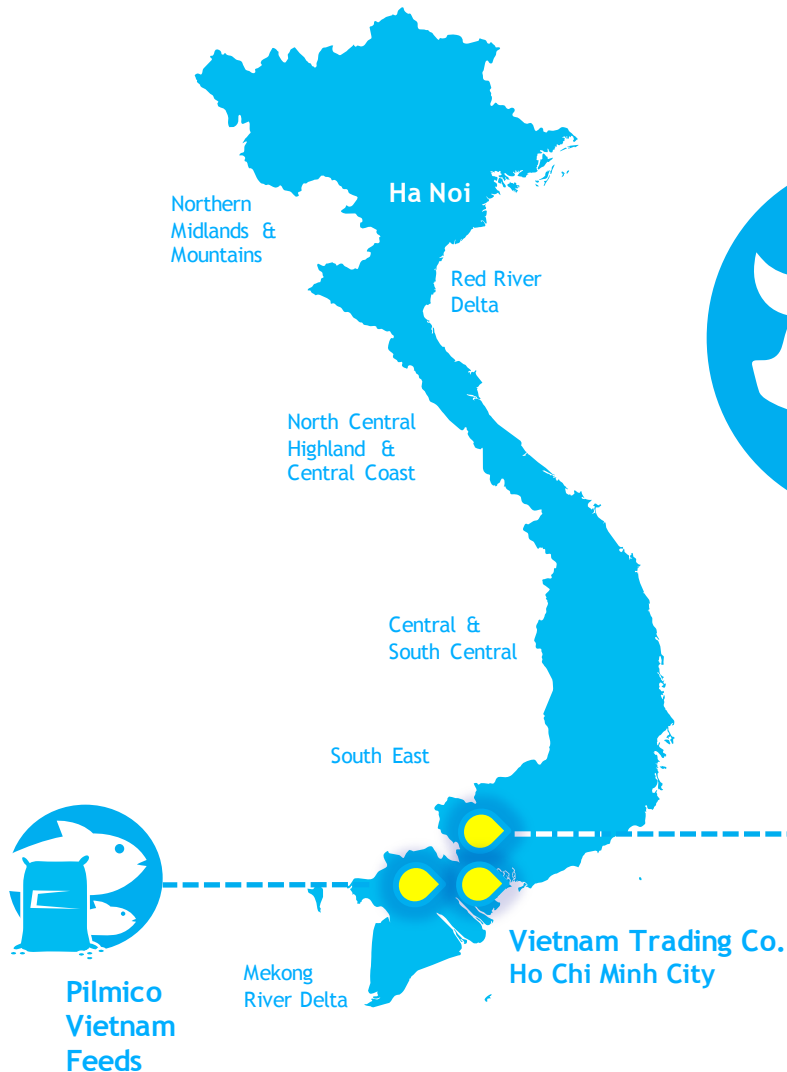
Buyout Update



Pilmico VHF

- 44 TPH Aqua Feed Mill in Dong Thap, South Vietnam
- Now renamed to Pilmico Vietnam Feeds JSC
- Additional 15% Equity Buy-out of minority valued at USD4.24M last August 1
- Increases Pilmico stake to 85% from 70%
- *Remaining 15% stake for full buy-out scheduled in August 2019*

Acquisition Update



EUROFEED

- Intro to animal feed milling industry in Vietnam
- Product expansion to existing aqua feeds portfolio
- 16 TPH Animal Feed Mill in Binh Duong, South Vietnam (26km N of HCMC)
- 70% equity stake valued at USD 3.71 million (100% at USD 5.3M)
- Turn-over scheduled on September 2017

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1H 2017 Operating Highlights

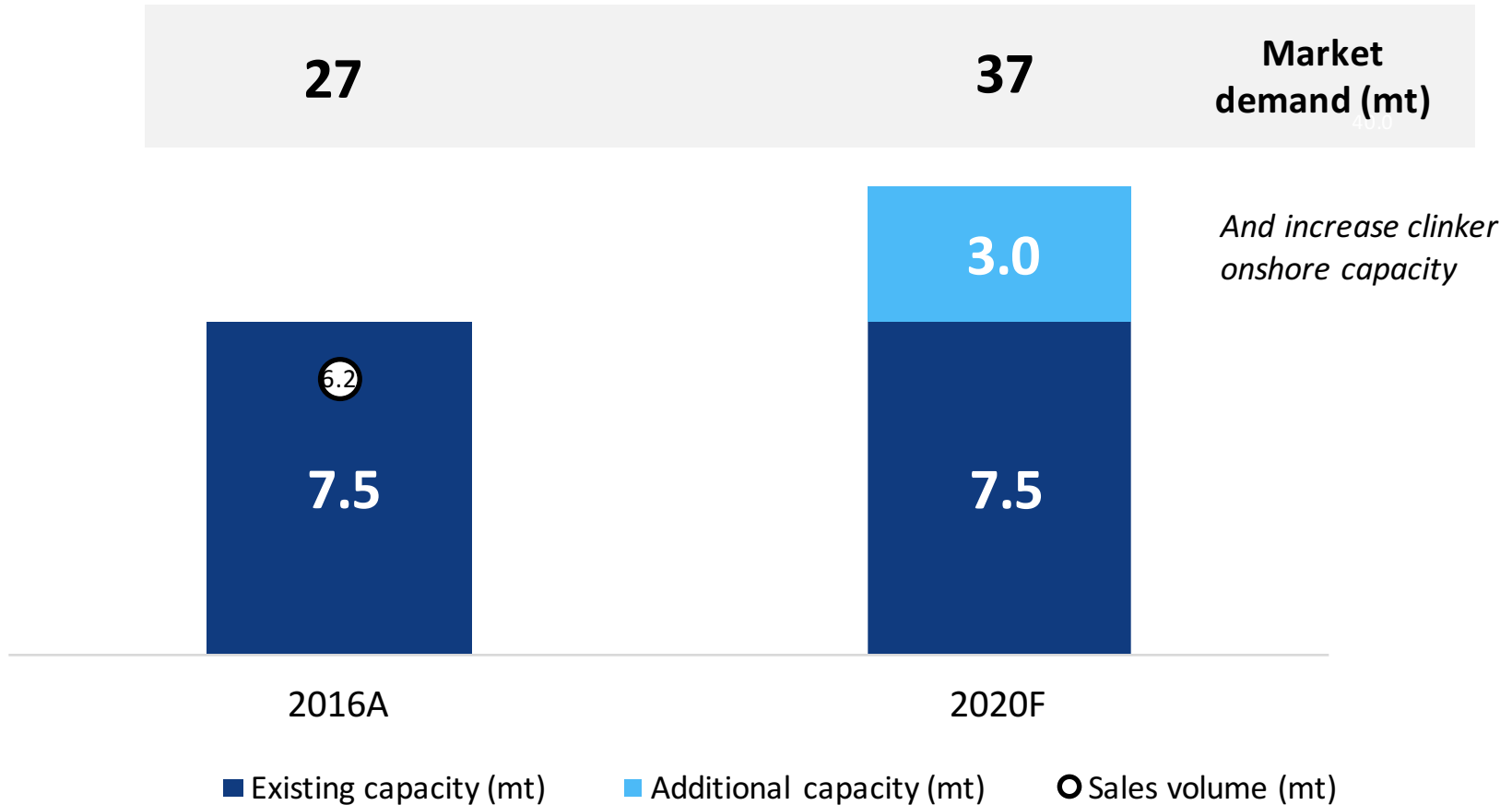
Cement demand decelerates in 1H 2017



- Steady demand in residential and non-residential segments
- Government's infrastructure projects progressing
- Strong demand in 1H 2016 included pre-election spending
- Prices softened due to competitive pressures
- Contribution to AEV amounts to P0.5 bn in 1H 2017

Outlook and Expansion

Approx. \$300M to add 3.0 MTPA cement milling capacity



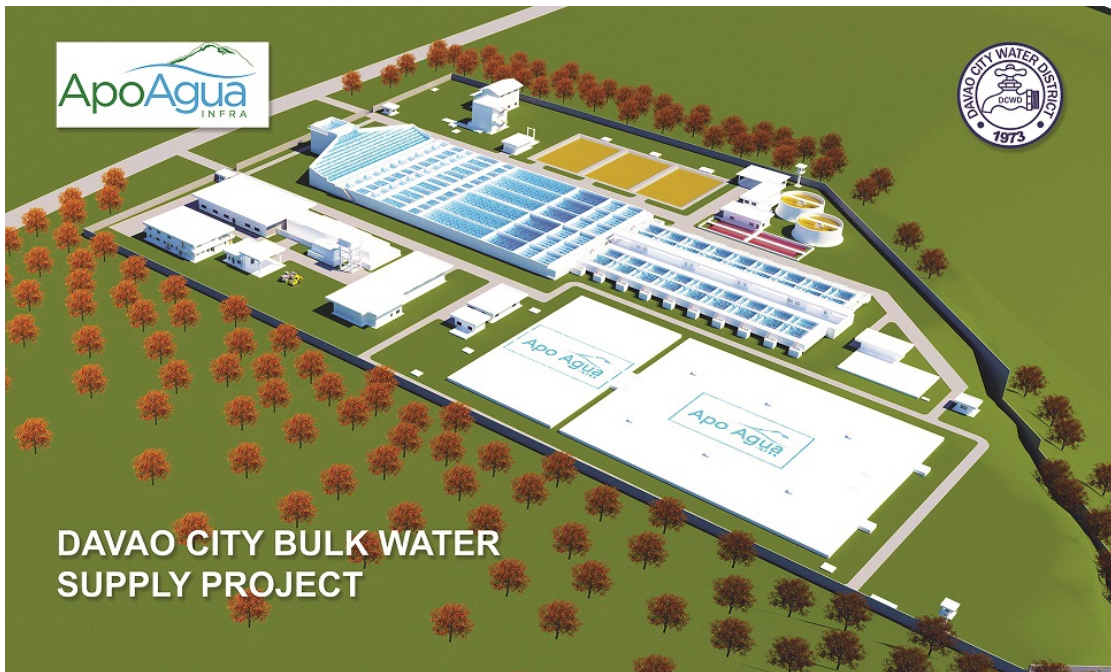
Project Updates



300 MLD Davao Bulk Water Project

One of the country's largest private bulk water supply projects

**A partnership with
JV Angeles Construction Corporation**



On-going

In-progress

**Target
Commercial
Operations**

Some critical permits






Onsite investigation & design works

Remaining permits

Q4 2019

- **Review of Business Units**
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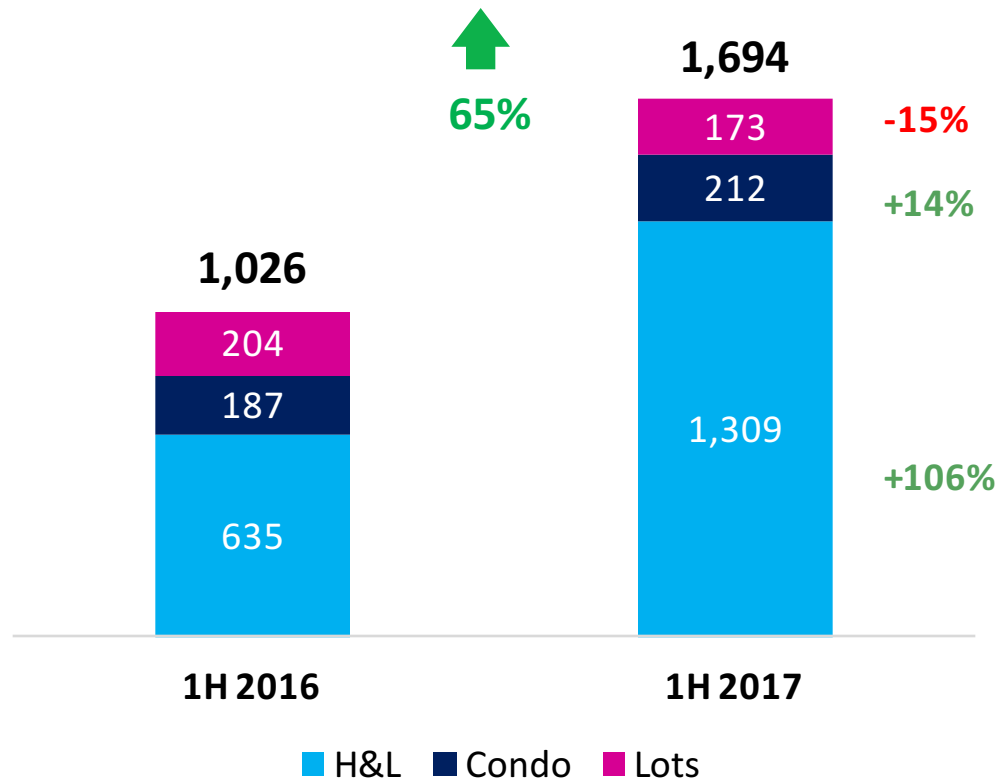
1H 2017 Financial Performance

	1H 2017	vs 1H 2016
 Residential Sales	1.7 bn	+65%
 Revenues	1.5 bn	+49%
 GP	691 mn	+59%
 NOP	251 mn	+124%
 NIAT	202 mn	+138%

1H 2017 Residential Sales

in Php mn

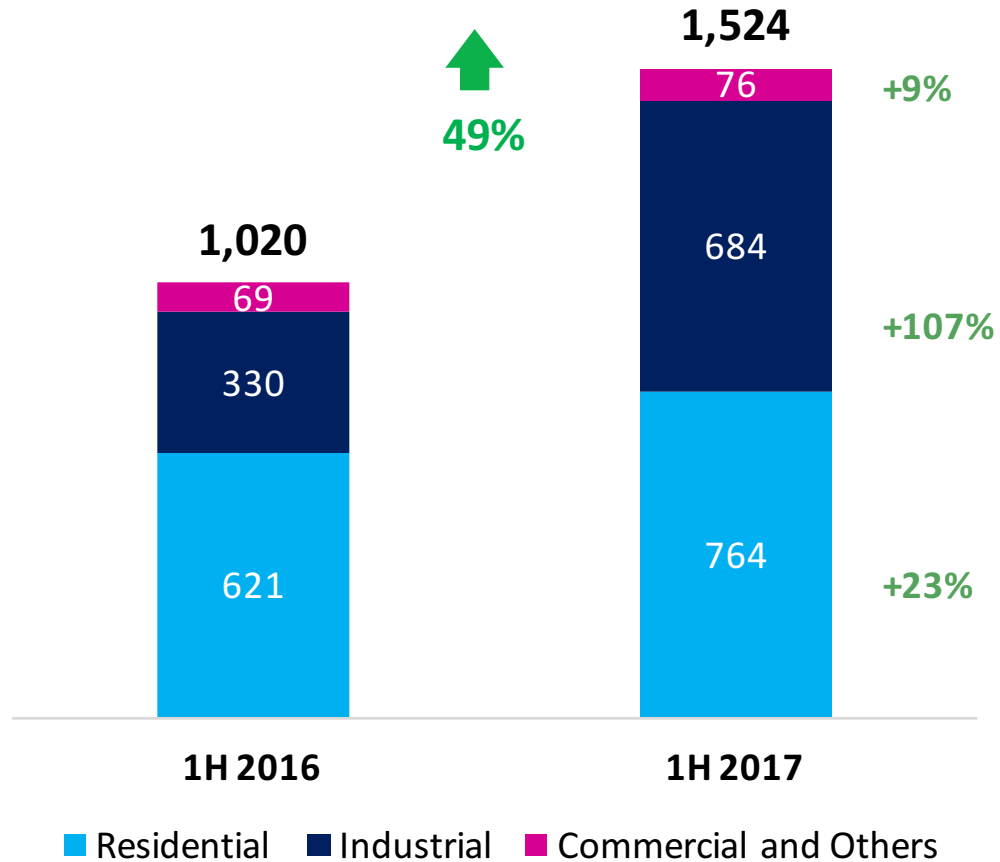
Residential sales exceed last year's by a large margin



1H 2017 Revenues

In Php mn

- Revenues increase with better industrial and residential performance

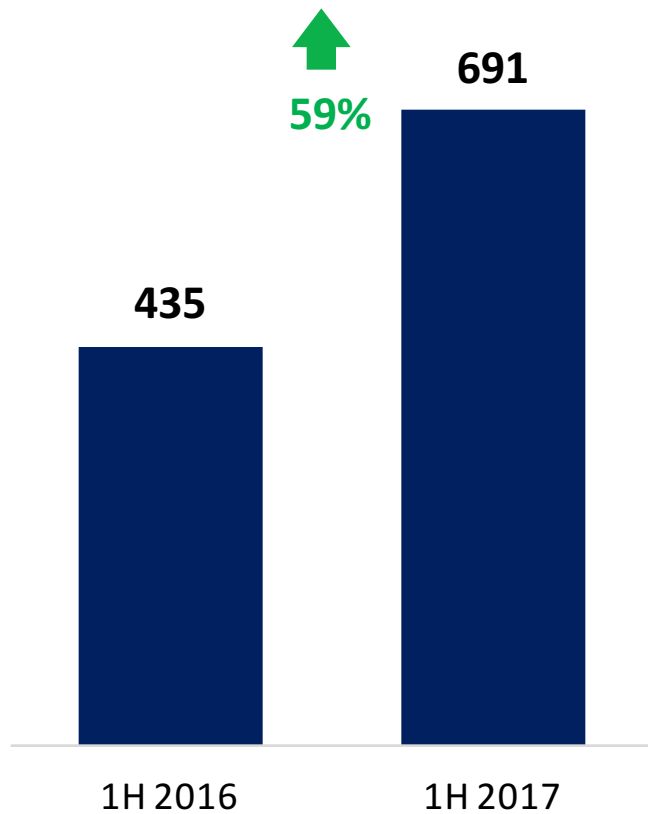


1H 2017 Gross Profit and Net Operating Profit

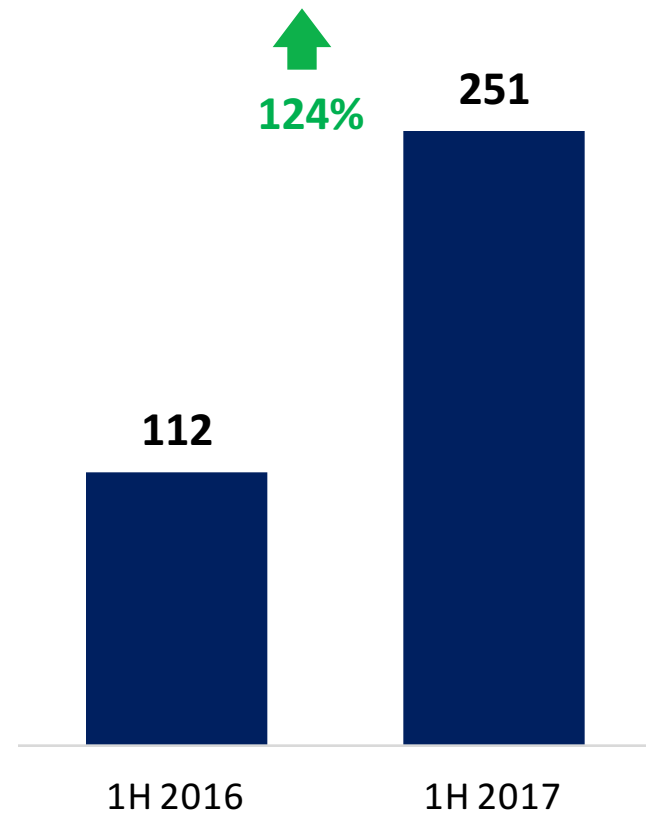
In Php mn

- GP and NOP significantly outperform previous year's performance

Gross Profit



Net Operating Profit



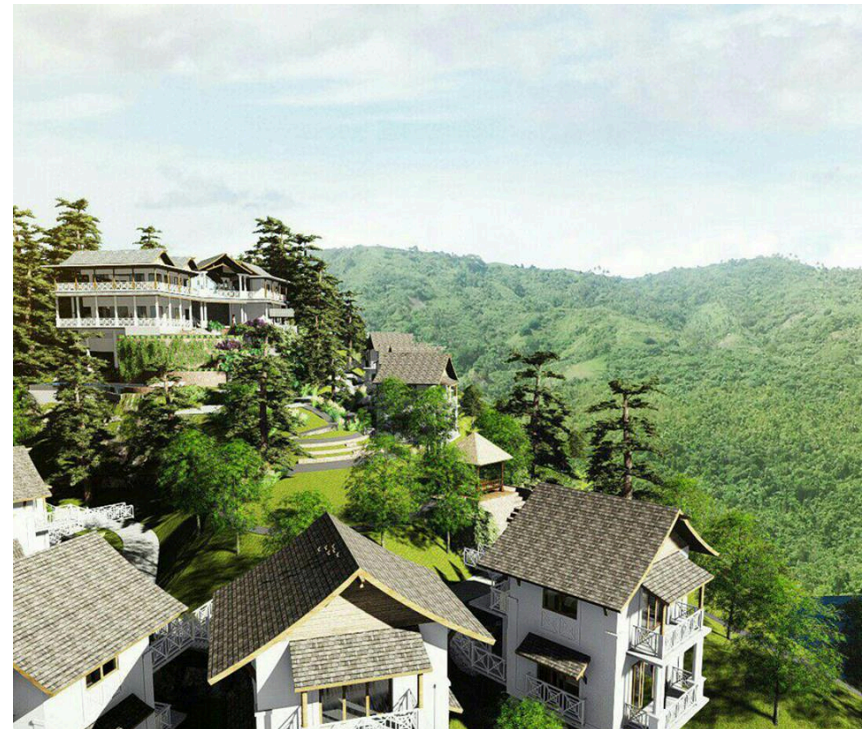
Operating Highlights



Se@front
RESIDENCES

- Contributed over 40% of 1H 2017 Residential Sales
- Largest contributor with just 3 months of sales
- Accelerated launch of Phase 2

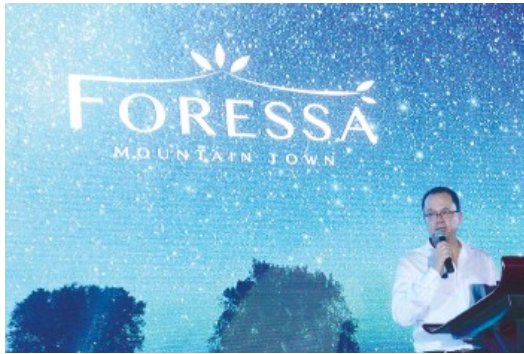
Operating Highlights




FORESSA
MOUNTAIN TOWN

- 300-hectare second-home mountain community in Balamban, Cebu
- Outdoor activities (Hiking, Biking, Spelunking)
- Nature *itself* is the amenity in Foressa

Operating Highlights



Residential

- Successful launch of *Seafront Residences* and *Foressa Mountain Town*
- More launches to look forward to in the coming months
- Construction progress remains on track for various projects such as *Almiya*, *Amoa*, *Pristina North*, and *Priveya Hills*



Commercial

- *Pueblo Verde* and *The Outlets at Pueblo Verde* continue to maintain full occupancy
- Construction of *The Outlets at Lipa* well under way and expected to be operational by 2Q of 2018

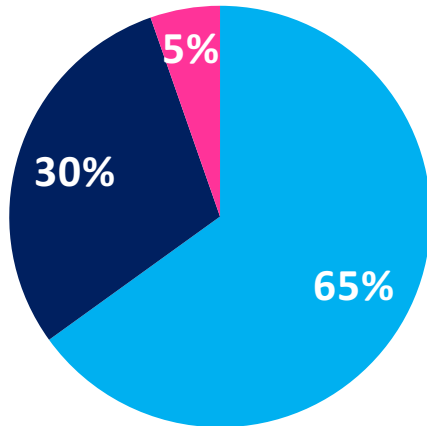


Industrial

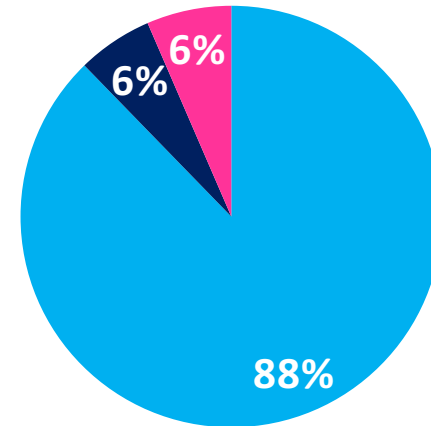
- 29 hectares sold to date
- Ongoing construction of expansion areas nearing completion

1H 2017 CAPEX Update

2017 CAPEX Target: P5.0B



1H 2017 CAPEX: P1.2B



■ Project Development ■ Land Acquisition ■ Other Initiatives



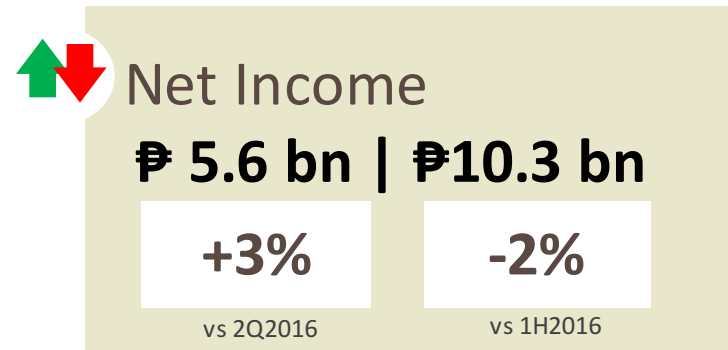
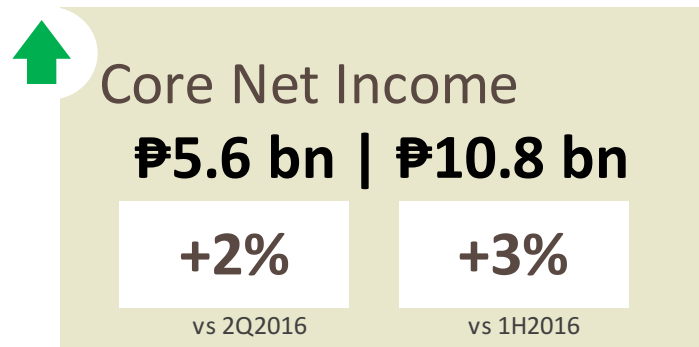
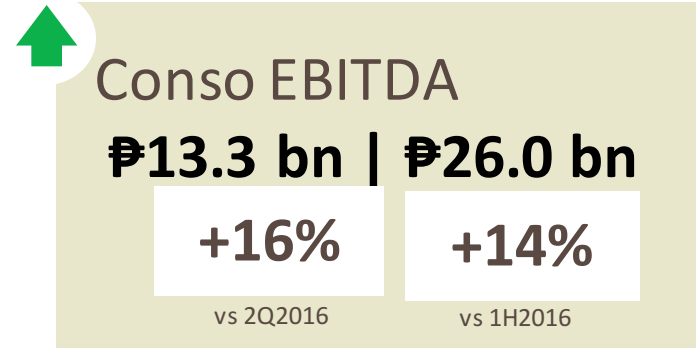
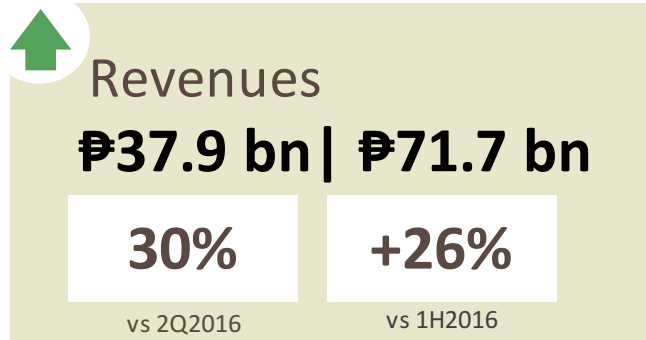
The Outlets at Lipa (Lipa, Batangas)



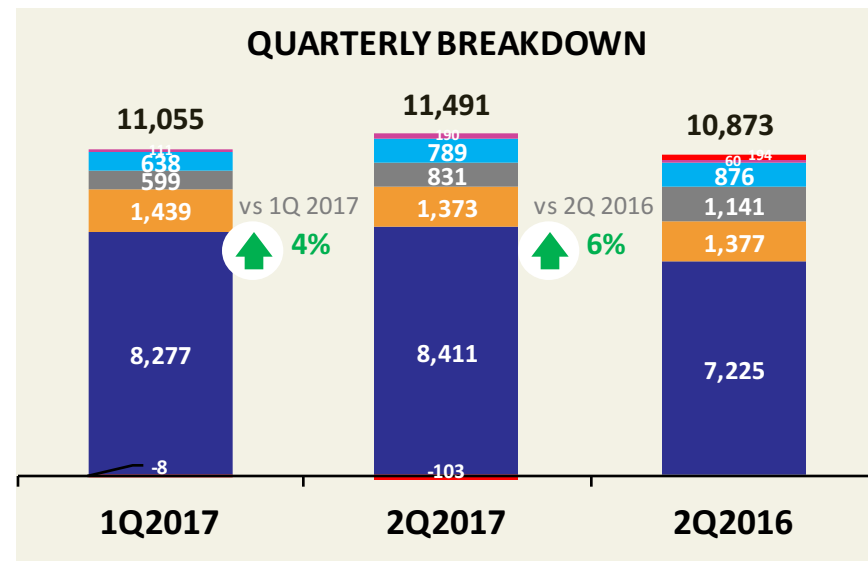
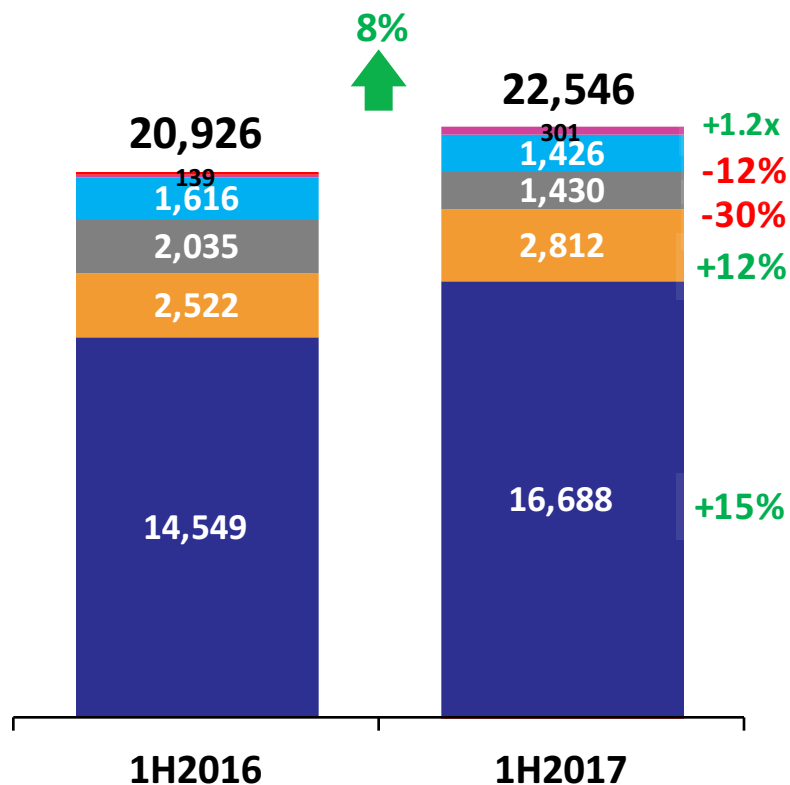
Amoa (Compostela, Cebu)

- **Review of Business Units**
 - Power
 - Banking & Financial Services
 - Food
 - Land
 - Infrastructure
- **AEV Financials**
- **Q&A**

2Q/1H 2017 Financial Performance



2Q/1H 2017 Beneficial EBITDA

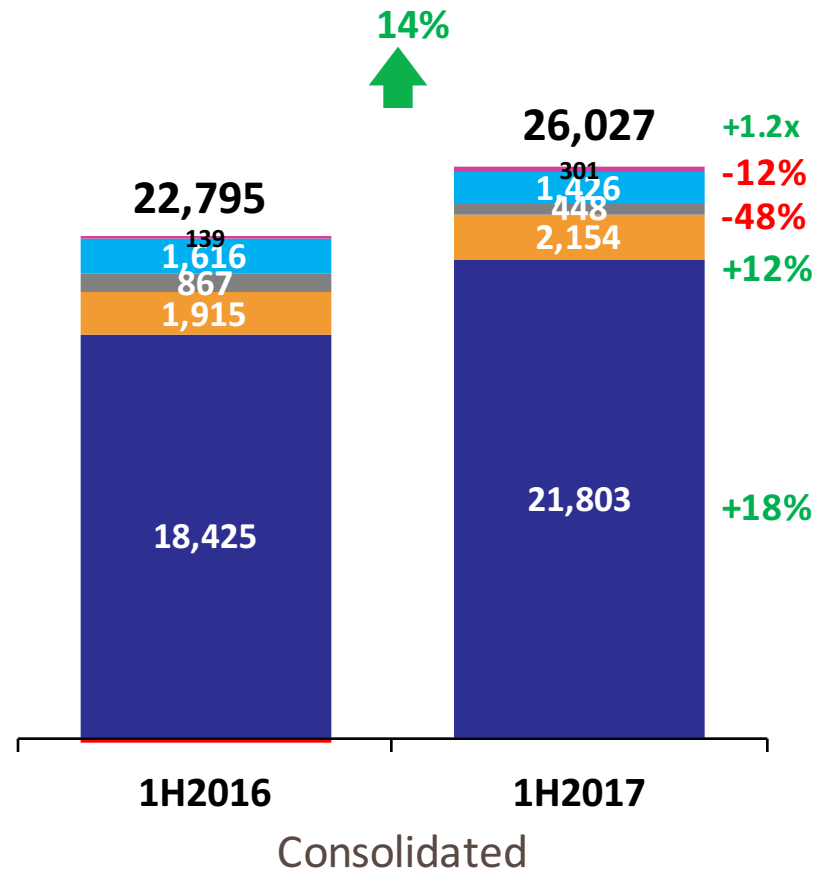


8% growth vs 1H2016, of which...

- +10% from power group driven by better hydrology and fresh contribution from GN Power Mariveles
- +2% from financial services (on sustained growth in recurring income) and real estate (on higher residential & industrial sales)
- 3% from infrastructure on lower RCBM sales

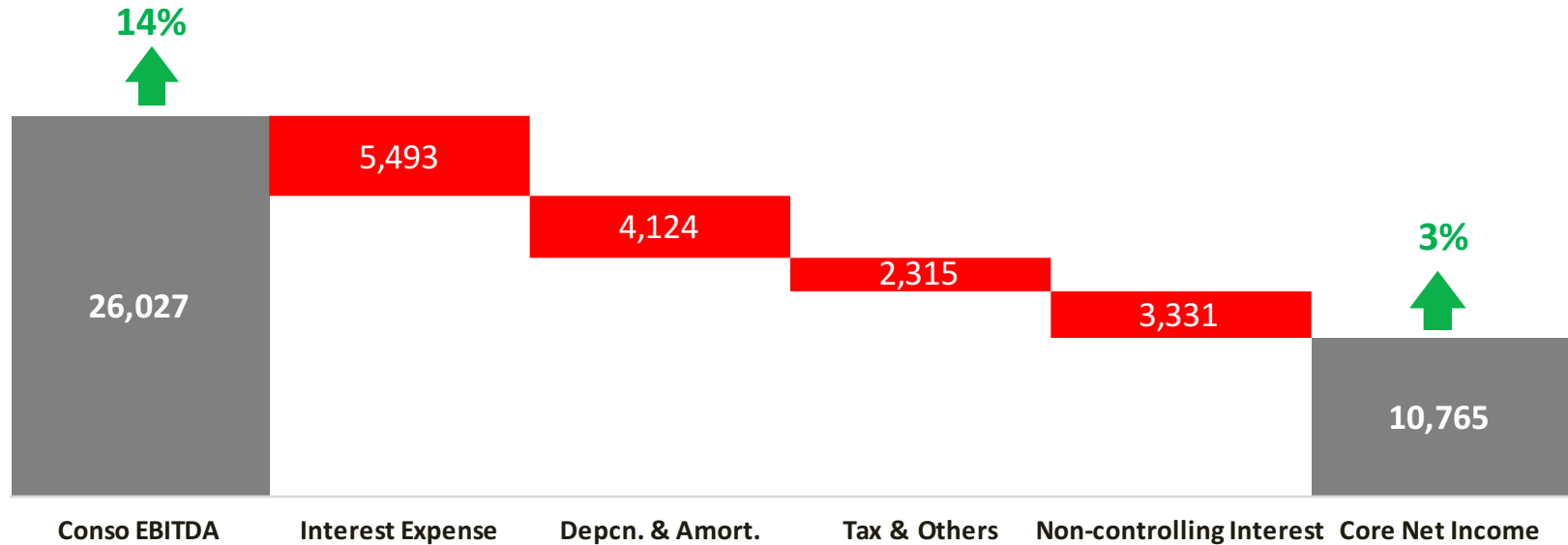
■ Power
 ■ Financial Services
 ■ Infrastructure
 ■ Food
 ■ Real Estate
 ■ Parent & Others

2Q/1H 2017 Consolidated EBITDA



■ Power
 ■ Financial Services
 ■ Infrastructure
 ■ Food
 ■ Real Estate
 ■ Parent & Others

2Q/1H 2017 Core Net Income

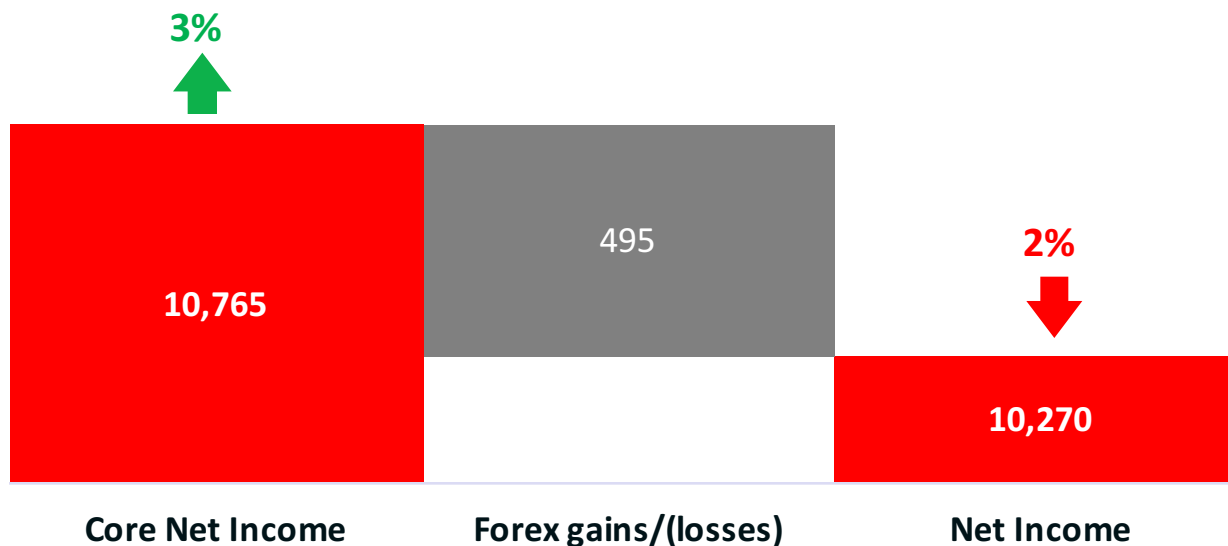


Php mn	1H2016	1H2017	Change
Conso EBITDA	22,795	26,027	14%
Interest Expense	3,846	5,493	43%
Depcn. & Amort.	3,260	4,124	27%
Tax & Others	2,232	2,315	4%
Non-controlling Interest	3,052	3,331	9%
Core Net Income	10,405	10,765	3%
<i>EPS</i>	<i>1.87</i>	<i>1.91</i>	

Interest expense increased due to additional loan taken up by Power

Depcn & Amort increased due to first time take up of Power acquisition D&A

2Q/1H 2017 Net Income



Php mn	1H2016	1H2017	Change
Core Net Income	10,405	10,765	3%
Forex gains/(losses)	(55)	(495)	808%
Other gains/(losses)*	155	-	-100%
Net Income	10,505	10,270	-2%
EPS	1.89	1.82	

None core items

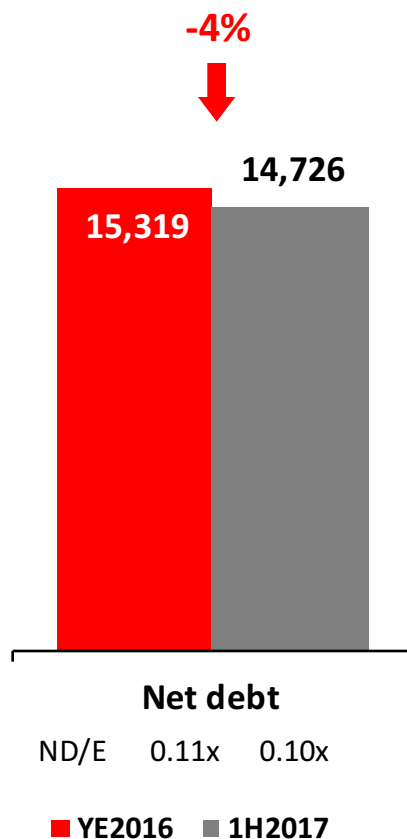
- From a gain in 2016 due to the gains in Power's step acquisition on EAUC to forex losses in 2017 from the revaluation of dollar denominated liabilities (also mainly from Power)

*mainly from Power's gain on EAUC step acquisition
 FX in June 2017: 50.47 vs 47.06 in 2016

1H 2017 Balance Sheet

(in Php million, except ratios)

Parent Net Debt

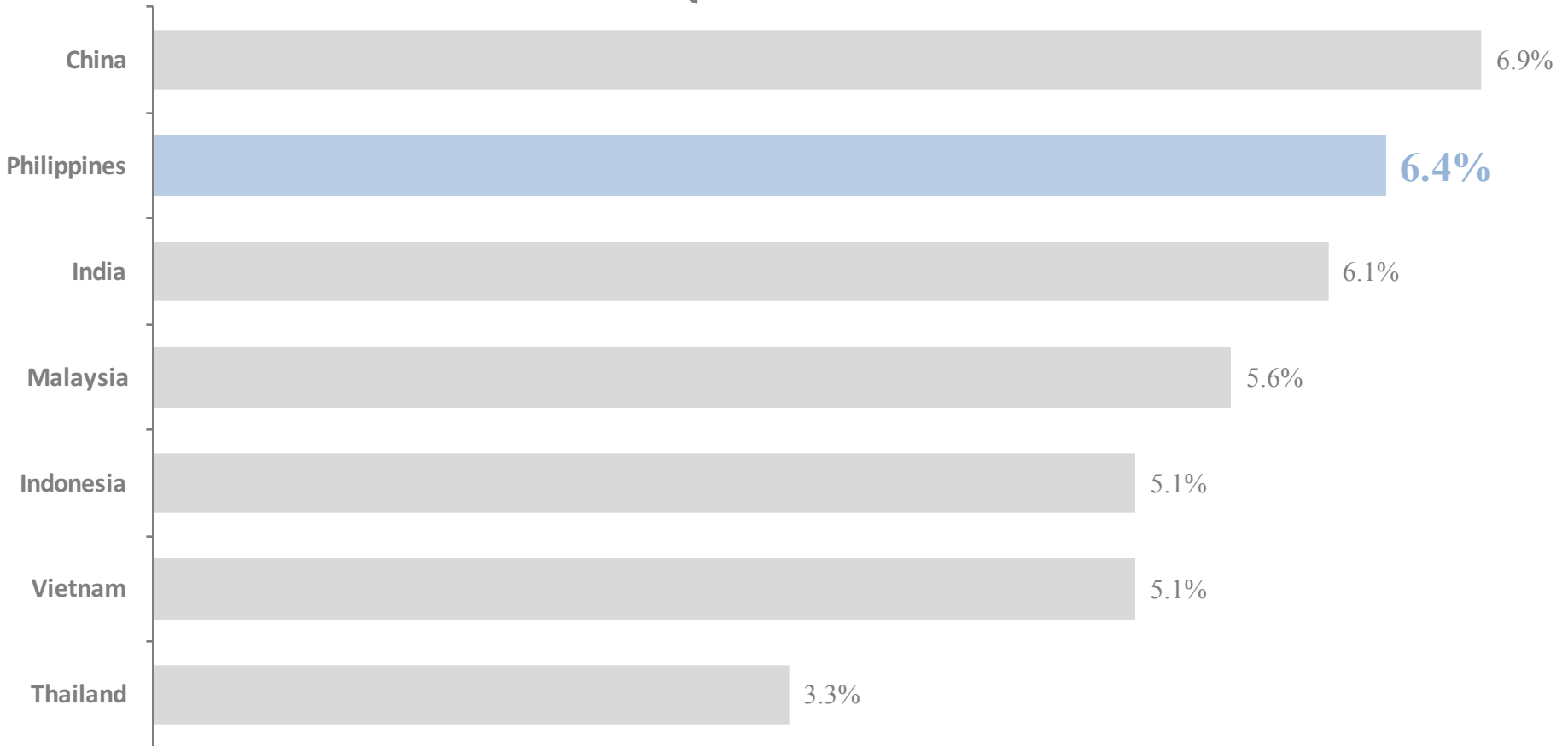


Consolidated Balance Sheet/Key Ratios

	YE2016	1H2017
Cash and Cash Equivalents	63,858	60,980
Total Assets	464,077	473,323
Total Liabilities	290,681	293,900
Total Equity	173,396	179,423
Equity Attributable to Parent	140,275	145,630
Book Value Per Share	24.90	25.85
Current Ratio	2.5x	2.2x
Debt to Equity	1.7x	1.6x
Net Debt to Equity	1.1x	1.1x

Faster than peers, outpaced only by China

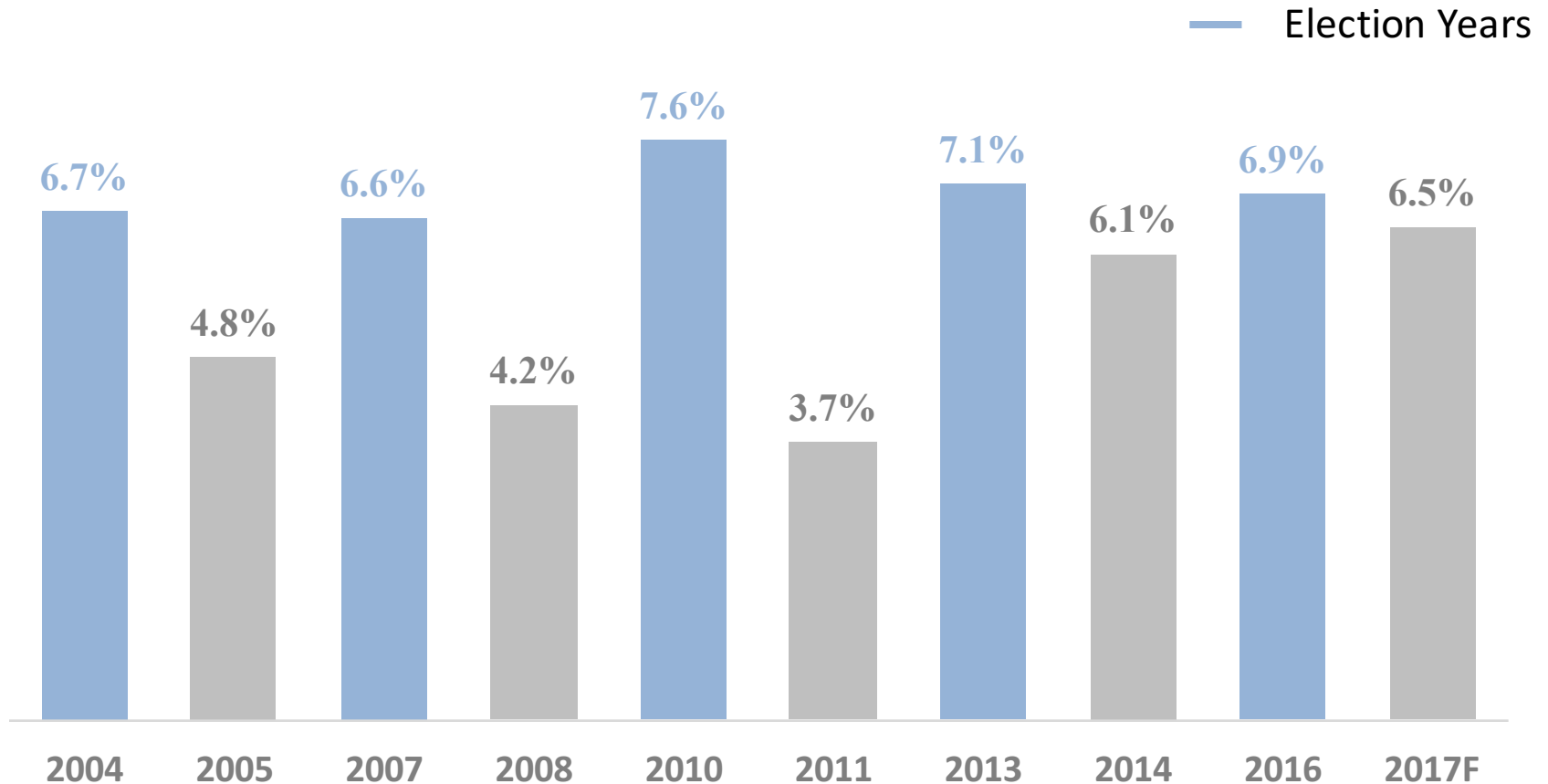
Q1 GDP Growth Rate



Sources: neda.gov.ph, foxbusiness.com, timesofindia.indiatimes.com

Unlikely to surpass last year's result

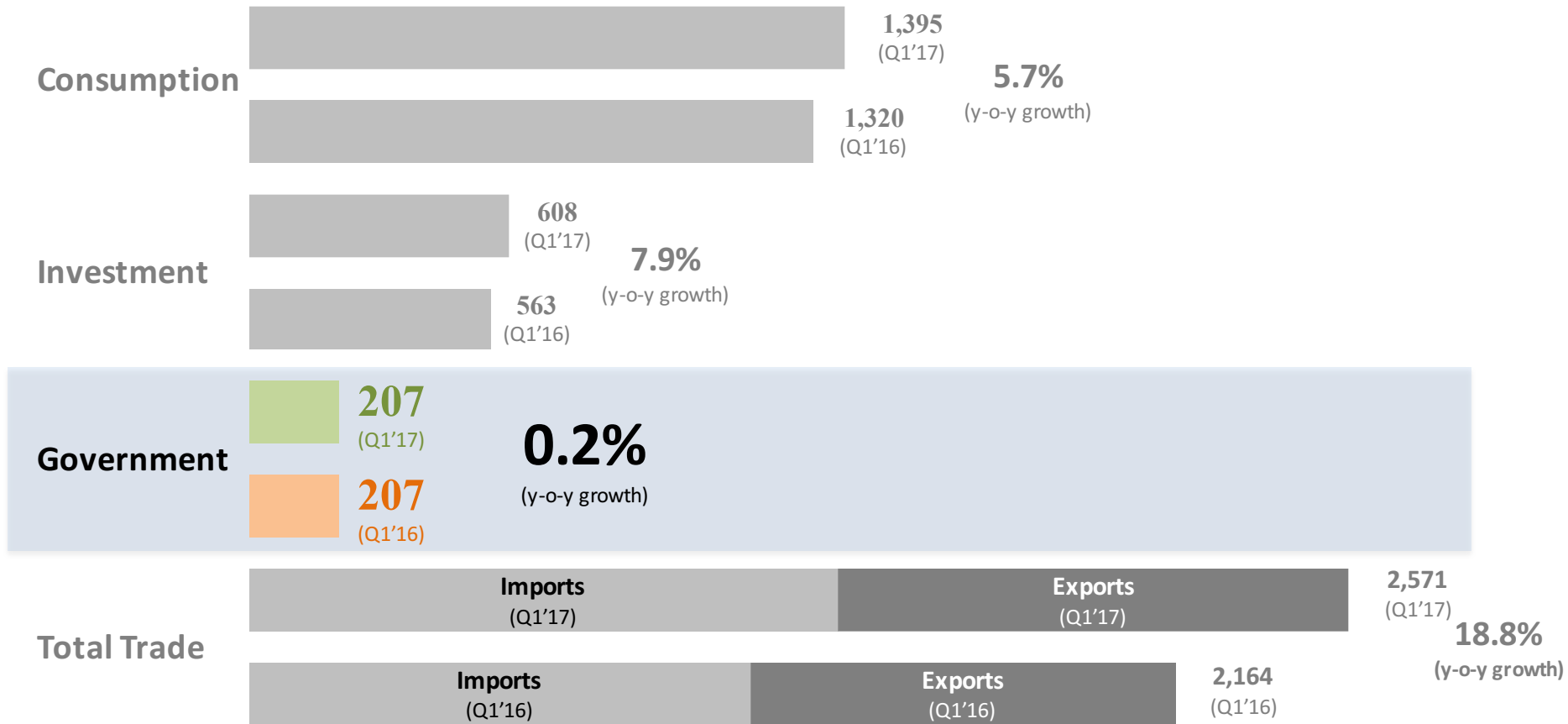
GDP Growth Trend after an Election Year



Sources: psa.gov.ph, Thomson Reuters Eikon accessed on (July 12, 2017)

Build, Build, Build yet to gain traction

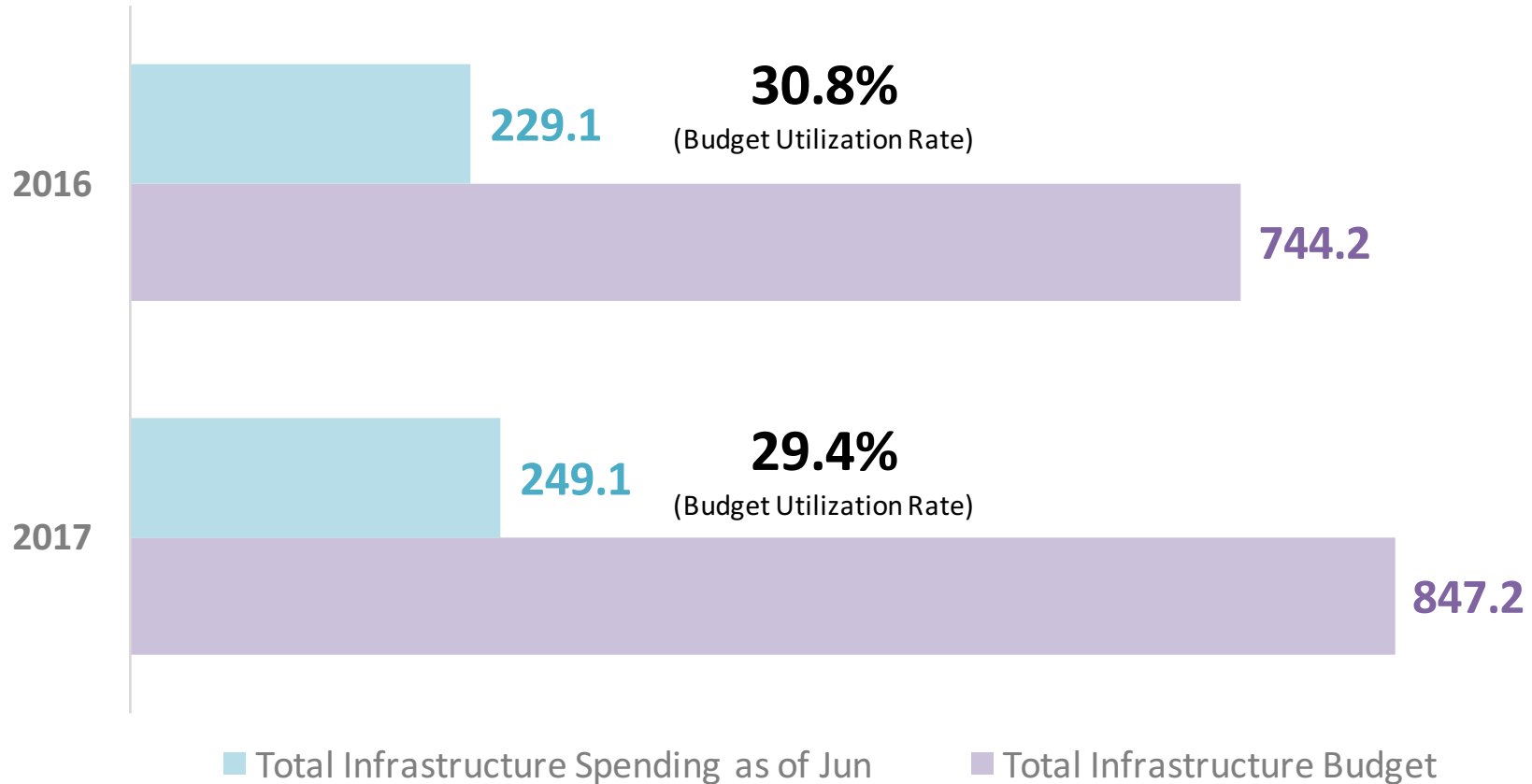
GDP Demand Side (in Php Bn)



Source: psa.gov.ph

Absorptive capacity affects utilization

Infrastructure Spending (in Php Bn) &
Budget Utilization (in %) as of June 2017



Sources: dbm.gov.ph (National Government Disbursement Program February-June), PRRD Administration Infrastructure Programs – Feb. 15, 2017

Our outlook remains robust

Government GDP
Growth Target
(2018-2022F)



Key Drivers of Economic Growth

- Infrastructure Budget will grow but, utilization will be key
- Implementation of the Tax Reforms
- Household consumption will continue to buoy the economy
- Investments starts playing a bigger role in the economy

Sources: neda.gov.ph, psa.gov.ph

Business and Communities

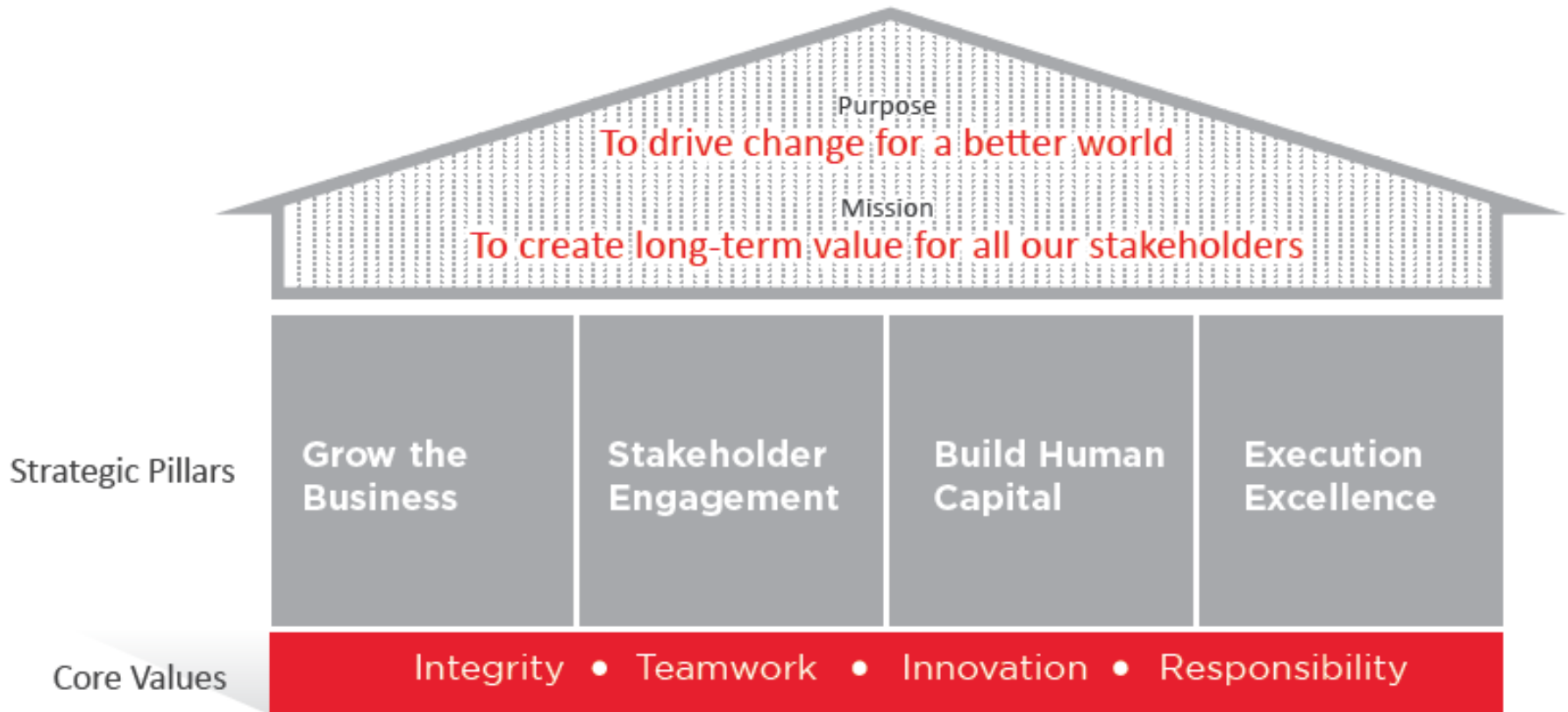


Accelerating annual infrastructure spending

Instituting progressive tax reform

Establishing peace and order

Strategic Initiatives



- **Review of Business Units**
 - Power
 - Banking & Financial Services
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 - Land
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- **AEV Financials**
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Is there a better way?

Annex: Earnings Contribution

in Php mn

	1H2017	1H2017	% Ch	1H2017	1H2017	% Ch
AboitizPower	3,799	4,111	8%	7,473	7,656	2%
UnionBank	1,096	1,026	-6%	2,112	1,934	-8%
Petnet	-19	4	-122%	9	-23	-366%
Pilmico	496	425	-14%	717	885	23%
AboitizLand	35	130	269%	202	85	-58%
Republic Cement	478	293	-39%	494	869	76%
Aboitiz Infra	-1	-30	3896%	-45	-1	-97%
Parent & Others	-430	-362	-16%	-692	-899	30%
Net Income	5,456	5,597	3%	10,270	10,505	2%
Core Net Income	5,541	5,650	2%	10,765	10,405	-3%