



NATIONAL DEVELOPMENT COMPANY



**SAN CARLOS
BIO-ENERGY INC**



**RIZAL 1-MW
MINI-HYDROPOWER**



**ISO 9001 2008
AWARDING**



**AGRI-PINOY
TRADING CENTER**





Legislative Act 1248 (March 1919)

- **Compania De Fomento Nacional**

Commonwealth Act 182 (November 1936)

- **National Development Company**





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background

PD No. 1648 October 1979 Revised Charter of the National Development Company



- **Conceptualize/develop/undertake pioneering, vital and development-oriented ventures when necessary or when the private enterprise is not willing or able to undertake vital projects.**



Revised Charter of NDC



- Engage or invest in or extend loans and guarantees to, or enter into joint ventures in commercial, industrial, mining, agricultural, and other enterprises, which may be contributory to economic development of the country.
- Invest in projects of the Association of Southeast Asian Nations (ASEAN).



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background

Board of Directors

Chairman

Secretary, Department of Trade and Industry

Members

Secretary, Department of Finance

Secretary, Department of Energy

**Secretary, Department of Budget and
Management**

**Secretary, Department of Environment and
Natural Resources**

Governor, Bangko Sentral ng Pilipinas

Chairman, Development Bank of the Philippines

Vice Chairman, Board of Investments

**General Manager, National Development
Company**

Representative of the private sector





background

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EO NO. 184 March 2003



Directing the Reorganization and Streamlining of NDC

- Involves the refocusing of NDC's operations through:
 - New investment philosophy and strategy;
 - Aggressive divestment policy;
 - Maximization of potentials of subsidiaries.



background

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Development in the NDC context spans a wide spectrum, from the establishment of major industrial projects that lay the foundation for future industrial growth, to pioneering in non-traditional plantation agriculture, to assisting small-and-medium-scale enterprise access raw materials and expand their markets. NDC's operations, through its multiple subsidiaries, attest to the expanded role it plays as a catalyst for economic growth.





NDC's broad spectrum of projects

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Undertakings in the Past before Revised Charter

- **Cebu Portland Cement Company**
- **National Warehousing Corporation**
- **National Power Corporation**
- **Philippine Airlines**



NDC's broad spectrum of projects

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With the Revised Charter

▪ Industrial Projects

- National Steel Corporation
- Philippine Associated and Smelting Corp.
- Philippine Phosphate Fertilizer Corp.

▪ Agricultural Plantation

- NDC-Guthrie Plantations, Inc.
- NDC-Guthrie Estates, Inc.
- Agusan Plantations, Inc.



NDC's broad spectrum of projects

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- **ASEAN Industrial Projects**
 - **ASEAN Bintulu Fertilizer**
 - **PT Asean Aceh Fertilizer Corporation**

- **Other Projects**
 - **5 Realty Companies in joint venture with Multinational Corporations**
 - **Marina Properties Corporation**
 - **National Shipping Corp. of the Phils.**
 - **International Corporate Bank**
 - **Semirara Power and Mining Corporation**



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VISION

By 2019, NDC will be the preferred government investment arm, serving as an effective catalyst for inclusive growth.



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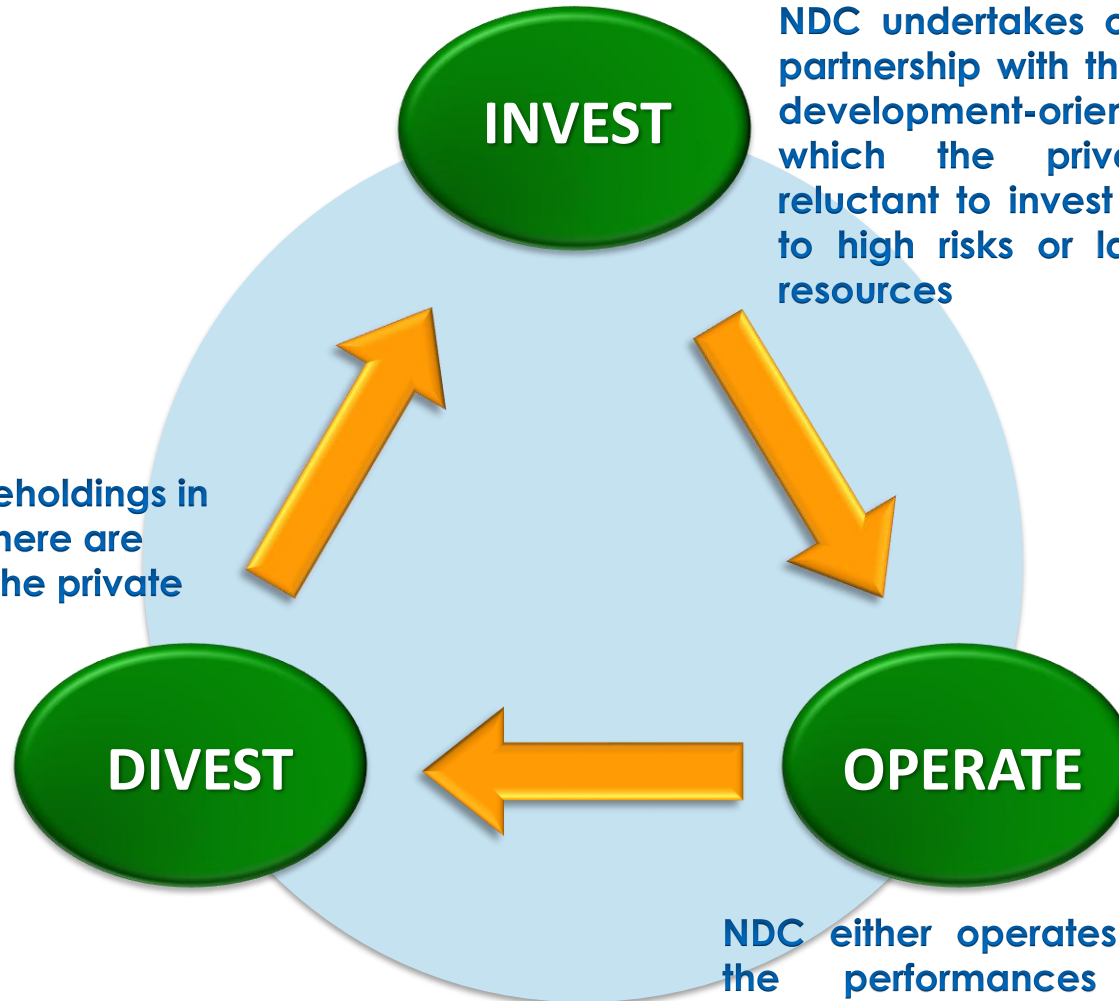
MISSION

- **NDC invests in select strategic areas where supply chain gaps exist.**
- **NDC undertakes joint venture agreements to promote and enhance the competitiveness in the industry and agriculture sectors.**
- **NDC manages a financially sustainable investment portfolio responsive to public interest and priorities.**



business model

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NDC undertakes on its own or in partnership with the private sector development-oriented projects in which the private sector is reluctant to invest on its own due to high risks or lack of financial resources

NDC divests its shareholdings in companies where there are willing buyers from the private sector

NDC either operates or monitors the performances of these companies to ensure maximized returns on NDC's investments



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recent investments / projects in the pipeline

1. **Mini-Hydro plant with PNOC-RC in Rizal, Nueva Ecija which generates a 1 MW alternative source of power.**





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recent investments / projects in the pipeline

2. **Agri-Pinoy Trading Center in Toril, Davao** where NDC provided an area for the Department of Agriculture to set up a trading center as marketing support to small and medium size vegetables and fruit growers in Davao and Davao del Sur.





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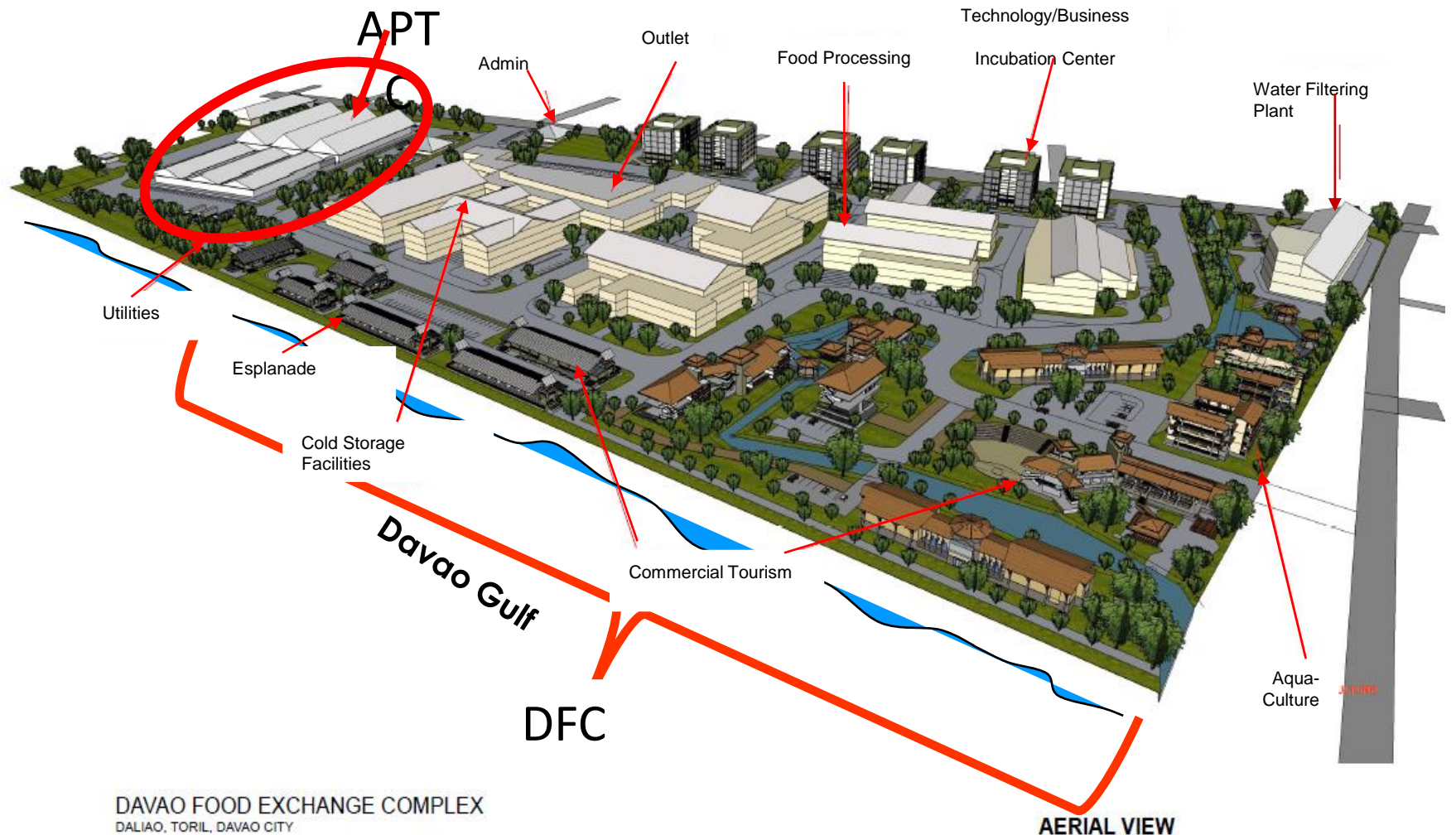
recent investments / projects in the pipeline

- 3. Davao Food Complex to be located in the 20-ha NDC property in Toril, Davao as an agro-tourism economic zone with food processing centers, cold storage/ warehousing facilities, trading post, incubation center and tourism component.**
- Groundbreaking early 2017**



davao agri trading center

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DAVAO FOOD EXCHANGE COMPLEX
DALIAO, TORIL, DAVAO CITY

National Development Company



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recent investments / projects in the pipeline

4. NDC Industrial Estate Project in Dasmaringas, Cavite which involves the development of NDC's 19.17 ha-property into a Special Economic Zone.

- **Awarding for the construction is for the approval of the Board.**



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projects under evaluation

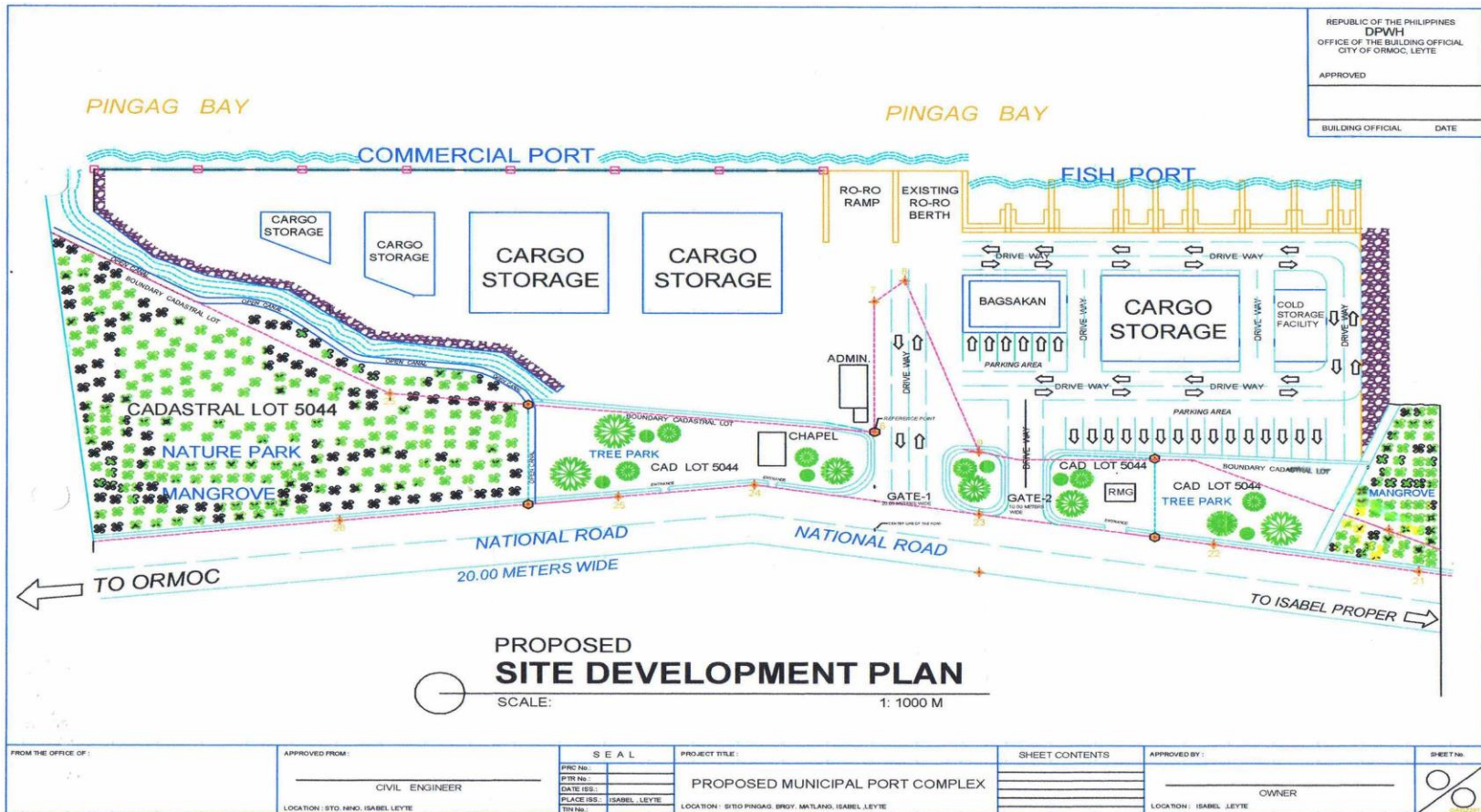
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- 1. Solar Power Program with the Department of Education on the installation of Solar PV Facilities at no initial cost to DepED-Mindanao.**
- 2. Pingag Port Development in Isabel, Leyte involves the expansion and rehabilitation of the existing RO-RO facility of the Pingag Port in NDC's Leyte Industrial Estate in Isabel.**



pingag port development

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projects under evaluation

- 3. Palawan Fish Port. Establishment of a port complex with the following component: seaport t-wharf and harbour facility, cold-storage facilities and open-fish marketing.**
- 4. Establishment and Financing of Seaweed Processing Facilities. Processing of raw dried seaweeds into Alkaline Treated Cottonii powder (ATC) chips and the higher value products Philippine Natural Grade and refined carageenan powder.**

Establishment of Financing and Seaweed Processing Facilities





projects under evaluation

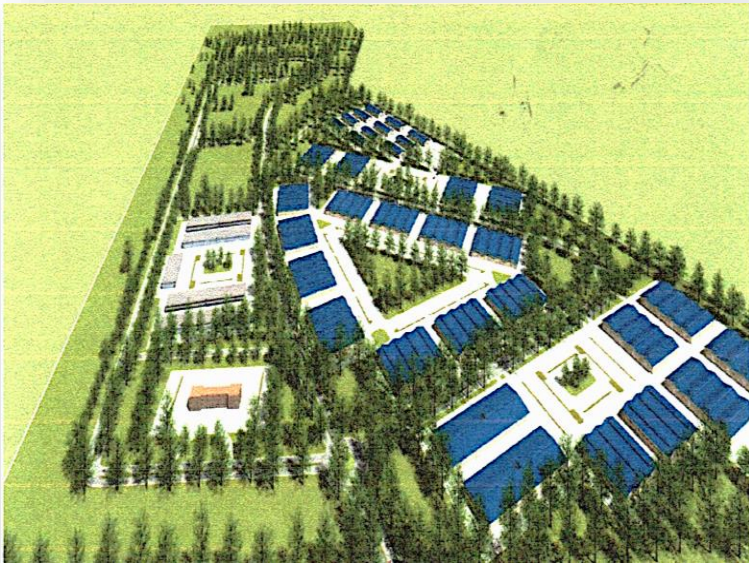
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- 5. Establishment of First Asian Halal Center in the Philippines. Development of a 100-hectare property for the production/processing of halal goods for the BIMP-EAGA region.**



projects under evaluation

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projects under evaluation

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- 6. Development and construction of Canaway 3-MW Hydropower Plant in Siaton, Negros Oriental.**

- 7. Establishment of Warehouse Facilities, Zamboanga City Special Economic Zone Authority. Envisions the operationalization of the San Ramon Newport through the construction of the warehouse facilities.**

- 8. Development of a Industrial Estate in San Pascual, Batangas**



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integration with DTI's roadmaps / initiatives

1. **NDC is currently working with the DTI in promoting the copper downstream industry and the establishment of an ecological industrial zone in Western Leyte.**



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integration with DTI's roadmaps / initiatives

2. The DTI is also looking at NDC's participation in the following:

- Establishment of a Maritime Industrial Park
- Reviving the iron and steel industry



Alabang Sto. Tomas Development Inc. (ASDI) where NDC infused equity for the construction of the Daang Hari-South Luzon Expressway link road (Muntilupa-Cavite Expressway)

- **The Project was bid out and generated P903 Million for the government in which P383 Million was released to ASDI as its share.**
- **NDC received its 50% investment in ASDI of P122.5 Million as return of capital in 2015 and additional P63.7 Million in 2016.**



Settlement of P5.038 Billion obligations to the National Government and the PMO

1. NDC transferred to NG and PMO its shareholdings in Semirara Mining and Power Corporation (SMPC) for P4.327 Billion resulting to the settlement of the ff:
 - NDC's dividends payable to NG from 1996 to 2014 of P2.015 Billion
 - Advances provided by NG to NDC to settle the NDC's loan to the GFIs inclusive of interest of P1.866 Billion.



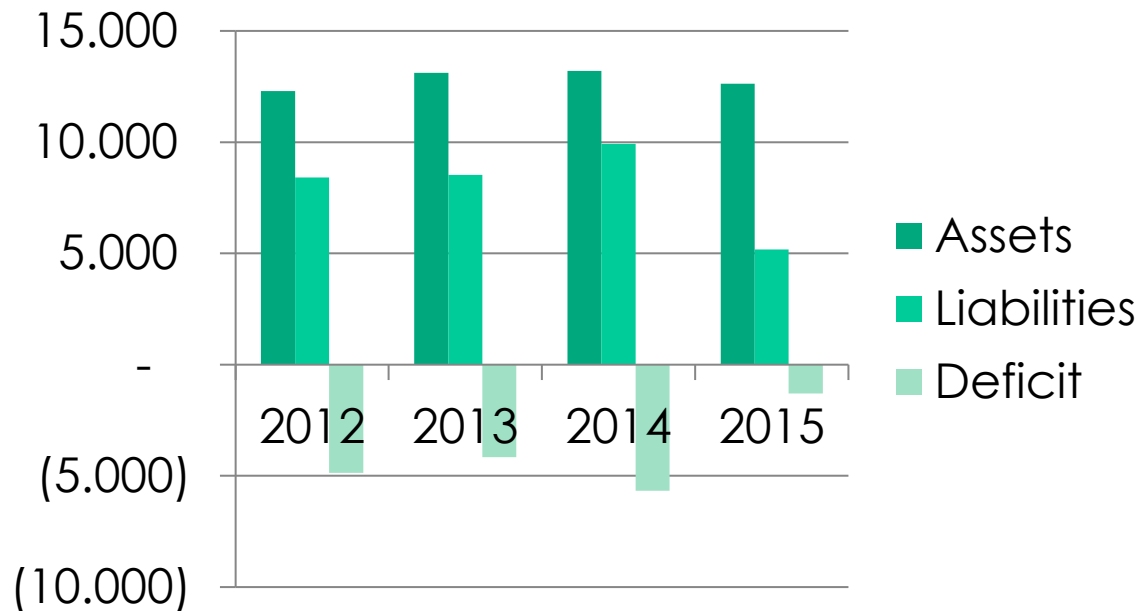
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financial milestones

- **Obligations to the PMO and the other NG payables amounting to P445 Million.**
- 2. NDC partly settled in 2015-2016 NG advances relating to the Agri-Agra Bond issuances amounting to P1.884 Billion.**
 - 3. NDC received in 2015-2016 payment from NIA totaling P3.087 Billion as part of DBM's 5-year appropriation to service NIA's loan to NDC.**



4. Liabilities were reduced from P8.41 Billion in 2012 to P5.18 Billion in 2015 while deficit decreased from P4.86 Billion in 2012 to P1.3 Billion in 2015





5. **With its mandate to divest, NDC's preferred shares in San Carlos BioEnergy were redeemed while ASDI returned majority of NDC's investment for total proceeds of P225 Million in 2015-2016.**



management of ndc portfolio

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| | | % of Ownership | Investment | Mode of Investment | Dividends 2013-2016 |
|--|-----------------------------------|----------------|------------|---|---------------------|
| OPERATING COMPANIES | | | | | |
| <u>Majority Owned Companies</u> | | | | | |
| 1 | Phil. International Trading Corp. | 99.50 | P199.0 M | Acquired through EO No. 756 (Dec. 29, 1981) | P 9.52 M |
| 2 | Batangas Land Company Inc | 60.00 | 55.7M | Land donated to NDC upon termination of Laurel-Langley Agreement invested in the company | P39.39 M |
| 3 | GY Real Estate Inc. | 60.00 | 13.1M | | P6.57 M |
| 4 | Kamaynan Realty Corp. | 60.00 | 7.4M | | P1.30M |
| 5 | Pinagkaisa Realty Corp. | 60.00 | 2.5M | Land acquired by NDC upon termination of Laurel-Langley Agreement invested in the company | |



management of ndc portfolio

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| | | % of Ownership | Investment | Mode of Investment | Dividends (2013-2016) |
|--|---------------------------------|----------------|------------|--------------------------------|-----------------------|
| OPERATING COMPANIES | | | | | |
| <u>Minority Owned Companies</u> | | | | | |
| 6 | Asean Bintulu Fertilizer Inc | 9.53 | P158.9M | Through cash equity investment | P1,044.02M |
| 7 | Manila Exposition Complex Inc. | 36.36 | 60.0M | | P39.00 M |
| 8 | San Carlos Bio-energy Inc . | 6.00 | 172.9M | | |
| 9 | Phil. Mining Development Corp. | 20.00 | 25.0M | | P2.02 M |
| 10 | Phil. Pharma Procurement Inc. | 40.00 | 15.0M | | |
| 11 | LIDE Management Corp | 20.00 | 0.02M | | |
| 12 | Science Park of the Philippines | 5.18 | 25.0M | | P19.18 M |



1. ISO Certification

- NDC is in the process of getting ISO 9001:2015 certified

2. Performance Governance System

- In October 2016, NDC passed the proficiency stage

3. NDC's Strategic Performance Management System (SPMS)

- Approved by the CSC in April 2015



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**NATIONAL DEVELOPMENT COMPANY
STATEMENTS OF PROFIT AND LOSS
For the Years 2010-2016
(In Million Pesos)**

| PARTICULARS | Audited | | | | | | Projected 2016 |
|------------------------------|---------|------|------|------|------|-------|-------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | |
| Operating Income | 742 | 857 | 764 | 749 | 763 | 314 | 1,291 |
| Operating Expenses | 615 | 580 | 411 | 356 | 362 | 268 | 151 |
| Net Operating Income | 127 | 277 | 353 | 393 | 401 | 46 | 1,140 |
| Other Income and Expenses | 96 | 171 | (16) | 97 | 25 | 4,370 | 140 |
| Income before Income Tax | 224 | 448 | 337 | 491 | 427 | 4,416 | 1,280 |
| Income Tax | 29 | 7 | 6 | 7 | 6 | 30 | 227 |
| Net Income | 195 | 441 | 331 | 484 | 421 | 4,386 | 1,053 |



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**NATIONAL DEVELOPMENT COMPANY
BALANCE SHEETS
For the Years 2010-2016
(In Million Pesos)**

| PARTICULARS | Audited | | | | | | Projected 2016 |
|---|---------|--------|--------|--------|--------|--------|-------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | |
| Assets | | | | | | | |
| Current Assets | 1,691 | 2,597 | 2,429 | 2,956 | 380 | 1,537 | 2,192 |
| Non-Current Assets | 8,853 | 7,444 | 9,865 | 10,159 | 12,826 | 11,089 | 10,172 |
| Total Assets | 10,544 | 10,042 | 12,294 | 13,115 | 13,207 | 12,626 | 12,365 |
| Liabilities and Stockholders' Equity | | | | | | | |
| Current Liabilities | 3,016 | 4,590 | 4,451 | 4,610 | 7,793 | 5,148 | 4,007 |
| Non-Current Liabilities | 6,451 | 4,003 | 3,959 | 3,920 | 2,130 | 34 | 42 |
| Total Liabilities | 9,466 | 8,593 | 8,410 | 8,530 | 9,923 | 5,182 | 4,049 |
| Equity | 1,078 | 1,449 | 3,884 | 4,585 | 3,284 | 7,444 | 8,316 |
| Total Liabilities and Equity | 10,544 | 10,042 | 12,294 | 13,115 | 13,207 | 12,626 | 12,365 |



**End of Presentation
Thank You!**