



GT CAPITAL
HOLDINGS INCORPORATED

Nine Months 2019

Analyst and Media Briefing

**BUILDING ON
NEW OPPORTUNITIES**

14 November 2019

**GRAND
HYATT**
MANILA

An aerial view of a multi-lane highway at dusk or dawn. The road is filled with cars, and the city skyline is visible in the background with several prominent skyscrapers. The sky is a mix of blue and orange, suggesting the sun is low on the horizon.

GT Capital Holdings Nine Months 2019 Financial Highlights

GT Capital Group

Financial Highlights 9M 2019



Consolidated Net Income

(MBT +29%, FLI +10%, TMP +13%, TMBC +30%)

+40%

Php15.3 billion*

Php10.9 billion 9M 2018

Core Net Income

(FV adjustments for MBT, MPI, PCFI, TMP, TMBC,
Gain on disposal PCFI)

+20%

Php12.4 billion

Php10.3 billion 9M 2018

Revenues

+3%

Php159.1 billion

Php153.9 billion 9M 2018

Auto Sales (TMP – Php121.4B)

Php 138.2 billion +4%

Equity in net income of associates
(MBT Php7.6B, MPIC Php1.8B, AXA Php0.5B, TFS Php0.3B)

Php 10.1 billion +11%

Real Estate Sales and Interest income on Real Estate Sales (RES)**

Php 7.0 billion -20%**

*On July 4, 2019, the PCC approved the redemption of PCFI shares in exchange for selected assets. Realized net gain on redemption is Php3.4B.

2018 includes gain on sale of land worth Php2.7B to JV partners. Excluding gain, RES **+15% due to Bay area projects.

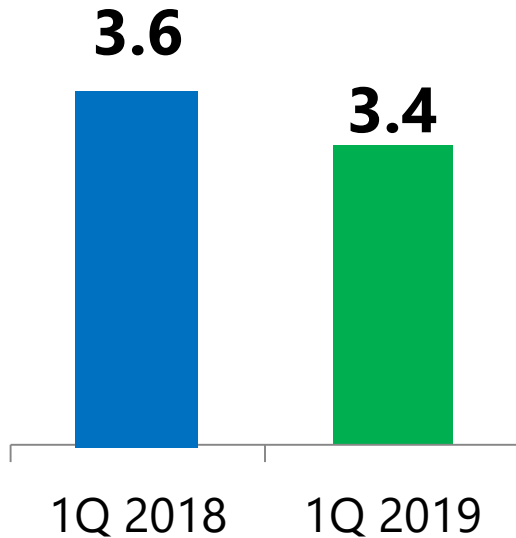
GT Capital Consolidated Core Net Income Comparative

1Q 2018 vs. 1Q 2019

FLI -23%
 TMP -24%
 MBT +15%
 TMBC -22%
 MPIC +0.3%
 AXA Life +50%
 GI >100%

-6%

in Php Billion

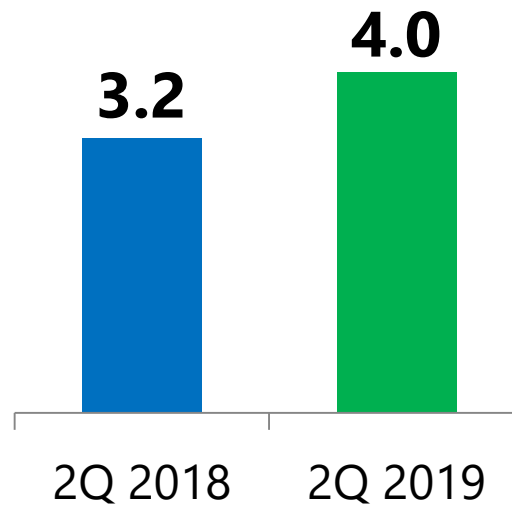


2Q 2018 vs. 2Q 2019

FLI +39%
 TMP +22%
 MBT +22%
 TMBC +17%
 MPIC +1%
 AXA Life -6%
 GI >100%

+24%

in Php Billion

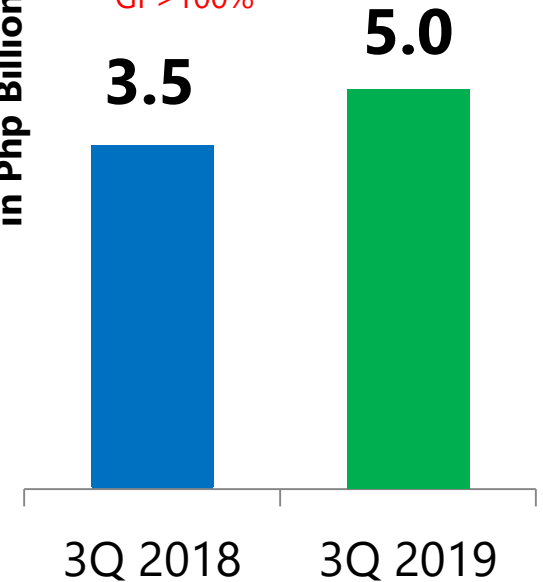


3Q 2018 vs. 3Q 2019

FLI +7%
 TMP +48%
 MBT +49%
 TMBC +114%
 MPIC +7%
 AXA Life +27%
 GI >100%

+43%

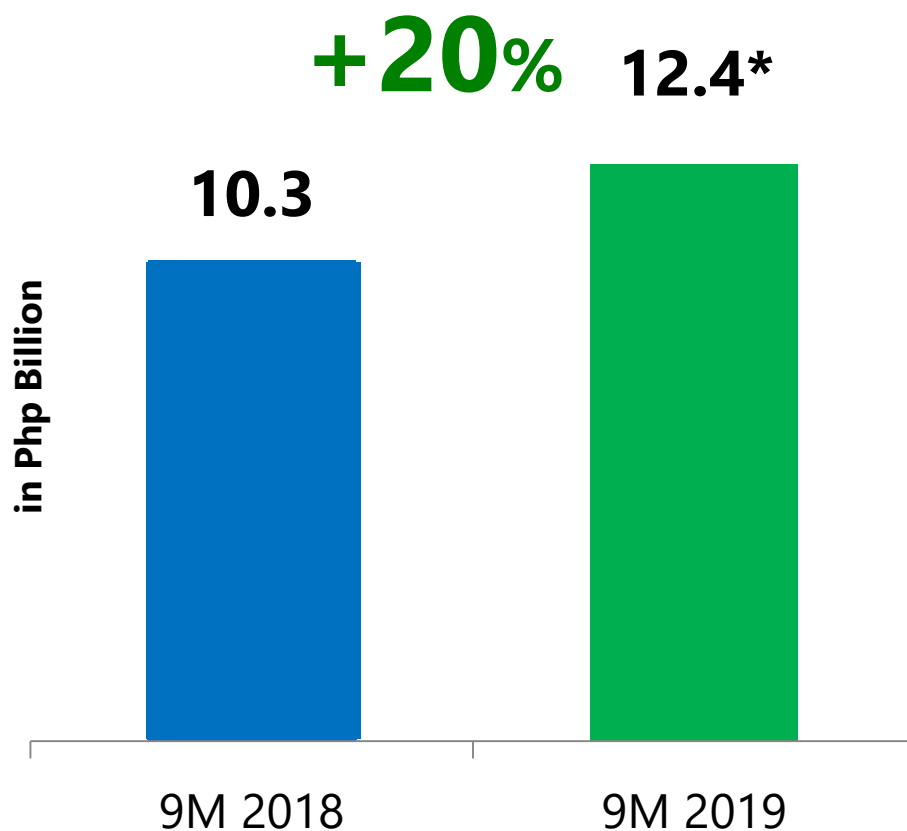
in Php Billion



GT Capital 9M 2019 vs 9M 2018 Comparative



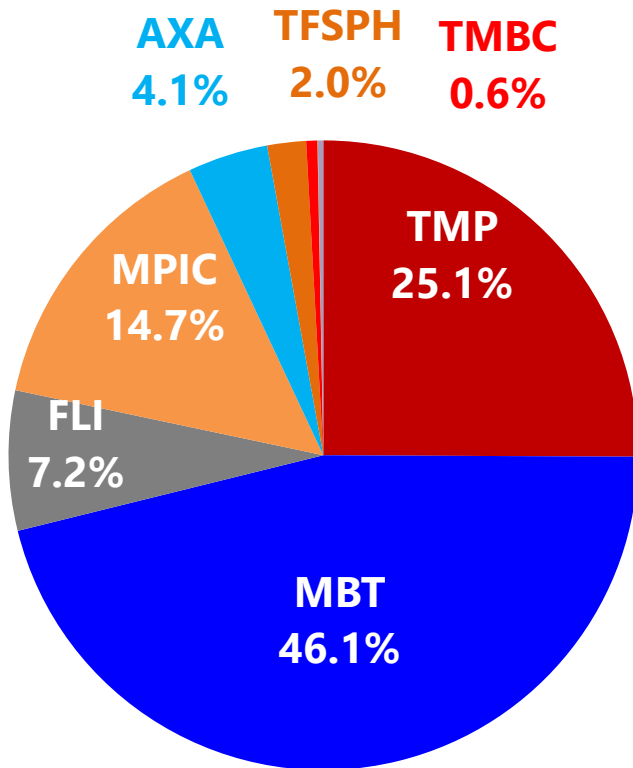
Consolidated Core Net Income



- MBT **+29%**
- TMBC **+30%**
- TMP **+13%**
- FLI **+10%**
- MPIC **+3%**
- TFS **+4%**
- AXA Life **+24%**
 - *GI > 100%*

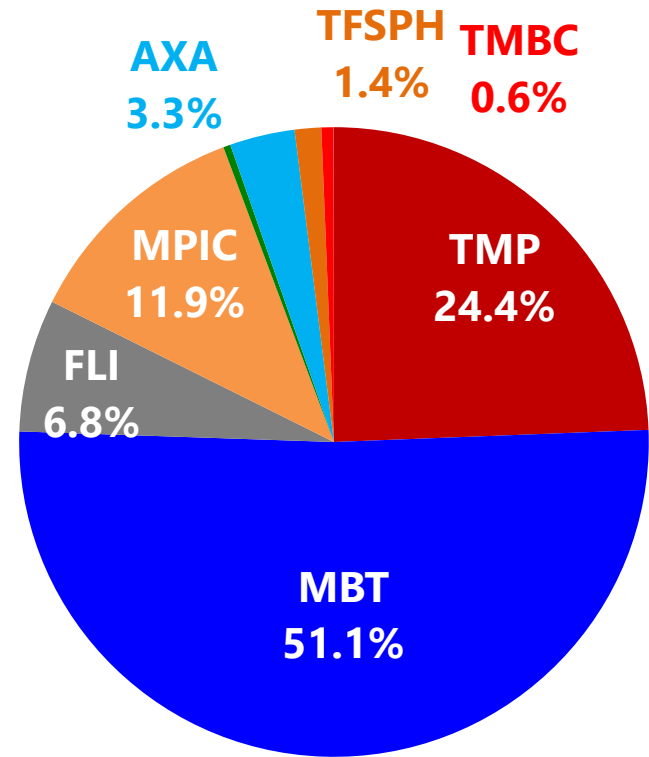
*Highest Nine Months Core Net Income in GT Capital History

GT Capital Net Income Contribution 9M 2019



MBT + TMP = 71.2%

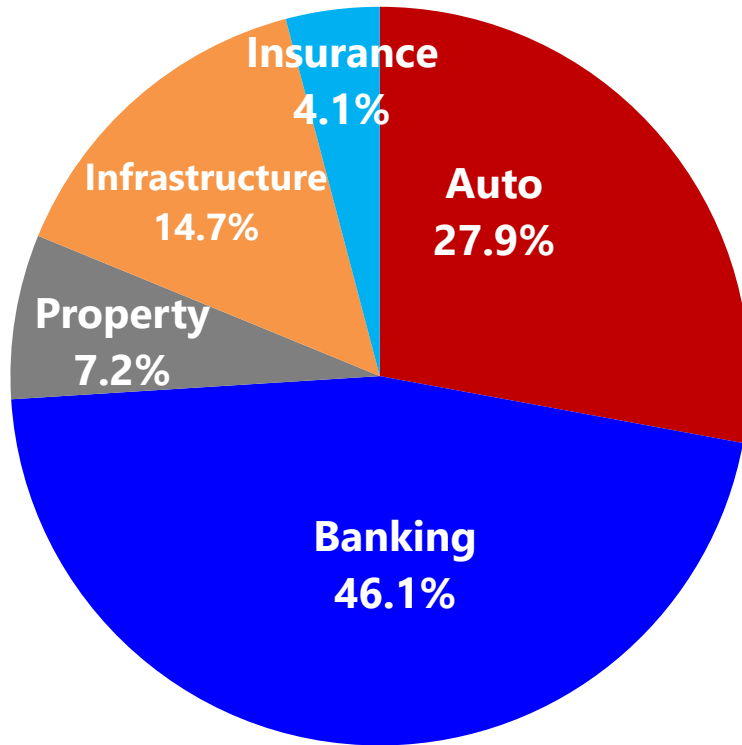
9M 2018



MBT + TMP = 75.5%

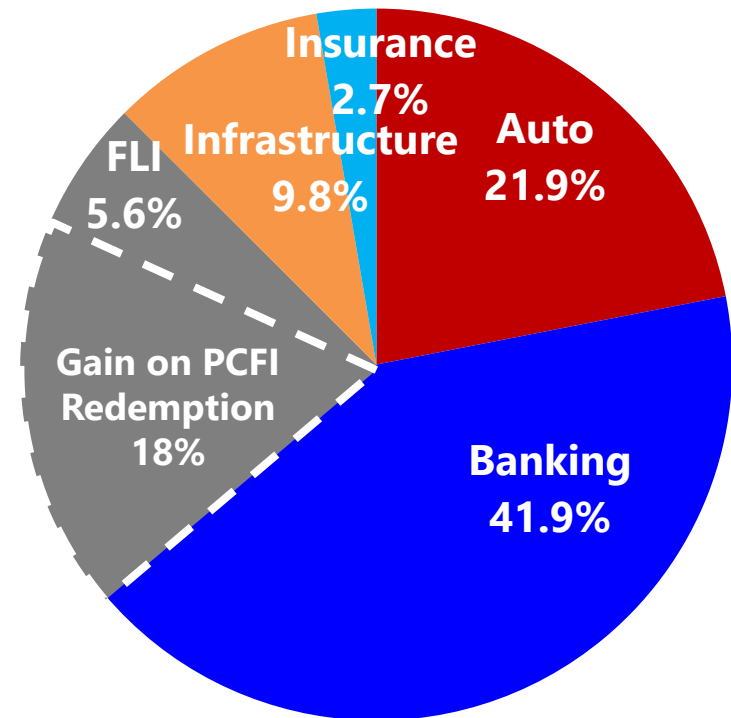
9M 2019

GT Capital Net Income Contribution by Sector



Banking + Auto = 74.0%

9M 2018



Banking + Auto = 63.8%

9M 2019

*Property includes gain on redemption of PCFI shares

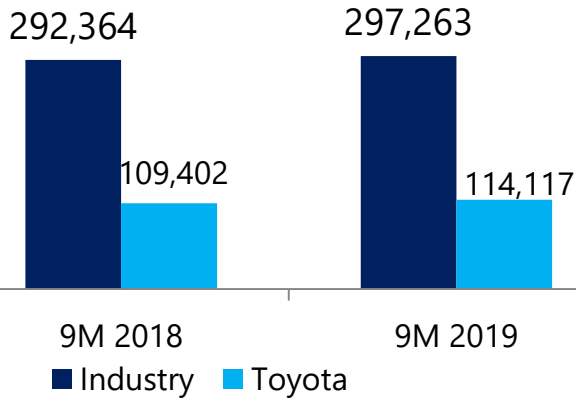


Automotive

Retail auto unit sales volume

As of September 2019 YTD

In Units



Industry

▲ 2%
Y-o-Y

Toyota

▲ 4%
Y-o-Y

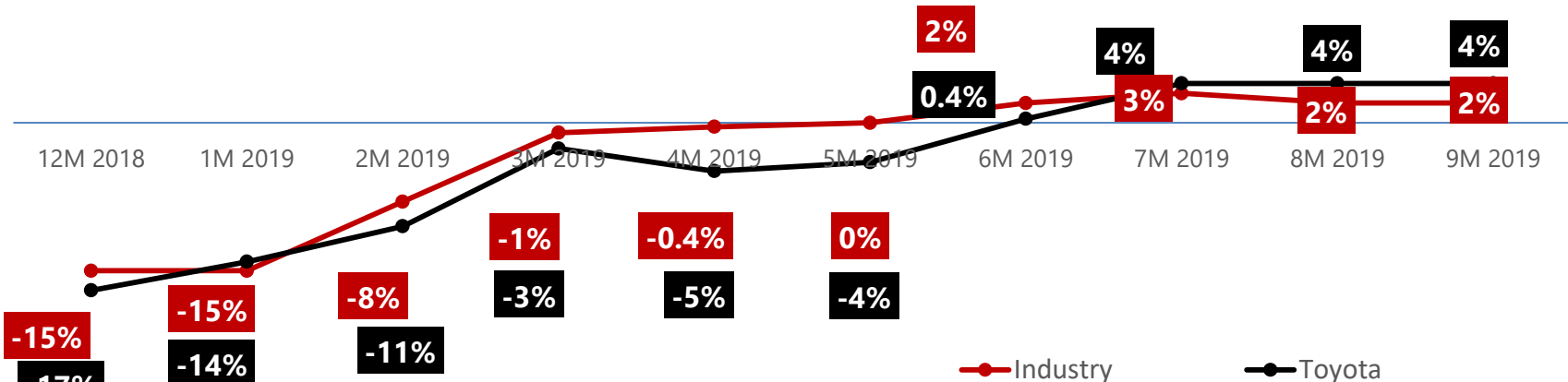
Industry factors:

- Signs of recovery due to easing inflation, declining interest rates, and rebound in consumer confidence

9M 2019 results:

- Driven by Vios and Innova sales growth
- Introduction of the FMC Hiace

In Percent Year-on-year (%YoY)

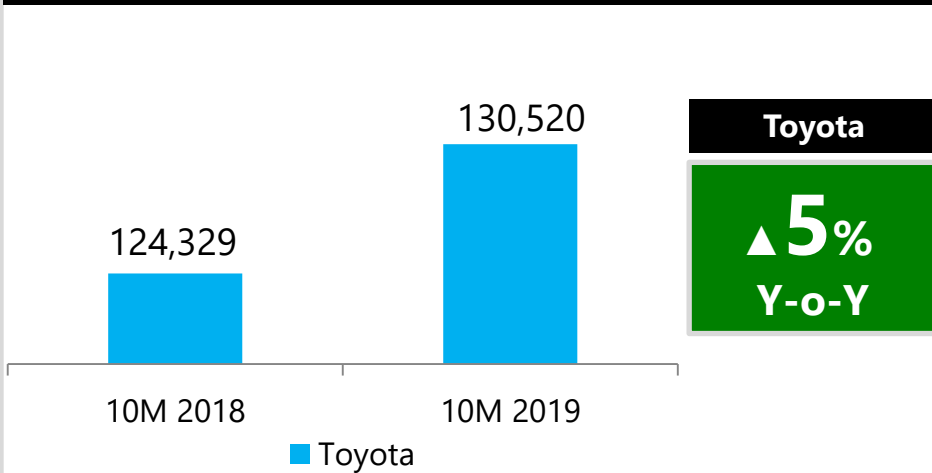


Source: Company data, CAMPI, AVID

Retail auto unit sales volume

As of October 2019 YTD

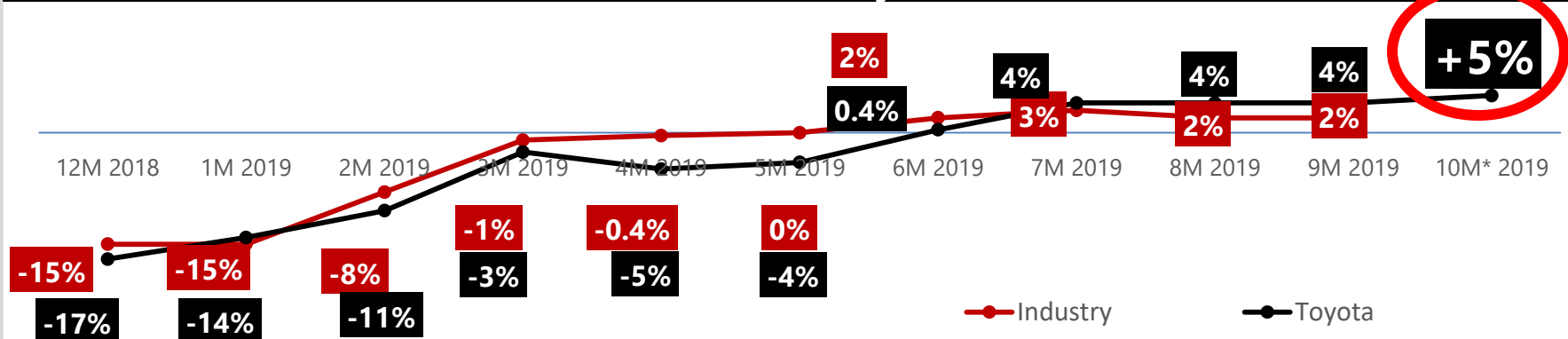
In Units



10M 2019 results:

- Reduced the backlog on Alphard and Land Cruiser
- Highest unit sales for the year in October 2019 (16,403 units)
- Record-high Vios monthly unit sales **3,238**
- Successful ramp-up of new model launches: Avanza, Altis, Hiace, RAV4

In Percent Year-on-year (%YoY)

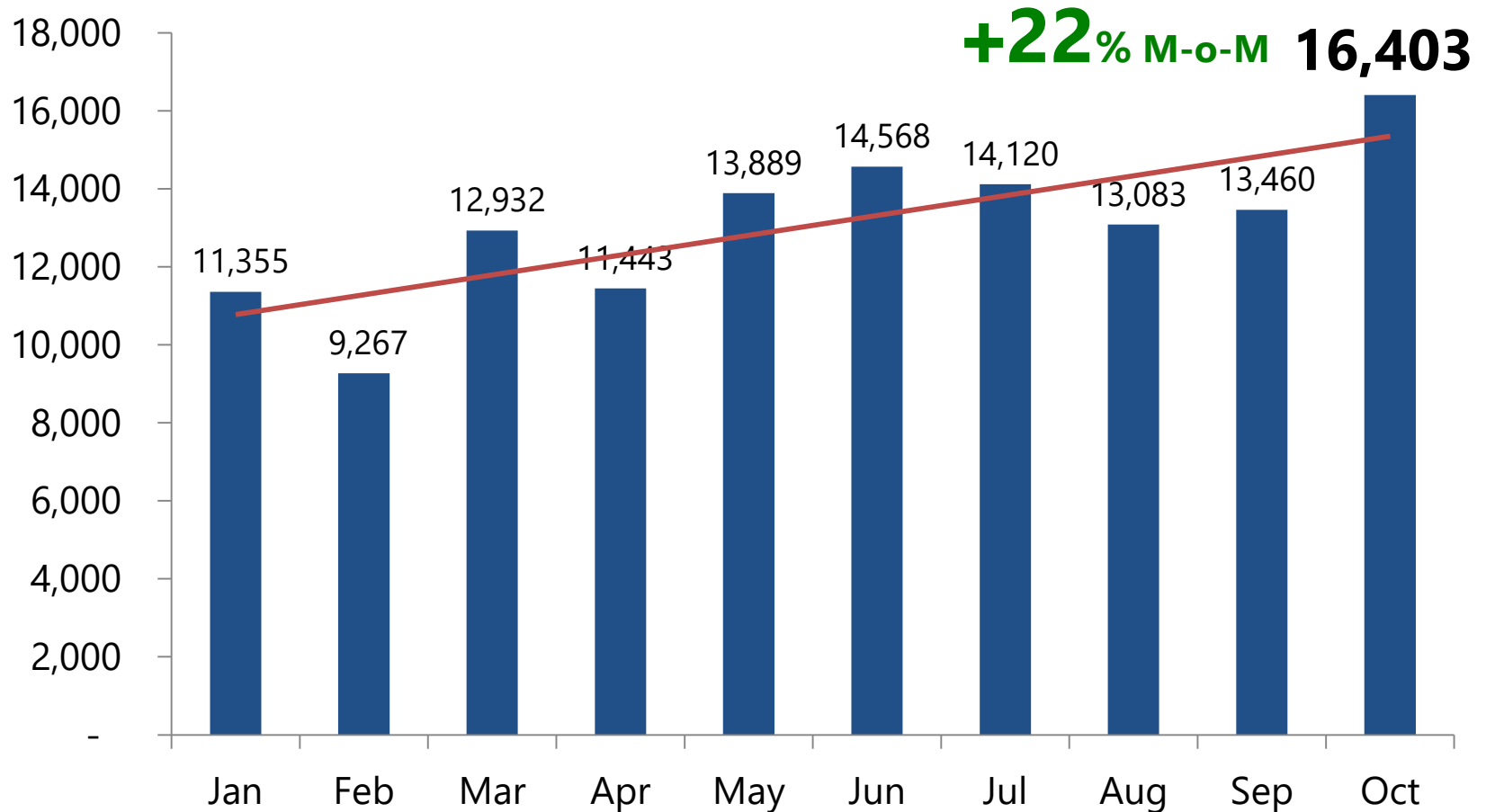


*Industry numbers reflect CAMPI only (No AVID figures for October 2019 yet)
Source: Company data

Retail auto unit sales volume M-o-M



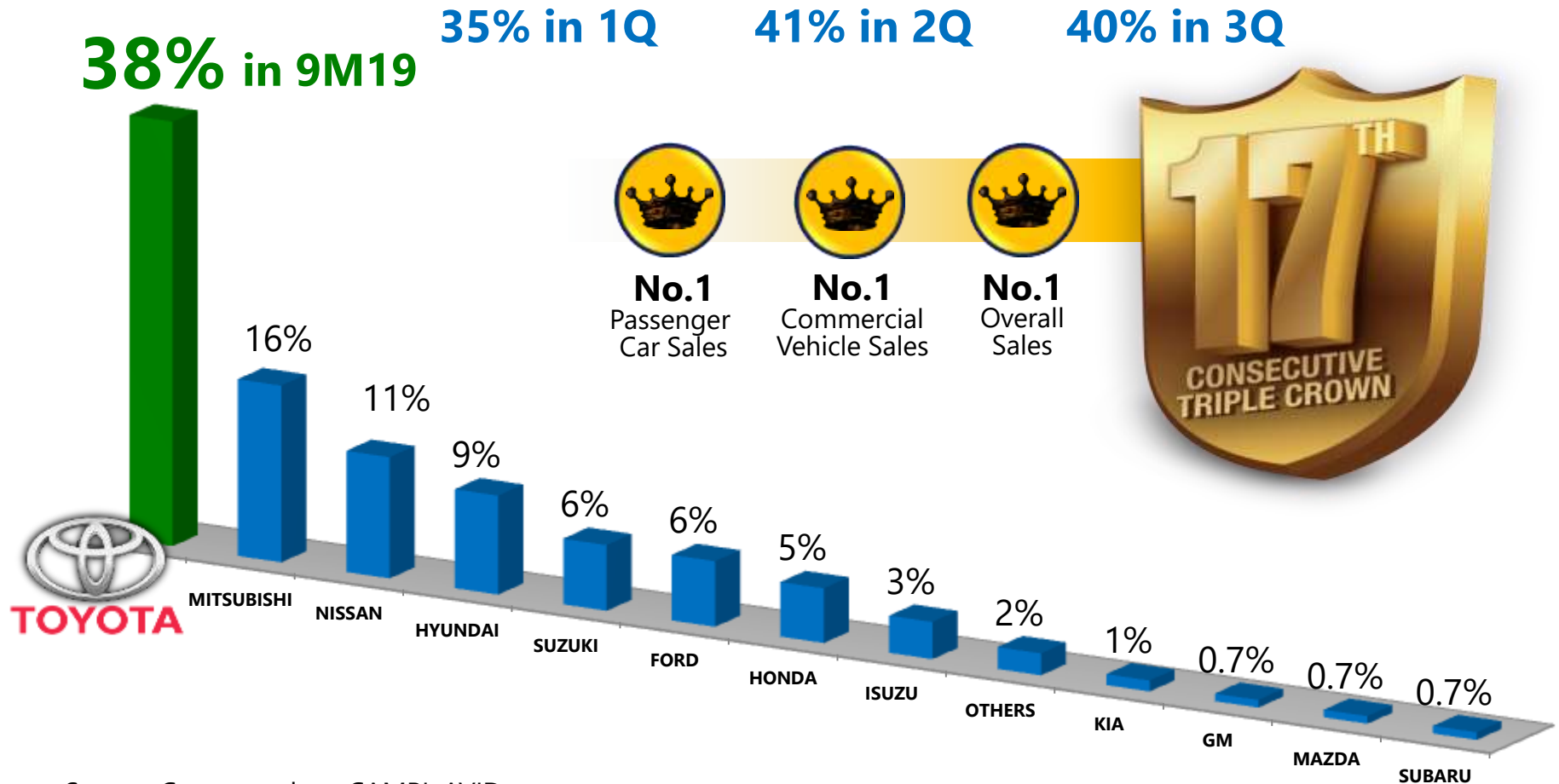
Toyota 2019 Unit Sales



Source: Company data, CAMPI

Toyota is still PH's dominant auto brand

Overall Market Share As of September 2019 YTD



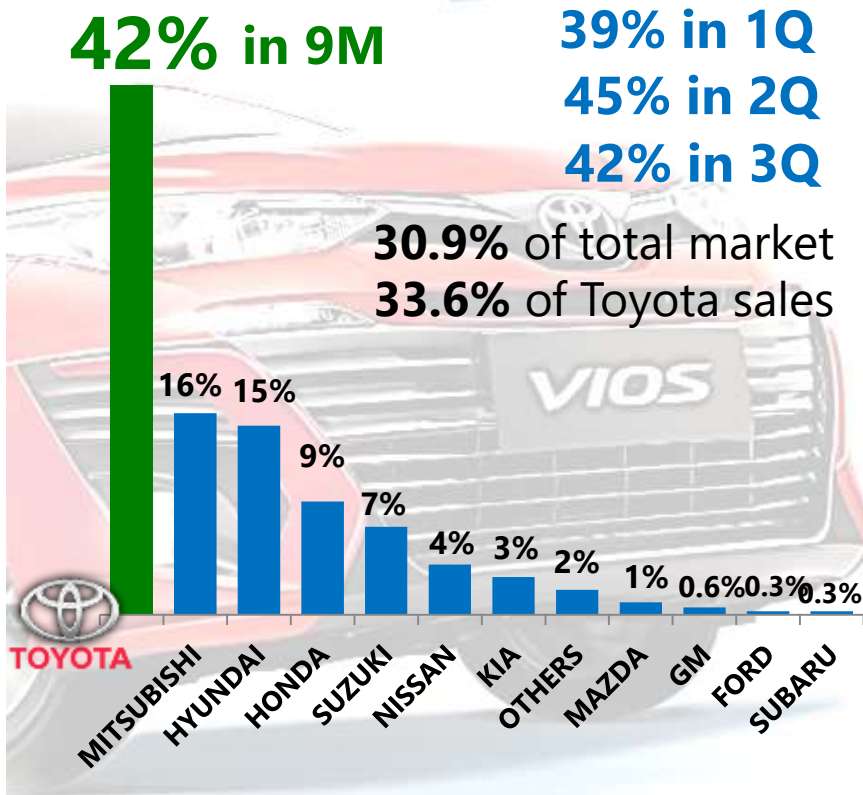
Source: Company data, CAMPI, AVID

Toyota is still PH's dominant auto brand

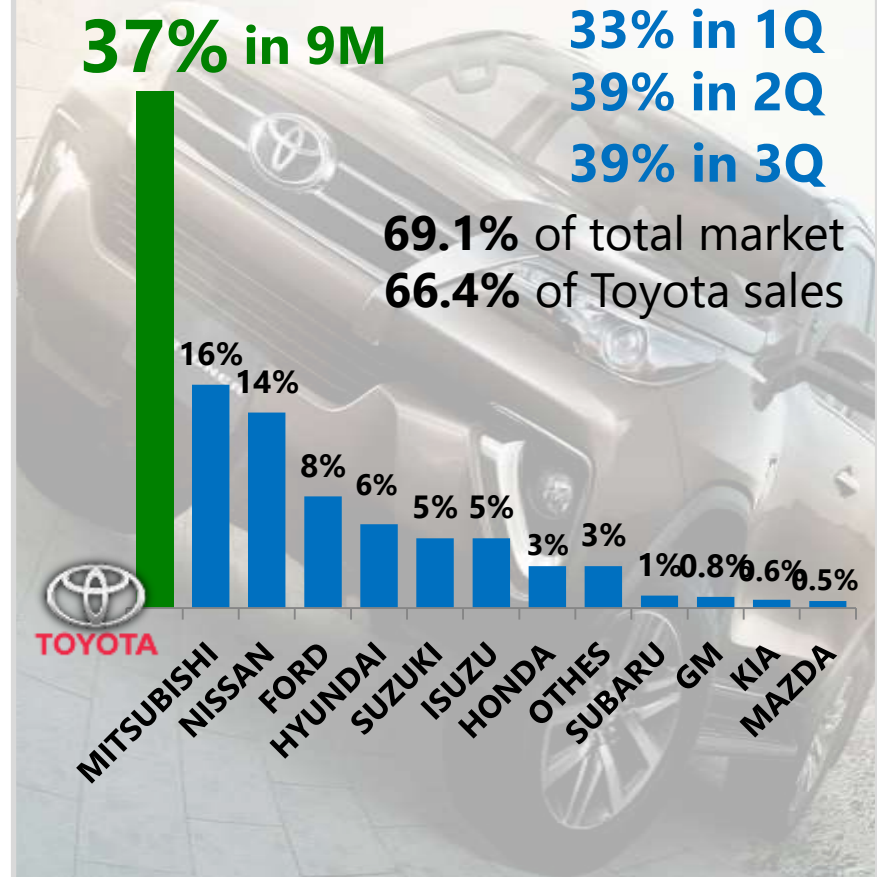
Auto Industry Market Share

As of September 2019 YTD

Passenger Car



Commercial Vehicle



Source: Company data, CAMPI, AVID

CARS Unit Sales Progress

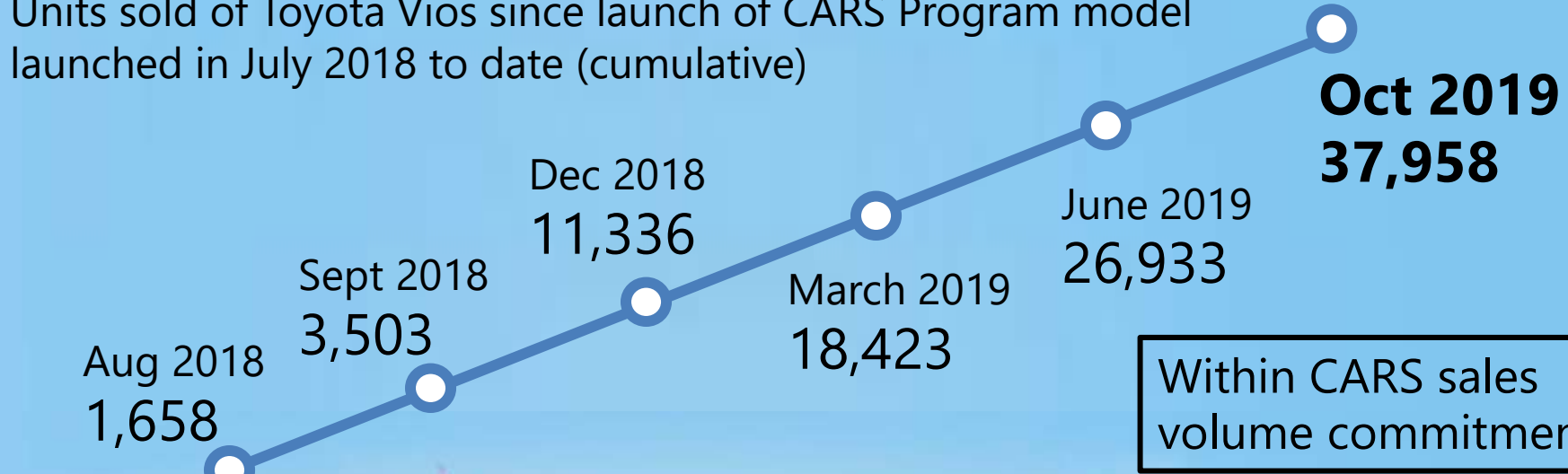


TOYOTA



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Units sold of Toyota Vios since launch of CARS Program model launched in July 2018 to date (cumulative)



**Introduction
of FMC Vios
July 2018
222**



New model launch update

Still dominant in respective segments



Launch dates



Rush

Entry SUV

May 2018

53% segment share YTD September



VIOS

Sub-Compact PC

July 2018

33% segment share YTD September



CAMRY

Medium PC

Dec 2018

80% segment share YTD September



HIACE

Utility Van

Feb 2019

64% segment share YTD September



TOYOTA

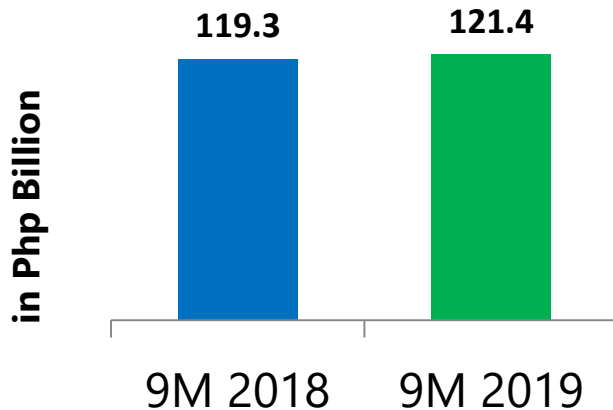


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TMP Financial Highlights

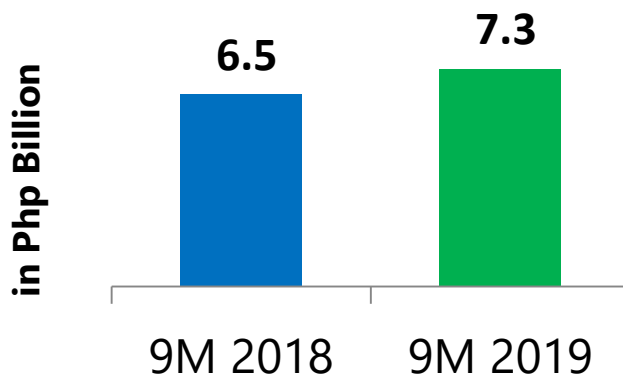


Revenues



+2%

Net Income



+13%

- Wholesale volume **+0.4%** to **104,226** units; Retail volume **+4.3%** (vs **1.7%** Industry volume)
- Retail Sales volume (year-to-date):
 - PCs: Vios **+31%**, Wigo **-16%**
 - CVs: Hilux **+24%**, Innova **+16%**, Fortuner **-19%**, Hiace **-3%**, Rush **+50%**
 - Overall market share was sustained at **38.4%** in September
 - Improved GPM to **12.7%** from 11.0% and OPM **8.2%** from 7.1% due to:
 - ✓ Favorable FX movement
 - ✓ Two rounds of price increases: January (selective), July (across-the-board)
 - ✓ Higher spare parts profit

TOYOTA MOVING FORWARD
New model launches



RAV4

January 2019



HIACE

Feb 2019: Commuter, GL Grandia, GL Grandia Tourer Aug 2019: Super Grandia



GR Supra

July 2019

ALL-NEW COROLLA ALTIS

September 2019

Full-model change and intro of **Hybrid variant**

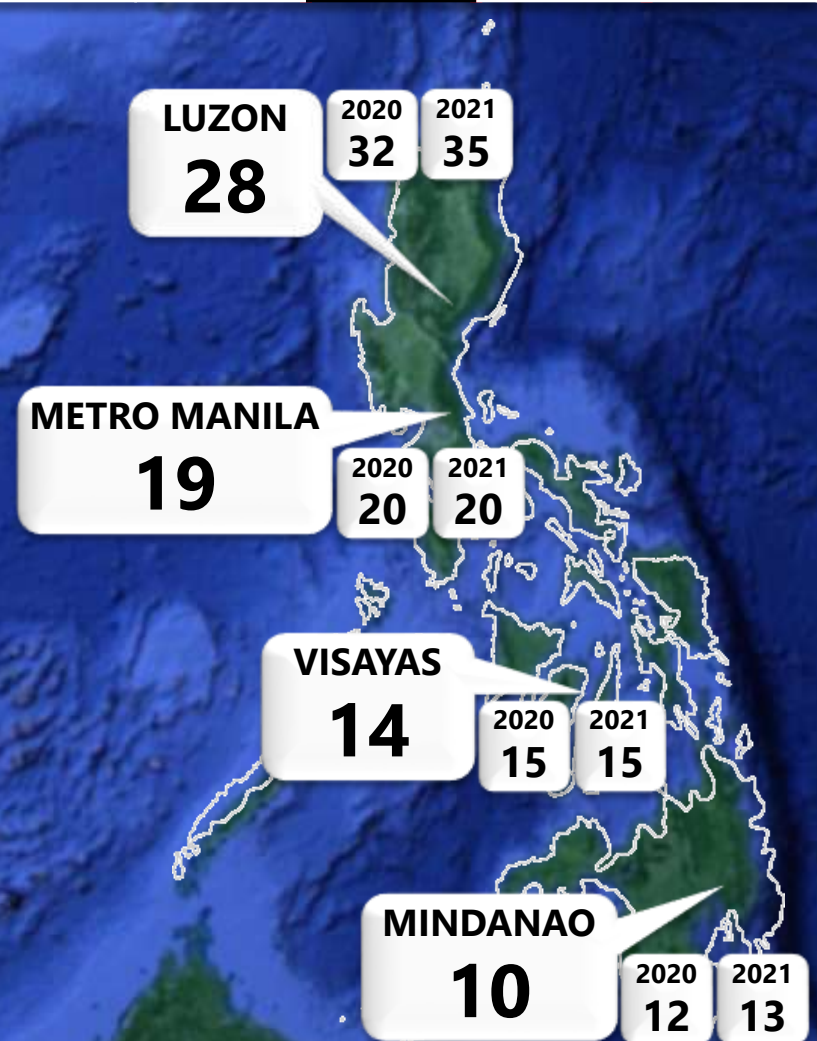


LEXUS RX September 2019

Improvement and introduction of **Hybrid variant**

Dealership Expansion

Target by end of year	2014	2015	2016	2017	2018	2019	2020E	2021E
Number of Dealers	45	49	52	61	69	71	79	83



GTCAD Management Team



Vince S. Socco
Chairman

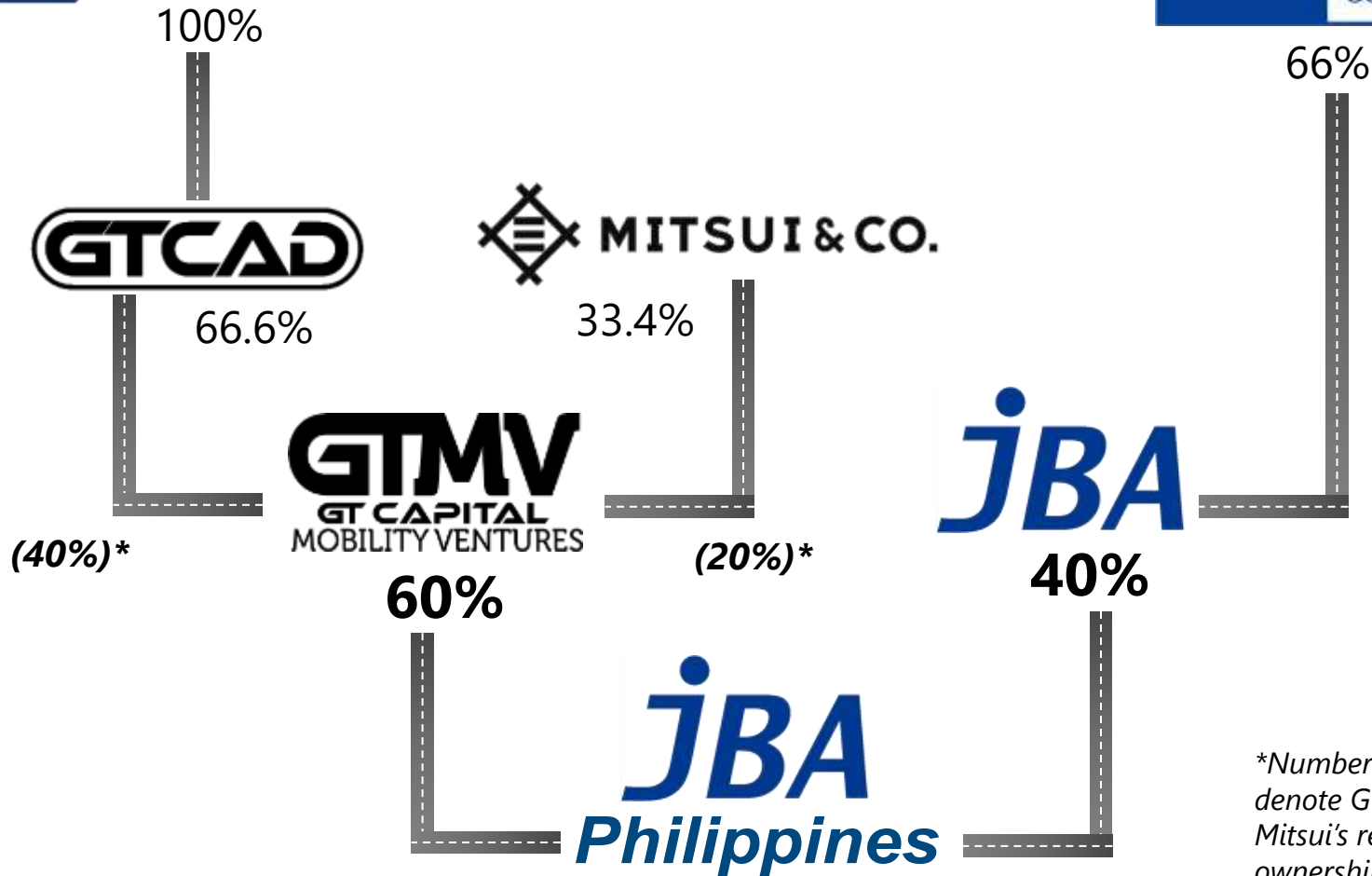
- Former EVP of Lexus Asia Pacific
- Former GM of Toyota Motor Asia Pacific
- Former GM of Toyota Motor Philippines
- 40 years of service to Toyota Motor



Antonio P.A. Zara III
General Manager

- Former President of Nissan Motor Distributor Indonesia
- Former President of Nissan Motor Philippines, Inc.
- Former President of General Motors Asia Pacific Japan
- Over three decades of auto industry experience

GTCAD Ventures



**Numbers in parentheses denote GTCAD's and Mitsui's respective effective ownership stakes in JBA Philippines*

Extending the automotive value chain to
Used car auction house operations



JBA Philippines



26 March 2019



Property Development

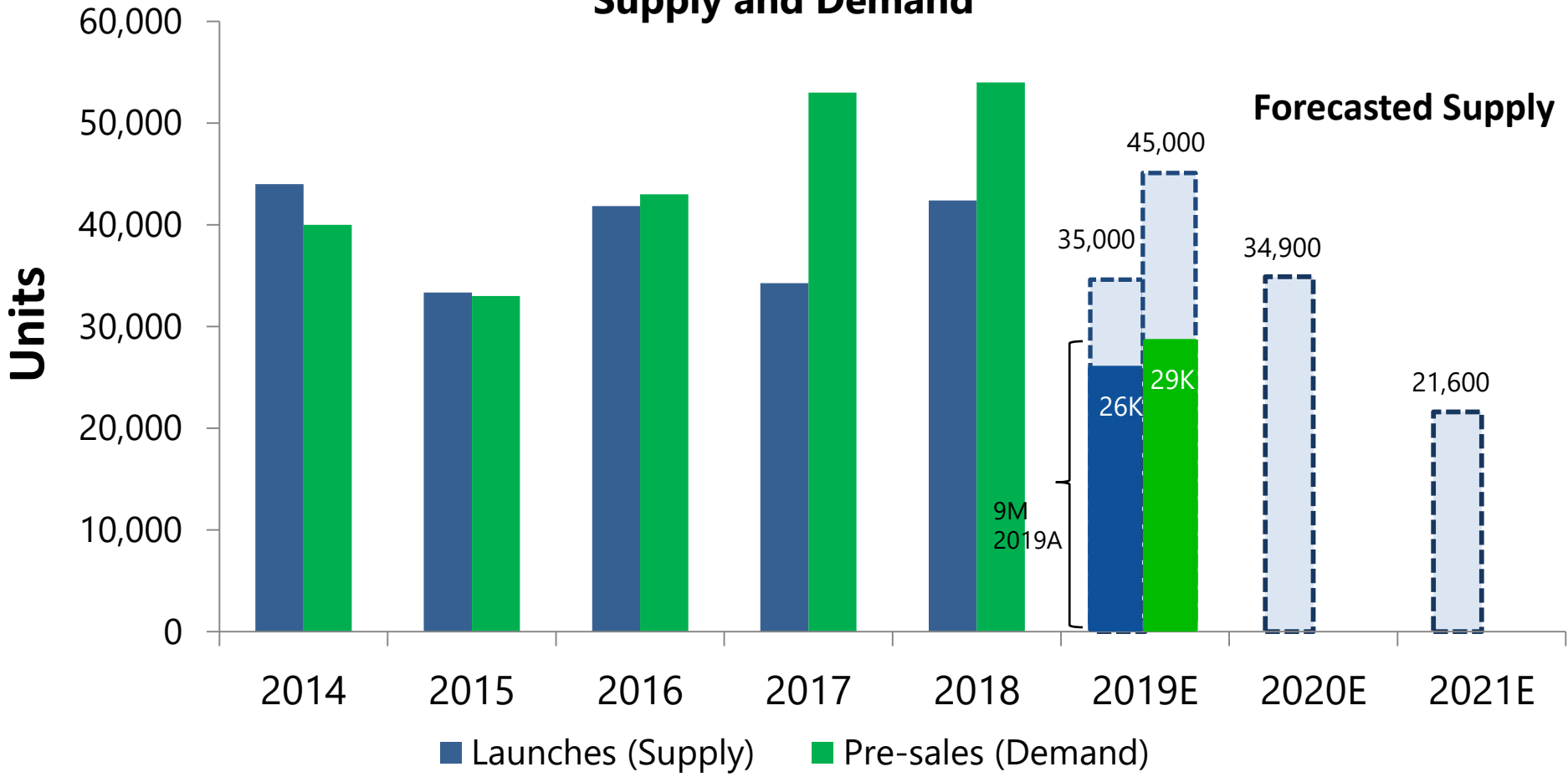


RESIDENTIAL SUPPLY AND DEMAND

Managed growth for new launches



Metro Manila Residential Condominium Supply and Demand



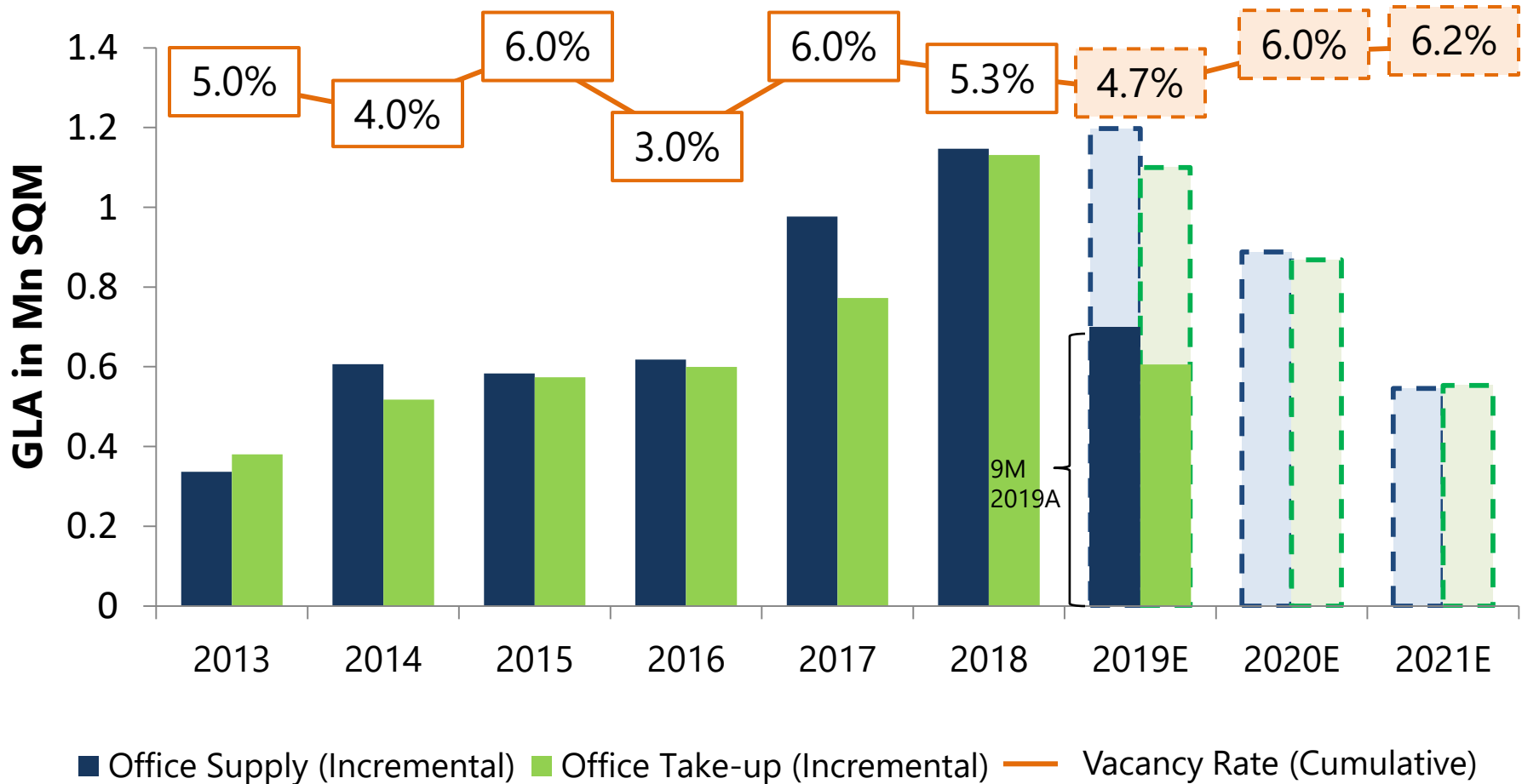
Source: Average Estimates of Colliers Philippines, Leechiu Property Consultants, JLL, Deutsche Bank, 2019

OFFICE SUPPLY AND DEMAND

9M19 office supply exceeds demand;

Office supply and vacancy expected to decline by 2020

Metro Manila New Office Supply vs. Vacancy Rate



OFFICE SUPPLY

9M19 Metro Manila office stock up 10% YOY

Quezon City stock grew 30% to reach 1.5 million sq metres



QUEZON CITY | +30% | 1.5M sqm

ORTIGAS CBD | +9% | 1.8M sqm

ORTIGAS FRINGE | +2% | 536K sqm

MAKATI CBD | +3% | 3.3M sqm

MAKATI FRINGE | +5% | 337K sqm

BAY AREA | +18% | 780K sqm

FORT BONIFACIO | +10% | 2.2M sqm

ALABANG | +17% | 718K sqm

Total office stock in Metro Manila

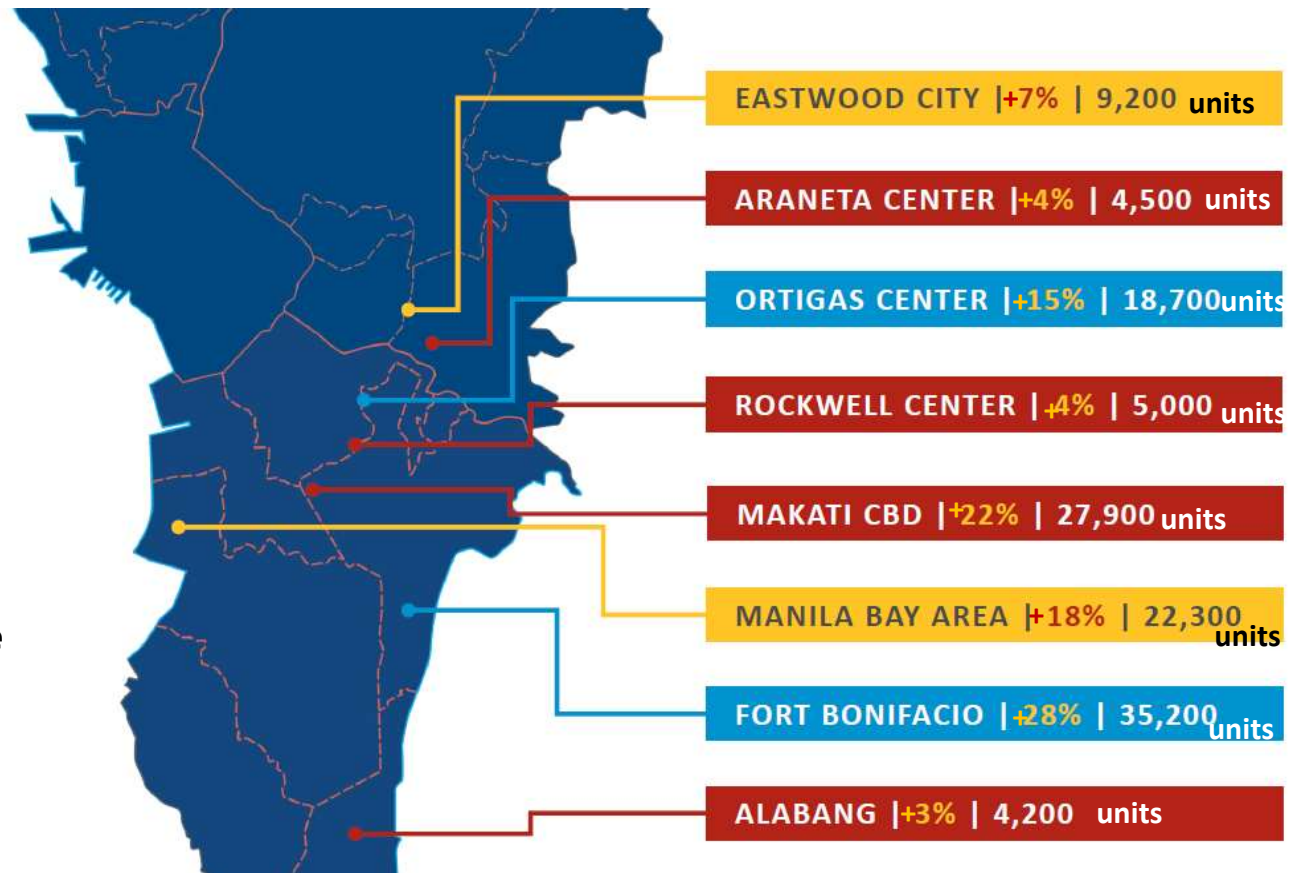
11.7 million sqm

Annual Increase

1.07 million sqm

CONDOMINIUM SUPPLY

Makati CBD, BGC, and Bay Area cover nearly 70% of supply



Condominium units in Metro Manila CBDs

127.1K

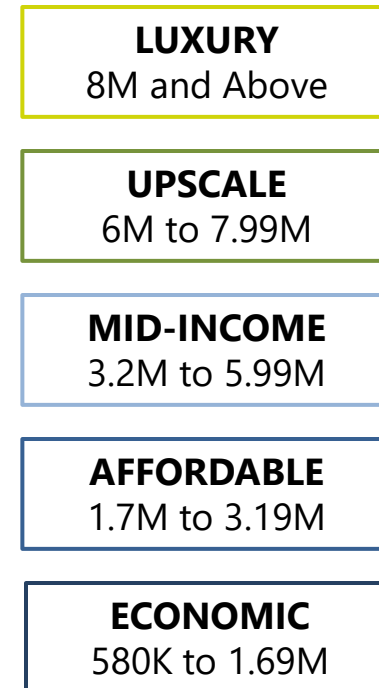
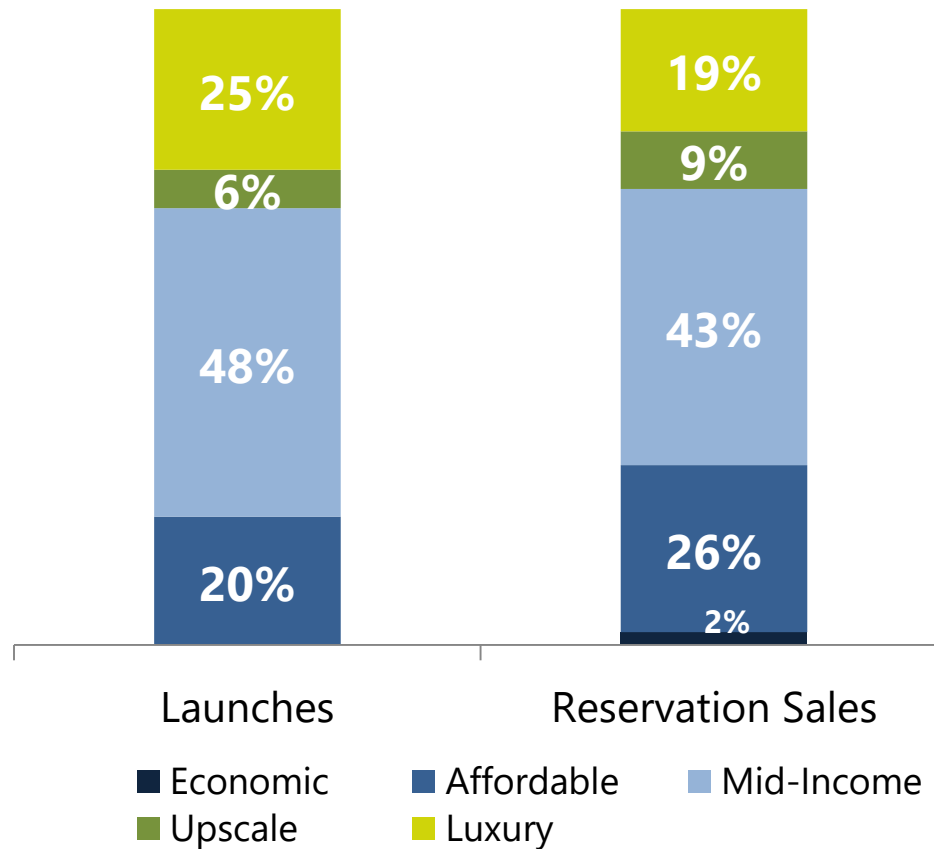
Annual Incremental Increase

9,600 units

CONDOMINIUM SUPPLY AND DEMAND

Breakdown of Launches and Reservation Sales

Metro Manila Condominium Launches and Reservation Sales in Peso Value

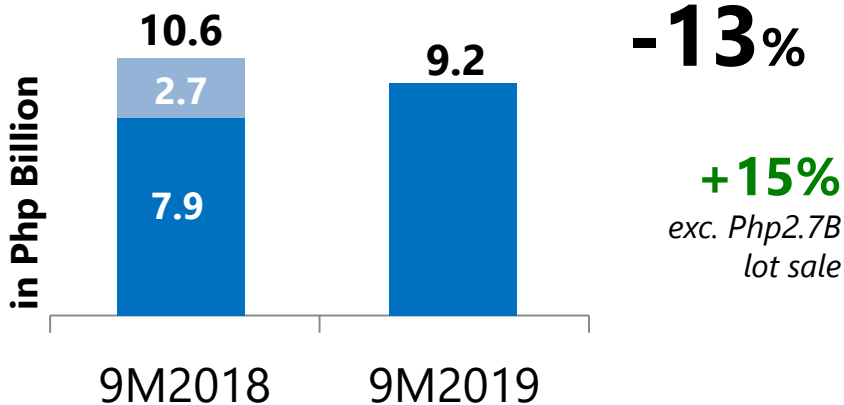




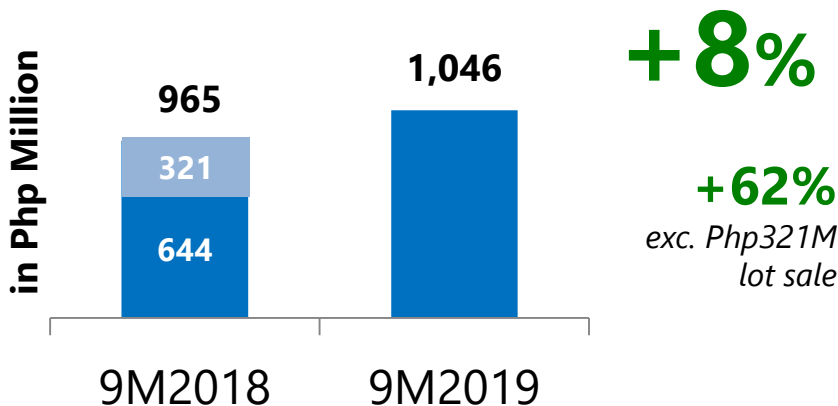
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Federal Land Financial Highlights

Revenues



Net Income



- Reservation sales **+85%** from **Php8.9B** to **Php16.5B**
 - Launched 4 new projects: The Estate, Mi-Casa, Quantum Amethyst, Marco Polo Park Place
 - Real estate sales (exc. lot sale **Php2.7B**) **+15%** from **Php6.1B** to **Php7.0B** due to Bay Area projects
- Rent **+22%** from **Php840M** to **Php1,028M** due to rate escalation and higher occupancy (i-Met, MetLive)
- Commission income **+167%** from **Php68M** to **Php182M** due to higher sales on JV projects (Sunshine Fort/Haru, GHR2)
- Gross Profit margin improved from **33.0%** to **39.3%** due to higher-margin project launches
- OPEX **+18%** from **Php1.8B** to **P2.1B** due to higher commissions, taxes and licenses, and marketing expenses
- Interest Expense **+61%** from **Php259M** to **Php417M**



Project Launches

Project Launches

Number of units are all estimates and subject to change



The Estate
AYALA AVENUE

Feb 2019

188 units, Php18.0B (JV 50%)



Mi Casa Tower 1
BAY AREA, PASAY

March 2019

158 units, Php3.8B



Quantum Residences
Tower 2
(Amethyst)
TAFT AVENUE

Aug 2019

1,304 units, Php4.0B



Marco Polo Residences
Tower 5
CEBU

Sept 2019

350 units



Insurance

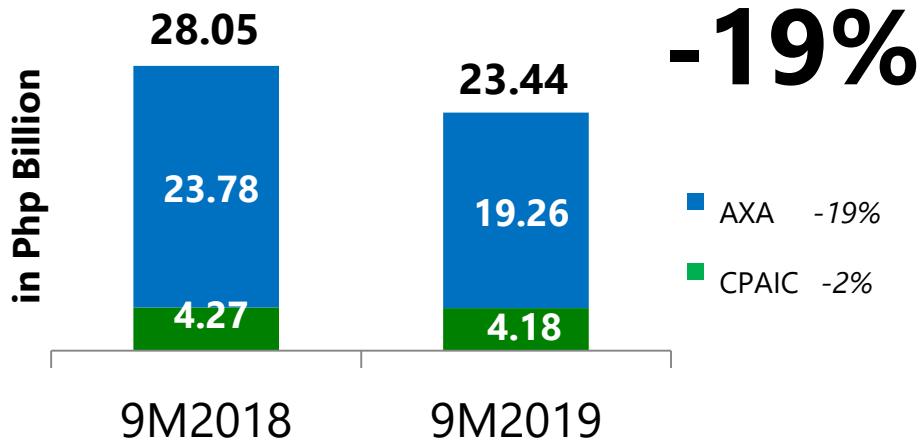


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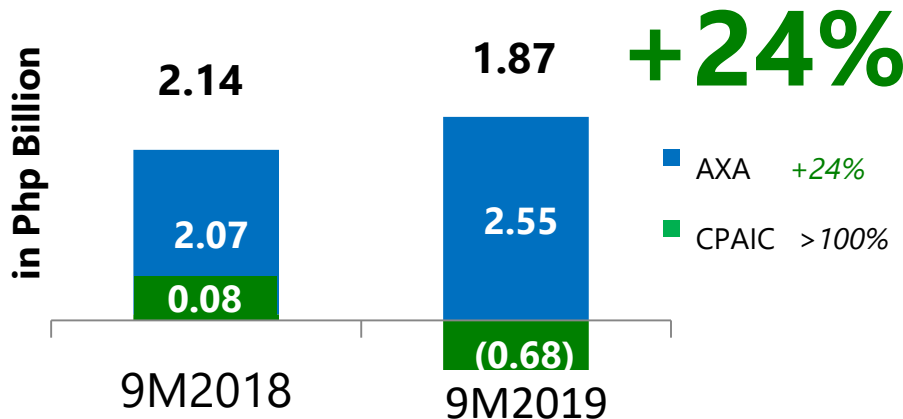
AXA Philippines Financial Highlights



Gross Premium



Net Income



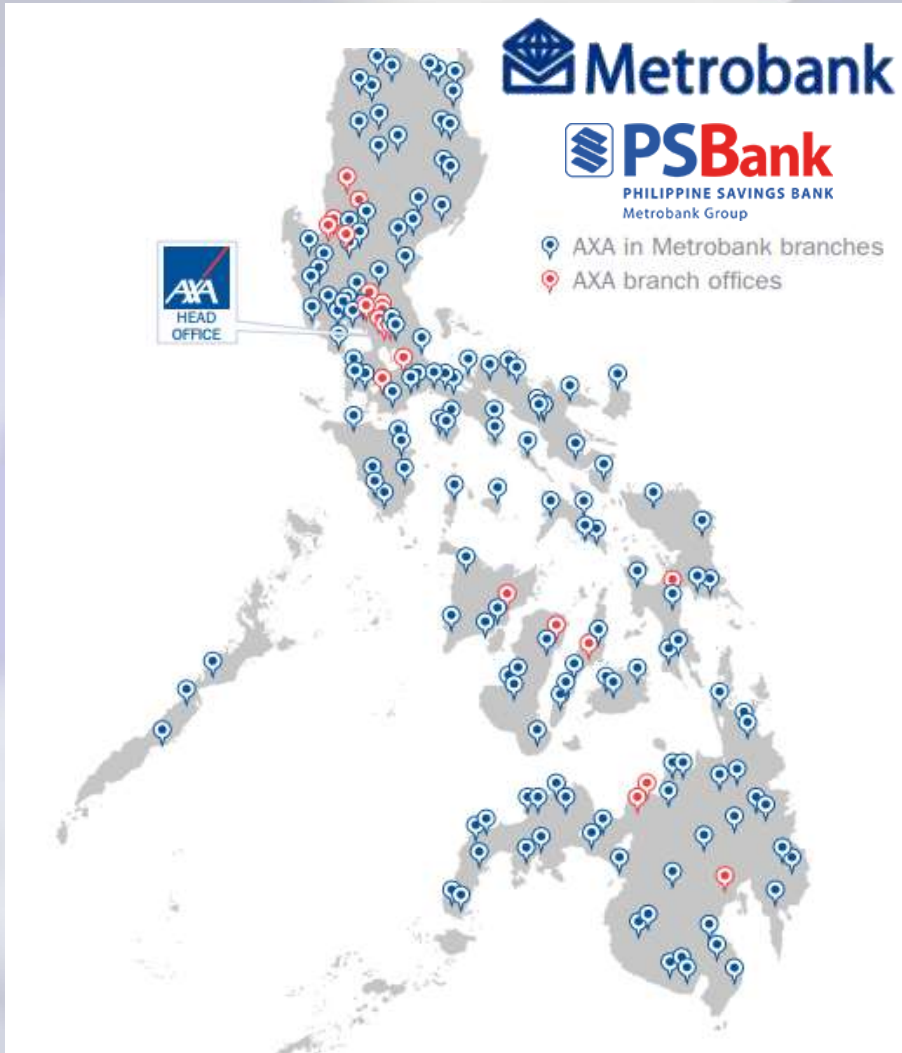
Life

- New Business **-7%** from **Php5.6B** to **Php5.2B** dragged by low SP sales due to market volatility
- Growth in Protection & Health line **+34%** (Now **20%** of premium revenues)
 - Regular Premium (RP) **+6%**
 - Traditional **+45%**
 - Unit-linked **-2%**
 - Single Premium (SP) **-51%**
- Premium margins **+13%** from **Php5.9B** to **Php6.7B** due to growth in high margin RP-Trad sales
- AUM-Linked **Php97B** to **Php102B +5%**; Asset management fees **Php1.3B** to **Php1.5B +14%**
- Realized and Unrealized gains from bonds and equities **Php75M** from a loss of **Php130M +158%**

Non-life

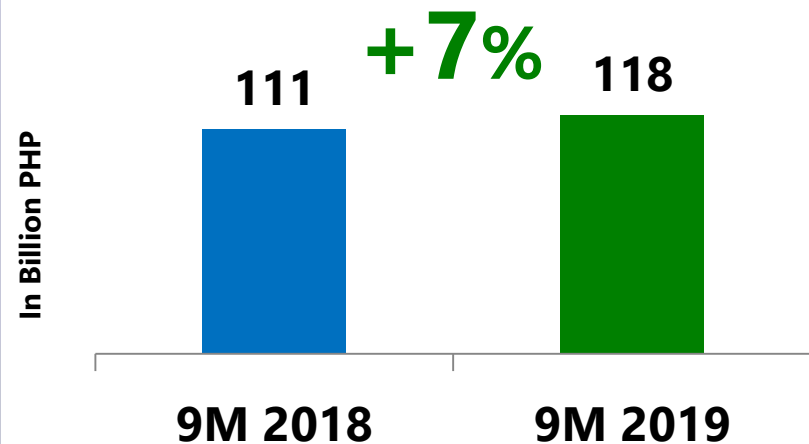
- Significant claims and losses arising from earthquakes, fires, floods, and other natural disasters

Strong synergy and growth



- Exclusive financial advisors: **6,615**
vs 5,272 in 1H 2019
- Total bancassurance (Metrobank and PSBank) branches: **957**
- AXA branches nationwide: **63**

Assets Under Management



Wide range of insurance offerings



HEALTH MAX

MAXIMUM HEALTH COVERAGE FOR LIFE, GUARANTEED.

**PAY DURING YOUR PRIME.
BE SECURE FOR A LIFETIME.
GET THE BEST HEALTH PLAN IN THE PHILIPPINES TODAY!**

BENEFITS

- Max coverage of **56 major illnesses**
- Max Coverage for **18 Minor Conditions**
- Max Coverage until **age 100**
- Max coverage up to **PIO million**
- Advanced Health Fund** starting age 70
- Customizable plan that can be enhanced by **riders**

Php10M coverage



Health MaX is one of AXA's premium products, offering lifetime medical coverage for over 50 major illnesses.

Other health insurance products



AXA's **Global Health Access** provides its customers with world-class medical coverage in any country in the world.

- ✓ Provides up to **Php150 Million** yearly coverage for in-patient and out-patient treatments
- ✓ Renewable until age 99
- ✓ Choose your own doctor
- ✓ Choose your own hospital
- ✓ **Anywhere in the world**



AXA's **Health Exentials** product provides as much as **Php5 Million** in total health coverage until 55 years old for as low as Php59 per day.





Banking

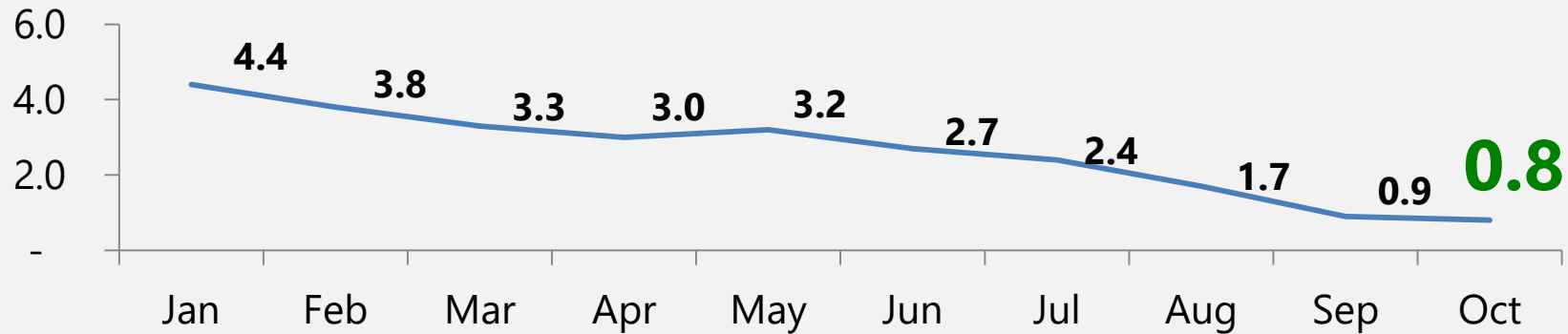
Macroeconomic Highlights



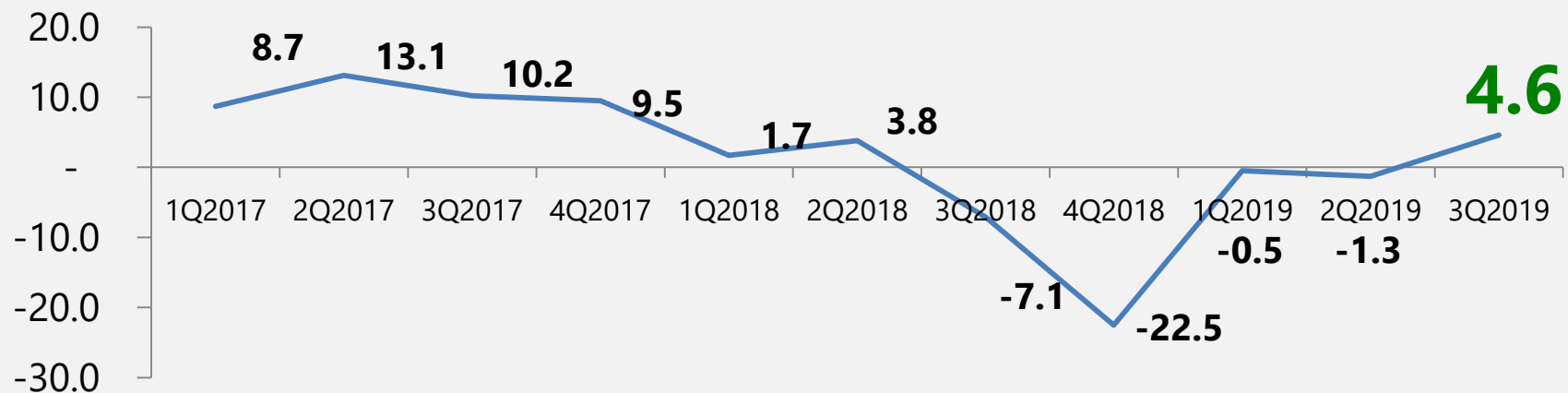
Metrobank
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Philippine 2019 Inflation Rate, in %



BSP Consumer Confidence Index, in %



Source: BSP

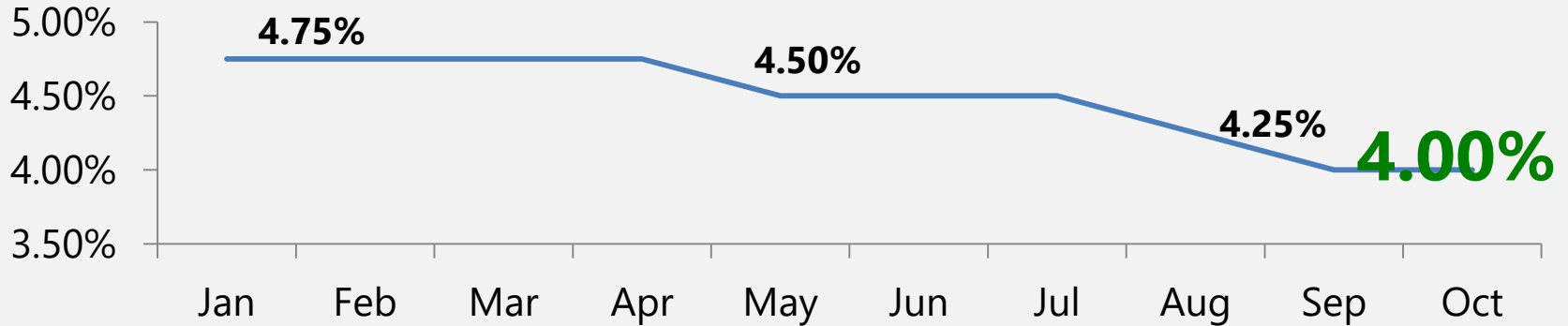
Macroeconomic Highlights



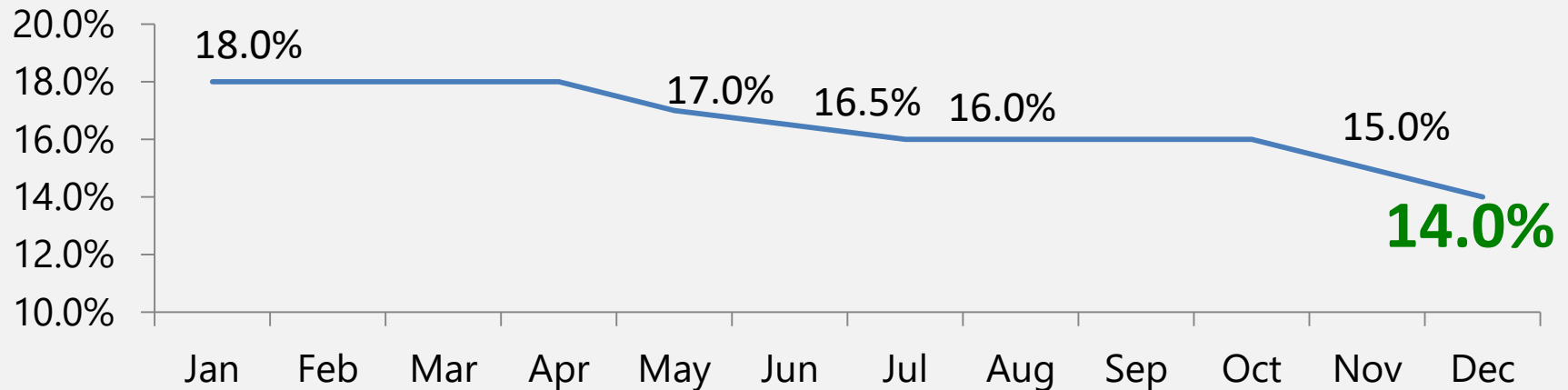
Metrobank
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2019 BSP Policy Rate



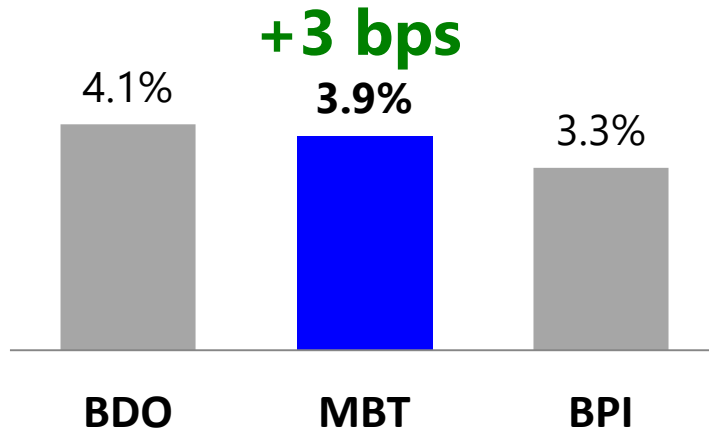
2019 BSP Reserve Requirement Ratio (RRR)



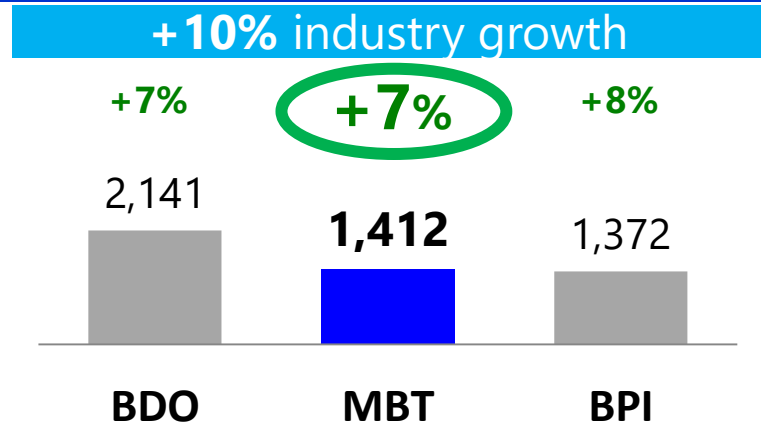
Source: BSP

Peer Banks Highlights

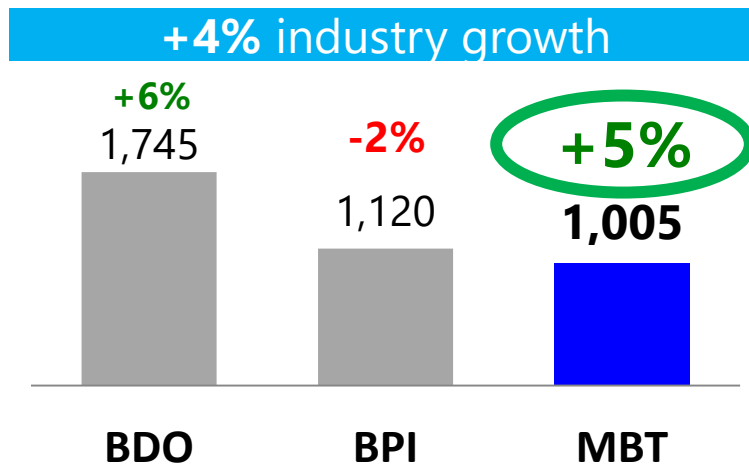
Net Interest Margin – NIMs (%)



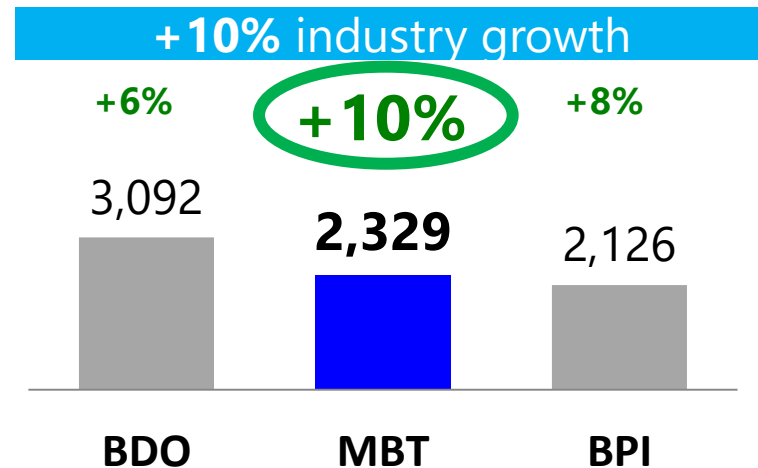
Total Loans (Php Billion)



CASA Deposits (Php Billion)



Total Assets (Php Billion)



Source: 17-Q Report of Banks as of 30 September 2019

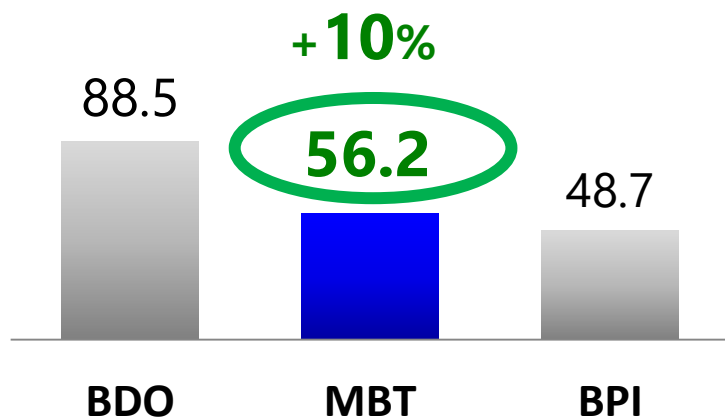
9M 2019 Peer Banks Highlights



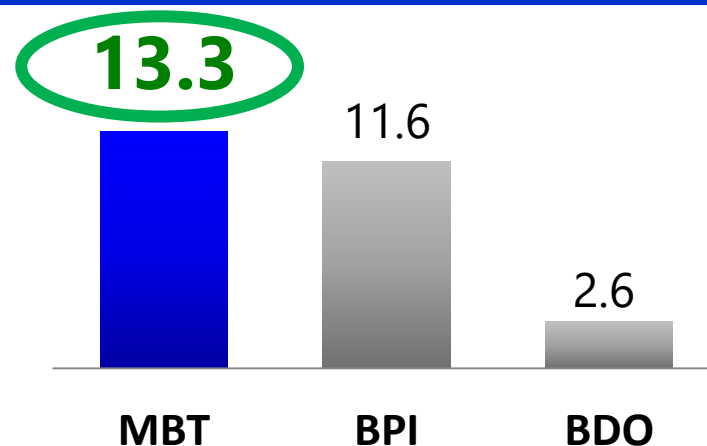
Metrobank
You're in good hands



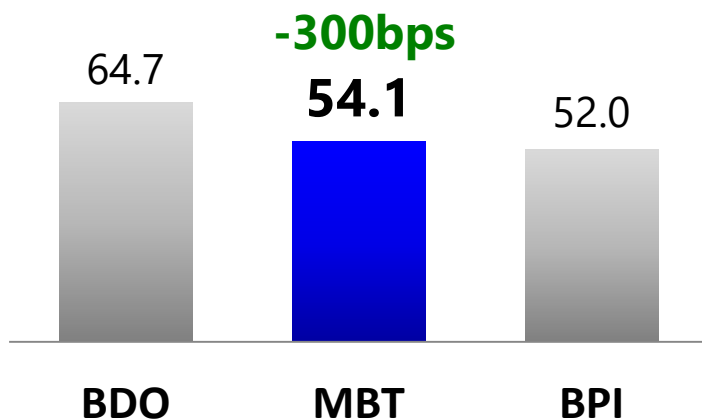
Net Interest Income (Php Billion)



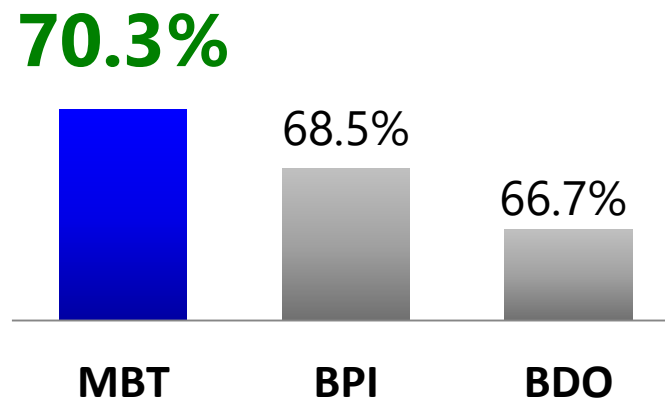
NII less Opex (Php Billion)



Cost-to-Income Ratio (In %)



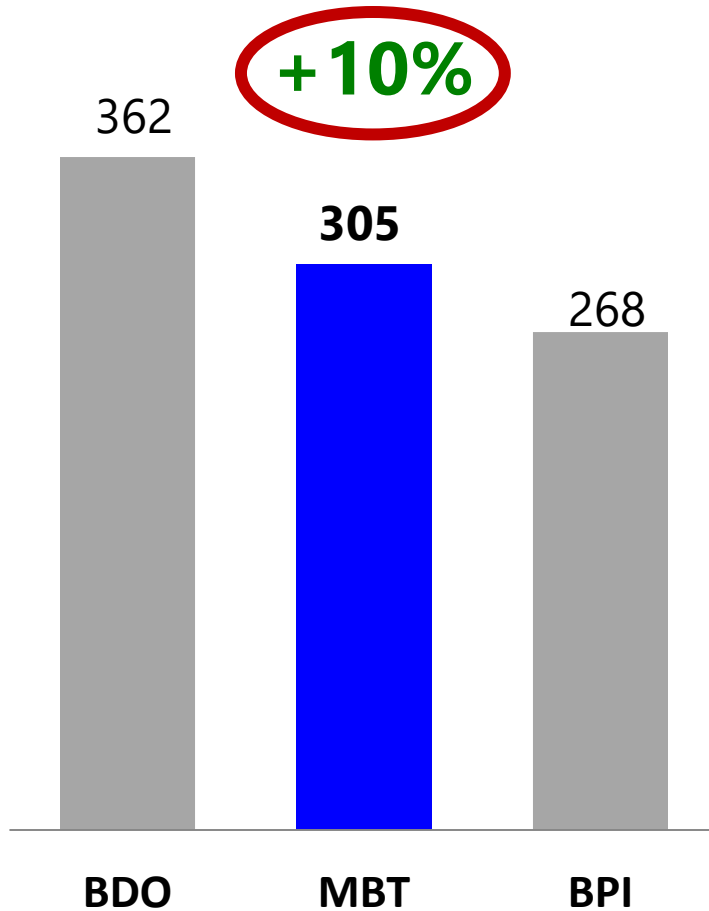
NII to Total Revenue (%)



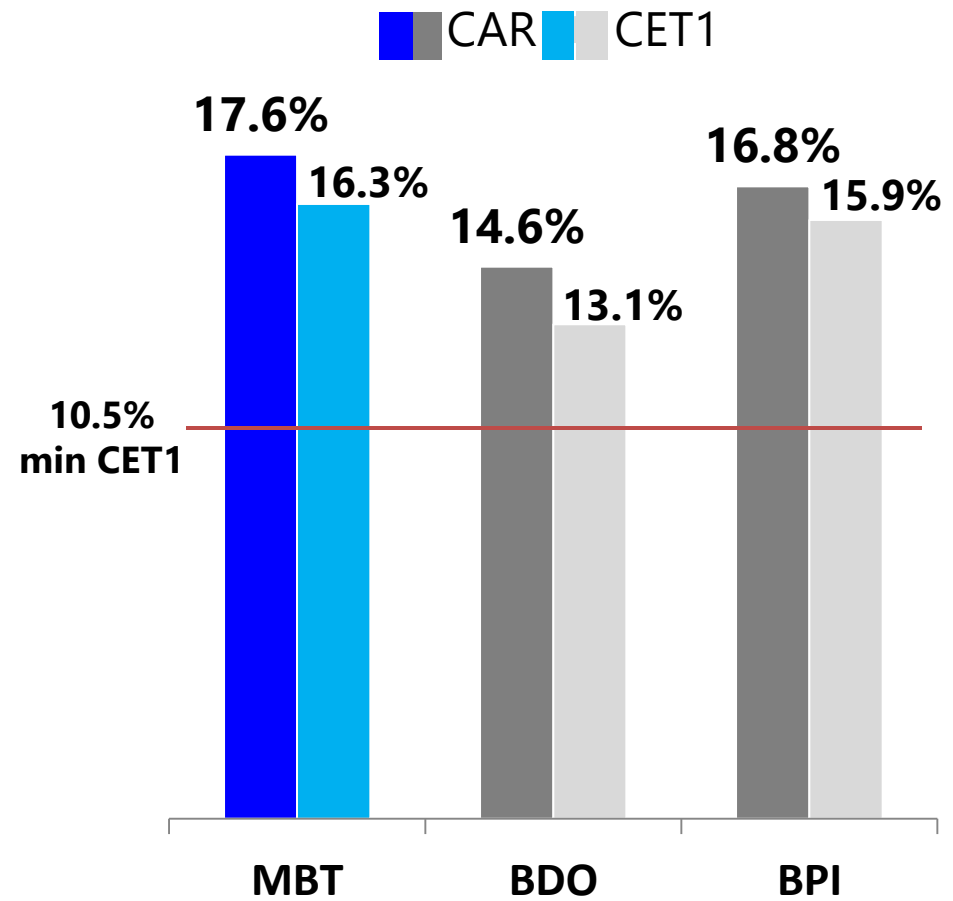
Source: 17Q Report, Investor Presentations, and Press Releases of Banks as of 30 September 2019

Peer Banks Highlights

Total Equity (Php Billion)



Total Capital Adequacy Ratio and CET1 (%)





Metrobank
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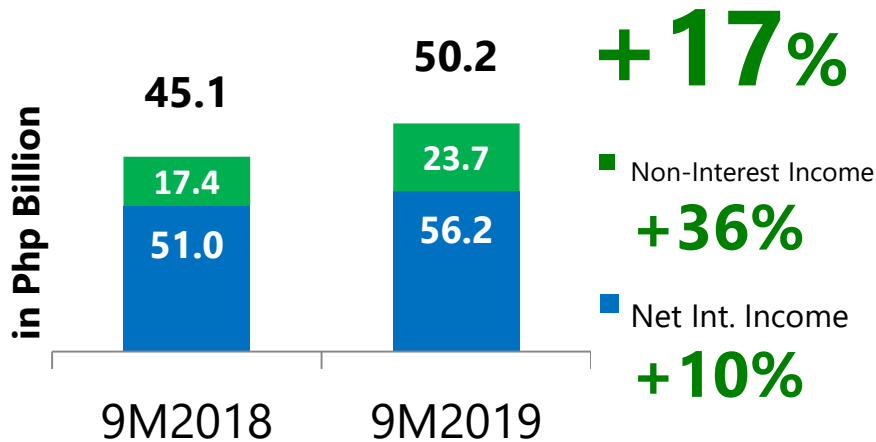
Metrobank Financial Highlights



Metrobank
You're in good hands

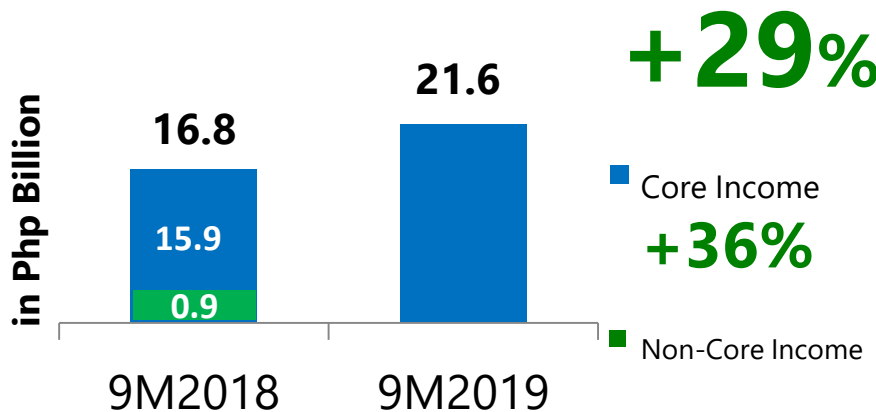


Operating Income



- Net Interest Income **+10%** (Php56.2B or 70% of Operating Income)
 - NIMs from 3.88% to 3.91%
 - Loan portfolio **+7%** (Php74B) from **Php1.33T** to **Php1.41T** vs. Industry **+10%**
 - Commercial **+7%**
 - Consumer **+5%**
 - CASA **+5%**

Net Income ATP



- Non-Interest income **+36%**
 - Service fees & bank charges **+9%** from **Php9.1B** to **Php10.0B**
 - Trading and FX gain **4x** from **Php2.1B** to **Php8.2B**
 - Miscellaneous income **-9%** from **Php6.2B** to **Php5.6B**
- Cost to Income Ratio from 57.9% to **54.1%**
 - Manpower **+9%** (CBA related)
 - Increase in OPEX **+9%** from **Php39.3B** to **Php42.9B**

Credit demand driven by solid economic growth



Metrobank
You're in good hands



Loan Portfolio (PHP Billion)

+7%

1,326

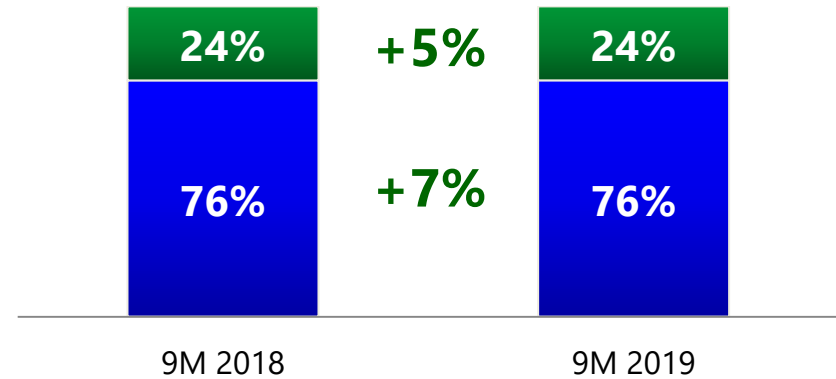
1,412

9M 2018

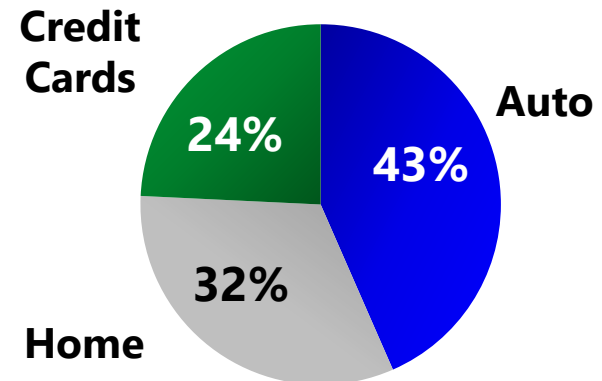
9M 2019

Total Loan Portfolio Breakdown

■ Commercial ■ Consumer



Consumer Loan Portfolio Breakdown



Summary



Metrobank
You're in good hands



- ✔ **Credit demand driven by solid economic growth**
- ✔ **Healthy deposit growth, with a CASA ratio above 60%**
- ✔ **Downward interest rates support NIM expansion**
- ✔ **Recurring revenue growth outpacing costs**
- ✔ **Improving Operating Ratios**
- ✔ **Asset quality better than industry**



Infrastructure and Utilities

Infrastructure Project Updates

9M 2019 project opening

**METRO
PACIFIC**
INVESTMENTS



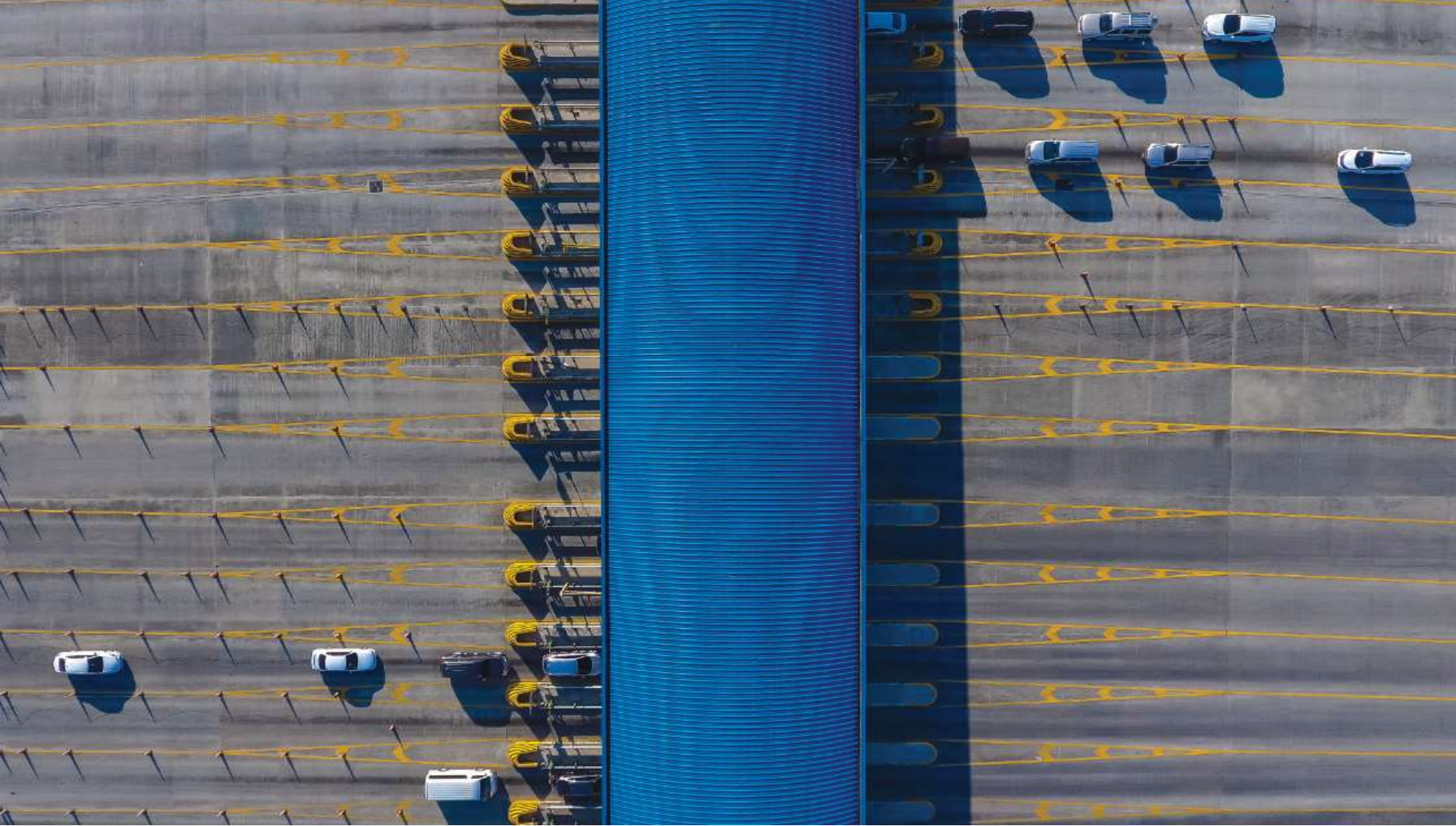
MPTC
METRO PACIFIC TOLLWAYS

CALAX

10km segment from Mamplasan Toll Barrier to Santa Rosa-Tagaytay Interchange

Opened

November 2019



**METRO
PACIFIC**
INVESTMENTS

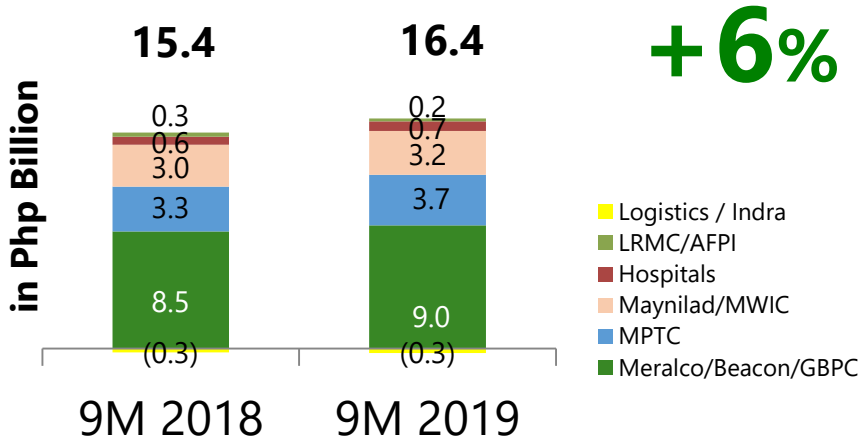


Metro Pacific Financial Highlights

**METRO
PACIFIC**
INVESTMENTS



Share in Operating Net Income



Power

- **Meralco** - Core NI **Php18.5B +11%**

- Energy sales **+6%**

- **GBPC** - Core NI **Php2.0B +3%**

- **Toll Roads** - Core NI **Php3.7B +13%**

- **Water** - Core NI **Php6.5B +6%**

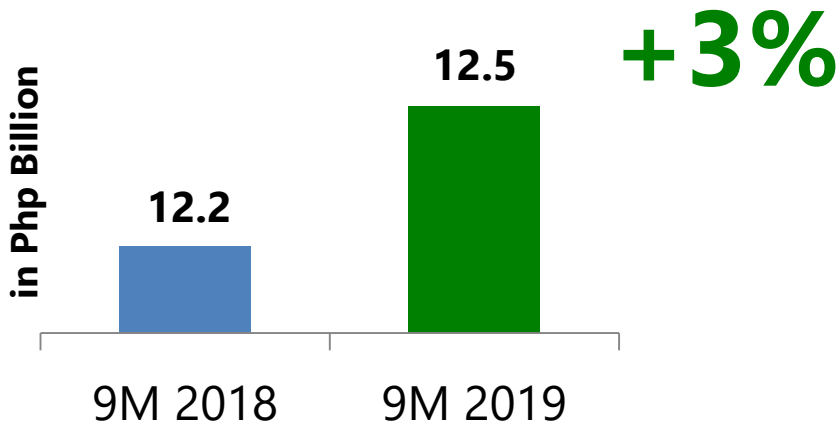
- **Hospitals** - Core NI **Php2.1B +18%**

- **Rail** - Core NI **Php0.4B -25%**

- **Logistics** - Core net loss **Php0.3B**

- **GT Capital's share in NI -6%** from **Php1.9B** to **Php1.8B** due to higher net interest and FX losses (from FX gains last year)

Core Net Income





Recent Developments



Free AXA personal insurance for new Metrobank account holders





FREE
₱100,000
Personal Accident Insurance Coverage

Exclusive to
 **Metrobank**

Free Php100k accident insurance for new Metrobank account holders

Covers accidental death and permanent disablement

Available to customers aged 18 to 70 years old

TMP participates in Jeepney Modernization Program



DOTr, DTI, and Toyota unveil the Hilux Modern PUV

- ✓ 12 passenger seats
- ✓ CCTV
- ✓ GPS Navigation
- ✓ Dashboard Camera
- ✓ Wi-Fi
- ✓ Automatic fare collection system
- ✓ Euro 4 emission standards compliant
- ✓ **Only PUV Modernization Program participant priced below Php1.0 Mln**
- ✓ PUV Modernization Program compliant



Property as GT Capital's Third Leg

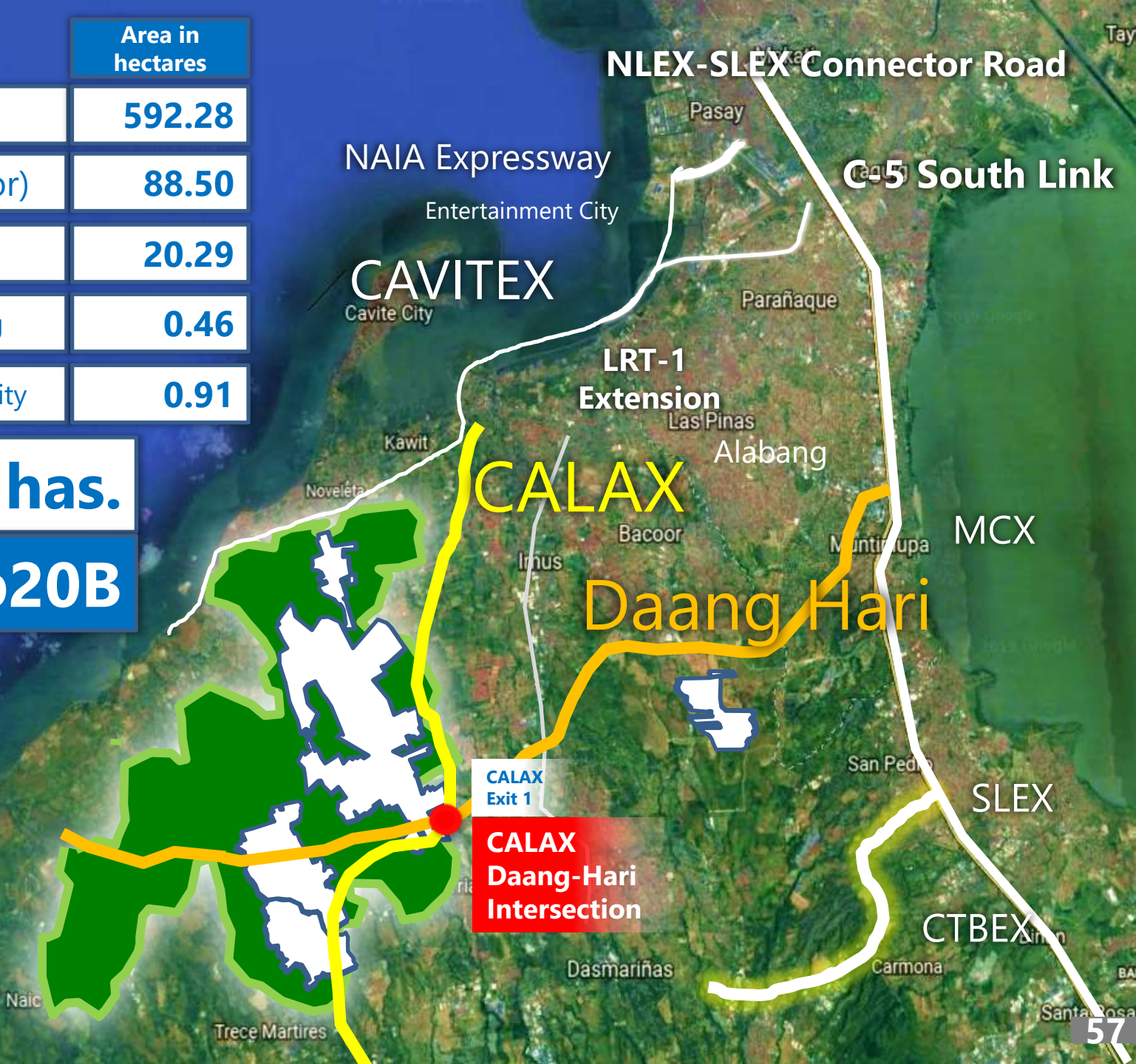
21 October 2019



Finalization of Redemption

	Area in hectares
Lancaster (Imus and General Trias)	592.28
Bellefort (Bacoor)	88.50
Carmona	20.29
Shaw, Mandaluyong	0.46
Santolan, Quezon City	0.91

702 has.
Php20B



Rationale for Redemption

LNC best-use for mixed-use development

Master-planning of 702 hectares has to be completed by year-end



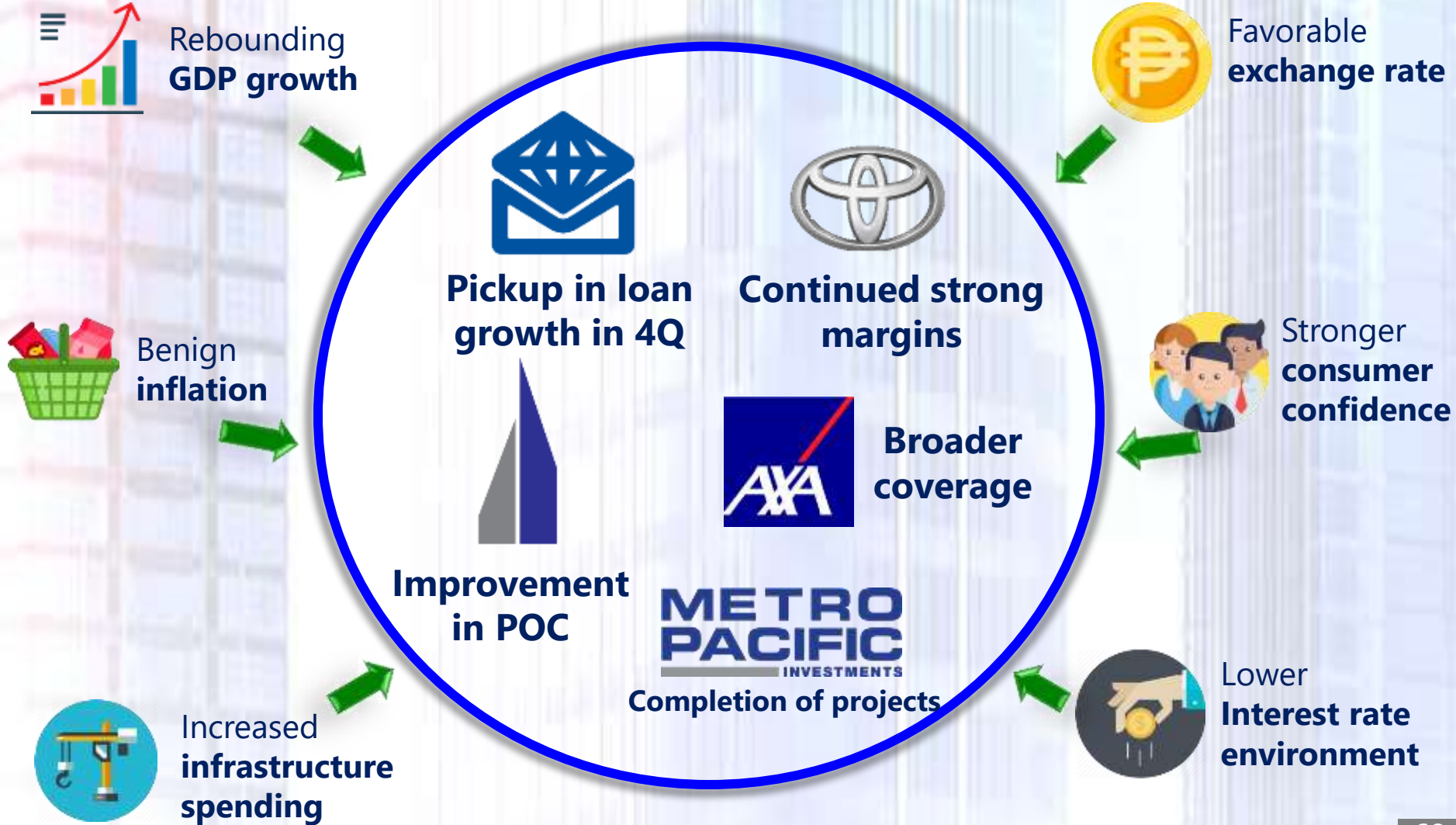


GRAND
HYATT[™]
MANILA

Coming soon:

Launch of the
Penthouse 66
at the **Grand Hyatt**

Our Outlook for Growth





GT CAPITAL
HOLDINGS INCORPORATED

Thank You!





Nine Months 2019

Analyst and Media Briefing

**BUILDING ON
NEW OPPORTUNITIES**

14 November 2019

