




**GT CAPITAL**  
HOLDINGS INCORPORATED



# First Half 2015 Results Briefing

14 August 2015



A nighttime photograph of a city skyline, featuring several tall skyscrapers with illuminated windows and facades. The sky is a deep blue, and the city lights create a vibrant, glowing effect. The perspective is from a high vantage point, looking down at the buildings and a street below.

GT Tower International  
Ayala Avenue, Makati

# GT Capital Holdings 1H 2015 Financial Highlights

# Financial Highlights Y-o-Y H1 2015



- Inclusive of non-recurring income and expenses

- Consolidated Net Income **+42%** YoY

**Php5.6 billion**

Php4.0 billion 2014

- GT Capital's Core Net Income **+36%** YoY

**Php5.4 billion**

Php4.0 billion 2014

- Revenues **+12%** YoY

**Php74.3 billion**

Php66.2 billion 2014

- TMP - Auto Sales

Php **56.5 billion** **+14%**

- Equity in net income of associates

Php **2.8 billion** **+57%**


- FLI - Real Estate Sales

Php **3.5 billion** **+7%**

- Other income – includes Php 0.243 billion GBP partial insurance claim

Php **0.6 billion** **+48%**



A nighttime photograph of a city skyline, featuring several tall skyscrapers with illuminated windows and a prominent, thin, golden tower on the left. The sky is a deep blue, and the city lights create a vibrant, glowing effect.

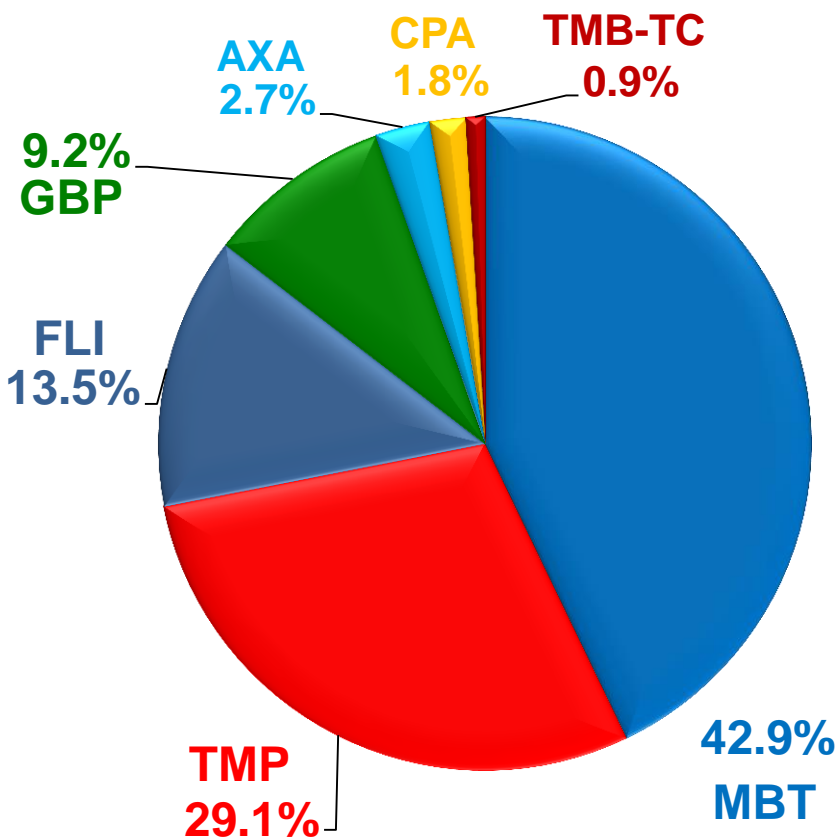
GT Tower International  
Ayala Avenue, Makati

# GT Capital Holdings

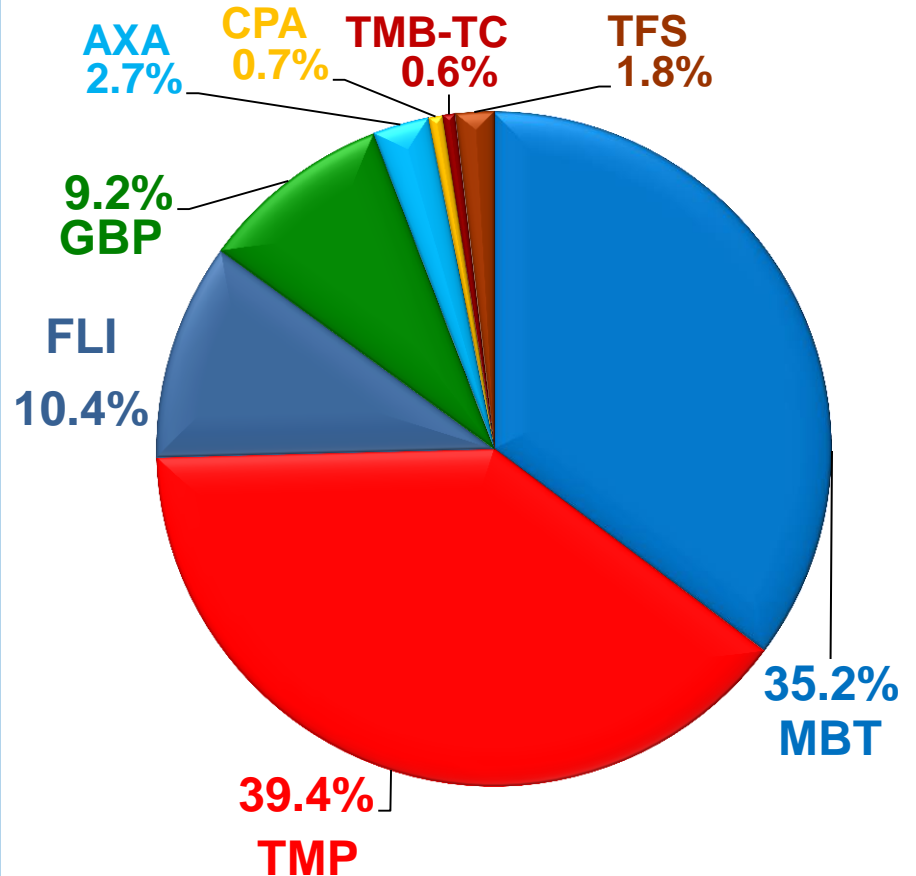
## 1H 2015

### Net Income Contribution per Component Company

# Net Income Contribution



**H1 2014**

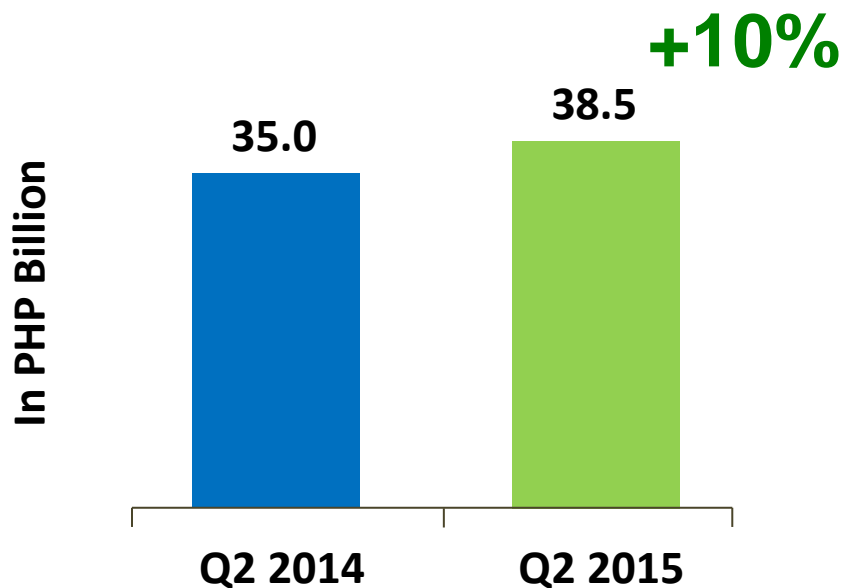


**H1 2015**

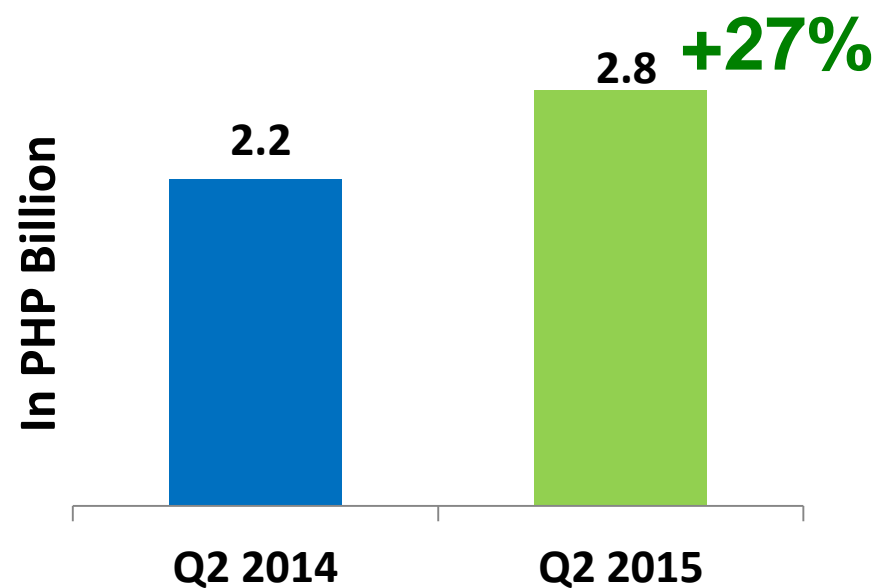
# GTCAP Q2 2015 vs. Q2 2014 Financial Highlights



## Revenues



## CONSO Net Income ATP



- Increase in Auto Sales **+11%**, and Real Estate Sales **+25%**
- Equity of Net Income of Associates **+14%** (MBT, AXA, TFS)
- Net income growth: TMP **+66%**, MBTC **+6%**, AXA **+5%** and GBP **+26%**.





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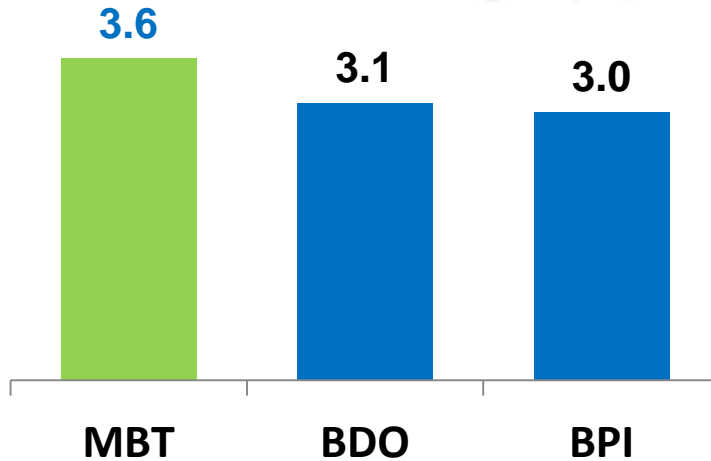
# Banking



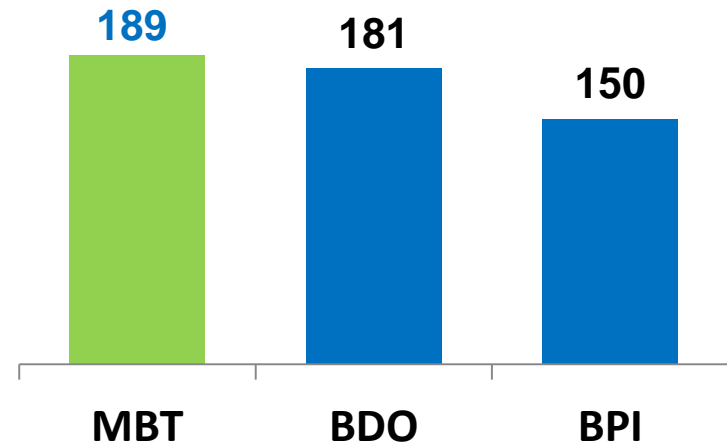
# Peer Banks Highlights



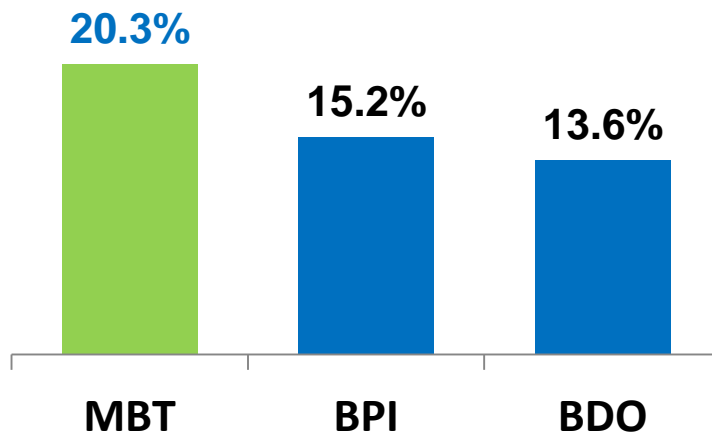
### Net Interest Margin (%)



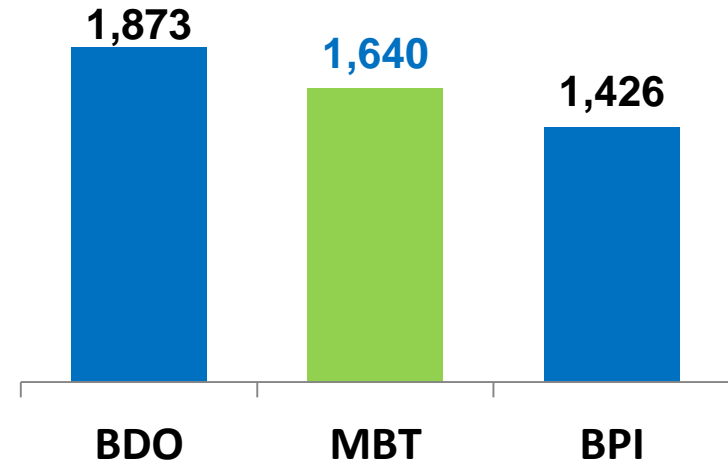
### Total Equity (Php Billion)



### Total Capital Adequacy Ratio (%)



### Total Assets (Php Billion)

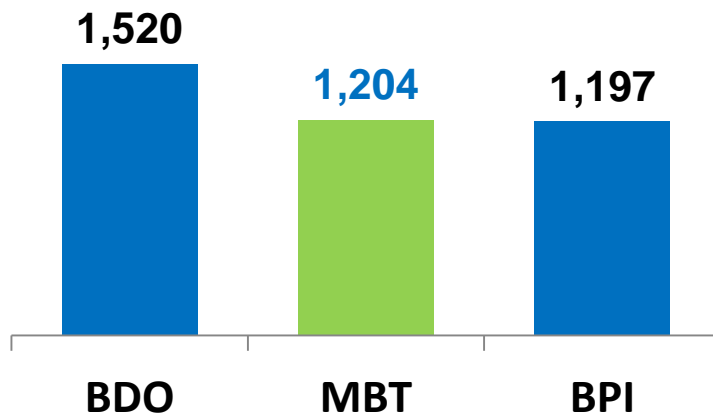




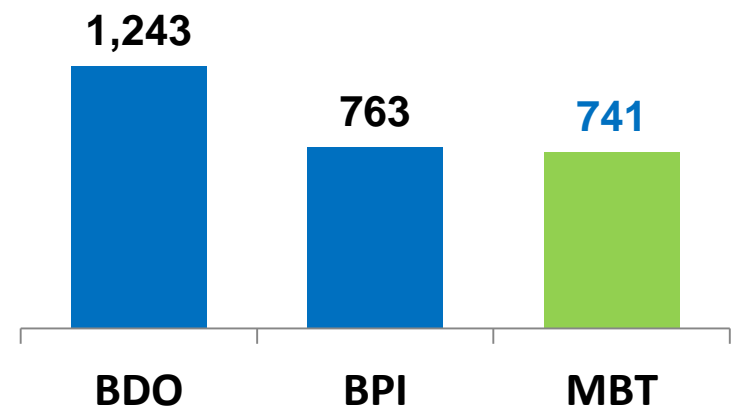
# Peer Banks Highlights



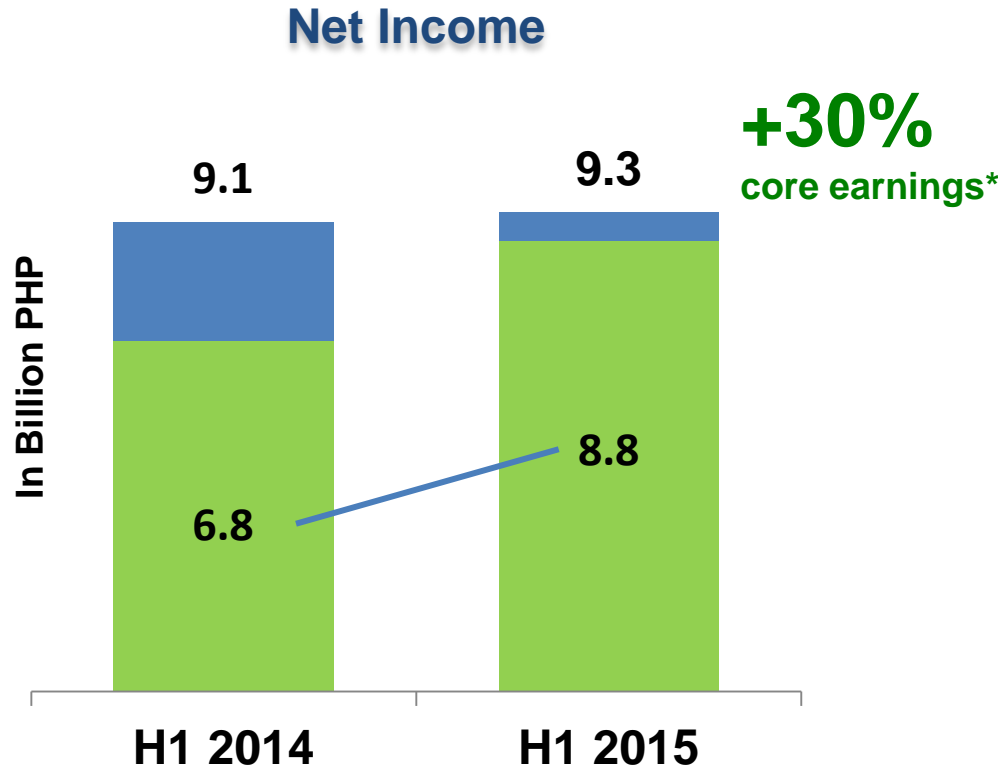
## Total Deposits (Php Billion)



## Total Loans (Php Billion)



# MBT Financial Highlights



- Loan growth **+14%**
- CASA growth **+17%**
- Service charges, fees and bank commissions **+11%**
- Treasury-related and trust income **+45%**
- Cost-to-income ratio from 59% to 56%
- CAR of 20.3% and CET1 of 16.3% following Php32bn stock rights offering in April

\*Note: Core earnings adjusted for asset sales

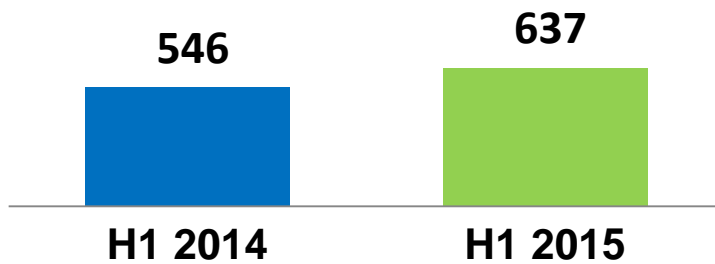


# MBT Financial Highlights



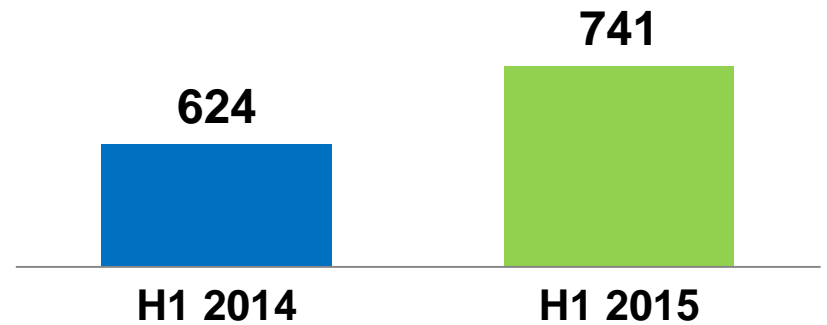
### CASA (PHP Billion)

**+17%**

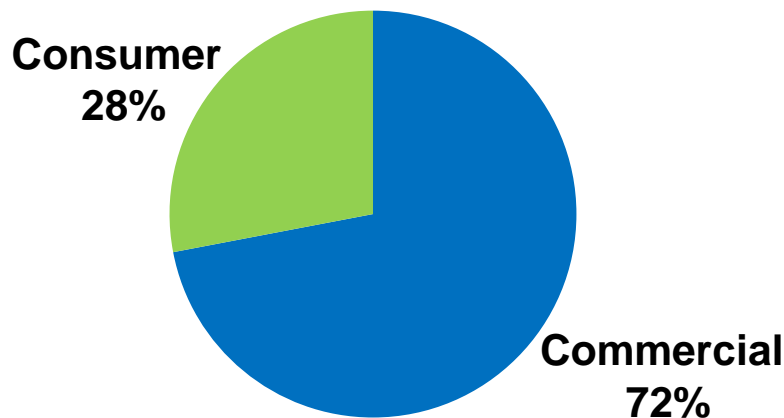


### Loans and Receivables (PHP Billion)

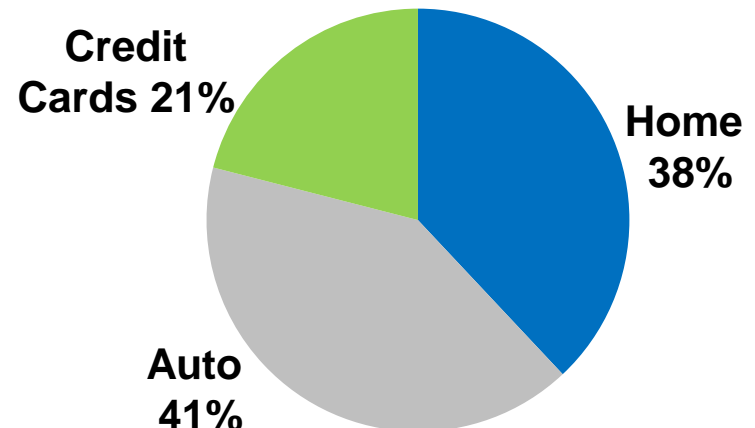
**+14%**



### Total Loan Portfolio Breakdown



### Consumer Loan Portfolio Breakdown



# MBT Network Coverage



## Domestic Branch Network

**+18**

**New Branches  
in 1H2015**

**30 branches/year  
for the next three  
years**

**+52**

**New ATMs in  
1H2015**

**938**  
branches

**2,159**  
ATMs

## Overseas Network

**32**

Branches,  
subsidiaries,  
offices

**124**

Remittance  
tie-ups

**Over**

**170**

Remittance  
agents





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# Automotive



- PHP9 B worth of incentives equivalent to USD1,000 per model
- Only entirely new models or Full Model Change (FMC) units to qualify
- Minimum sales volume of 200,000 units over six years (33,333 units per year or 2,750 units per month)
- Required local content at 60% through new investments in body shell and large plastic parts assembly
- Limited to three car companies
- Awaiting Implementing Rules and Regulations (IRR)

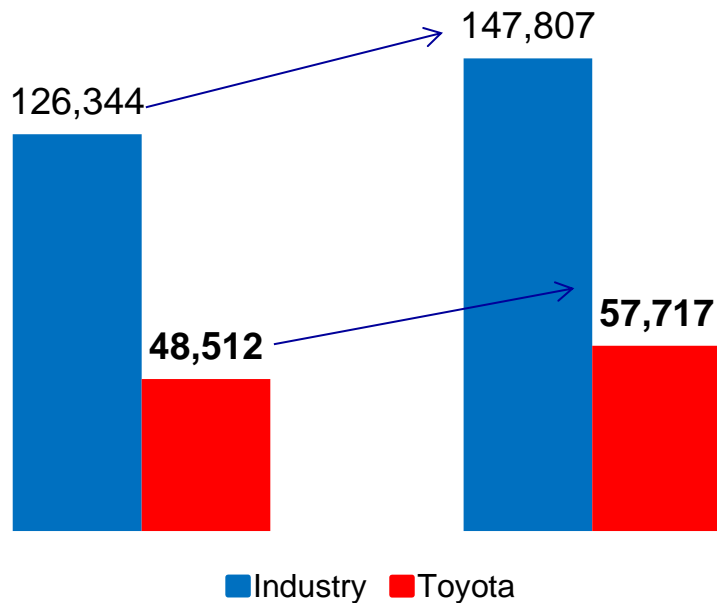


# Auto Industry Retail Market Share



## Auto Industry vs. TMP Unit Sales June 2015

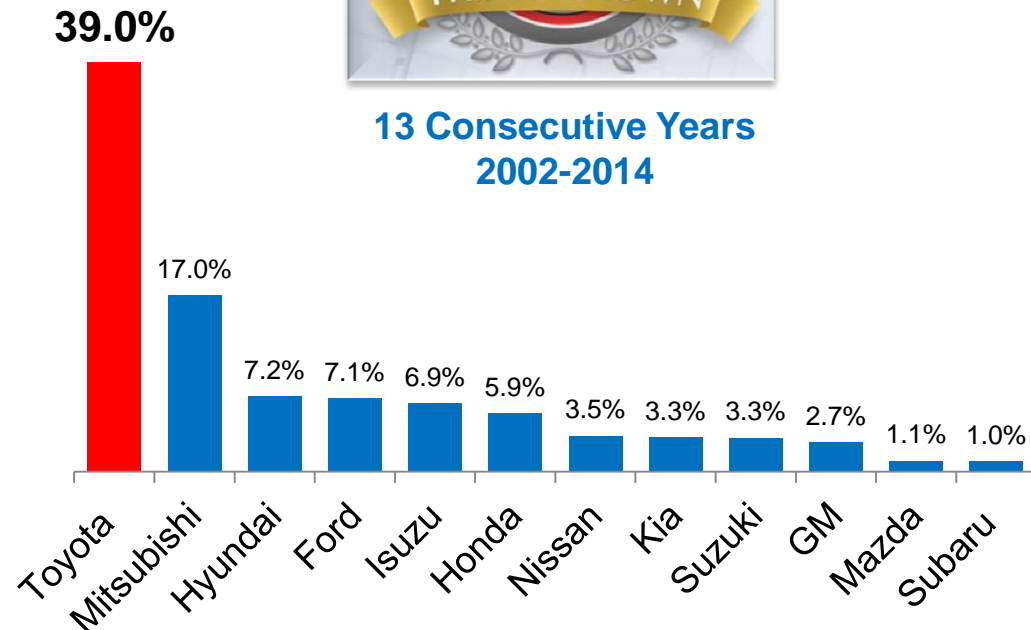
Toyota Growth **+19.0% YoY**  
 Industry Growth **+17.0% YoY**



## Overall Market Share (%) June 2015



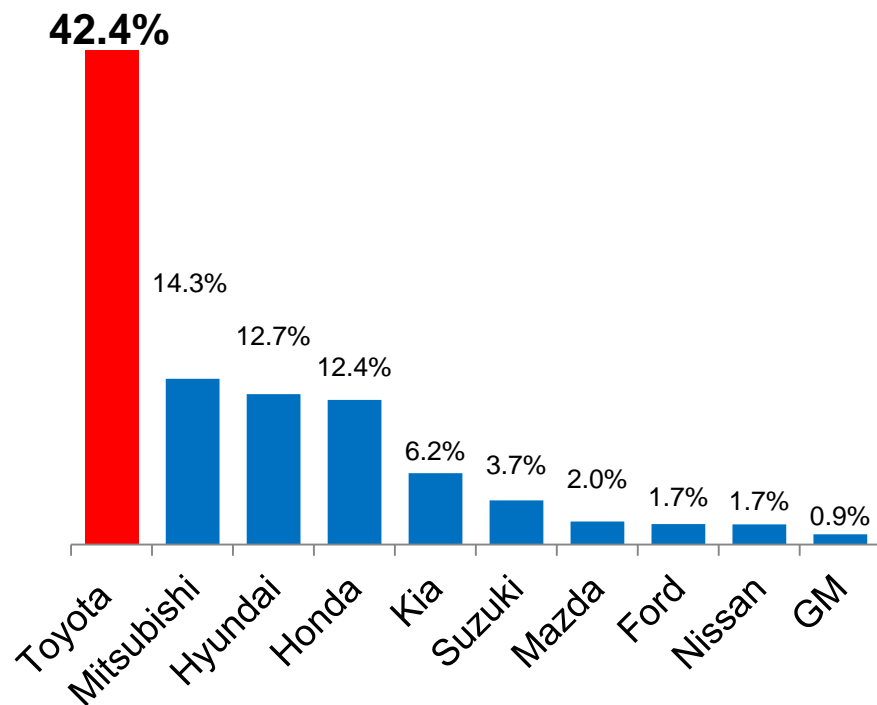
**13 Consecutive Years  
2002-2014**



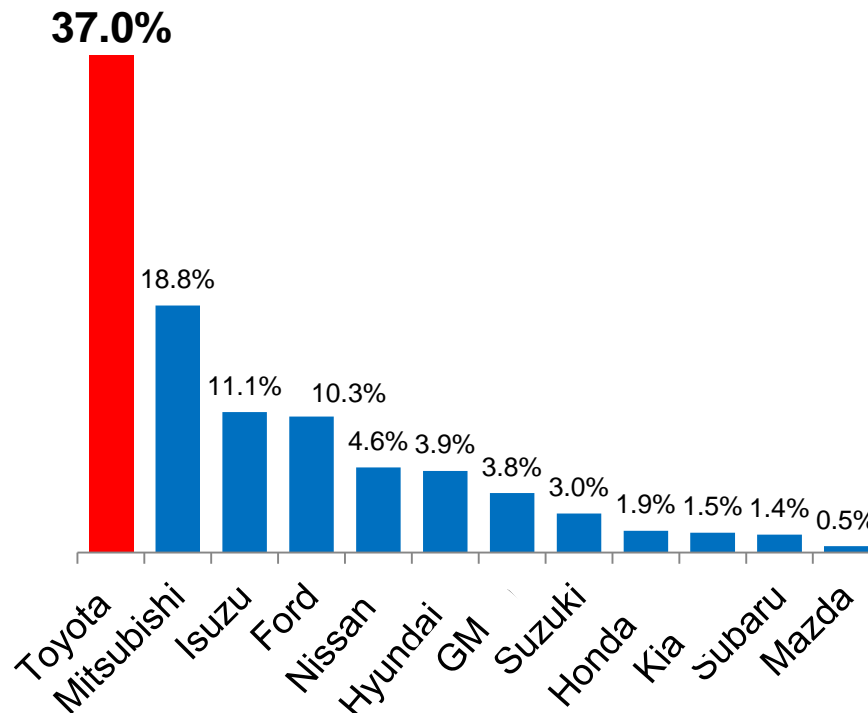
# Auto Industry Market Share



## Passenger Car (%) June 2015



## Commercial Vehicle(%) June 2015

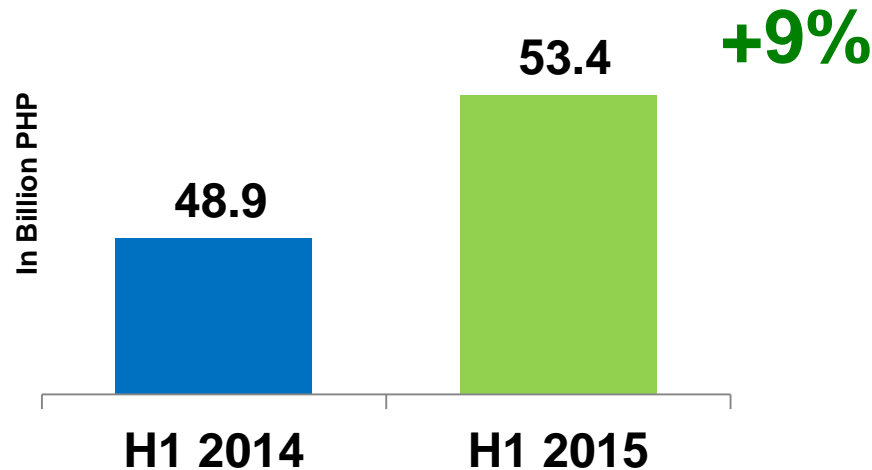




# TMP Financial Highlights

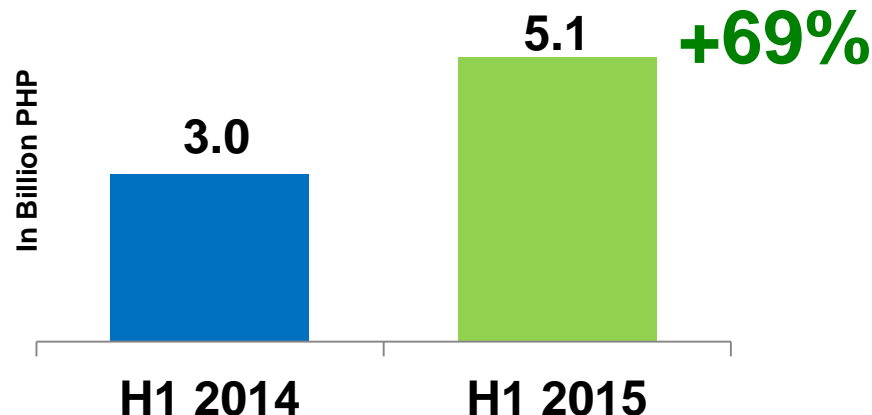


## Revenues



- Wholesale volume **+13%**  
**56,674** units
- Strong sales:
  - PCs: Vios, Corolla Altis, Wigo and Yaris models
  - CVs: Fortuner, Innova and Hiace models

## Net Income



- Toyota retail sales **+19%**, outpacing PH auto market (+17%)
- Improvement in margins due to favorable models mix and FX rates, and price adjustments



**1,000,486 Units Sold from 1989 – April 2015**



# Record Setting Monthly Sales



	Total Units Sold	Vios Units Sold
<b>July 2015</b>	<b>10,678</b>	<b>3,102</b>
May 2015	10,511	2,886
March 2015	10,237	2,774
October 2014	10,163	2,370
July 2014	10,123	2,480



# Toyota Dealerships



Target by end of year	2012	2013	2014	2015	2016
No. of Dealerships	32	42	45	50	56

## Expansion in *Next Wave Cities* Outside Metro Manila



**Toyota Zamboanga City**  
Opened: February 2015



**Toyota Roxas City**  
Opened: March 2015

**47 Dealerships as of 14 August 2015**

**Soon to open: Fairview (September), Bataan (November), Lipa (December)**

# Full-Model Change



**Hilux (July 2015)**





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# Power Generation



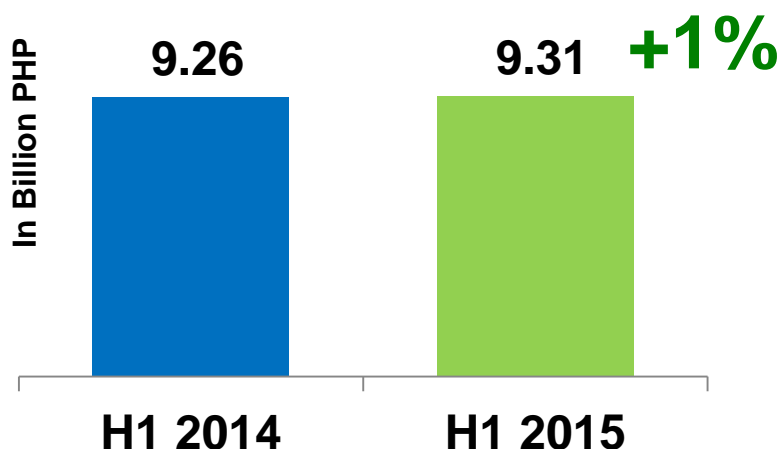
# Power Sector Updates Jan – Jun 2015



MW	Luzon		Visayas		Mindanao		Total	
	Jan 2015	Jun 2015	Jan 2015	Jun 2015	Jan 2015	Jun 2015	Jan 2015	Jun 2015
System Capacity	9,100	9,302	1,571	1,623	1,366	1,392	12,037	12,317
System Peak	6,759	8,266	1,415	1,365	1,386	1,329	9,560	10,960
Reserve	2,341 34%	1,036 13%	156 11%	258 19%	-20 -1.4%	63 4.7%	2,477 26%	1,357 12%

# GBP Financial Highlights

## Net Fees

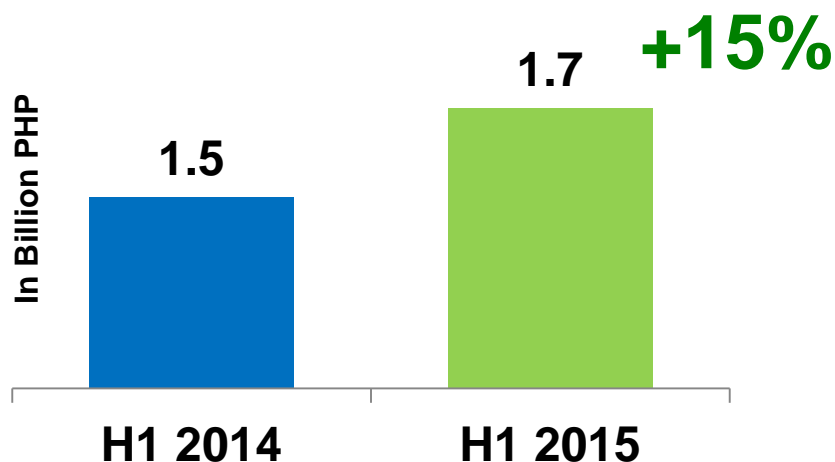


- Net Fees **+1%**  
Q1
  - Mandated plant maintenance shutdown

### Q2

- Plant downtimes due to operational issues
- Recovery of insurance (business interruption)

## Net Income



- Net Income **+15%** due to
  - Non-recurring income from insurance claim

# Panay Energy Construction Updates



**150-Megawatt Plant Expansion  
Iloilo City  
51.2% Completed as of 06 July 2015  
Target Completion on track by 2H2016**

# Life Insurance



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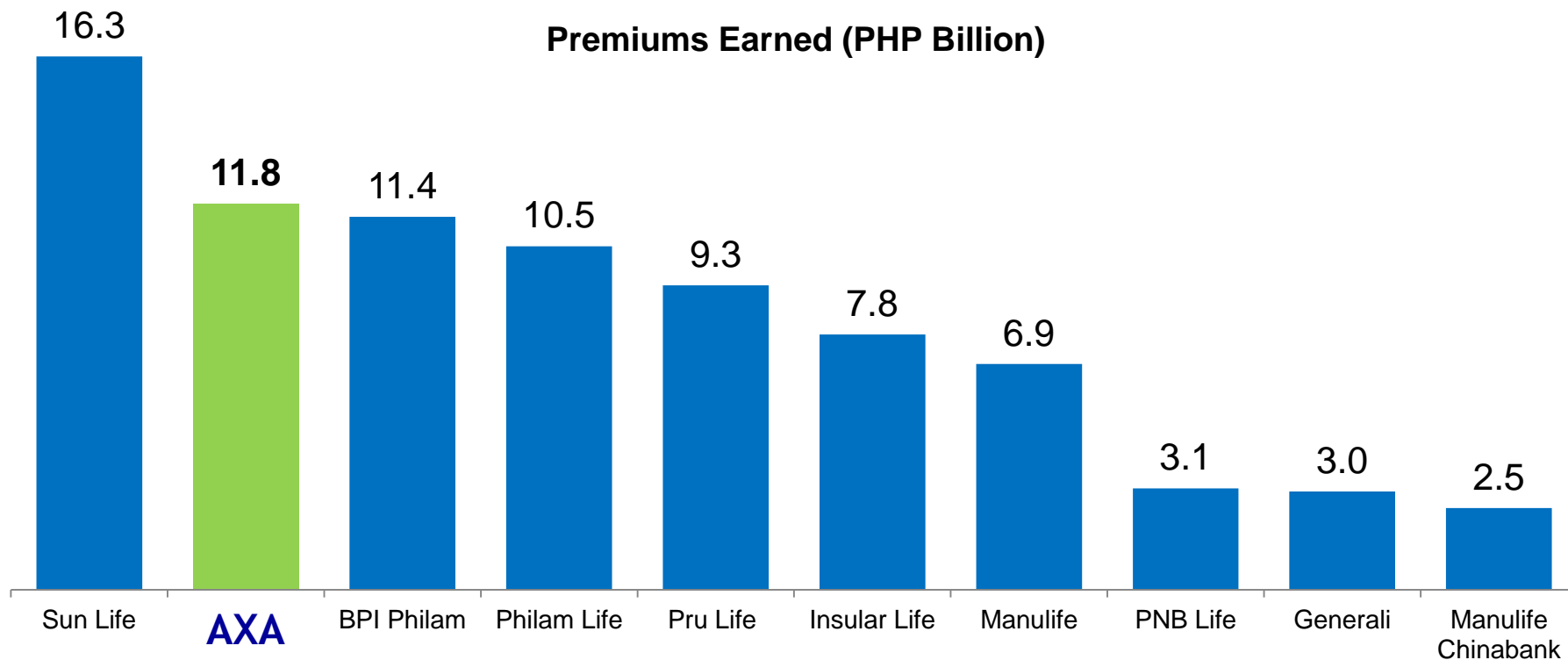
The AXA logo, consisting of the letters 'A', 'X', and 'A' in a white, 3D, sans-serif font. The letters are mounted on a blue rectangular background, which is itself mounted on a glass panel. A red diagonal line is visible behind the letters.

redefining / standards



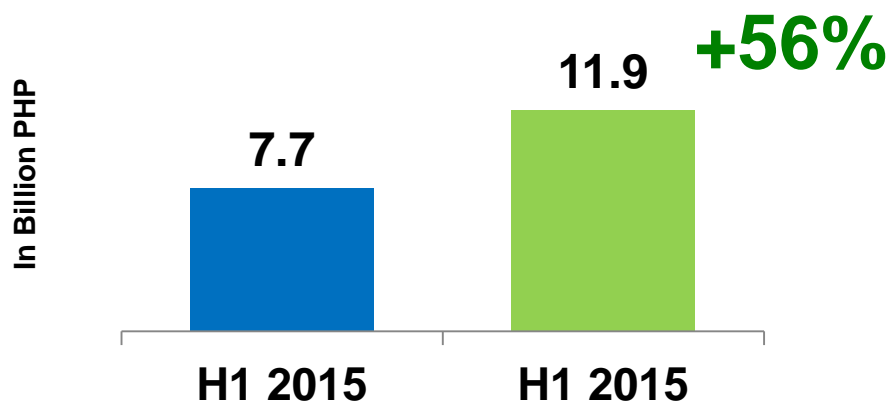
# 1H 2015 Life Insurance Rankings

Premiums Earned (PHP Billion)



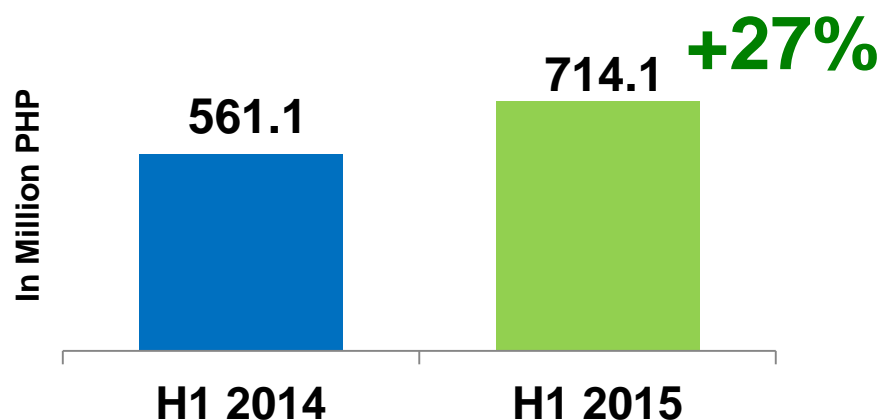
# AXA Financial Highlights

## Gross Premium



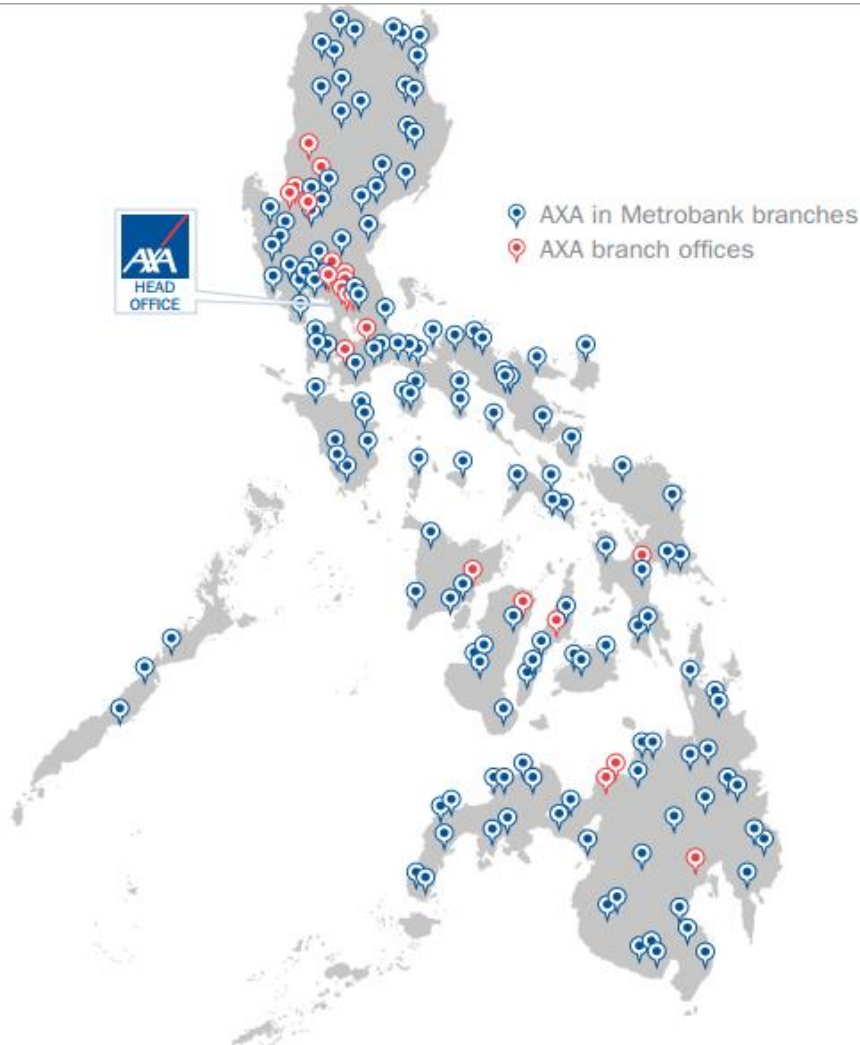
- New Business (APE) reached PHP2.4B **+34%**
- Increase in Single Premium by **+74%** due to strong equities market and expansion in sales force

## Net Income



- **69% Single Premium**  
31% Regular Premium
- **75% Bancassurance**  
25% Sales Agency

# Distribution Network



- 750 Metrobank and PSBank branches
- 610 Bancassurance Executives
- 2,500 Exclusive Agency Force **+25%**



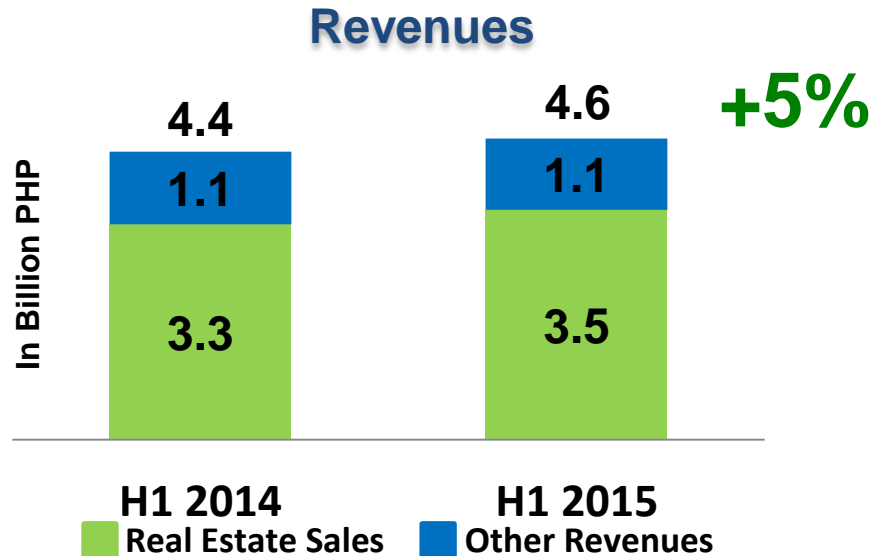
# Property Development



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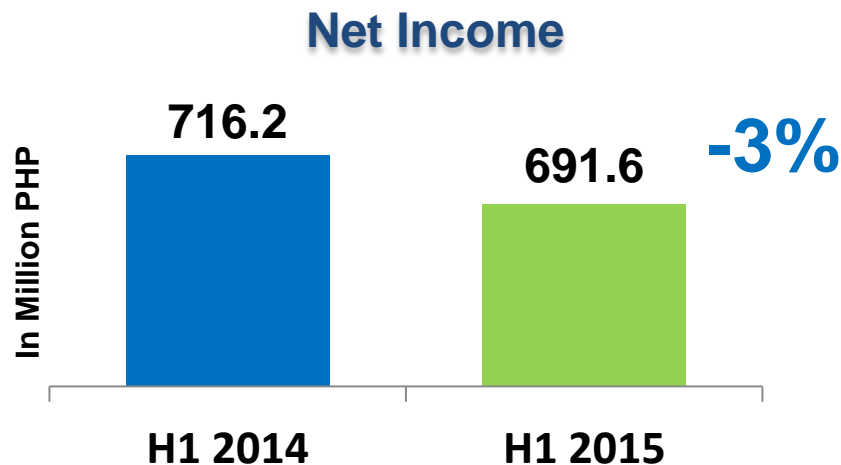
# Fed Land Financial Highlights



- Real estate sales **+7%**
  - Completed **7** projects in 2014 and **3** projects in 2015
  - Lower Ave. POC from **40%** to **31%**

- Rent Income **+24%** due to Bluebay Walk

- Reservation sales **+6%** from **Php5.9B** to **Php6.3B**



- Net income **-3%**
  - Shift in product mix to projects with tighter margins
  - Launched new **3** projects in H1



# Changing Landscape in CBDs

Grand Hyatt  
Residences



Common  
Podium



Grand Hyatt Hotel and  
Metrobank Center



The Grand Hyatt, Veritown Fort  
Bonifacio Global City



# New Projects Launched 1H 2015



**I-Met BPO Tower  
Bay Area, Pasay City**



**Misibis Tower, Palm Beach Villas  
Bay Area, Pasay City**

# Horizontal Property Development





# Acquisition Highlights



- Target** : Property Company of Friends (PCFI)
- Amount** : PHP7.24 B cash equivalent to 22.68% of PCFI
- Option to increase** : Up to 51% of PCFI within three years
- No. of shares** : 18,186,235
- Price per share** : Php 398.10

# CALABARZON and Cavite Demographics



## Region IV-A CALABARZON (as of December 2014)

- 17.7% of OFWs come from the region (highest in PHL)
- 2<sup>nd</sup> Largest Contributor to GDP at 17.2% (NCR 1st at 36.3%)
- USD3,153 GDP per capita (PHL at USD2,800, NCR at USD8,125)\*
- Largest Contributor to Manufacturing at 39.8% (NCR 2<sup>nd</sup> at 19.5%)

## Province of Cavite

- 56 economic/industrial estates as of 2013
- 11 accredited PEZA Zones as of May 2015
  - 2<sup>nd</sup> most number of PEZA manufacturing zones in the country



# Property Development Sweet Spot



Segment	Demand	Supply	Surplus/ (Deficit)
Socialized	1,146,275	551,109	(595,166)
Economic	2,509,271	618,542	(1,890,729)
Low cost	705,642	276,597	(429,045)
Middle	34,590	370,109	335,519
High	6,789	276,597	269,808

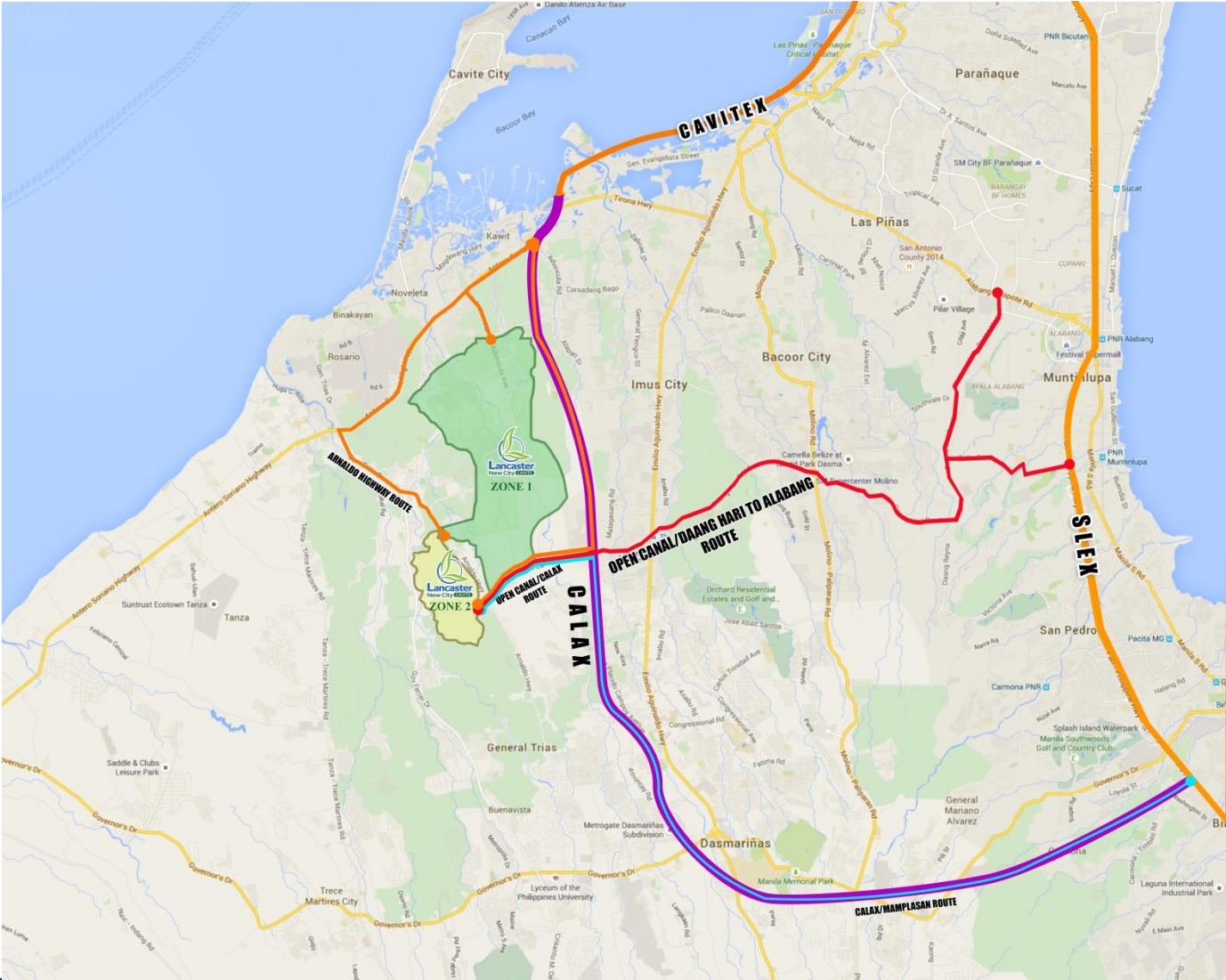
Segment	Price Range		% to Total Households
	PHP	USD	
Socialized	<400k	<9k	23.0
Economic	400k – 1.25m	9k – 28k	66.3
Low cost	1.25m – 3m	28k – 67k	9.6
Middle	3m – 6m	67k – 133k	0.9
High	> 6m	> 133k	0.2

- Total backlog for Economic and Low-Cost segments of 2.3m
- By 2030, backlog projected at 6.5 million homes
- Demand drivers are young, upwardly mobile first-time, dual income home buyers, inner city lessees, provincial-based buyers and OFWs
- Resilient BPO sector fuels demand for office and residential condominium space
- End-user market; primary homes

# Infrastructure Projects

<b>PPP Projects</b>	<b>Est. cost (PhP bn)</b>
Muntinlupa – Cavite Expressway (MCX)	2.01
NAIA Expressway Project	15.52
Cavite-Laguna (CALA) Expressway	35.42
LRT Line 1 Cavite Extension and O&M	64.90
Integrated Transport System Project – South West Terminal	5.20

# Lancaster New City





Airport Elevated Toll Road

Cavitex

CALAX

Advincula Ave.



MCX

Bellefort Estates

Daang-Hari

SLEX

Federal Land – Alveo JV

EPZA

EPZA

# Land Bank

Location	Total Area in Has.
Lancaster	1,222
Bellefort	110
Iloilo	167
Carmona	32
Tanza	70
Cagayan De Oro	28
Boni Serrano	1
Shaw Boulevard	0.5
<b>Total</b>	<b>1,632</b>

Appraisal report as of June 2014: PHP41.6 B

Appraisal report as of July 2015: PHP47.5 B

# Investment Rationale



- Diversification into horizontal, affordable, and low-cost housing
- Segment with the highest housing backlog
- Better margins vis-à-vis other property segments
- Exempted from BSP property sector limits
- Consistent with focus on Next Wave Cities (e.g. Cavite, Iloilo, Cagayan De Oro)
- Strategic contiguous land bank of more than 1,600 hectares (6x the size of Bonifacio Global City CBD)
- Beneficiary of infrastructure investments
- Synergies with finance, insurance, and property development





## Synergy

- Toyota Insure
- TFS Penetration
- Bank Assurance
- Cross-sell of:
  - Wholesale
  - Retail
  - Financing
  - Insurance

## New Sectors

- New strategic partners
- PPP projects
- Infrastructure



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## Expansion in Existing Sectors

- Next wave cities
- Biomass
- Horizontal
- Retail malls
- BPO/Commercial
- Master-planned communities