



**GT CAPITAL**  
HOLDINGS INCORPORATED

*Rising Together  
to New Heights*



# **Nine Months 2017 Analyst and Media Briefing**



**GT CAPITAL**  
HOLDINGS INCORPORATED

# **GT Capital Holdings** January to September 2017 **Financial Highlights**

# Financial Highlights 9M 2017



## Consolidated Net Income

\*Includes GBP & CPAIC after tax gain on sale of Php2.9B

**-12%**

**Php10.8 billion**

Php12.3 billion 9M 2016\*

## Core Net Income

**+19%**

**Php11.0 billion**

Php9.3 billion 9M 2016

## Revenues

**+16%**

**Php169.5 billion**

Php146.2 billion 9M 2016

TMP & TMBC - Auto Sales (TMP – Php130.7B)	<b>Php</b>	<b>149.1 billion</b>	<b>+15%</b>
Equity in net income of associates (MBT–Php4.1B, MPIC–Php1.7B AXA Philippines—Php 0.4B)	<b>Php</b>	<b>6.6 billion</b>	<b>+43%</b>
FLI & PCFI - Real Estate Sales and Interest income on Real Estate Sales (PCFI revenue contribution Php4.8B or 44% of total)	<b>Php</b>	<b>10.9 billion</b>	<b>+19%</b>

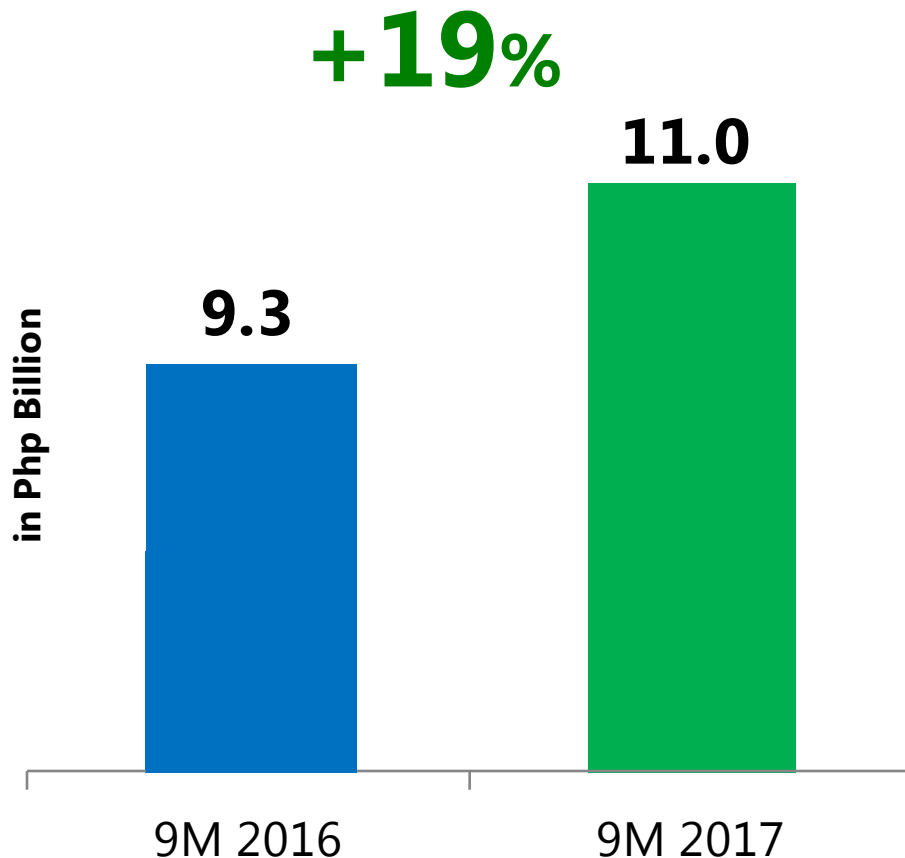
Excluding increase in stake (Php0.6B) +30%

# GT Capital 9M 2017 vs 9M 2016 Comparative



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## Consolidated Core Net Income

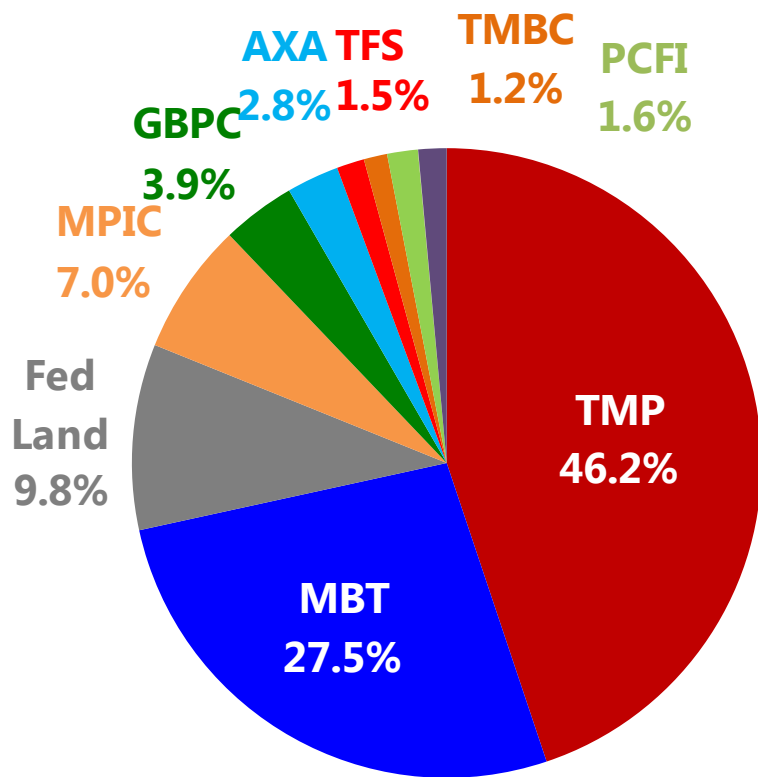


- MBT **+40% (+19%)**
- AXA **+39%**
- FLI **+3%**
- MPIC **Php1.76B**  
**+76%** (vs. GBP  
Php1.0B 9M2017)
- TMP **-5%**
- PCFI NI contribution  
**Php421M +124%**

# GT Capital Net Income Contribution

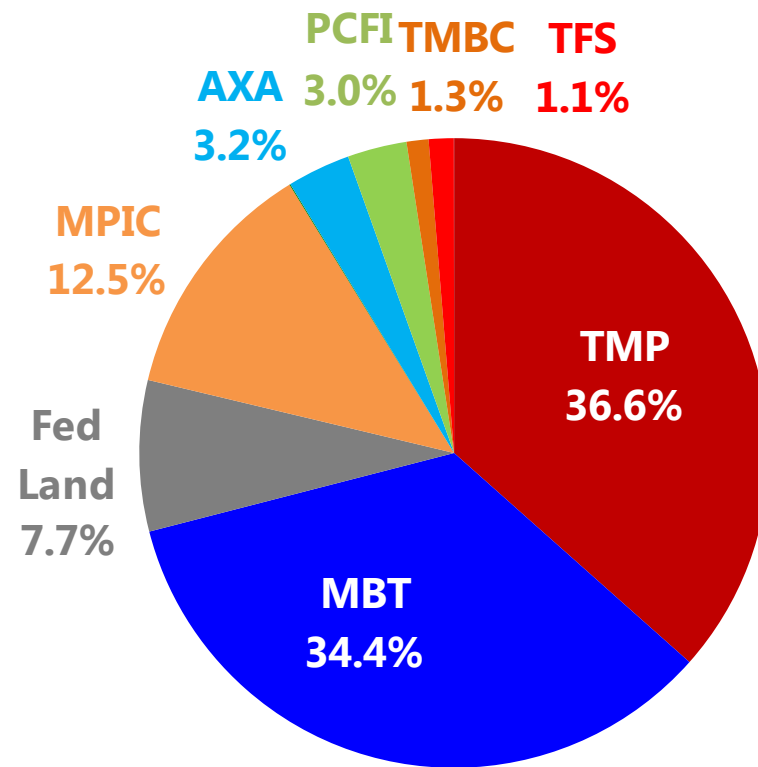


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**MBT + TMP = 73.7%**

**9M 2016**



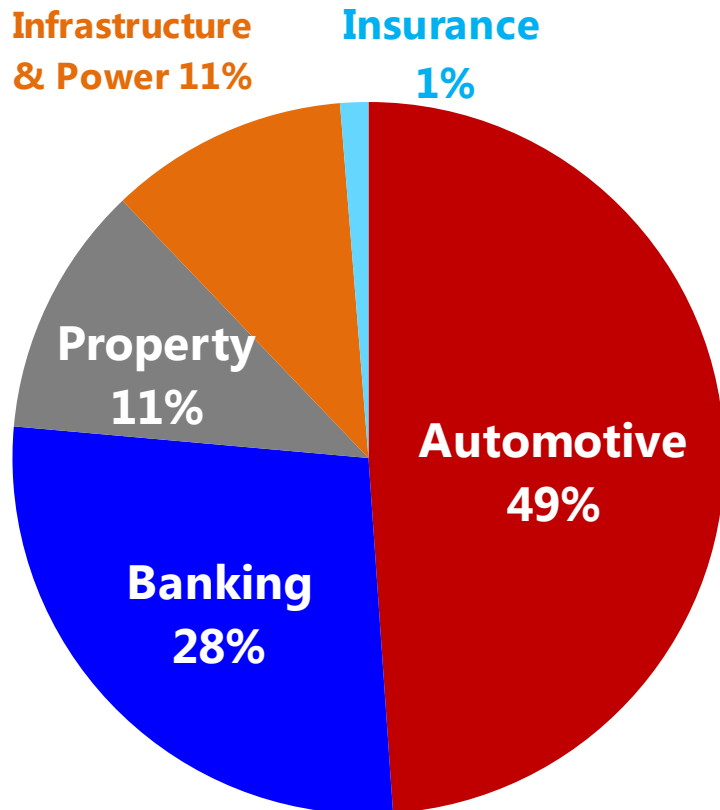
**MBT + TMP = 71.0%**

**9M 2017**

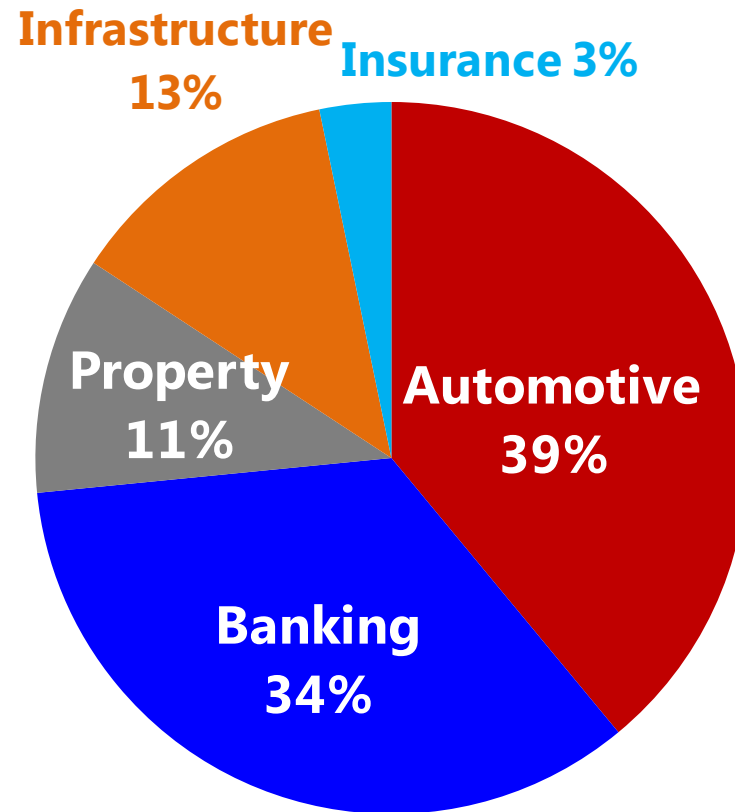
# GT Capital Net Income Contribution



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9M 2016



9M 2017

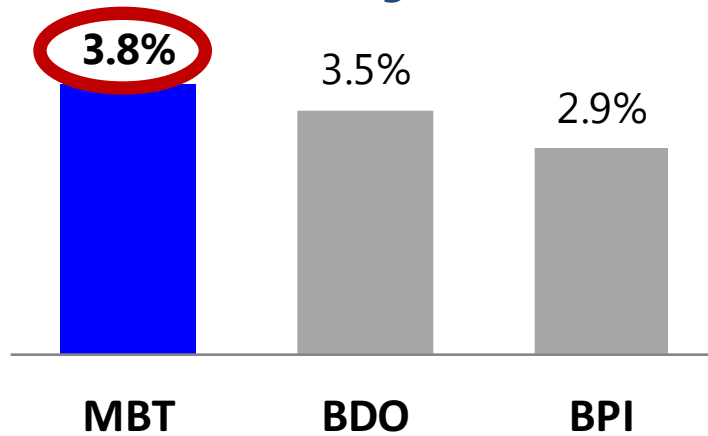


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# Banking

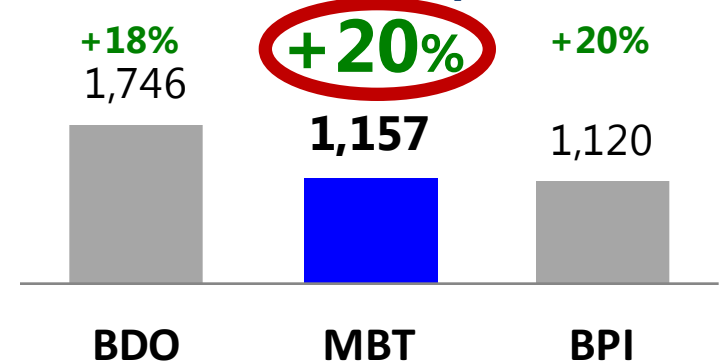
# Peer Banks Highlights

## Net Interest Margin – NIMs (%)

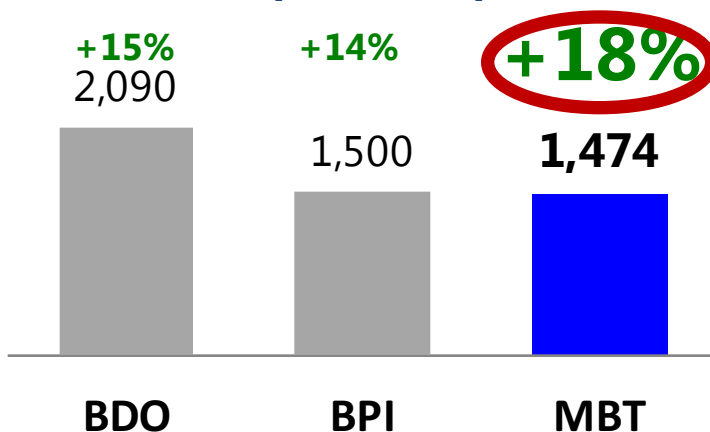


## +21% industry growth

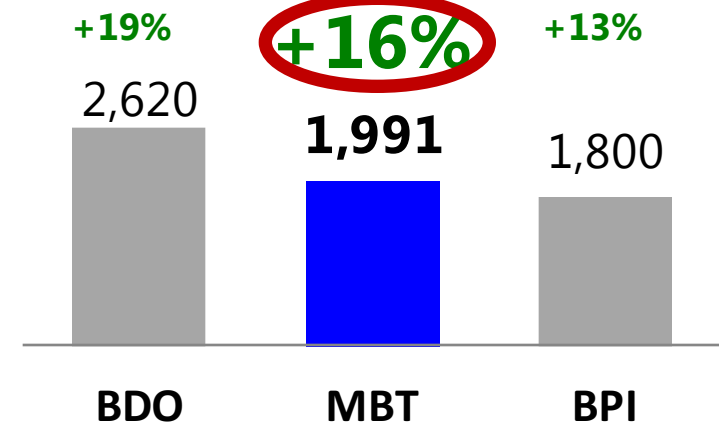
### Total Loans (Php Billion)



## Total Deposits (Php Billion)



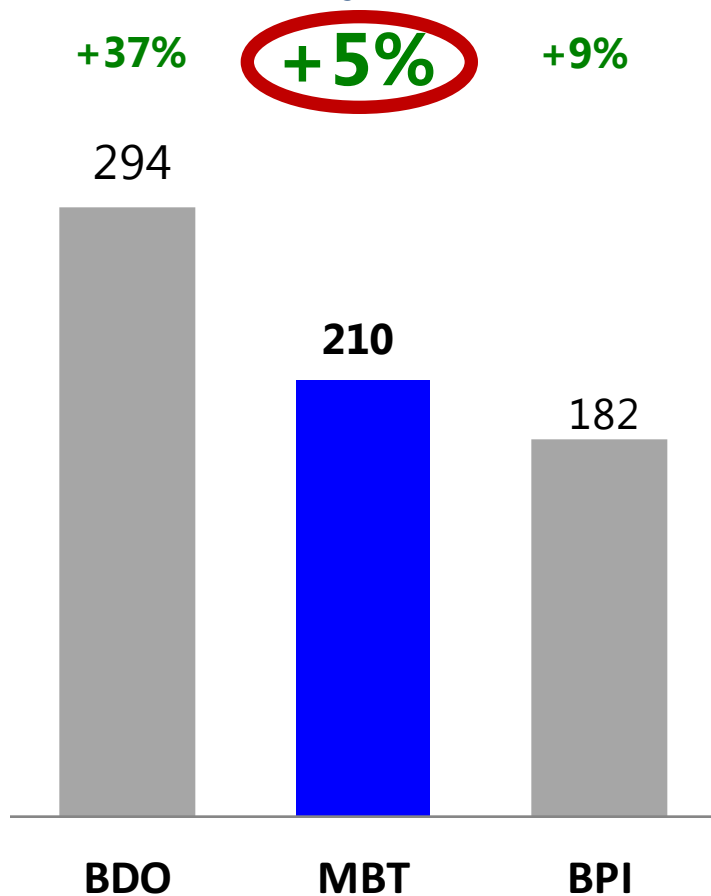
## Total Assets (Php Billion)



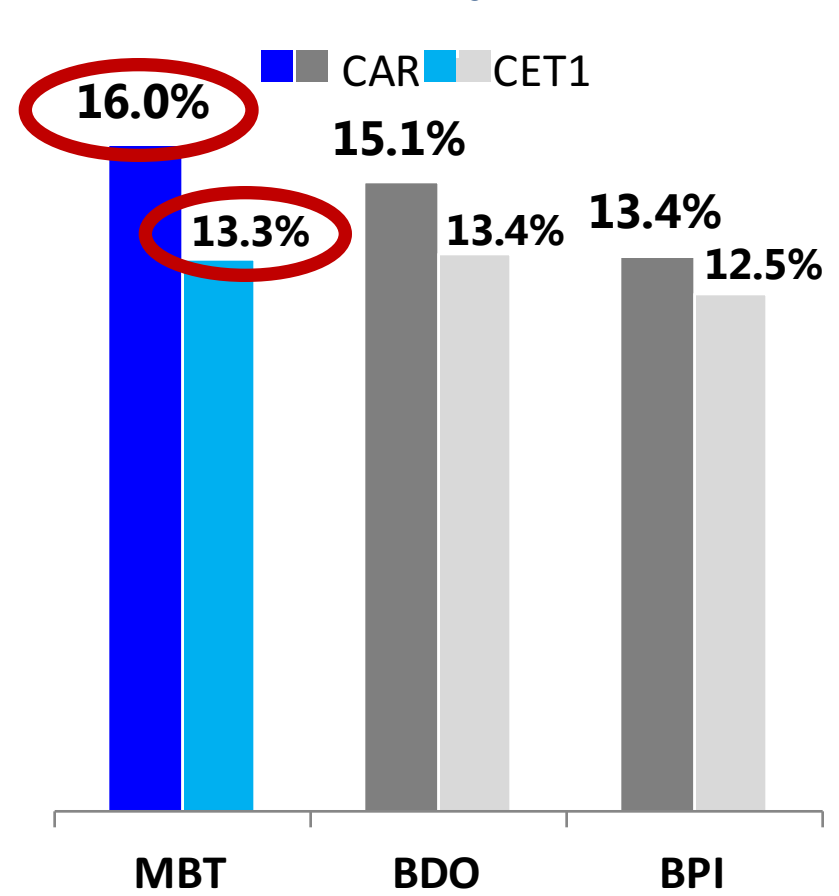


# Peer Banks Highlights

## Total Equity (Php Billion)



## Total Capital Adequacy Ratio and CET1 (%)





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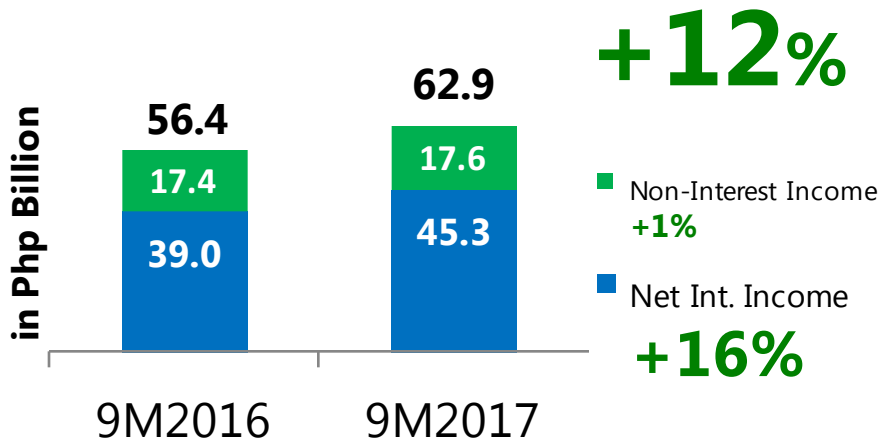


 **Metrobank**

# Metrobank Financial Highlights

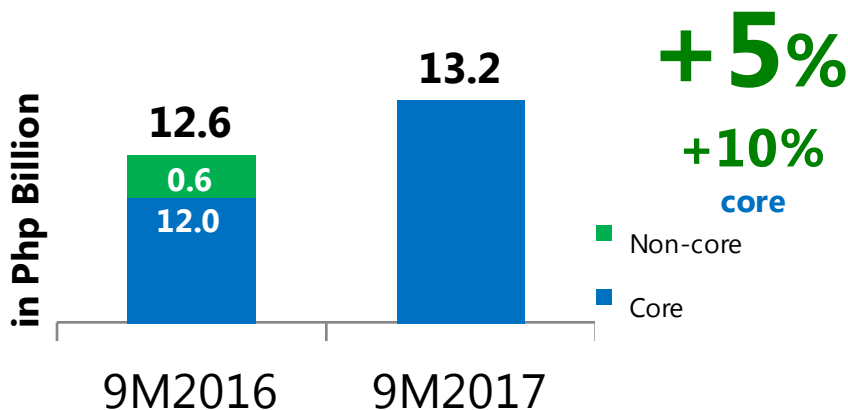


## Operating Income



- Sustained double-digit growth in loans and CASA
- Net Interest Income **+16%** (**Php45.3B or 72% of Operating Income from 69%**)
  - Continued improvement in NIMs from 3.65% to 3.80%
- Non-Interest income **+1%**
  - Service fees & bank charges **+6%** from **Php7.7B to Php8.1B**
  - Trading and FX gain normalized from **Php4.2B to Php4.0B**

## Net Income



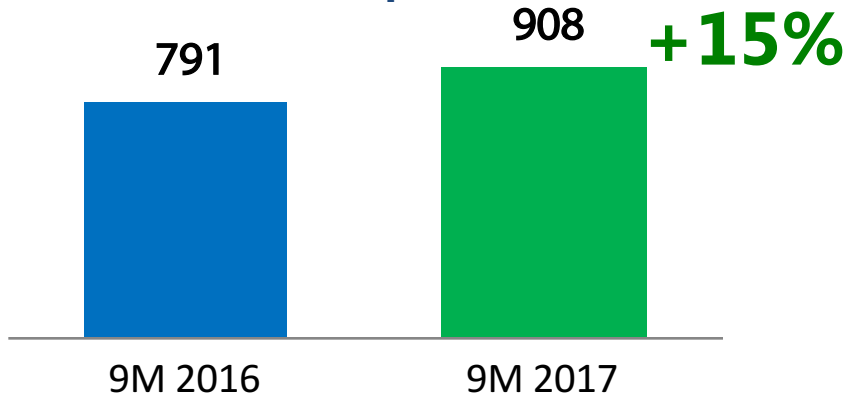
- Provisions for credit and impairment losses **+26%** from **Php4.7B to Php5.9B** (including one-offs)
- NPL ratio from 0.93% to 1.10%
- Manageable OPEX growth **+8%** from **Php33B to Php36B**
  - CIR from 59.3% to 56.8%

# Metrobank Financial Highlights

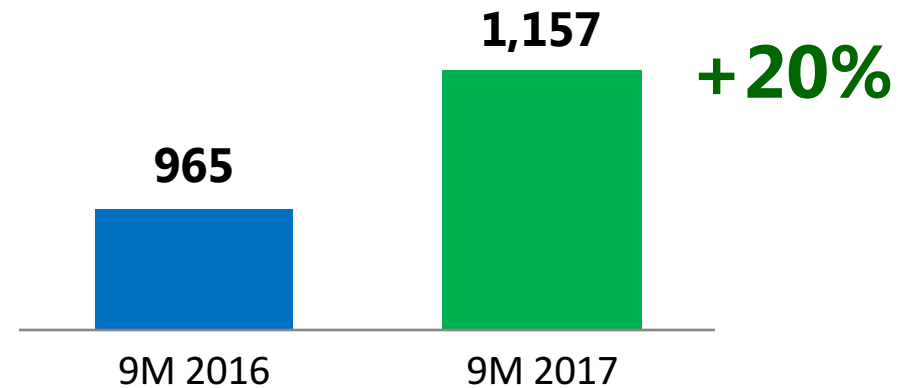


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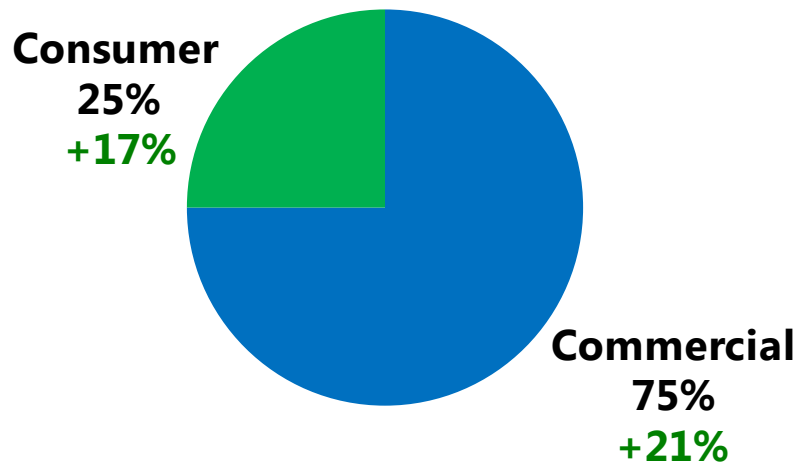
## CASA (Php Billion)



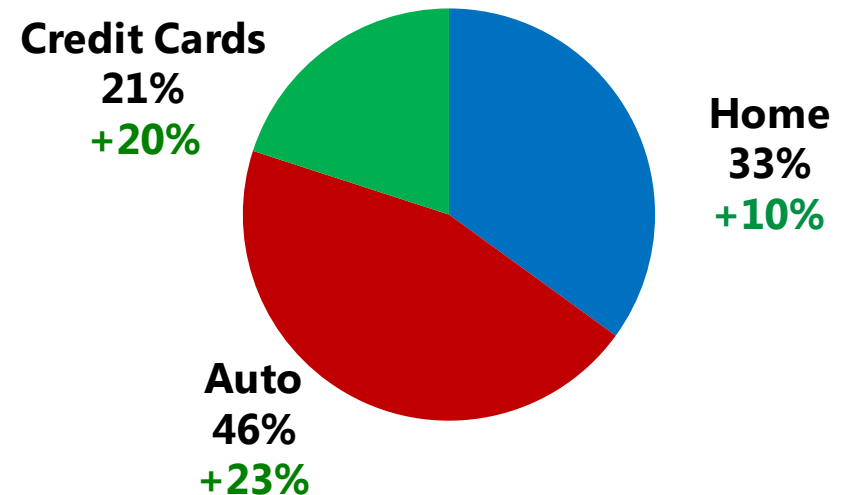
## Loans and Receivables (Php Billion)



## Total Loan Portfolio Breakdown



## Consumer Loan Portfolio Breakdown





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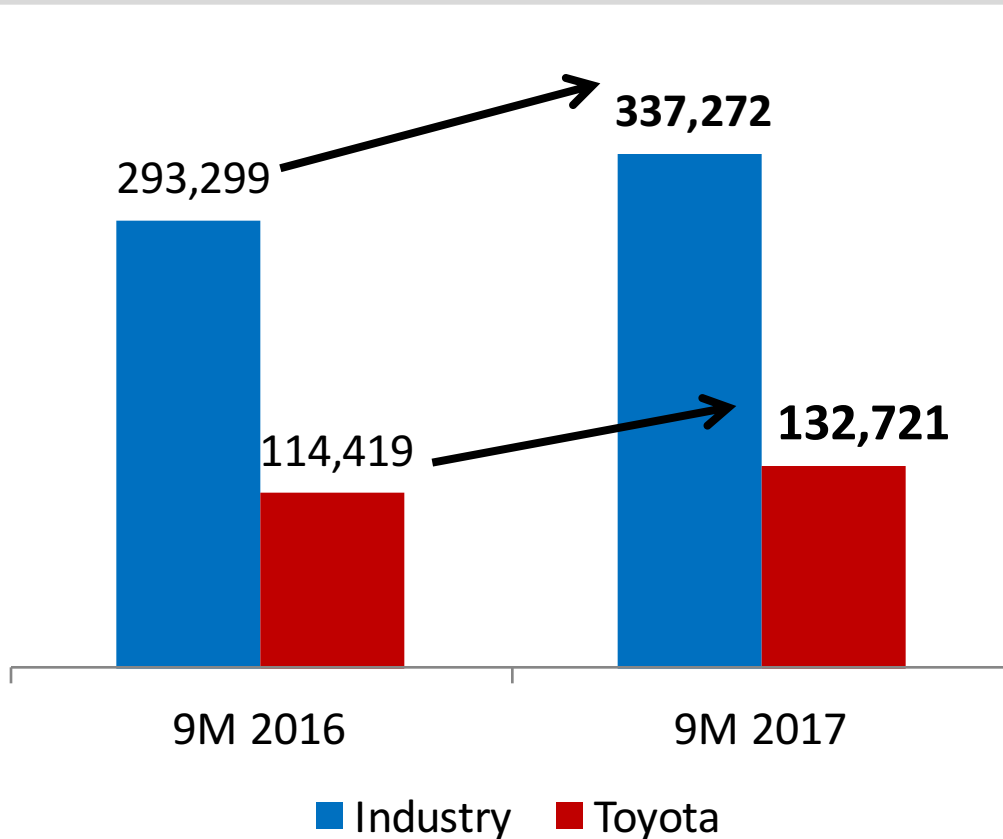


# Automotive

# Toyota outperformed the industry in 9M 2017 unit sales growth



## Retail unit sales volume As of September 2017



**Industry growth**

**▲15% Y-O-Y**

**Toyota growth**

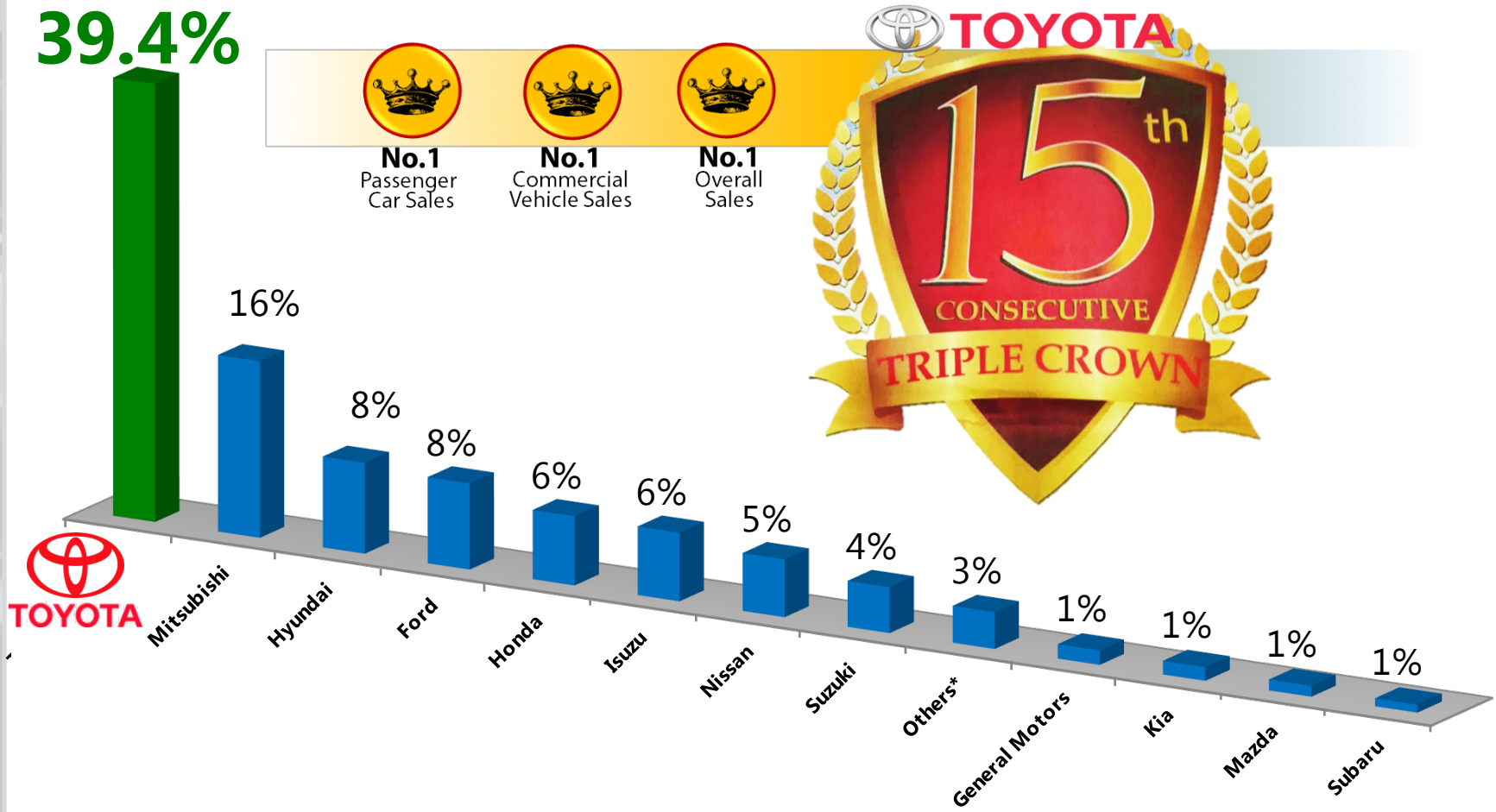
**▲16% Y-O-Y**

Source: Company data

# Toyota continues to be the Philippines' dominant auto company



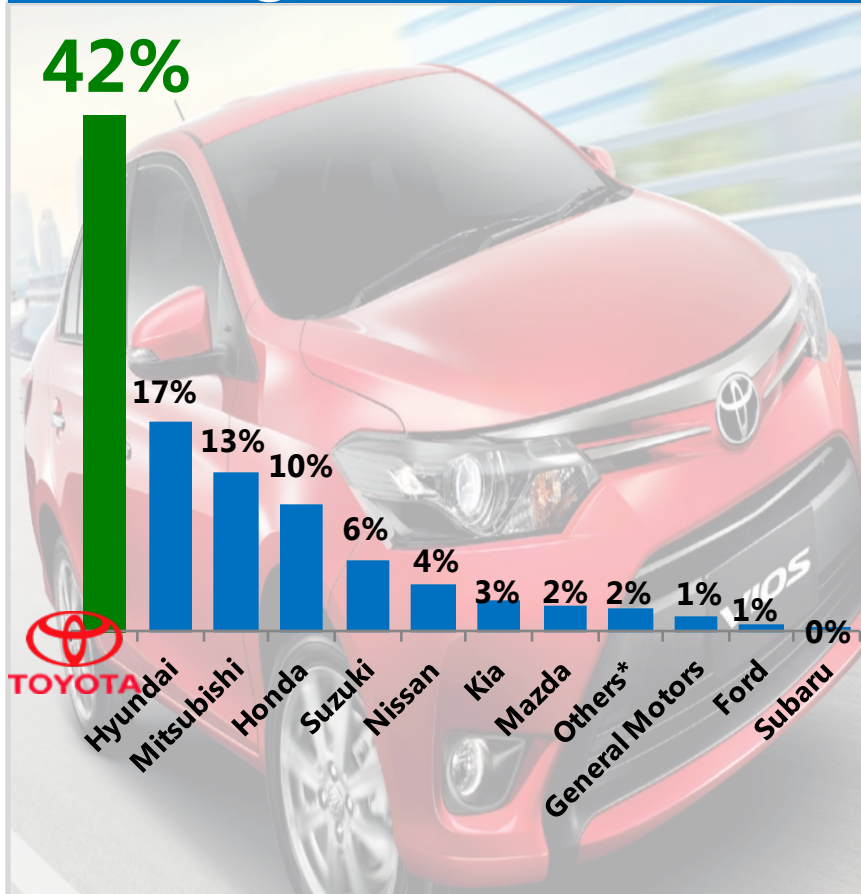
## Overall Market Share As of September 2017



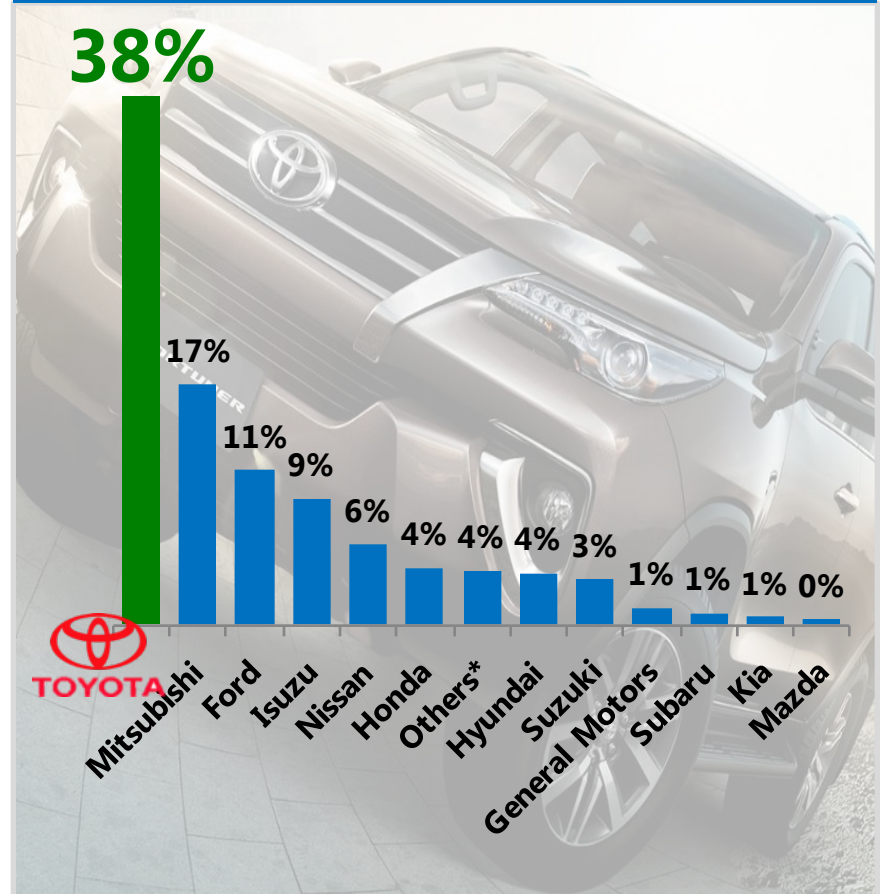
# Toyota continues to be the Philippines' dominant auto company

## Auto Industry Market Share As of September 2017

### Passenger Car



### Commercial Vehicle





# Toyota practices continuous improvement, or *Kaizen* in its model offerings

## LAND CRUISER PRADO

Improvement September 2017



GRAND NEW  
**VELOZ**  
LET'S SHOW  
THE **WORLD**



## AVANZA VELOZ

Introduced in **October 2017**

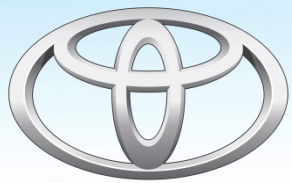


**INNOVA**  
TOURING  
**SPORT**

Introduced in  
**October 2017**



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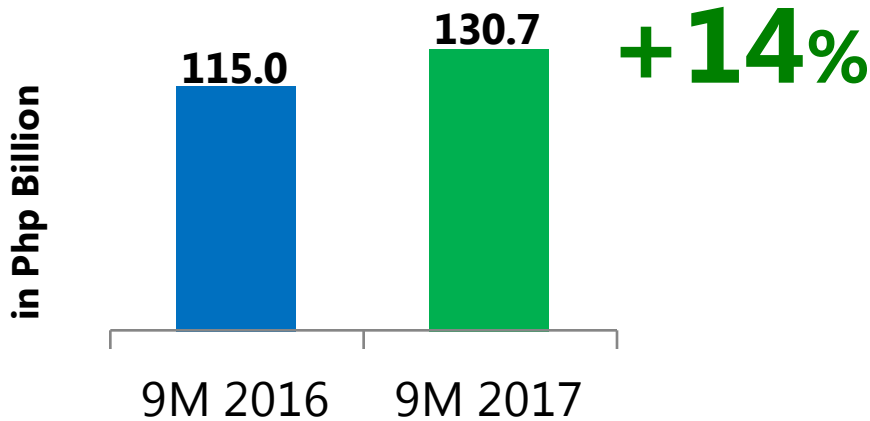


**TOYOTA**

# TMP Financial Highlights

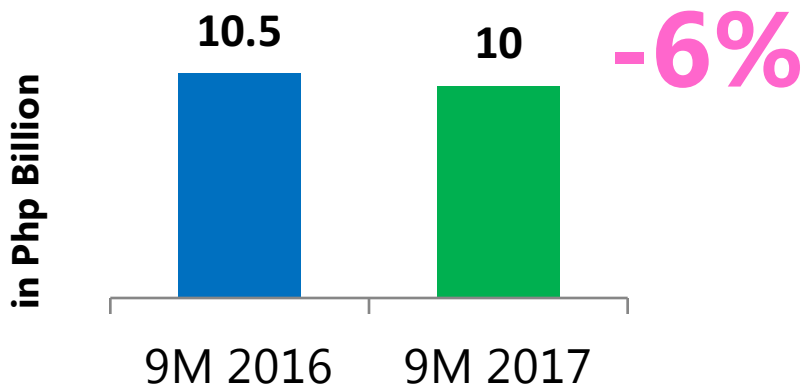


## Revenues



- Wholesale volume **+11%**  
**133,261** units; retail volume **+16%**  
(vs **+15%** industry growth)
- Strong retail sales volume:
  - PCs: Vios **+8%**
  - CVs: Fortuner **+42%**, Innova **+50%**  
& Avanza **+16%**
- Overall market share from **39.0%** to **39.4%**

## Net Income ATP



- Due to unfavorable F/X differential and higher OPEX & OH costs
- Implemented across-the-board 2% price increase (March & September 2017)

## Dealership Expansion

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### Upcoming

Iligan (Lanao del Norte)

Mabolo (Cebu)

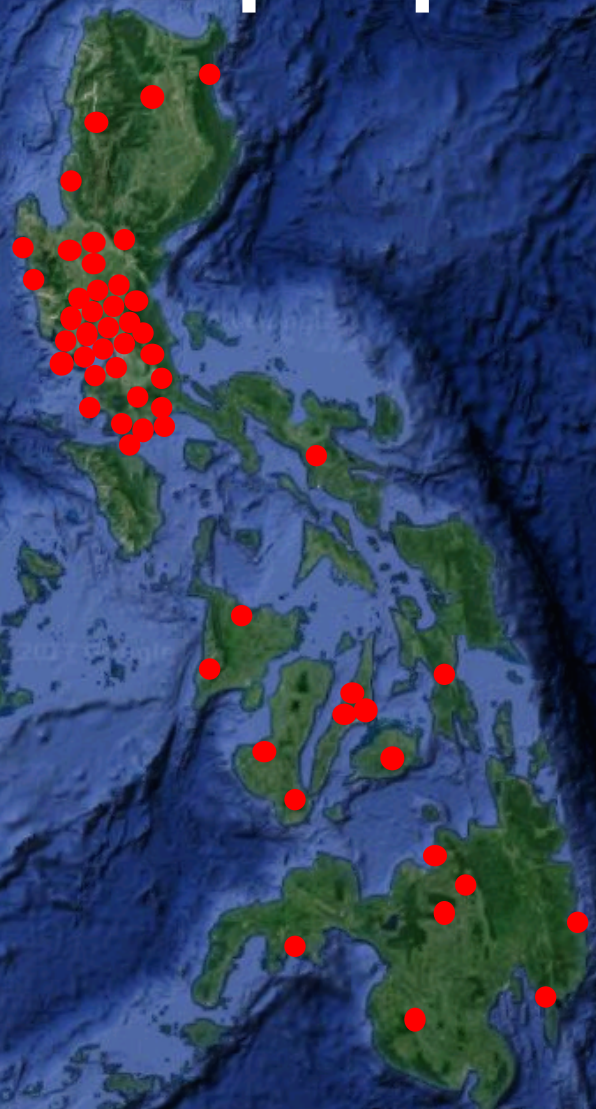
Calapan (Or. Mindoro)

Tuguegarao (Isabela)

Valencia (Negros Oriental)

Lapu-Lapu (Cebu)

**Subic Bay (owned by GT Capital Auto Dealership Holdings, Inc.)**



2012	32
2013	42
2014	45
2015	49
2016	52
2017 To date	61
2017E	63
2018E	70

## 2017 Dealership Expansion



**Santa Rosa**  
**LAGUNA**

August



**Kidapawan**  
**COTABATO**

August

February

**Angeles**  
**PAMPANGA**

February

**Matina**  
**DAVAO**

May

**Talisay**  
**CEBU**

May

**Calbayog**  
**SAMAR**

May

**Ilocos Norte**

May

**Aklan**

**Eight** new dealerships to date



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# Property Development

## Vacancy rates, office space (%)

**654,579** square meters  
taken up as of 9M 2017  
vs. 630,000 sq.m. in FY 2016 **(+39%)**

Bay Area **1%**

Alabang **2%**

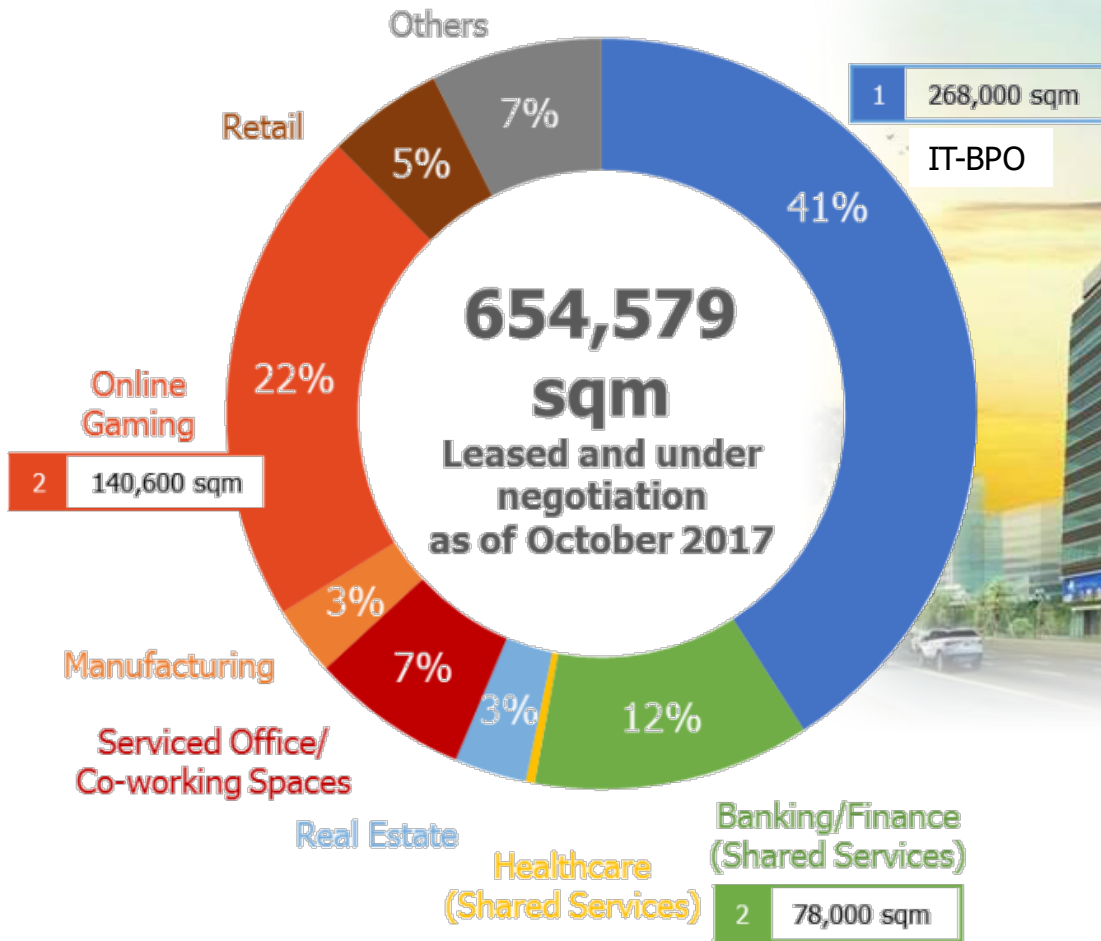
Makati **1%**

Bonifacio **3%**

Ortigas **2%**

Quezon City  
**13%**

## Industry Office Rental Take-Up Metro Manila, YTD October 2017



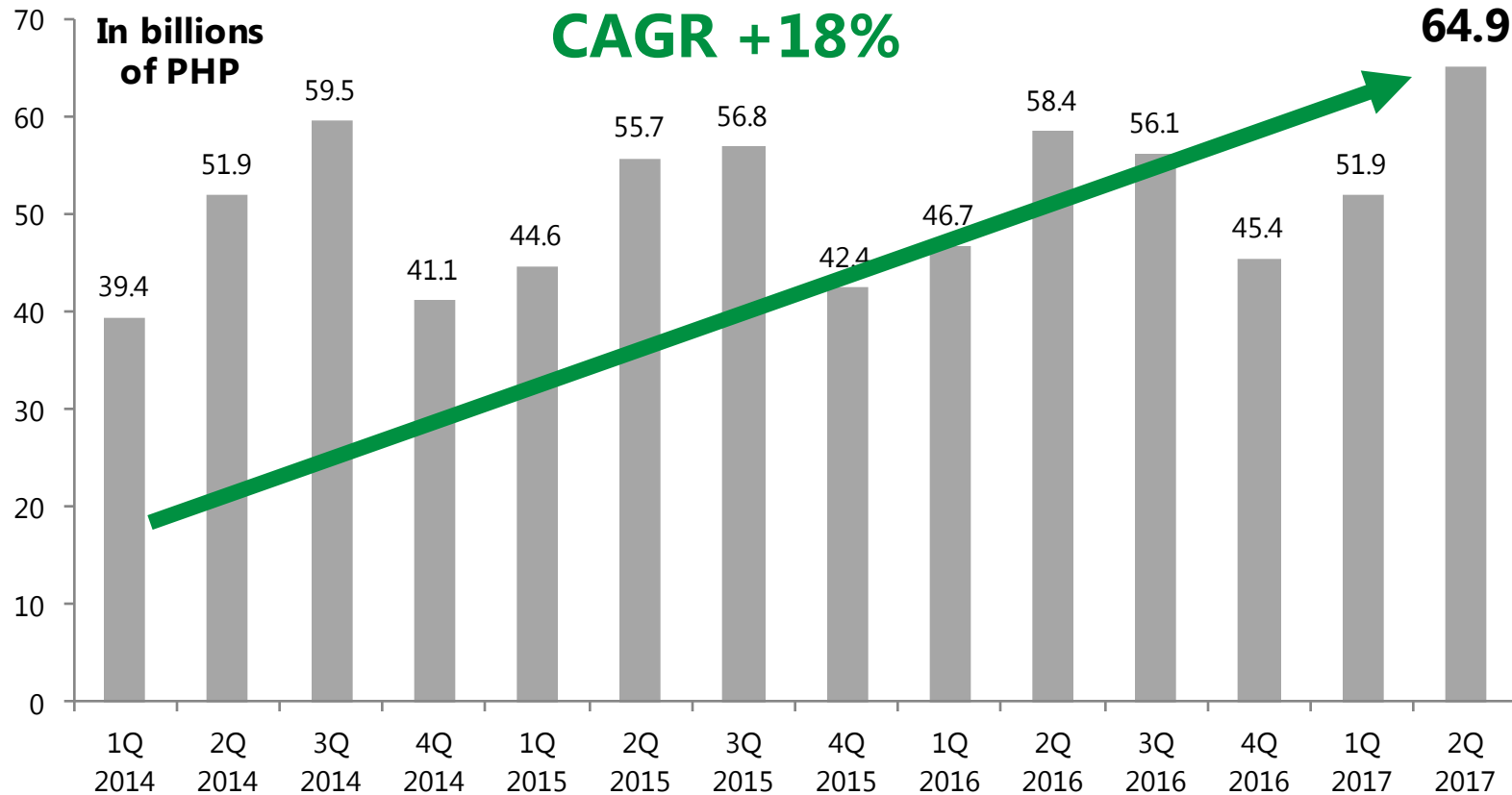
**Federal Land's i-Met**  
4-tower PEZA accredited  
BPO complex,  
Bay Area, Pasay



# Industry reservation sales in Metro Manila remain healthy

## Industry-wide reservation sales

Residential condominiums, Metro Manila, YTD 2017



Source: First Metro/DBS Vickers Securities, as of 30 September 2017



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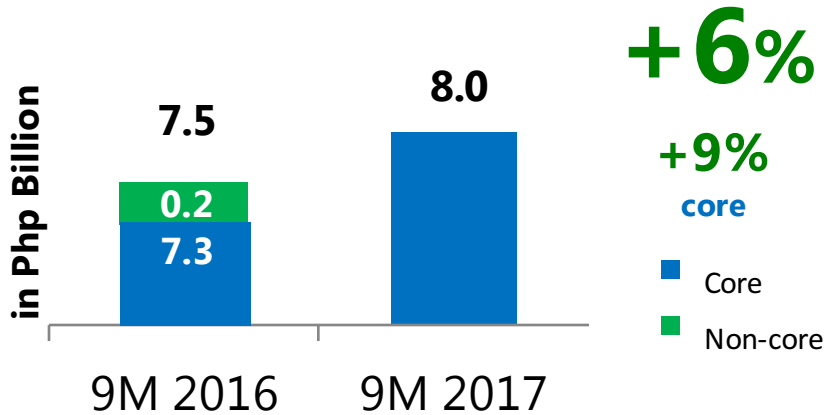
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GT Capital Holdings

KEEPING YOU IN MIND

# Federal Land Financial Highlights

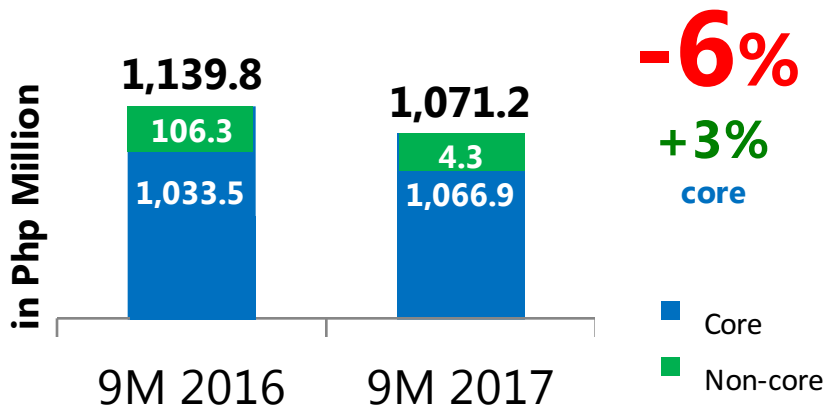


## Revenues



- Reservation sales **+38%** from **Php9.3B** to **Php12.9B**
  - Launched 4 projects:
    - Park Avenue in Jan. 2017 (BGC)
    - Sunshine Fort in July 2017, JV with NRE
    - Sienna Towers in August 2017 (Marikina)
    - Palm Beach West – Siargao in August 2017 (Macapagal)
  - Inventory **-19%** from 1,824 to 1,470 units (7 mos.)

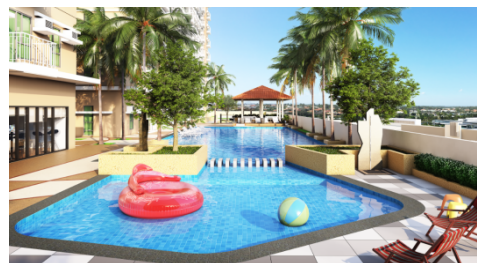
## Net Income



- Real estate sales **+9%** from **Php5.9B** to **Php6.4B**
- GPM maintained at **36%**
- OPEX **+6%** from **Php1,513M** to **Php1,609M** due to increase in salaries (**Php104M**), taxes and licenses (**Php41M**)



◀  
**Palm Beach West-Siargao**  
BAY AREA  
Launched August 2017



▶  
**Siena Residences**  
MARIKINA  
Launched August 2017





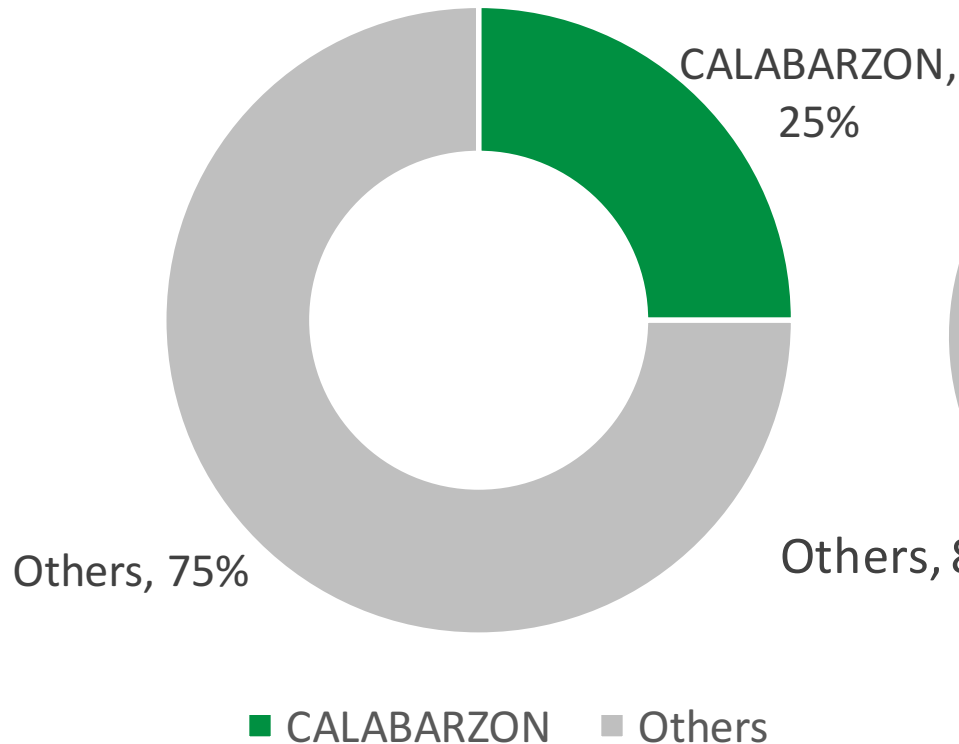
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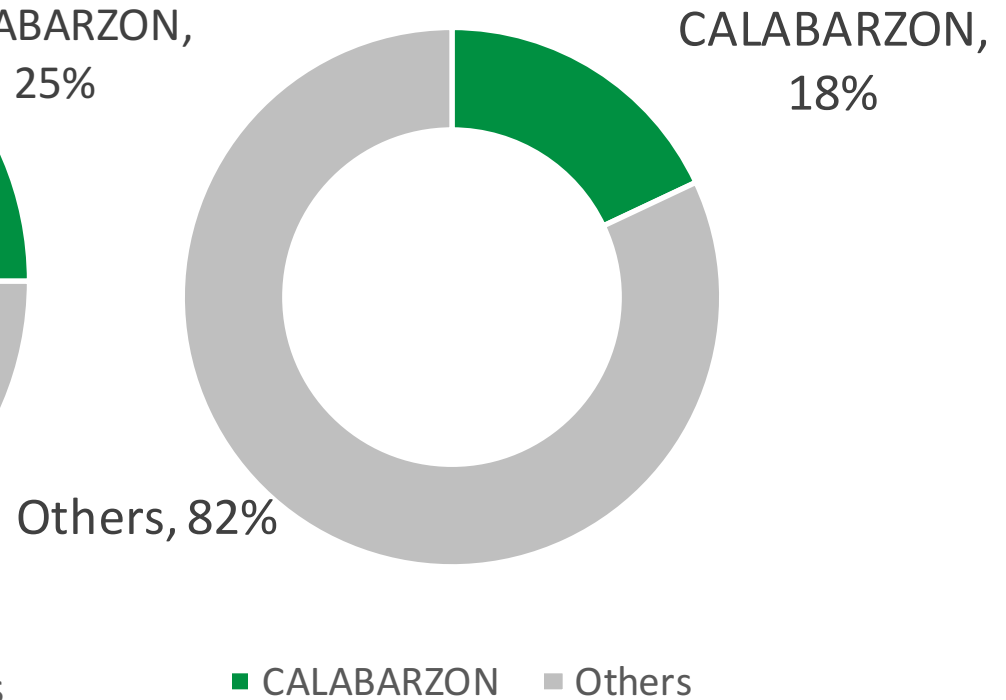
# Affordable Communities

# Residential Constructions vs OFW Source by Region

Residential Constructions



OFW Source by Region



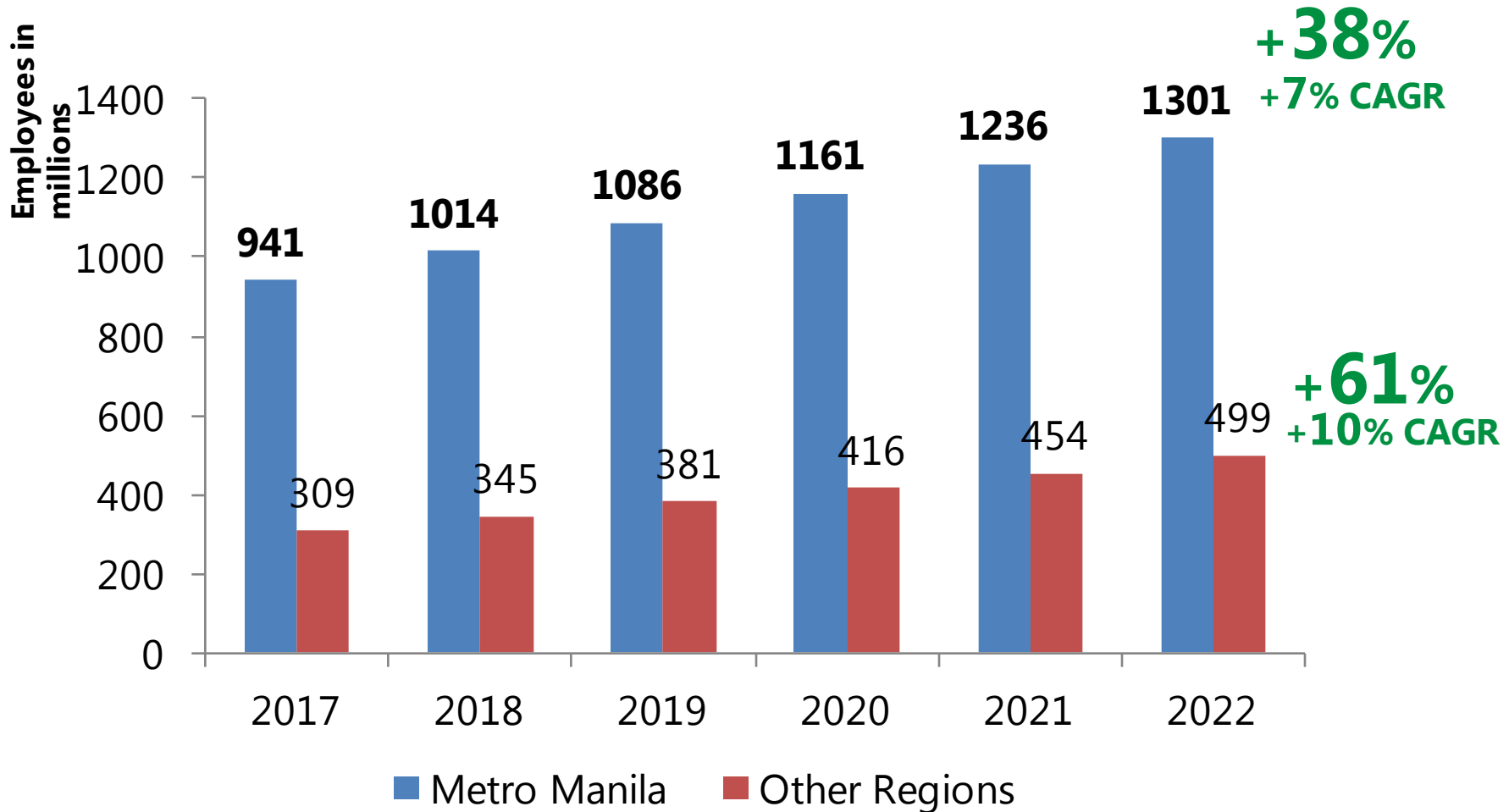
**Approx. 50% of LNC buyers are OFWs**

IT-BPO labor force outside Metro Manila is estimated to grow by 61% in 2022



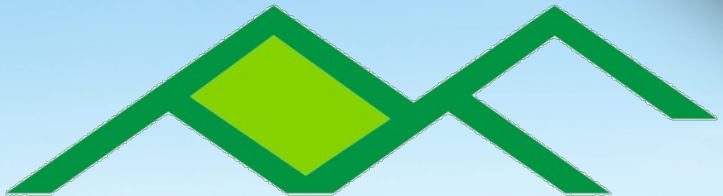
# Number of full-time BPO employees

IT-BPAP estimates, 2017-2022





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**PRO • FRIENDS**

**PROPERTY COMPANY OF FRIENDS, INC.**

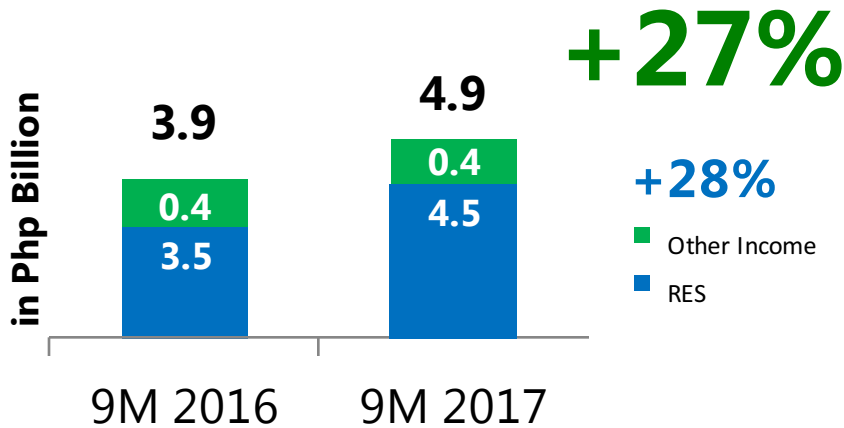
*Creating communities, transforming lives.*



# PRO-FRIENDS Financial Highlights

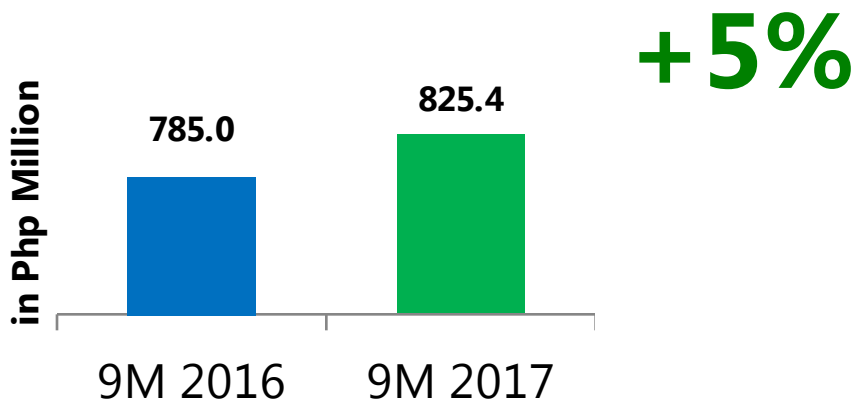


## Revenues



- Gross reservation sales **+58%** from **Php10.5B** to **Php16.7B** (**Php1.9B** per month)
- YTD houses built **3,973 units** (average of 440 units/month); units delivered qualified for bank take-out
- Aggregate YTD bank take-out **Php5.9B** (average of Php650M/month)
- Real estate sales **+28%** from **Php3.5B** to **Php4.5B**

## Net Income



- Interest income from in-house financing **-2%** from **Php337M** to **Php330M** due to increased bank takeout
- OPEX **+35%** from **Php766M** to **Php1,032M** due to higher salaries and outside services
- Higher interest expense due to increased in-house financing operations

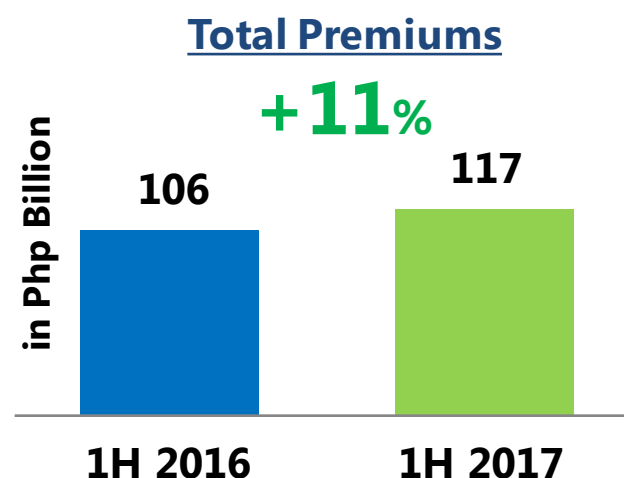
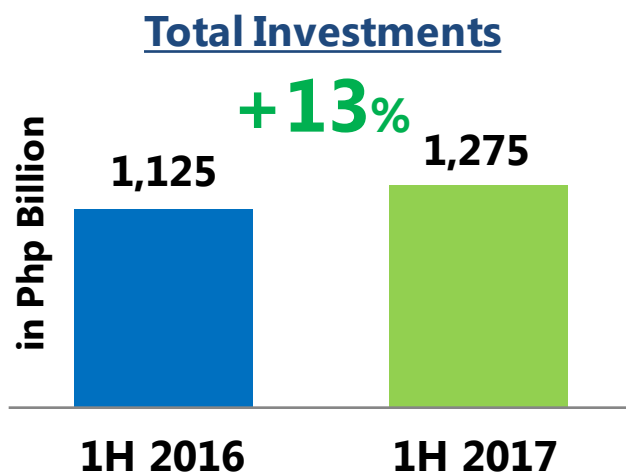
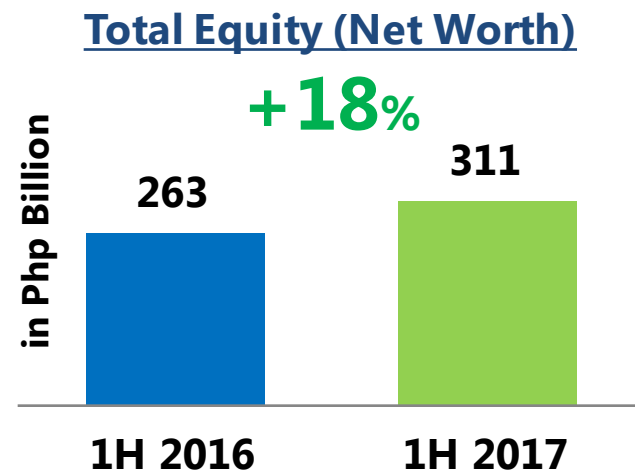
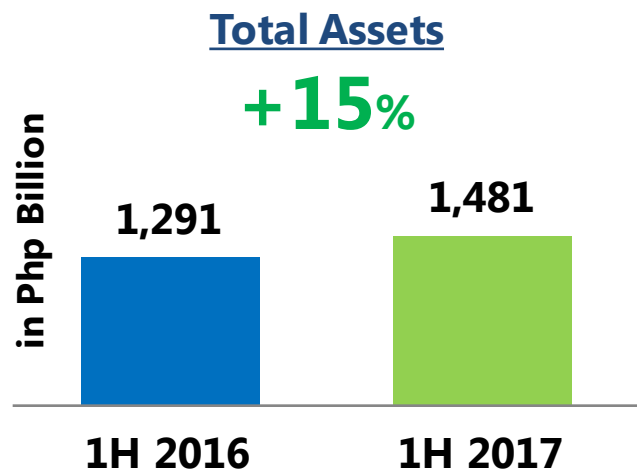


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# Insurance

# Total Insurance (Life and Non-Life) Sector Updates 1H 2017





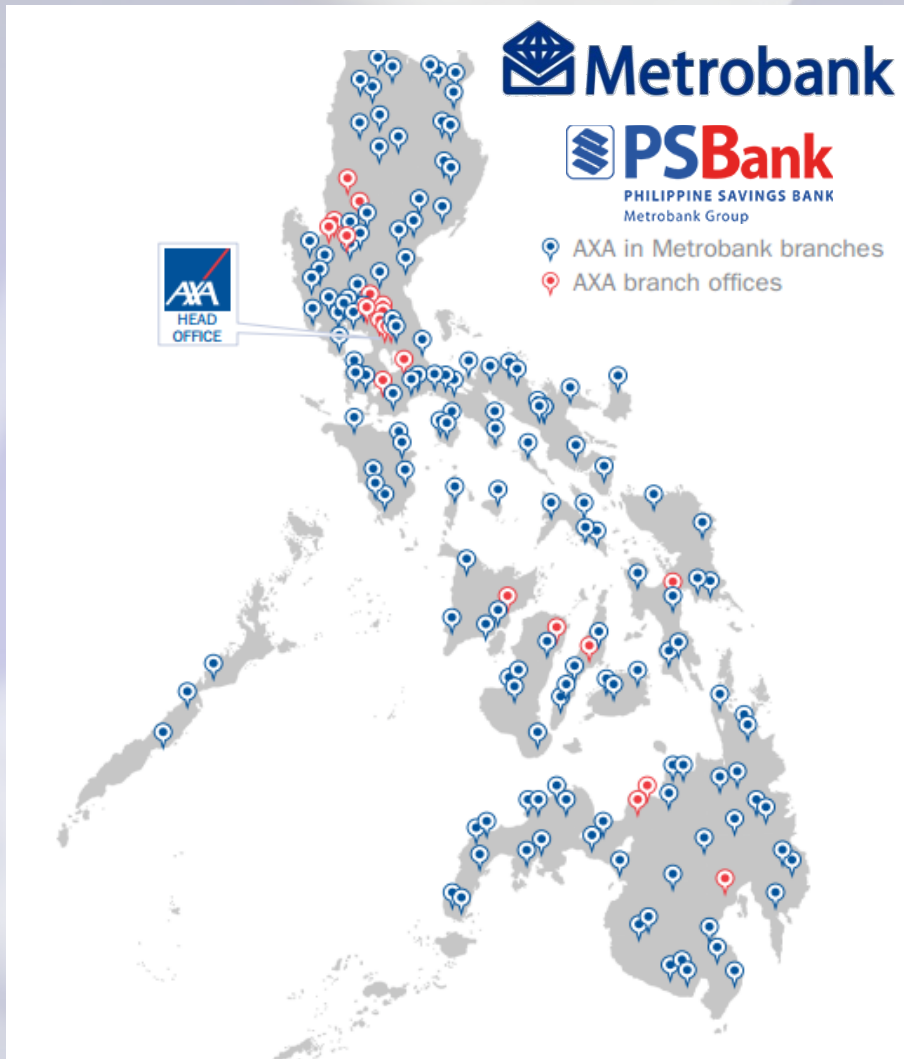
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# Strong synergy and growth



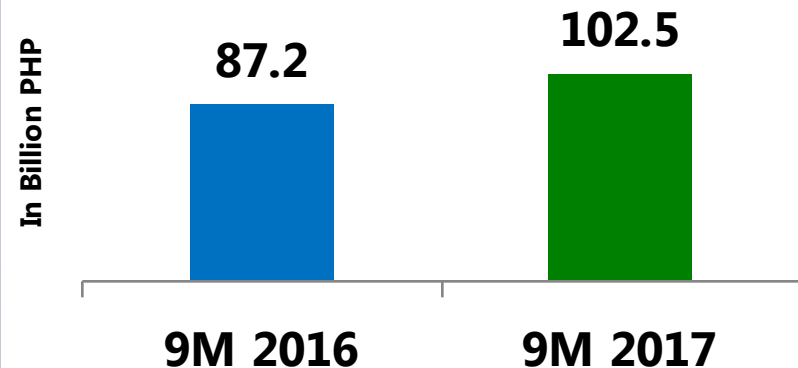
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- Persistency Ratio: **84%** from **83%** in 9M2016
- Agency Sales Force: **3,431**
- Total bancassurance (Metrobank and PSBank) branches: **925**  
out of 959 branches

## Assets Under Management

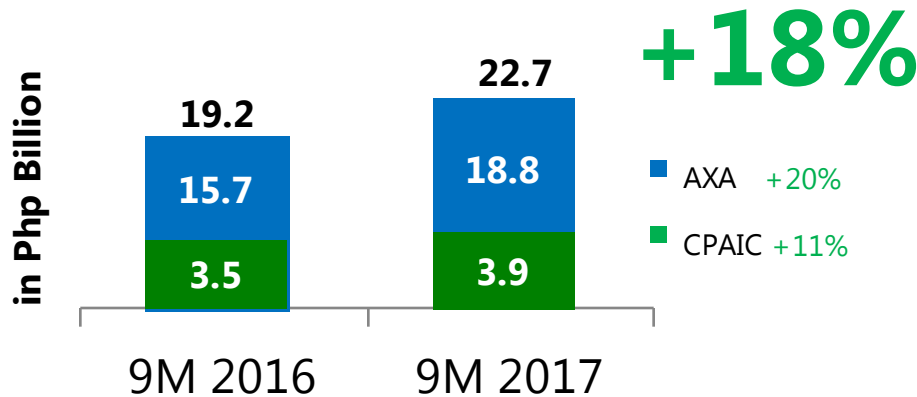
**+18%**



# AXA Financial Highlights

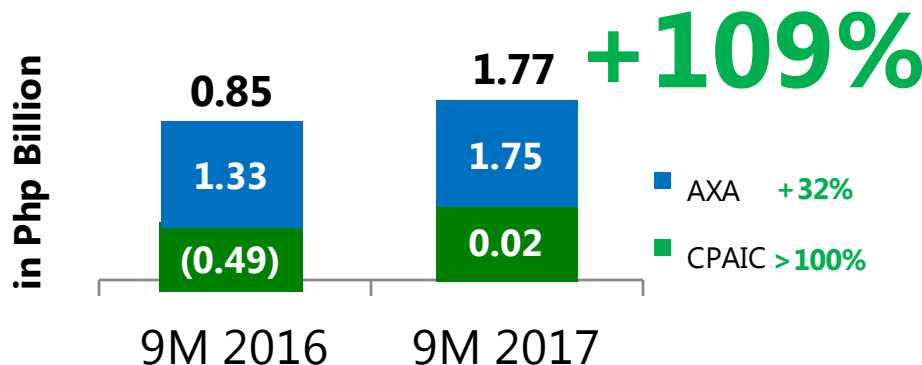


## Gross Premium



- New Business (APE) **+26%** from **Php3.7B** to **Php4.7B**
  - Regular Premium (RP) **+29%**
  - Single Premium (SP) **+17%**
- SP/RP Premium Income mix – from **54:46** to **53:47**
- CPAIC Gross written premium **+15%**  
**Php3.7B** to **Php4.2B**
  - Motor **+32%**
  - Property **+13%**
- Premium margins **Php3.3B** to **Php4.4B**  
**+34%** due to RP (35% GPM)
- AUM-Linked **Php75B** to **Php89B** **+20%**;  
Asset management fees **+20%**
- Gain from restatement of reserves  
**Php273M** post-tax (RBC 2 framework)
- CPAIC net income **Php21M** due to  
turnaround in financial performance

## Net Income





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# Infrastructure & Utilities



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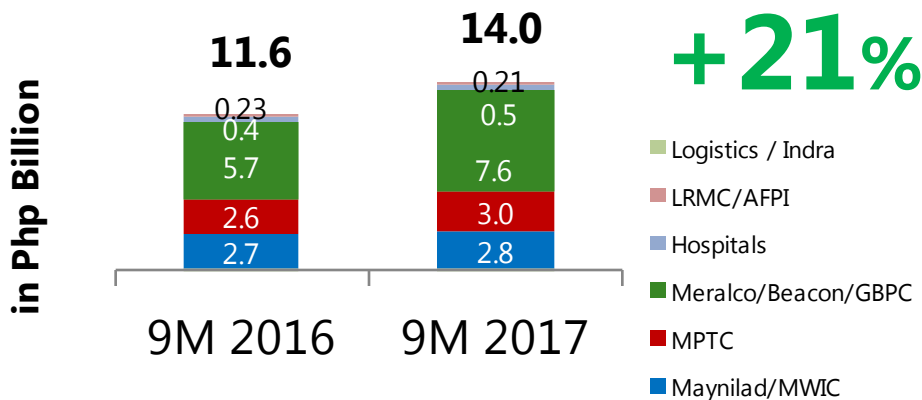
**METRO  
PACIFIC**  
INVESTMENTS



# Metro Pacific Financial Highlights

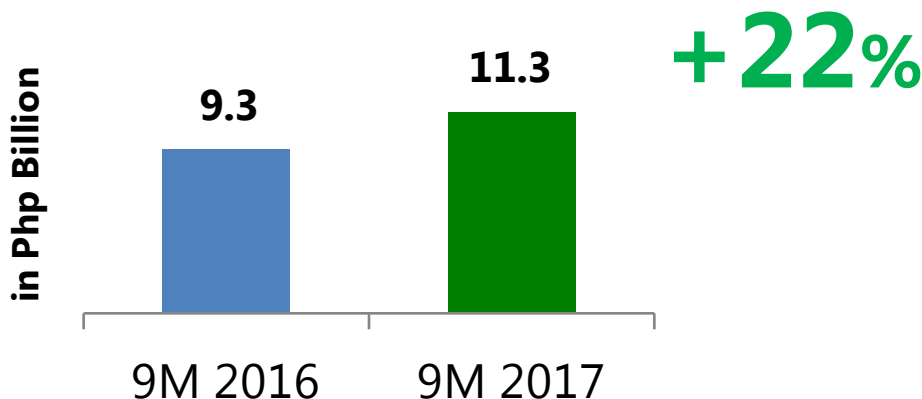


## Share in Operating Net Income (Core)



- Meralco
  - Energy sales **+4%** from **30,103** GWh to **31,402** Gwh; NI\* **+2%**
  - Increased effective shareholding from **41.2%** (June 2016) to **45.5%** (July 2017)
  - Higher dividend income from Beacon from **Php1.2B** to **Php2.5B**
- Toll Roads
  - High traffic growth: NLEX **+7%**, Cavitex **+8%**, SCTEX **+22%**, DMT **+2%** & CII **+8%**
  - Core NI **+28%**; NI **+107%**
- Water
  - Billed volume **+2%**; Ave. effective tariff **+0.1%**
  - NI **+6%**
- Hospitals
  - Outpatient **+14%**; Inpatient **+5%**
  - NI **+14%**
- Equity accounting net income for GT Capital at **Php1.73B**

## Core Net Income





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# Component Company Updates

## Metrobank to increase stake in Metrobank Card Corporation

October 2017

Prior to acquisition  
 Metrobank **60%**  
 ANZ Group **40%**

Post-acquisition  
 Metrobank **100%**

Two tranches

**20%** for Php7.4B within 2017  
**20%** remaining by 3Q 2018



**1,500,000**  
 cards in force

**Number One**  
**credit card company**  
 in the Philippines

*Credit Card Association of the Philippines (CCAP)*

**32 years**  
 of experience in the  
 credit card business

Part of ANZ's global  
 strategy of focusing on  
 core banking  
 operations in Australia  
 and New Zealand

# NEWEST METROBANK UITFs



## METRO SHORT TERM FUND

MARCH 5, 2017

**Php 16.79 Bn**

ASSETS UNDER MANAGEMENT

Provides an alternative short-term investment outlet with exposure in money market instruments and fixed income securities



## METRO UNIT PAYING FUND

SEPTEMBER 22, 2017

**Php 3.70 Bn**

ASSETS UNDER MANAGEMENT

Provides regular income from a portfolio of preferred shares and Peso-denominated fixed income securities

## METRO \$ ASIAN INVESTMENT GRADE BOND FUND

JULY 17, 2017

**US\$ 4.01 Mn**

ASSETS UNDER MANAGEMENT

Provides access to investment grade Dollar-denominated fixed income securities issued by Asian governments and corporates



# AXA is No. 1 again Top Global Insurance Brand

for the 9th consecutive year

**1<sup>st</sup>**

**Global Insurance  
Brand**

For the 9th consecutive year

**3<sup>rd</sup>**

**Best Brand across all  
financial services**

for the second year in a row

**42<sup>nd</sup>**

**Best Global Brand**

46th in 2016

**#ProudtobeAXA**

As of 2017; Interbrand



**Live the life  
you choose**

“I lived through an earthquake.  
Today I am stronger than ever.”

*Lisa, AXA Client.*

## **AXA global re-branding program**

- AXA Philippines one of seven markets to test re-branding program
- AXA Philippines one of highest-potential markets in Asia-Pacific



# PRO • FRIENDS



**57**  
Retail and commercial locators

**1,600**  
hectares of fully developable land

**40,000**  
Homes in Lancaster New City Cavite

Soon to open/Now open



Toyota is official sponsor of Tokyo 2020 Olympics

START YOUR  
**IMPOSSIBLE**



**TOYOTA**



TOKYO 2020



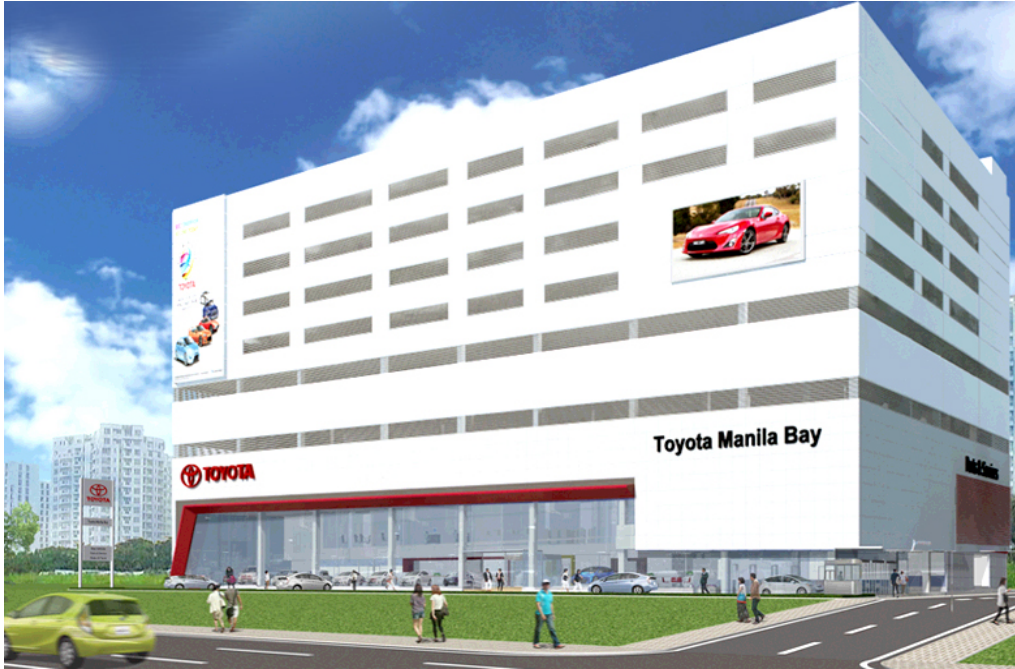
TOKYO 2020  
PARALYMPIC GAMES







## New Building



- Inaugurated 19 Oct 2017

- **The Philippines' largest car dealership of any brand**

- Joint venture with Mitsui & Co. of Japan

- 7 storeys, with full service bay





**TOYOTA**



Official participant to the government's  
**Comprehensive Auto Resurgence Strategy (CARS) Program**

# FIABCI Philippines 2017 Gold Award FOR OUTSTANDING DEVELOPER



- **Gold Award for Outstanding Developer** in the Residential High Rise category during the 2017 FIABCI Real Estate Awards for the Grand Midori Makati
- FIABCI is the *Federation Internationale des Administrateurs de Biens et Conseils Immobiliers* (FIABCI) [English: The International Real Estate Federation]





# CONGRATULATIONS TO DR. GEORGE S.K. TY ON RECEIVING THE

## ORDER OF THE RISING SUN GOLD AND SILVER STAR



CONFERRED BY

HIS MAJESTY AKIHITO,  
EMPEROR OF JAPAN

7 NOVEMBER 2017  
TOKYO, JAPAN



**GT CAPITAL**  
HOLDINGS INCORPORATED

