

GT Capital Jan to Sept 2020 Core Net Income at Php3.7 Billion

(16 November 2020. Makati City, Philippines.) **GT Capital Holdings, Inc.** (GT Capital / stock symbol: GTCAP) disclosed today that it attained a core net income of Php3.7 billion in the first nine months of 2020, from Php12.0 billion during the same period last year. In the third quarter of this year, GT Capital achieved Php574 million in core net income, a noteworthy 71% increase from Php335 million in the previous quarter. The conglomerate's consolidated net income reached Php3.2 billion, from Php15.1 billion in January to September 2019. For the third quarter of 2020, GT Capital's consolidated net income reached Php489 million from Php198 million in the previous quarter.

Contributing to this were **Metropolitan Bank & Trust Company (Metrobank)**, with a net income of Php11.0 billion, as well as **Toyota Motor Philippines (TMP)**, which realized a net income of Php2.2 billion. GT Capital's consolidated revenues reached Php85.6 billion in the first nine months of 2020, from Php159.3 billion the previous year.

"While the July results showed early signs of recovery, the return to modified enhanced community quarantine (MECQ) in August abruptly reversed the growth momentum. Nevertheless, we continue to push our way back to pre-Covid-19 performance levels, while astutely managing our operating costs across all lines of business. We are confident that with the flattening of the curve in new Covid-19 cases, and the re-opening of more sectors under the existing general community quarantine (GCQ) environment, the last quarter of 2020 will result in a strong finish for our Group, paving the way for an even stronger recovery in 2021." GT Capital President Carmelo Maria Luza Bautista said.

Metrobank reported that its income before provisions grew by 41% to Php52.4 billion, which enabled the Bank to set aside additional provisions for bad loans in view of the ongoing pandemic conditions. Net income was recorded at Php11.0 billion. The Bank's 9M results are relatively strong across the board, with revenue growth of 20% to Php96.3 billion, net interest margin expansion to 4.1%, propelled by the 22% growth in CASA deposits, and continued improvement in cost-income ratio at 46%.

Even though non-performing loans (NPLs) are currently within manageable levels, the strategy is for proactive provisioning and early reserve build-up, in anticipation of future risks. The NPL ratio increased to 2.25% from 1.52% a year ago, amidst a slowdown in the economy. The Bank has set aside Php35.4 billion in provisions for bad loans, almost five times more than the Php7.8 billion provisions booked last year. As a result, NPL cover went up to 174%, the highest among its peers. Metrobank believes its strong balance sheet, deposit franchise, and high capital ratio of 19.9% places it in a favorable position to rebound when the economy recovers.

TMP booked consolidated revenues of Php63.3 billion in the first nine months of 2020, from Php121.4 billion in the previous year. TMP's consolidated net income reached Php2.2 billion during the period, from Php7.5 billion in the first nine months of 2019. Toyota reported retail vehicle sales of 63,182 units for January to September 2020, from 114,117 units in the same period last year. The brand's nationwide dealership network remained open in August, during the MECQ resulting from the Covid-19 pandemic. TMP achieved its highest monthly sales level, since the imposition of community quarantines, in September at 10,657 units. The car company also held virtual launches of the all-new Hiace Cargo and Vios in July, Corolla Cross in August, and Hilux in September. Each received millions of views on Facebook, YouTube, and the TMP website. Notwithstanding the challenges brought about by the Covid-19

pandemic, Toyota continued its leadership as the country's number one automotive brand with a 39.2% overall market share from January to September of 2020.

"The automotive sector continues to show signs of recovery, as the government reopens the economy. Alongside an updated product lineup, TMP's initiatives to keep dealerships safe to visit have become key tools to encourage prospective customers. With the country gradually shifting to the new normal, we remain cautiously optimistic about the prospects for the rest of the year, as consumer confidence begins to recover. Our recent product launches in the more active segments of the market are helping to stimulate purchase demand, resulting in more sales inquiries. To meet the recovering demand for autos, the whole industry is actively replenishing supply levels. At TMP, we have resumed two-shift operations for the Vios and Innova at our Santa Rosa factory, while augmenting imports of CBU models, too," **GT Capital Auto Dealership Holdings, Inc. (GTCAD)** Chairman Vince S. Socco said.

In October, government agencies approved the full acquisition of Toyota Santa Rosa, Inc. (TSR) by **GTCAD** and Toyota Corolla Sapporo Philippines Holdings, Inc. (TCS). Following the transaction, GTCAD will own 60% of TSR, while TCS will own 40%. This initiative allows GT Capital to further diversify the geographical reach of its dealership portfolio, while tapping new strategic alliances in automotive retail.

GT Capital's wholly-owned property subsidiary **Federal Land, Inc. (Federal Land)** booked total revenues of Php6.2 billion in January to September 2020 from Php9.4 billion in 2019. Reservation sales reached Php11.3 billion in the first nine months of 2020 from Php16.4 billion in the previous year. Lease revenues rose by 7% to Php1.1 billion during the period, driven by new tenants in the developer's commercial properties. Federal Land reported a consolidated net income of Php172

million, from the Php769 million in the first nine months of 2019, due to the stoppage and slowdown of construction activities during the quarantine periods.

Metro Pacific Investments Corporation (Metro Pacific) reported consolidated core net income of Php7.7 billion in the first nine months of 2020, down 38% from Php12.5 billion in the same period last year, owing largely to the economic contraction stemming from the Philippine government's response to Covid-19. The consequent quarantines reduced toll road traffic, closed and reduced rail services, and decreased commercial and industrial demand for water and power, resulting in a 30% decline in contribution from operations.

AXA Philippines' consolidated life and general insurance gross premiums for the period rose 10% to Php25.7 billion in the first nine months of 2020, from Php23.4 billion in the same period last year. The insurer's consolidated net income grew a noteworthy 21% to Php2.3 billion for January to September 2020, from Php1.9 billion in 2019. AXA's performance was driven by higher single premium sales, growing 43% year-on-year, stronger renewal premiums, up 12% from last year, and improved revenues from protection and health insurance products, rising 4% versus 2019, in addition to better loss experience in general insurance. AXA Philippines reported life insurance sales in annualized premium equivalent of Php3.7 billion in the first nine months of 2020 from Php5.2 billion in the same period last year, as community quarantines restricted agent mobility and bank branch foot traffic.

In the first nine months of 2020, GT Capital maintained a strong balance sheet, with consolidated assets of Php367.9 billion, shareholders' equity of Php178.9 billion, and a healthy consolidated cash level of Php16.8 billion.

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For questions and other concerns, please contact GT Capital's Investor Relations Department at IR@gtcapital.com.ph. Given the circumstances, the office landline at +632 8836 4500 will not be available. Thank you very much for your understanding.

GT Capital is a listed major Philippine conglomerate with interests in market-leading businesses across banking, automotive assembly, importation, dealership, and financing, property development, life and general insurance, and infrastructure. Its component companies comprise of Metropolitan Bank & Trust Company (Metrobank), Toyota Motor Philippines Corporation (TMP), Toyota Manila Bay Corporation (TMBC), Toyota Financial Services Philippines Corporation (TFSPH), Sumisho Motor Finance Corporation (Sumisho), GT Capital Auto Dealership Holdings, Inc. (GTCAD), Federal Land, Inc. (Federal Land), Philippine AXA Life Insurance Corporation (AXA Philippines), and Metro Pacific Investments Corporation (Metro Pacific).