

GT Capital January to September 2023

Consolidated Net Income Increases 54% to Php23 Billion

(13 November 2023. Makati City, Philippines.) **GT Capital Holdings, Inc.** (GT Capital/GTCAP) reported today a consolidated net income of Php23.09 billion in the first nine months of 2023 from Php14.95 billion in the previous year, achieving a 54% growth. The conglomerate's core net income, on the other hand, increased 105% to Php23.25 billion in January to September 2023 from Php11.33 billion during the same period last year. The difference between GT Capital's consolidated and core net income is from the conglomerate's pro-rated share in its associate Metro Pacific Investments Corporation's (Metro Pacific) non-recurring expenses during the period.

GT Capital's core net income was driven by **Metropolitan Bank & Trust Company (Metrobank)**, the net income of which amounted to a record high Php31.8 billion, representing a 36% year-on-year increase and **Toyota Motor Philippines (TMP)**, which realized a net income of Php10.9 billion, a noteworthy 159% increase compared to the previous year. In addition, **Federal Land, Inc. (Federal Land)**, which recorded a significant 176% increase in net income of Php1.9 billion, along with **AXA Philippines** whose net income grew by 17% to Php2.1 billion, supported the holding company's positive results. Furthermore, a higher net income contribution from associate **Metro Pacific** also contributed to GT Capital's healthy performance in the first nine months of 2023. Metrobank's continued loan growth and margin expansion, TMP's record sales levels and market leadership, and Federal Land's strong reservation sales all likewise drove GT Capital's notable core net income growth during the period. Compared to the first nine months of pre-Covid 2019, the holding company's consolidated and core net income for the same period this year are already significantly higher at 53% and 94%, respectively.

“With GDP growth beating estimates and inflation improving during the third quarter, our operating companies continue to far exceed expectations. Metrobank continued its record-setting pace during the quarter. Toyota Motor Philippines’ sales volume is on track to over-achieve its targets for 2023. Federal Land’s reservation sales and core income are at an all-time high. With our key businesses thriving, GT Capital continues to be resilient despite persistent economic headwinds. We are hopeful that our growth momentum will help carry us forward for the rest of the year.” GT Capital President Carmelo Maria Luza Bautista said.

Metropolitan Bank & Trust Co. (Metrobank) booked a record net income of Php31.8 billion in the nine months ended September 2023, 36% higher year-on-year, driven by asset expansion, improving margins, and healthy non-interest income growth. This translated to a return on equity of 12.8%, higher than the 10% recorded in the same period last year. In the third quarter alone, the bank posted a robust 39% year-on-year growth in net earnings to Php10.9 billion. Net interest income in the first nine months surged by 24% to Php77.2 billion on the back of higher margins and a 7% growth in gross loans. Cost-to-income ratio notably improved to 51.5% from 54.5% last year. Non-performing loans (NPL) ratio further eased to 1.7% from 2.1% last year. NPL cover increased to a high of 187%, keeping a substantial buffer against macro uncertainties that could increase portfolio risks. The Bank’s capital ratios remain to be among the highest in the industry, with capital adequacy ratio (CAR) at 18.4% and Common Equity Tier 1 (CET-1) ratio at 17.6%.

“The sustained growth of the Bank shows that we remain strong and resilient despite the unpredictable market conditions. We will continue to work on keeping our sound capital and liquidity positions as we look for more market opportunities,” Metrobank President Fabian S. Dee said.

Toyota Motor Philippines (TMP) achieved consolidated revenues of Php162.8 billion from January to September of 2023, 22% higher than Php133.4 billion in the same period last year. TMP's consolidated net income grew 159% to Php10.9 billion in the first nine months of this year, from Php4.2 billion in the previous year. TMP attained retail vehicle sales of 144,232 units from January to September of 2023, a historic high for the period and a 16% increase from 124,884 units in the previous year. TMP's record performance during the period was supported by the improving sales of its newly launched hybrid electric vehicle models, along with the easing of supply chain issues that were felt the previous year. Moreover, with the resumption of motorization in the Philippines, the country's automotive industry reached retail vehicle sales of 306,285 units in the first nine months of 2023, a 25% growth from 245,656 units in the same period last year. In August, TMP introduced the all new Alphard Hybrid Electric Vehicle (HEV). While in September, the company introduced the new Hilux GR-Sport and opened its 74th dealership in Ormoc City, Leyte. TMP remains the country's most dominant automotive brand with a 47.1% overall market share for the first nine months of the year.

"We are very encouraged by the 25% growth in the automotive market in the first three quarters of 2023. This is a strong indication of the return to motorization that is an essential enabler of economic growth in the country. TMP continues its growth trajectory with nine month sales already exceeding pre-Covid levels by 26%. The total vehicle market, on the other hand, has also finally breached comparable 2019 January to September sales volumes by 3%. The regularization of vehicle supply chains, the slew of new model introductions and, importantly, the renewal of auto consumer financing have all contributed to the sales resurgence this year," TMP President Atsuhiko Okamoto explained.

“Toyota is on track to achieve a new all-time sales high in 2023, beating its 183,908 unit record back in 2017. Growth is seen across all its model lines with sales of electrified vehicles experiencing significant gains. Sales of Toyota and Lexus electrified models increased by a strong 150% on a year-on-year basis, now contributing 2.7% to total TMP sales. Lexus is also sustaining its robust growth and continues to lead the luxury segment of the market. The seasonally high demand for autos during the holiday season, the usual surge in year-end OFW remittances and an expected rise in consumer and government spending all point to a solid finish for this year,” Mr. Okamoto added.

GT Capital’s wholly-owned property subsidiary **Federal Land, Inc. (Federal Land)** achieved total revenues of Php13.2 billion in the first nine months of 2023, higher by 6% compared to Php12.4 billion during the same period in 2022. Furthermore, the property developer recorded a core net income of Php1.9 billion from January to September 2023, up 176% from Php679 million during the same period last year. Reservation sales reached Php17.9 billion in the first nine months of 2023, a 31% increase compared to Php13.7 billion in the same period the previous year. Equity in joint ventures increased by 117% to Php1.8 billion during the first nine months of 2023 from Php849 million from January to September of 2022 mainly driven by The Seasons Residences, a joint venture with **Nomura Real Estate Development Co., Ltd. (Nomura)** and **Isetan Mitsukoshi Holdings Ltd.**, and the Grand Hyatt Residences South Tower.

In January 2022, Federal Land and Nomura formed a strategic joint venture, **Federal Land NRE Global, Inc. (FNG)**, which will develop a total of 250 hectares in key locations around the country. Initially, Nomura will invest approximately Php16 billion while Federal Land shall invest Php32 billion in land and cash. As of May 2023, most of these assets have been infused into the joint venture. Furthermore, FNG will

launch by this month its first residential horizontal project, **Yume at Riverpark**, to be located in General Trias, Cavite. Encompassing 18 hectares of expansive grounds, Yume aims to be a unique Japanese-inspired nurturing neighbourhood that offers the perfect setting for families to grow and thrive. FNG will also launch **Sora**, the first tower of **The Observatory**, its new 4.5 hectare mixed-use community project strategically located in Mandaluyong City, also by this month.

Metro Pacific Investments Corporation (Metro Pacific) reported a consolidated core net income of Php16.2 billion for the first nine months of 2023, up 37% from Php11.8 billion a year earlier. Improved financial and operating results from Metro Pacific's holdings delivered a 31% increase in contribution from operations, mainly driven by the strong performance of the power generation business and higher water tariff for the water concession. Among the company's core businesses, power had the largest share at Php13.8 billion or 69% of net operating income while toll roads and water contributed Php4.1 billion and Php3.5 billion, respectively. Reported net income attributable to the parent company increased 22% to Php16.1 billion compared with Php13.1 billion last year, which had the benefit of gains from the acquisition of Landco Pacific Corporation.

AXA Philippines' consolidated life and non-life gross premiums for the period reached Php19.5 billion from January to September of 2023, from Php22.5 billion in the previous year. The insurance company booked a consolidated net income of Php2.1 billion in the first nine months of 2023 from Php1.8 billion in the same period last year. Net income from AXA's life insurance business grew by 20% to Php2.1 billion in the first nine months of 2023 from Php1.8 billion in the same period the previous year. AXA Philippines' life insurance sales, as expressed in annualized premium equivalent, reached Php2.8 billion from Php3.2 billion from January to September of 2023 of last year.

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For questions and other concerns, please contact GT Capital's Investor Relations Department at IR@gtcapital.com.ph.

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 and Mobility Holdings, Inc. (GTCAM), JBA Philippines, Inc. (JBA-P), Premium Warranty Services Philippines, Inc. (Premium Warranty), Federal Land, Inc. (Federal Land), Philippine AXA Life Insurance Corporation (AXA Philippines), and Metro Pacific Investments Corporation (MPIC).