



GT CAPITAL
HOLDINGS INCORPORATED

First Half 2021 Financial and Operating Results Briefing

via Zoom

Tuesday, 17 August 2021
2:30PM

For more information,
Visit gtcapital.com.ph/investor-relations
or contact IR@gtcapital.com.ph

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Amidst
Adversity*





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First Half 2021

Macroeconomic Overview



Macroeconomic Overview

PHL no longer in recession, ending 5 quarters of negative growth



GDP

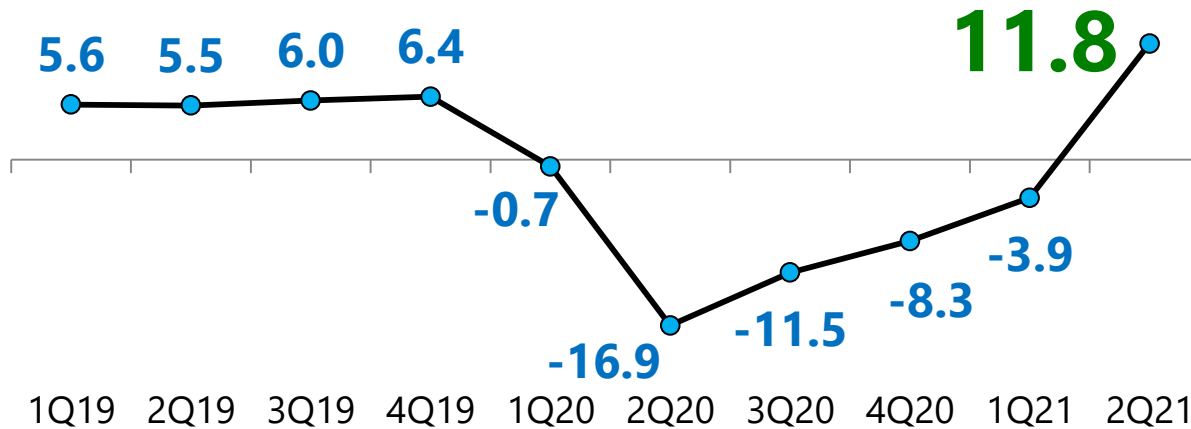
11.8% Q2 2021

vs.
10.8% Q2 2021 consensus
-9.5% FY 2020

Growth Contributors:

- Manufacturing **+22.3%**
- Construction **+25.7%**
- Wholesale and retail trade repair of motor vehicles **+5.4%**

GDP (Quarterly %YoY)



GDP expected to rebound in 2H21

FY21 Est.	New	Prev.
Consensus	5.0% ¹	5.5%
MBT Research	4.5%	5.5%
FMIC-UA&P	5.0-6.0%	3.8%
DBCC ²	6.0% to 7.0%	

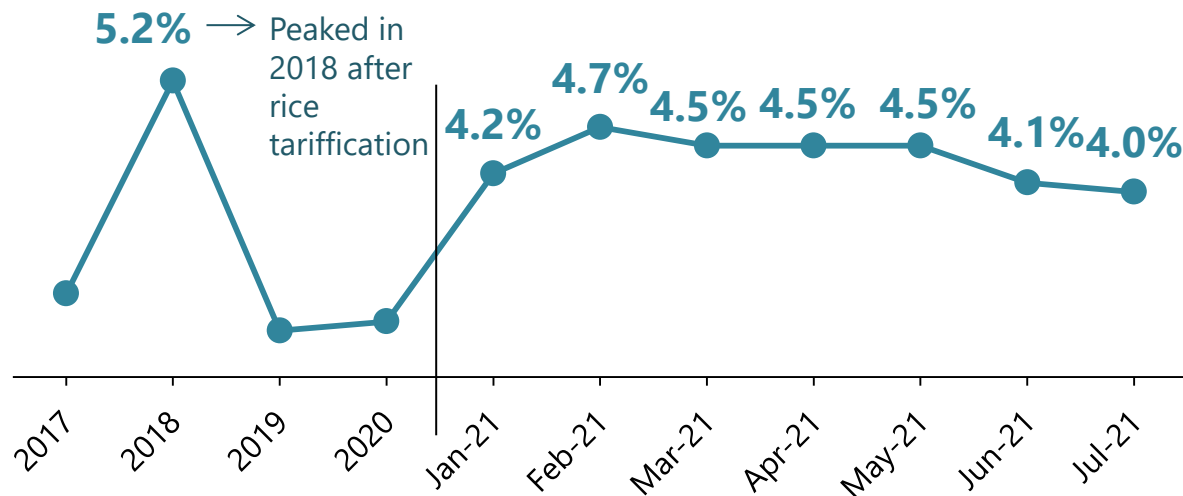
1. Forecasts after Q2 2021 GDP release on Aug 10
 2. Development Budget Coordination Committee

Inflation

4.4%

July year-to-date

- Peaked in 1Q2021 due to:
 - Covid-19 disruption in supply chains
 - Significant increase in food prices
 - Increase in oil prices



CPI expected to stabilize in 2H21

FY21 Est.	New	Prev.
BSP	4.1%	3.9%
Consensus	4.2%	4.5%
MBT Research	4.1%	3.1%
FMIC-UA&P	4.2%	4.2%

- E.O.³ 128: lowers tariffs on pork imports
- E.O. 133: raises minimum access volume for pork imports

3. E.O. - Executive order

Macroeconomic Overview

BSP Policy Rate

August 12 Meeting

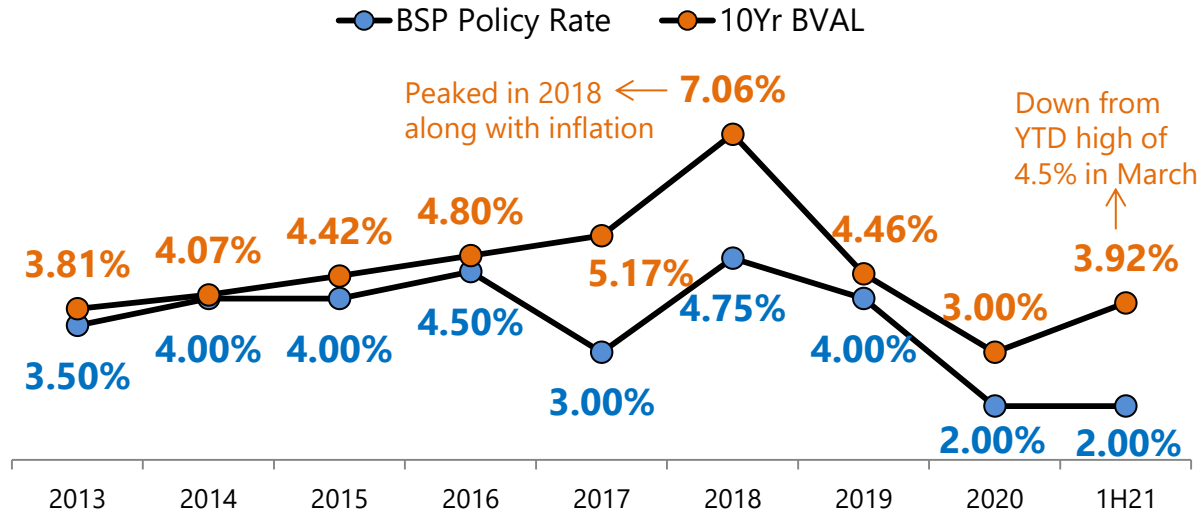
2.00%

Overnight Reverse Repurchase Rate
Unchanged

10Yr BVAL

3.92%

as of June 30, 2021



BSP expected to maintain accommodative monetary policy

Policy Rate FY21 Est.	New	Prev.
Consensus	2.0%	2.0%
MBT Research	2.0%	2.0% to 2.5%

OFW

Remittances

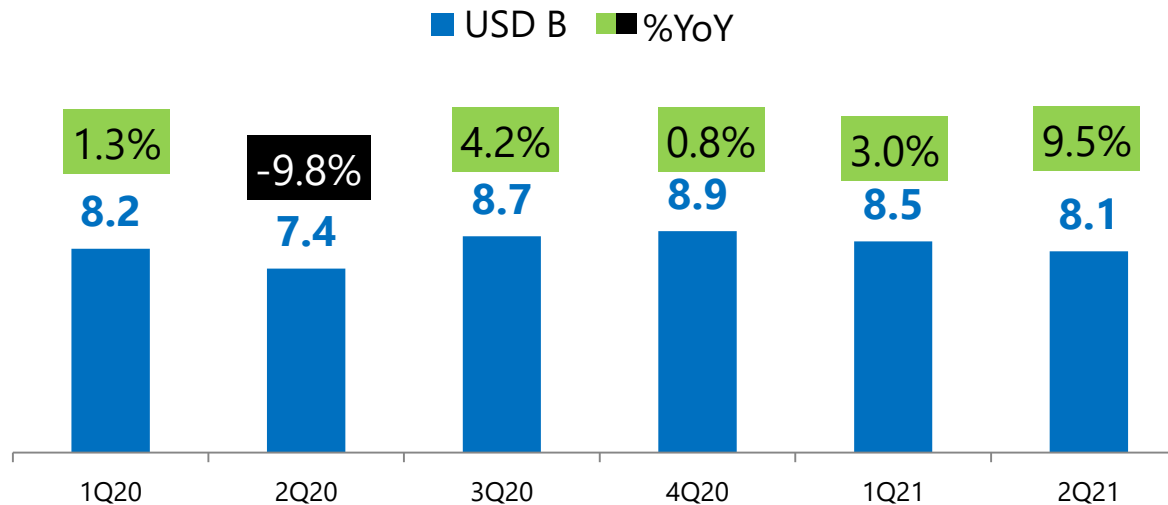
(In USD B)

USD 16.6B

6M2021, +7%YoY

USD 33.2B

FY2020, -0.8%YoY



OFW remittance expected to maintain growth in 2H21

FY21 Est.	USD	%YoY
BSP	34.5B	+4%
Consensus	35.2B	+6%

Macroeconomic Overview

Consumer Confidence

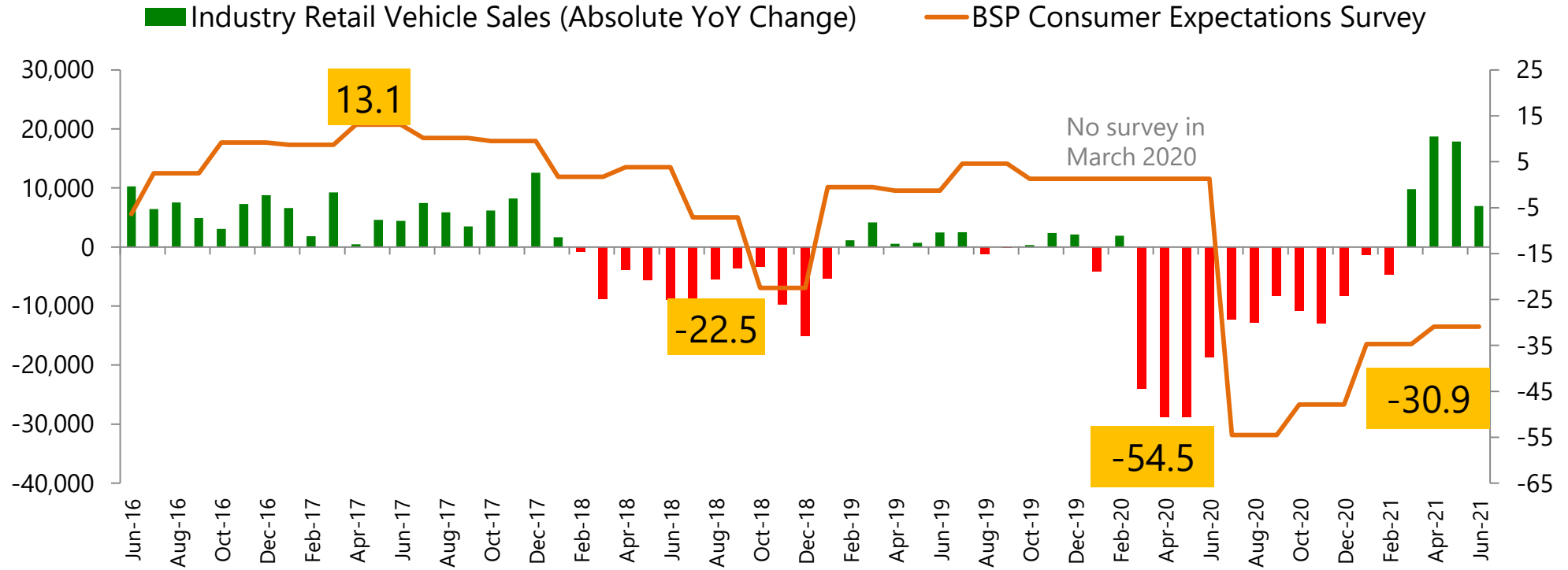
-30.9% Q2 2021
vs. **-34.7%** Q1 2021

Consumer Outlook:

Next Quarter: **+0.7%**

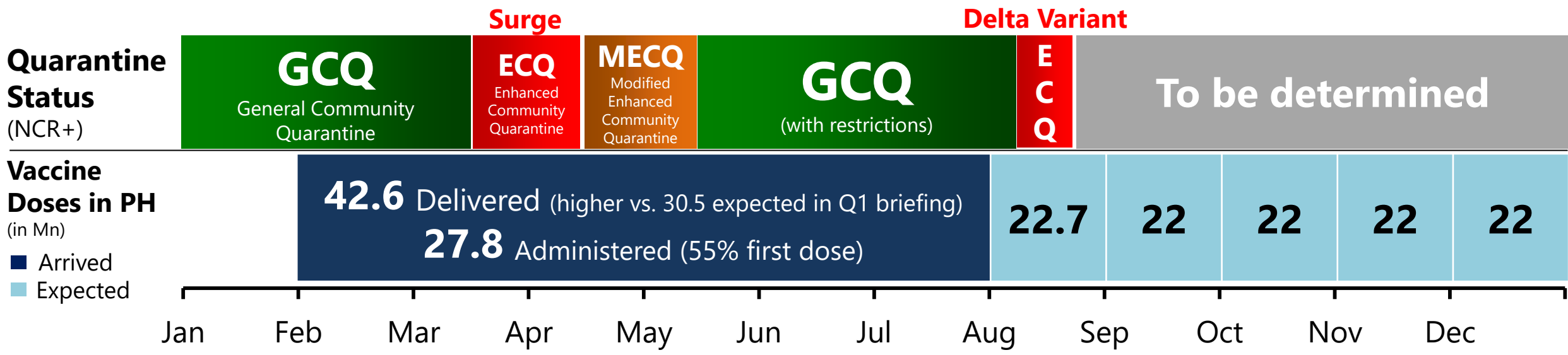
Next 12mos: **+22.3%**

(pre-ECQ)



- Consumer sentiment continued to **improve to -30.9% from -34.7%** in 1Q2021
- Improved sentiment due to expectations of:
 - **More jobs** and permanent employment
 - **Higher income**
 - Effective **government policies**, particularly related to Covid-19 concerns, such as **faster roll out of vaccines**

2021 Quarantine Status and Vaccine Arrivals



As of August 15, 2021:

- Vaccine deliveries higher than initially expected during Q1 2021 briefing. Administration improving:
 - **3.9 Million** (or **30%**) of NCR population fully vaccinated, **5.6 Million** (or **43%**) received one dose
 - **12.6 Million** (or **12%**) of Philippine population fully vaccinated, **15.2 Million** (or **14%**) received one dose
 - **475,304** to **516,601** average daily administered doses during last two weeks vs. **380,880** last July 25
- **+58 Million** expected to arrive in **Q3**, **+66 Million** in **Q4**
- Relaxed ECQ enforcement, commitments for vaccine supply, and reduced hesitancy to get vaccinated has improved overall market sentiment

GT Capital Group Vaccination Program



GT Capital commenced its vaccination program in partnership with the **Manila Doctors Hospital** and ActiveOne Health, Inc. on July 5, 2021 at Le Pavillon, Pasay City and at the Grand Hyatt, BGC.

#healinGTogether #GTHasGotYourVacc #VaxForMetrobankGroup



Trusted Quality Healthcare



activeone



Three Vaccination Sites / 15% YTD Vaccinated

We pre-ordered
455,000
total doses

That will cover

100%

of all regular and agency
GTCAP Group Employees
(including all 72 Toyota
dealerships)



Toyota Plant, Santa Rosa, Laguna



Le Pavillon Metropolitan Park, Pasay



Grand Hyatt, BGC



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Consolidated Financial Highlights



GT Capital Financial Highlights 1H 2021



**Consolidated
Net Income**

Php6.7 Billion¹

Php2.7 Billion 1H 2020²

143%
YoY

**Core
Net Income**

Php5.8 Billion

Php3.2 Billion 1H 2020

83%
YoY



Operating Income

P51.5B -22%

Net Income

P11.7B +28%

- Net loans **Php1.2T**-11%
- CASA **Php1.3T** +13%
- Net Int. Inc. **Php37.5B** -16% (**73%** of OI)
- Trading/FX **Php4.0B** -69%
- Fees **Php7.2B** +17%
- Provisions **Php7.0B** -69%
- NPL ratio **2.3%**
- NPL Cover **179%**
- CAR **20.4%**



Revenues

P5.1B +21%

Net Income

P587M +243%

- Booked sales **Php3.5B** +19% faster POC
- **90%** workforce deployment
- Vaccination of construction workers
- Reservation sales **Php6.5B** -29%.
- No new project launches
- GPM **48%** unchanged
- NPM **11%** vs. **4%**



Gross Premium

P22.1B +33%

Net Income

P1.4B -6%

- APE **Php3.2B** +34%
 - RP +15%
 - SP +96%
 - P&H +10%
- Life NI **Php1.6B** +31%
- G.I./GWP **Php1.7B** -7% due to pruning of property portfolio
- G.I. Net Loss **Php162M** due to losses from fire and motor claims



Reported N.I.

P10.4B +243%

Core Net Income

P6.0B +13%

- Higher energy sales and average traffic offset by decline in billed water volumes and rail ridership
- Core NI per OpCo
 - Meralco +8%
 - MPTC +105%
 - Maynilad -15%
 - LRMC -138%
- Extraordinary gain on sale from GBP and DMT

TOYOTA

Revenues

P63.7B +70%

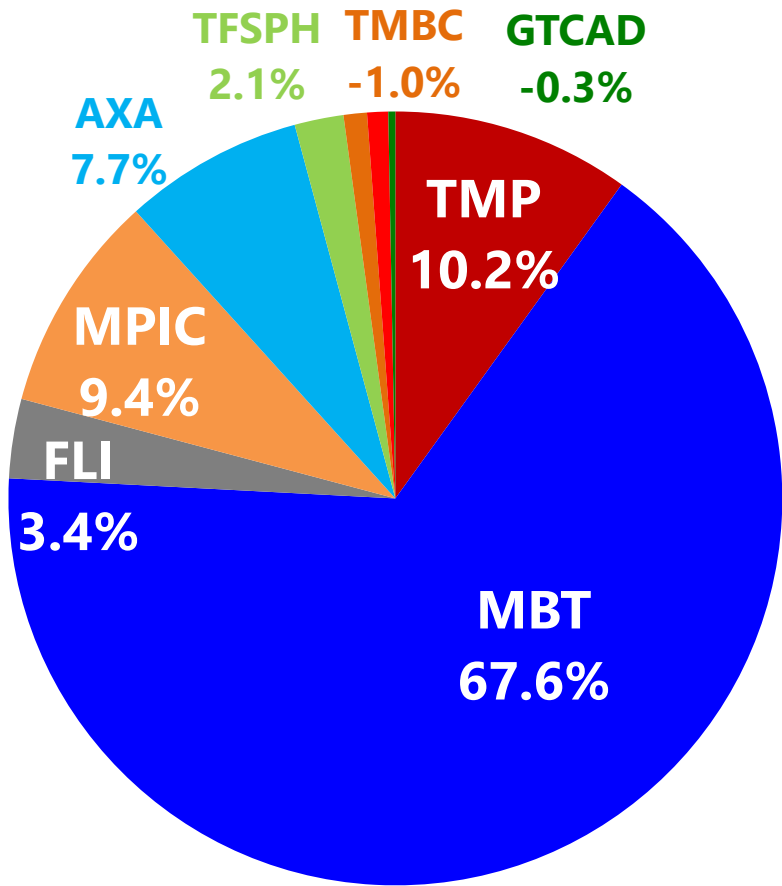
Net Income

P3.4B +239%

- WSV +90% to **63,375**
- RSV +79% **63,758** units (vs. industry +51%)
- Market Share of **45.6%** vs **38.5%**
- GPM **11.9%** vs. **13.2%** due to models mix in favor of PCs
- NPM **5.4%** vs. **2.8%** due to TSR gain on sale (P0.3B)

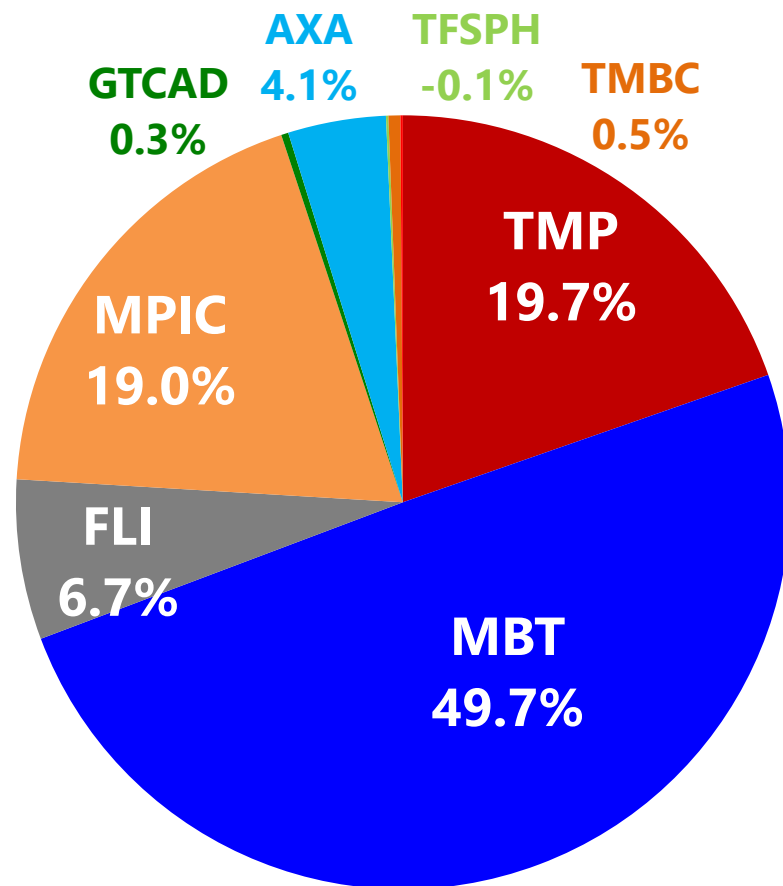
1. Includes P0.69B share in MPIC's nonrecurring gains. 2. Includes P0.36B share in MPIC's nonrecurring expenses

GT Capital Net Income Contribution



MBT + TMP = 77.7 %

1H 2020



MBT + TMP = 69.3%

1H 2021



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Component Company Highlights



Metrobank
You're in good hands

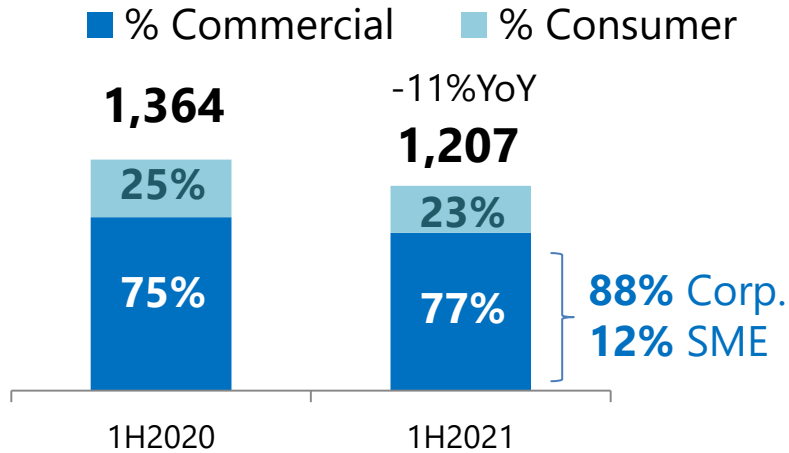
Financial Highlights



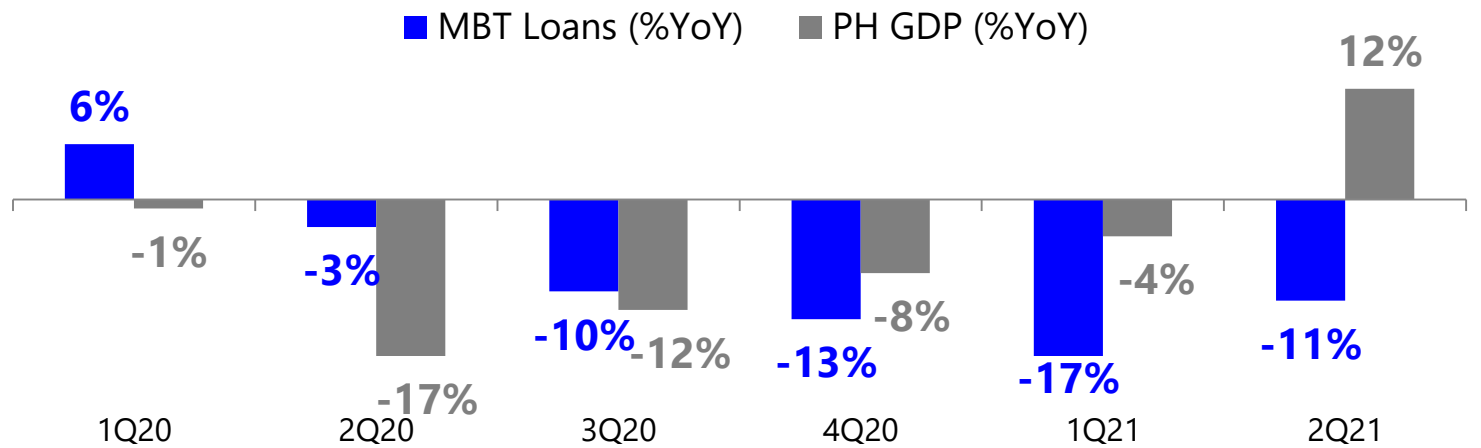
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Metrobank Financial Highlights 1H 2021

Gross Loans (Php B)

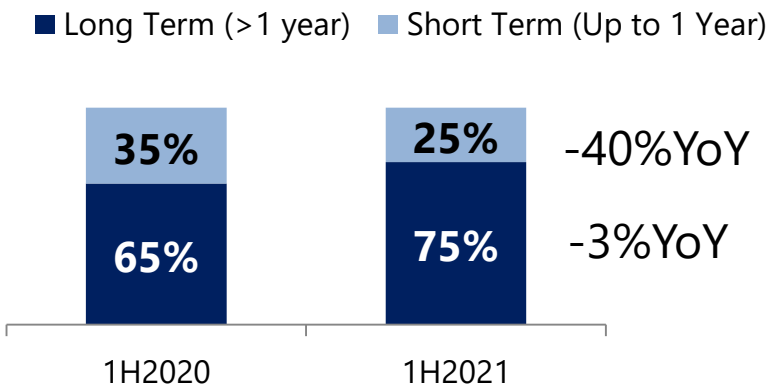


Performance of MBT Loans mirror GDP (pre-COVID loans 1.5x to 2.0x GDP)

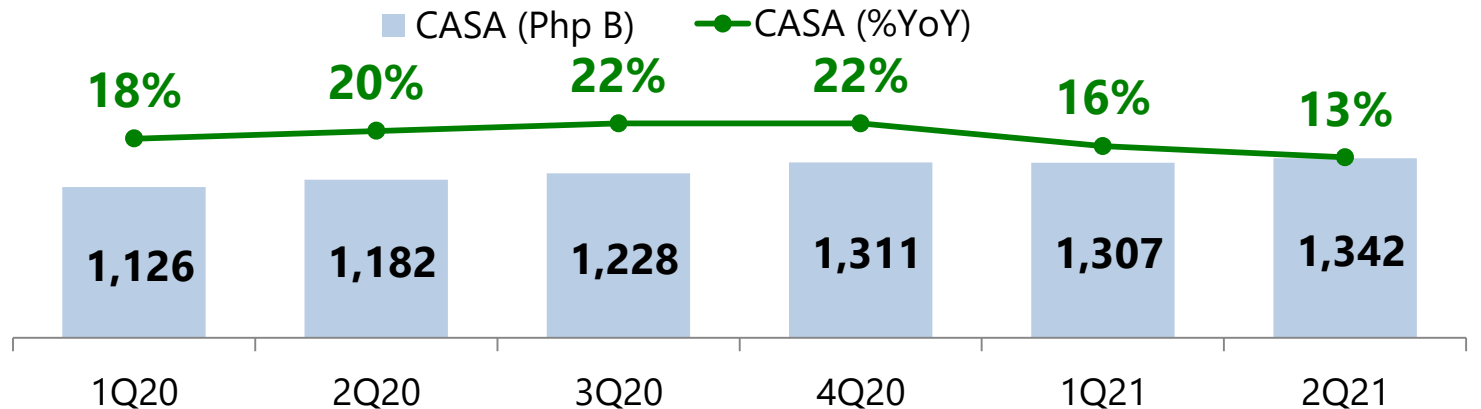


Mix of Commercial Loans (In %)

Slowdown driven by working capital loans



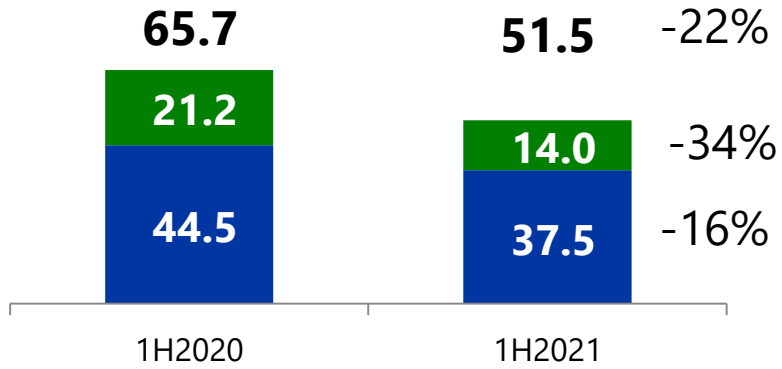
Client liquidity parked in CASA due to disrupted inventory and deferred expansion plans



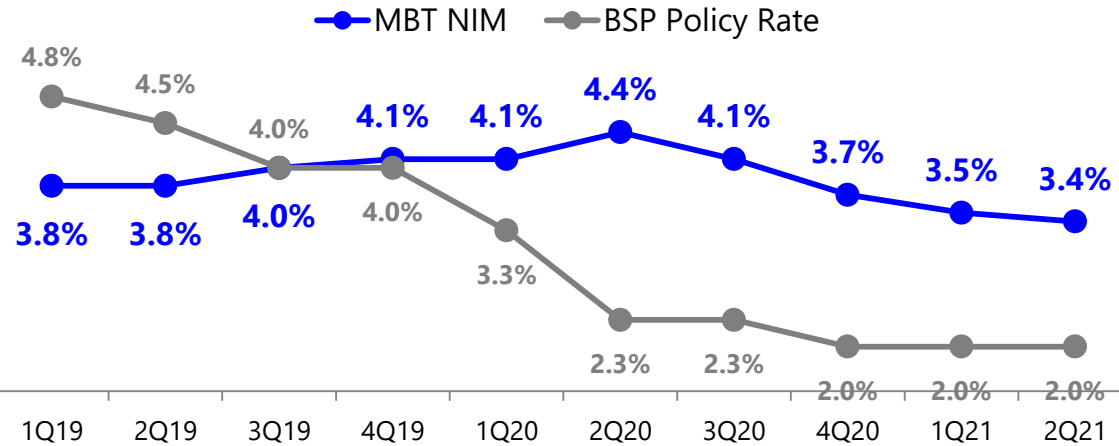
Metrobank Financial Highlights 1H 2021

Operating Income (Php B)

■ Non Interest Income ■ Net Interest Income



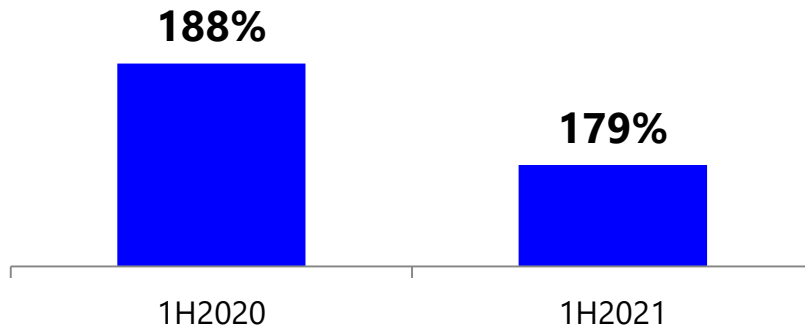
MBT NIMs vs. BSP Policy Rate



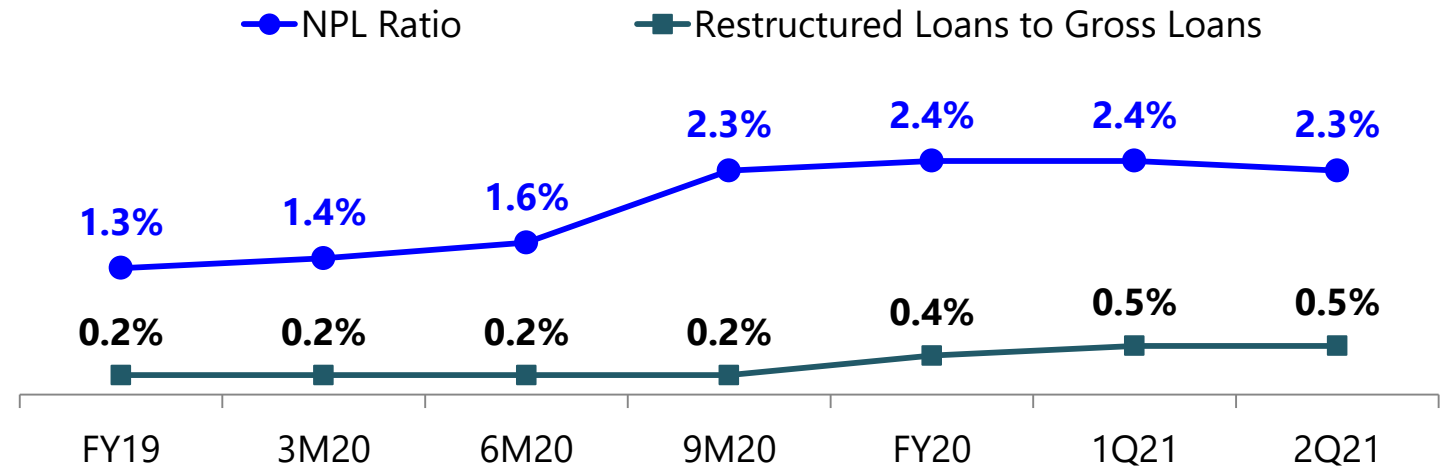
- Lower lending rates; credit card rate cap
- Decline in loan balances
- Shorter duration of investment securities

NPL Cover

Ample reserves give room to lower provisions



NPL Ratios remain unchanged



Summary of Key Messages

- Metrobank reported net income growth of 28%
- Strong fee-based income, CASA growth, flat OPEX, and lower provisions cushioned weak loan demand and lower NIMs
- The Bank maintains prudent and anticipatory risk management posture
- High capital ratios ensure adequate buffers and a strong position to support clients in a recovery
- Strategies that will balance growth:
 - Expand cash management/trade services and treasury flows
 - Cost-to-income ratio in the low 50s
 - Migration to e-channels and branch process re-engineering
 - Increase cross-sell activities



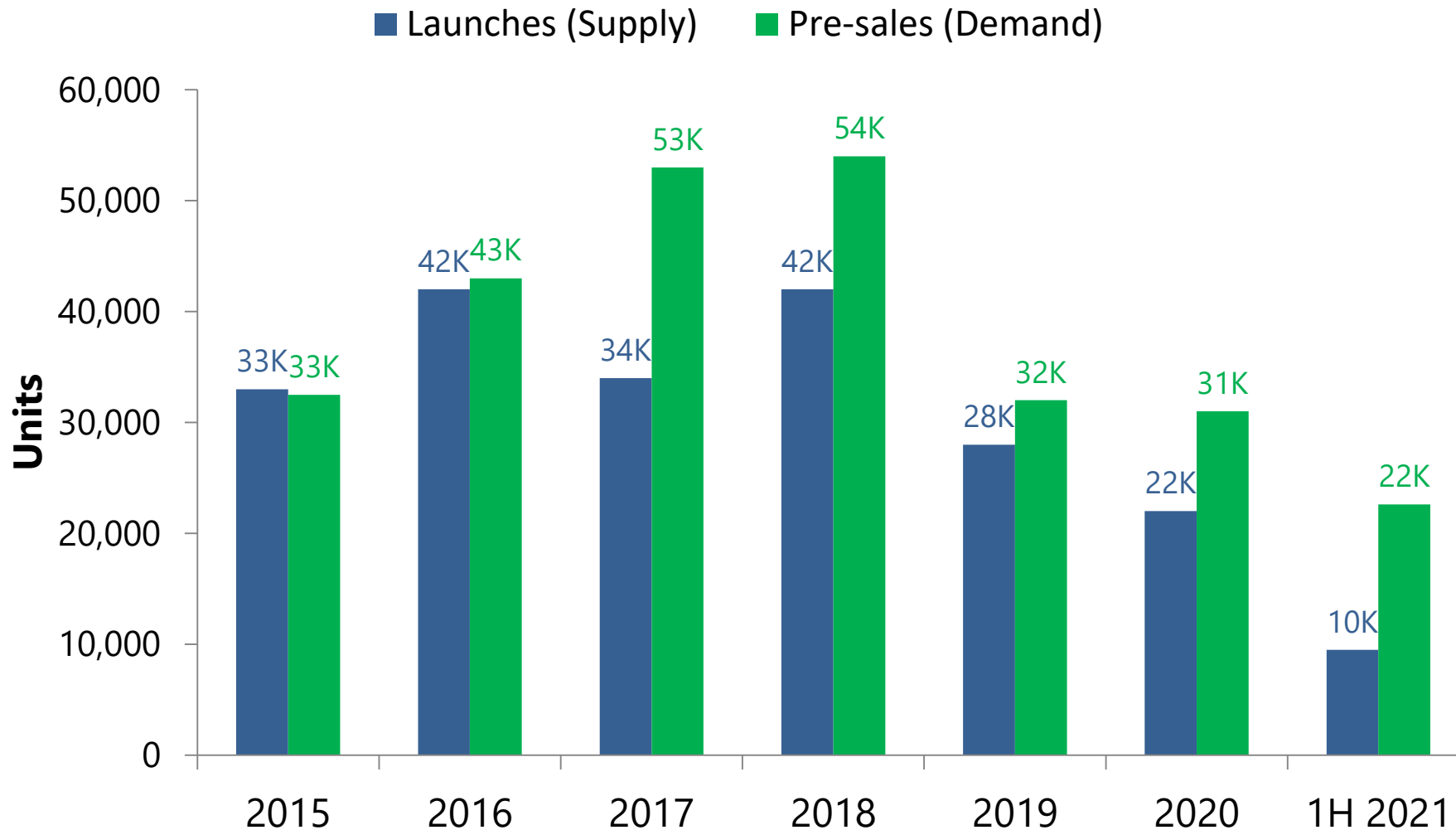
Property Industry Highlights



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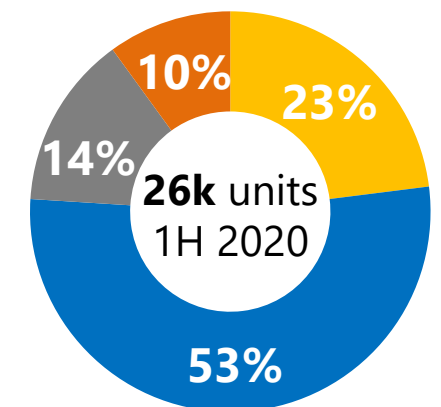
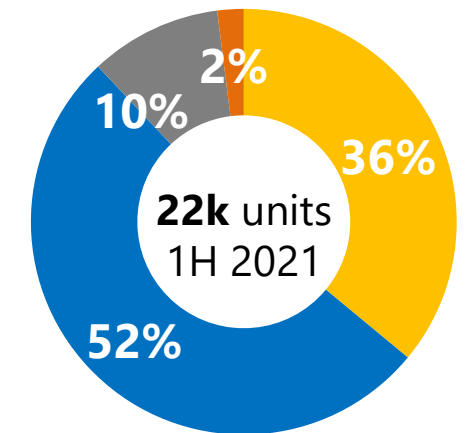
Residential Supply and Demand 1H 2021

Metro Manila Residential Condominium Supply and Demand



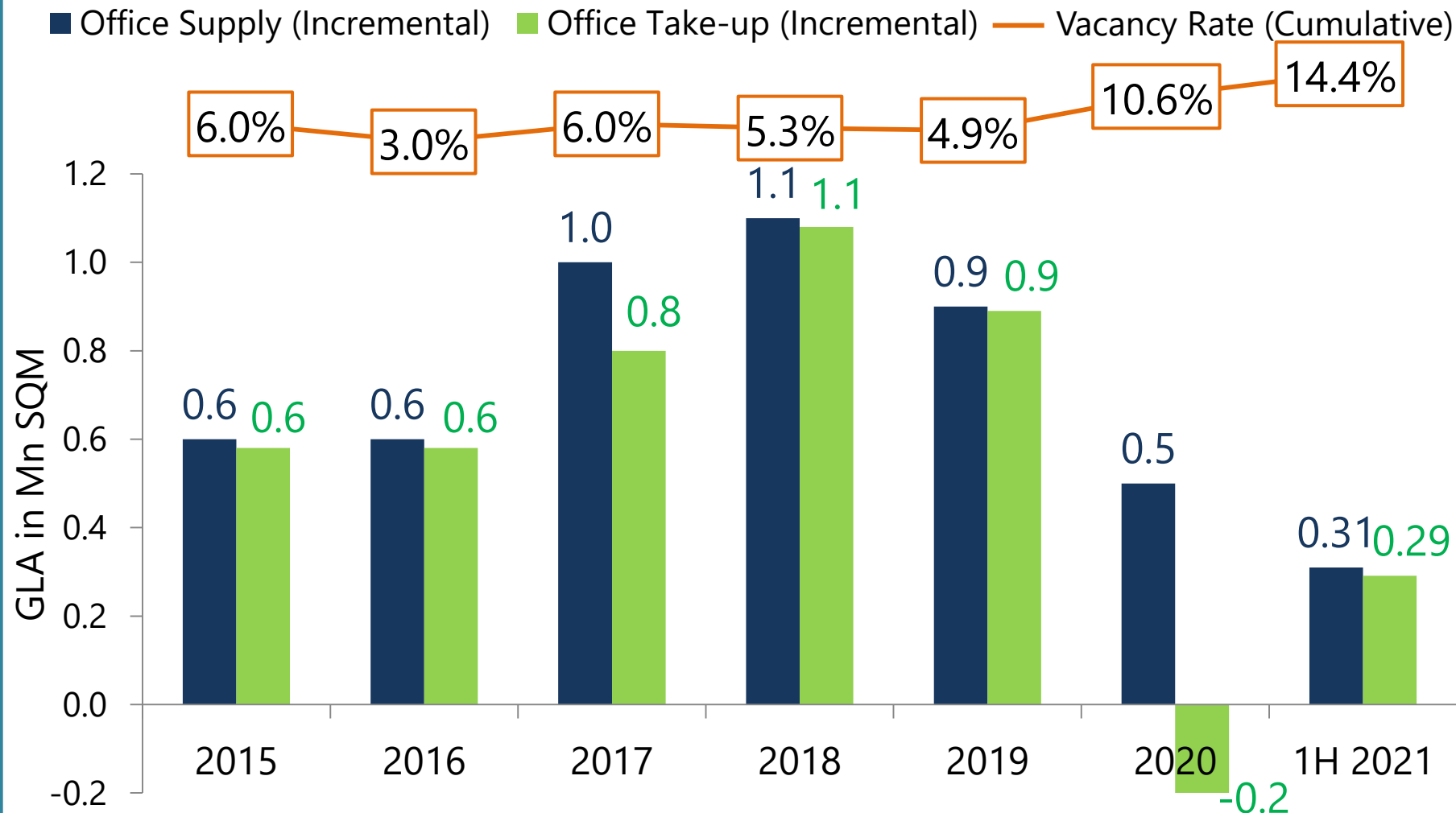
Residential Demand Mix

- High End Luxury
- Upscale
- Middle Income
- Lower Middle



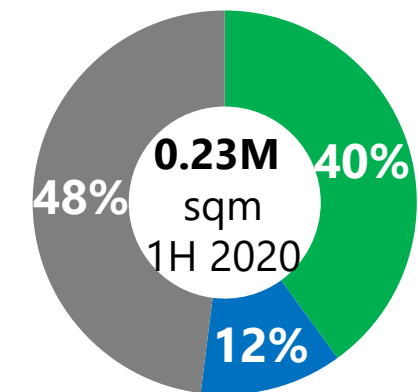
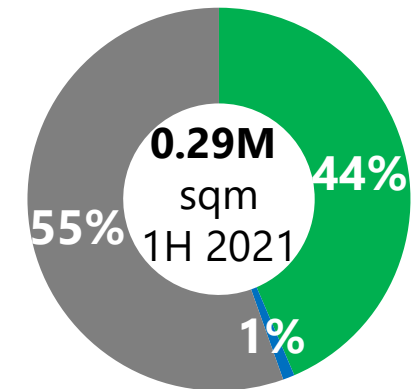
Office Supply and Demand 1H 2021

Metro Manila Office Supply, Demand, Vacancy Rate



Office Demand Mix

■ BPO ■ POGO ■ Others



2020 BPO Rev: USD26.7 B (+1.4%)
2021E BPO Rev: USD28.0 (+5.0%)



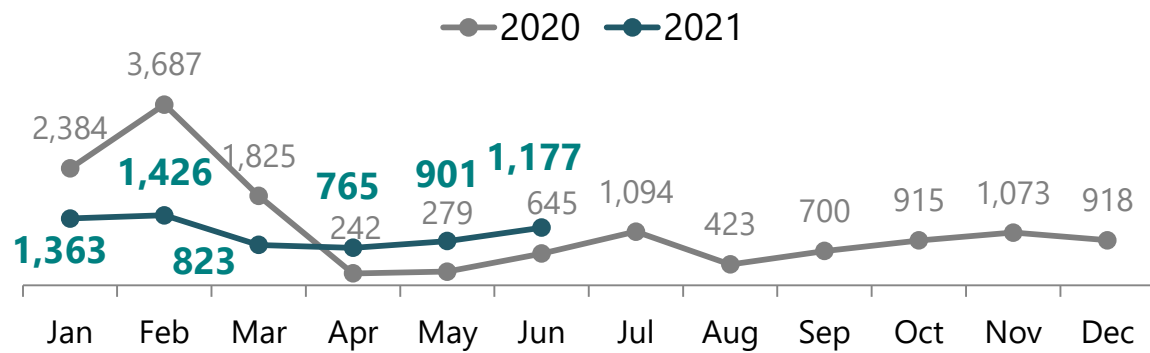
Financial Highlights



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Federal Land Financial Highlights 1H 2021

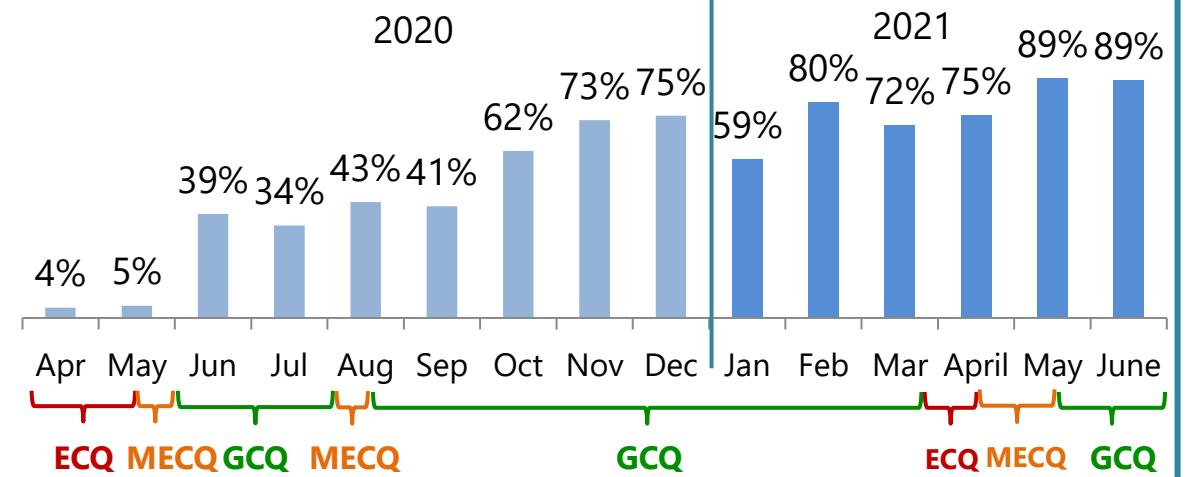
Monthly Reservation Sales (Php M)



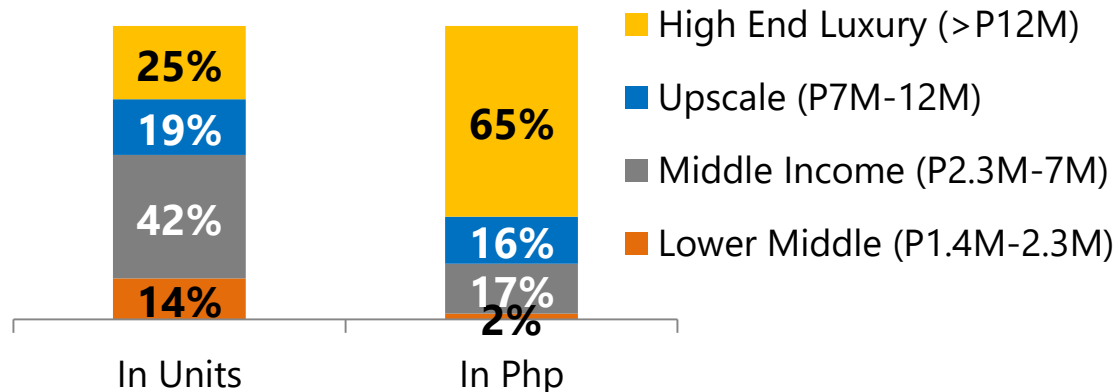
Php6.5B
1H 2021

-29% YoY vs. **P9.1B** 1H 2020

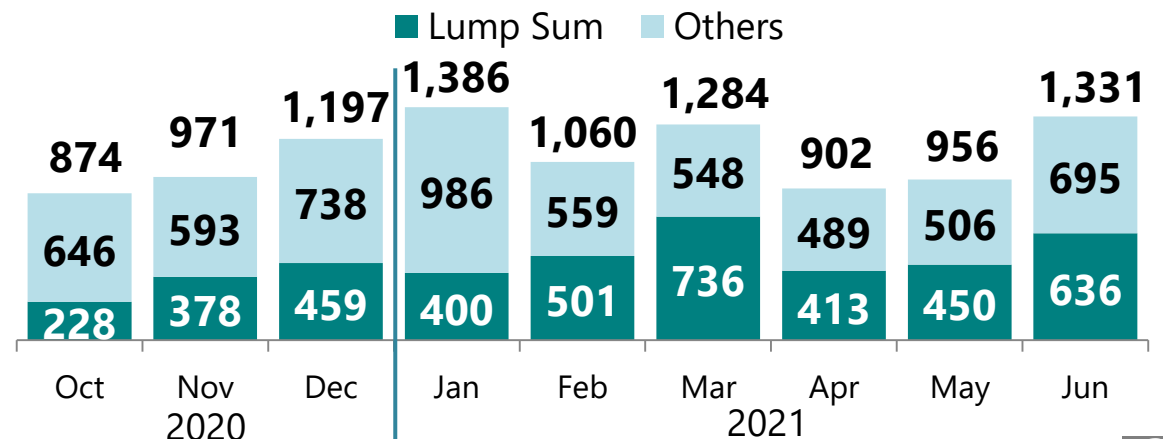
Contractor Manpower Deployment (% of Pre-Quarantine)



1H21 Reservation Sales Mix

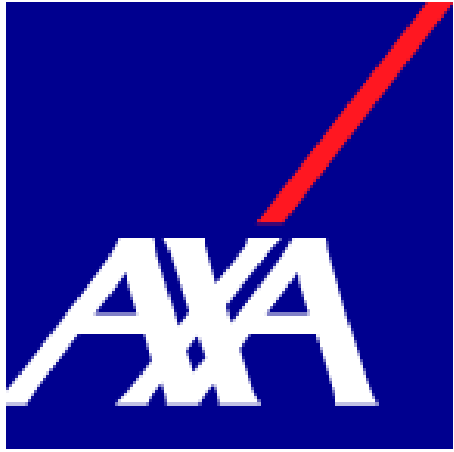


Monthly Collections (Php M)



Summary of Key Messages

- Monthly reservation sales tempered by absence of project launches. Php12.7B in unsold inventories
- Stable demand for Federal Land's key segments (mid, high-end, and luxury categories)
- Construction workforce deployment (vs. pre-quarantine) at 89% in June. Facilitating lump sum payments associated with unit turnover
- Improved POC leads to higher revenue recognition
- Construction workforce to be fully vaccinated by October
- Monthly collections above Php1 Billion due to lump sum payments
- Development of Cavite Phase 1 in full swing. Infrastructure rollout begins Q3 2021



Financial Highlights

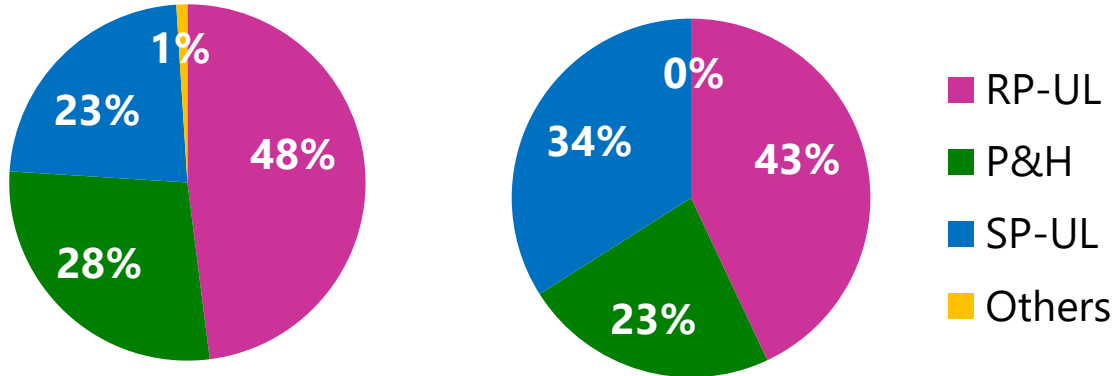


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AXA Financial Highlights 1H 2021



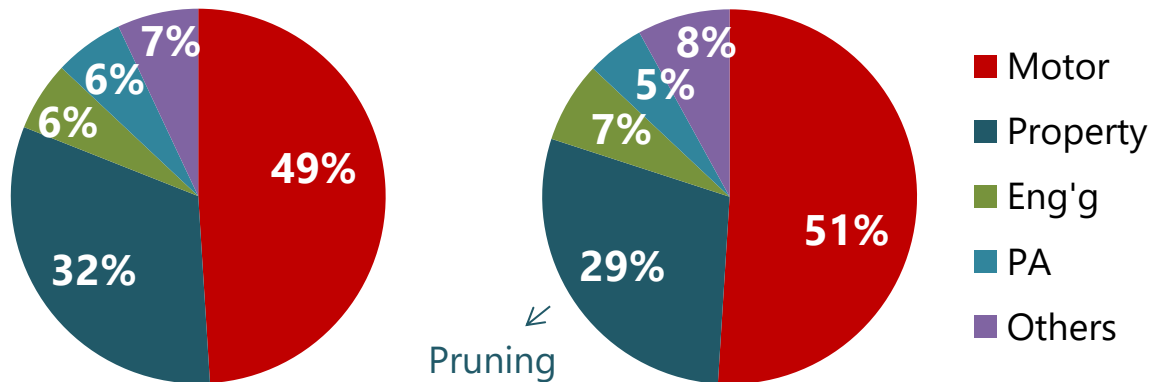
Life APE Product Mix (In %)



1H 2020: **Php2.4B**

1H 2021: **Php3.2B +34%**

G.I. GWP Product Mix (In %)



1H 2020: **Php1.8B**

1H 2021: **Php1.7B**

Key Messages

Life

- Strong performance in Life Insurance. APE **+34%**
 - Single Premium Unit Linked (SP-UL) APE **+96%**, contribution to APE at **34%**
 - Clients bargain hunting in capital markets*
 - P&H products continue growth momentum

General Insurance

- GWP declined -7% due to mobility restrictions and pruning of property portfolio
- Profitability dragged by claims on fire insurance and motor

*Funds: Equities, Fixed Income and Multi-Asset Funds invested in US, Europe, Asia, Emerging Markets, China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines Singapore, Taiwan, and Thailand

Financial Highlights



MPIC Financial Highlights 1H 2021

Meralco

Energy Sales

22,663 GWh +7%

Core Income

P11.4B +8%

Metro Pacific Tollways

PH Average Daily Traffic

744k +30%

Core Income

P1.9B +105%

Maynilad

Billed Volume

261.1 MCM -3%

Core Income

P3.0B -15%

Light Rail Manila

Ave. Daily Riders

122k -63%

Core Income

(P416M) -138%

Hospitals

Patient Census

1.55M +12%

Core Income

P710M >100%

MetroPac Movers

Dispatch Volume

14.4M -36%

Core Income

(P120M) -32%

Key Messages

- **MPIC:** 1H2021 Core Income increased by **13%** due to higher contribution of its toll and power segments
- **Meralco:** Increase in Core income was driven by a **7%** increase in total energy sales
- **MPTC:** Increase in Core Income was attributable to improved traffic volumes benefitting from reduced mobility restrictions
- **Maynilad:** Decline in Core Income was due to higher operating costs and concession amortizations arising from facility upgrades

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Automotive Industry Highlights



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Automotive Industry Highlights 1H 2021

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Industry

Retail Vehicle Sales

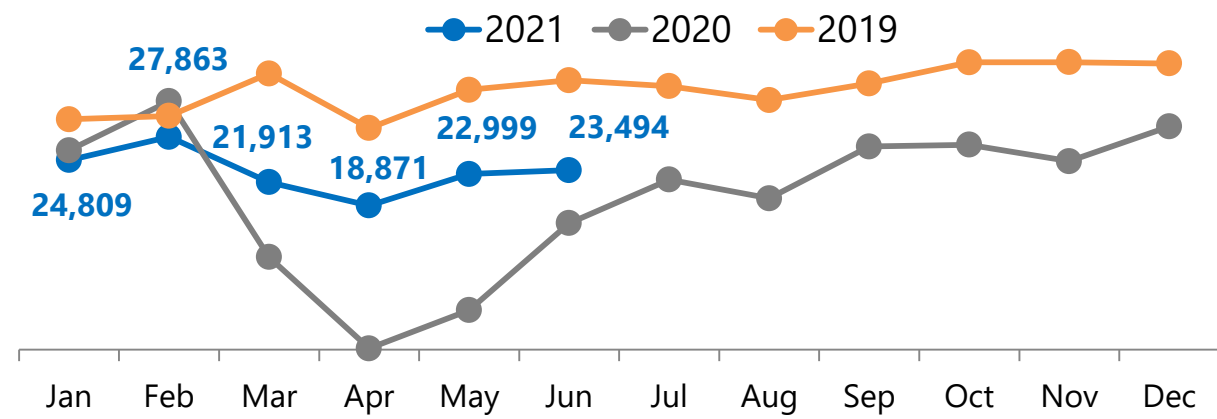
139,949 Units

1H 2021

+51.2% YoY

vs. **92,564** 1H 2020

Monthly Retail Vehicle Sales (In Units)



1H 2021 as a % of:

1H 2019

1H 2020

72%

151%

TOYOTA

Retail Vehicle Sales

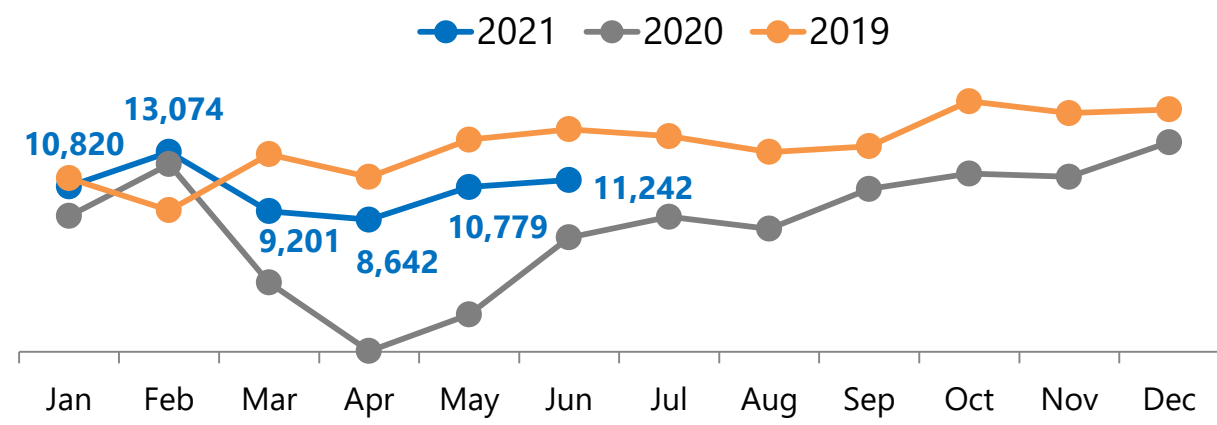
63,758 Units

1H 2021

+78.9% YoY

vs. **35,648** 1H 2020

Monthly Retail Vehicle Sales (In Units)



1H 2021 as a % of:

1H 2019

1H 2020

87%

179%

Safeguard Duty implemented March until August 2021

Quarantine Status:
GCQ MECQ ECQ



Source: CAMPI, AVID, TMP

Toyota remains dominant

TOYOTA



Overall Market Share as of Jun 2021 YTD

45.6% in 1H 2021

■ 1H2021 ■ 1H2020

19th
CONSECUTIVE
TRIPLE CROWN



No.1
Passenger
Car Sales



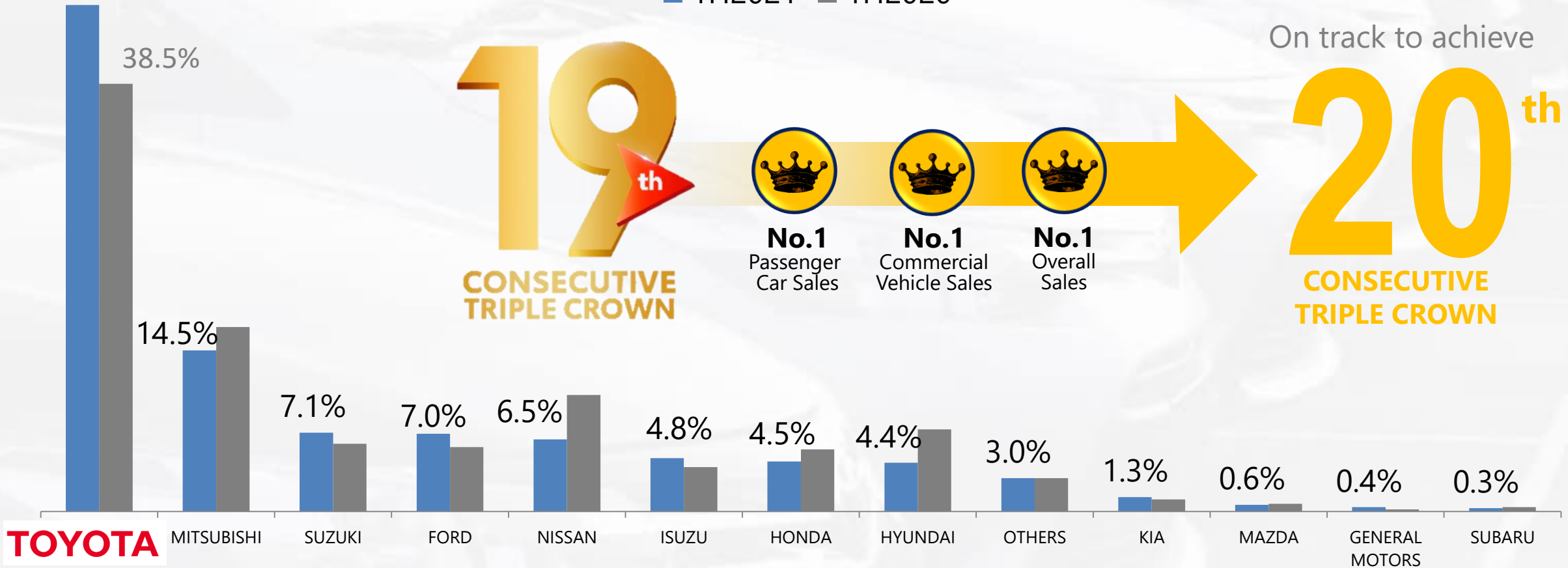
No.1
Commercial
Vehicle Sales



No.1
Overall
Sales

On track to achieve

20th
CONSECUTIVE
TRIPLE CROWN

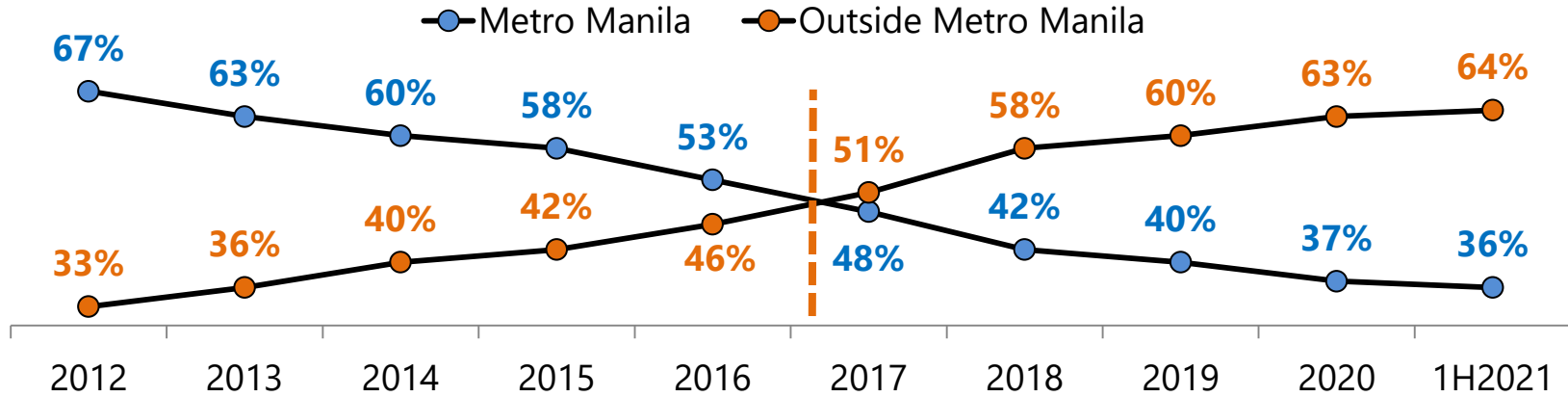


Toyota Retail Sales Highlights 1H 2021

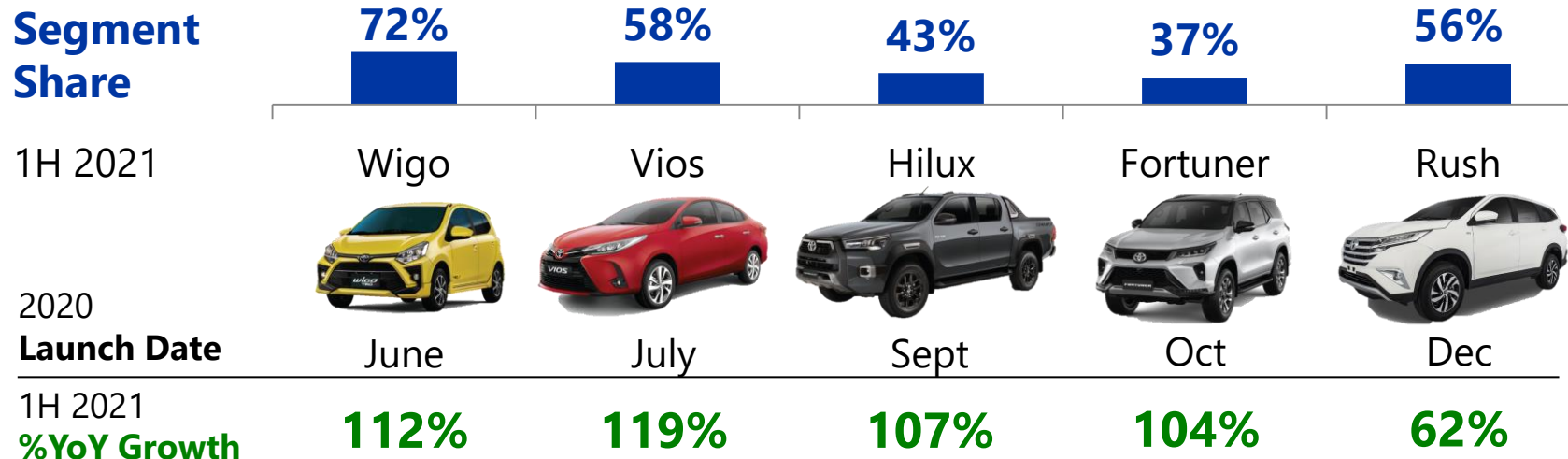
TOYOTA



TMP Sales in Metro Manila vs. Outside Metro Manila (% of total)



Noteworthy performance of models launched in 2020



Toyota Market Share

	1H21	2020	2019	2018
No.1 Overall Sales	46%	39%	39%	38%
No.1 Passenger Car Sales	60%	51%	43%	40%
No.1 Commercial Vehicle Sales	39%	37%	38%	37%

Source: TMP

Toyota New Model Launches

TOYOTA



GR Performance Line

2019
GR Supra



TMP is expanding its **GR Performance Line** to strengthen its market coverage



March 2021



GR SPORT VIOS

July 2021



GR YARIS

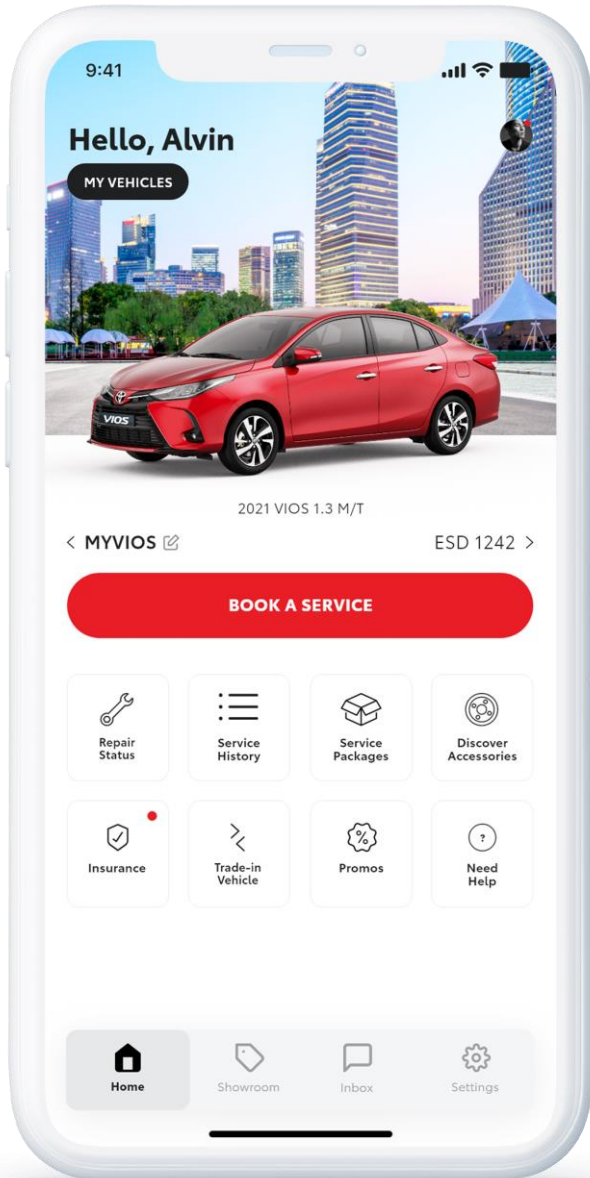
Dealership Expansion



June 2021: Opening of 72nd Dealership in Dipolog City, Zamboanga del Norte



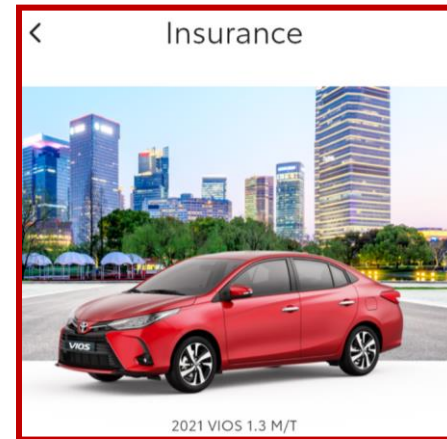
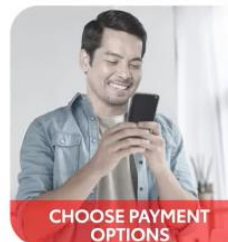
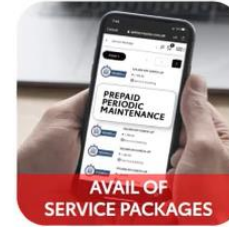
September 2021: Opening of 73rd Dealership in Lucena City, Quezon



THE NEW myTOYOTA APP

LIFE WITH TOYOTA, MADE HAPPIER IN A TAP

Launched August 10, 2021



DOWNLOAD THE APP TODAY!





REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

TARIFF COMMISSION FINDINGS (TCI No. SG-2021-OC-Motor Vehicles) – July 22, 2021

- “Considering that CBU passenger cars and CBU light commercial vehicles were not imported in increased quantities (whether absolute or relative to domestic production) during the period of investigation, the Commission hereby terminates its formal investigation and ***recommends that no definitive general safeguard measure be imposed on importations of the CBU passenger cars and CBU light commercial vehicles*** subject of this investigation.”



DTI ADMINISTRATIVE ORDER (21-04) – August 6, 2021

- “The petition of general safeguard measures on the importation of motor vehicles (passenger cars and light commercial vehicles falling under AHTN 2017 Headings 87.03 and 87.04 is ***hereby dismissed***.”



Recent Developments



Updates on JBA Philippines and Premium Warranty



- ✓ Expanded online bidding and sale of pre-owned vehicles for all brands
- ✓ More organized and transparent buying and selling experience (B2B)

Target start of operations: **October 2021**



Premium Warranty Services Philippines, Inc.

- ✓ Pre-owned vehicle 187-point inspection
- ✓ Warranty coverage on 200+ parts for pre-owned vehicles

Target start of operations:
September 2021

Summary of Key Messages

TOYOTA



- Despite the re-imposition of ECQ in March and the impact of the safeguard duties on sales of imported vehicles, TMP delivered strong results in the first half of 2021
- Toyota outperformed the auto market in 1H 2021 with sales of 63,758 units and market share of 46%
- Sales outside Metro Manila at 64% in 1H 2021 provides a cushion to quarantine restrictions
- Captive access to auto consumer loans through **Toyota Financial Services** continues to be a driver of growth
- With the **removal of the safeguard duties**, the expected **election-related spending**, and the usual higher demand from **holiday spending**, we are reasonably confident that this momentum will continue throughout the rest of the year, especially entering the fourth quarter



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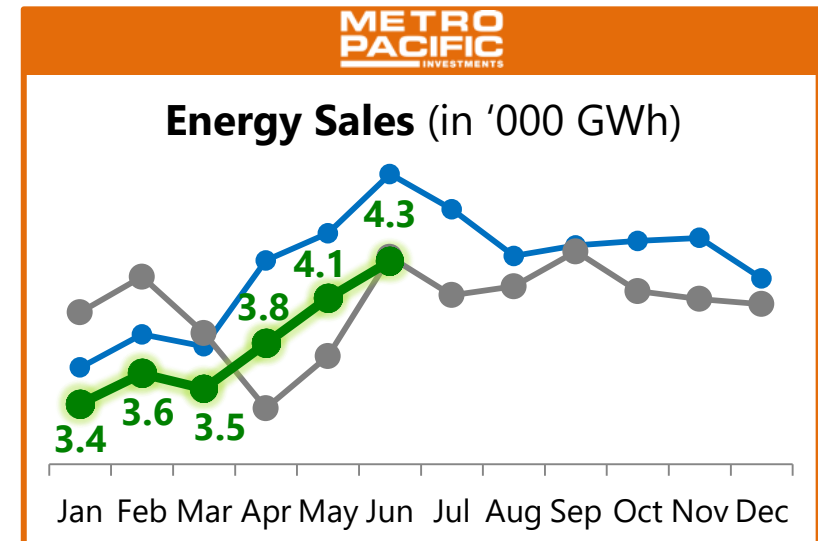
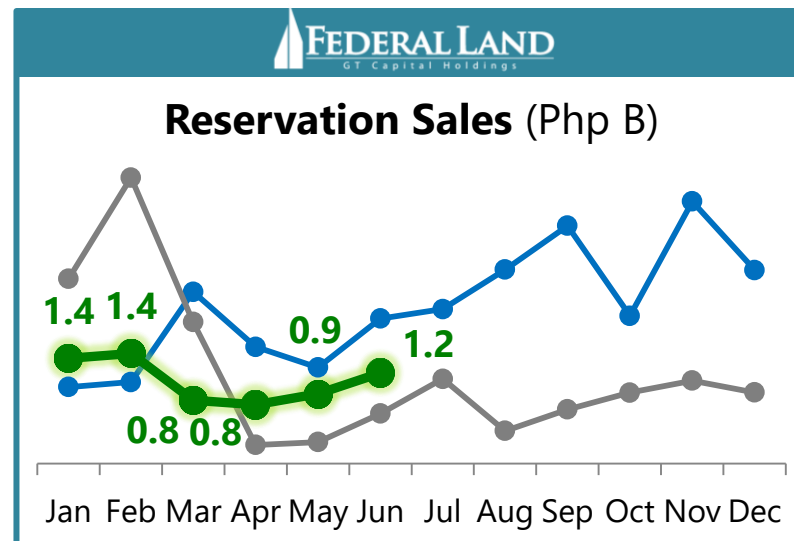
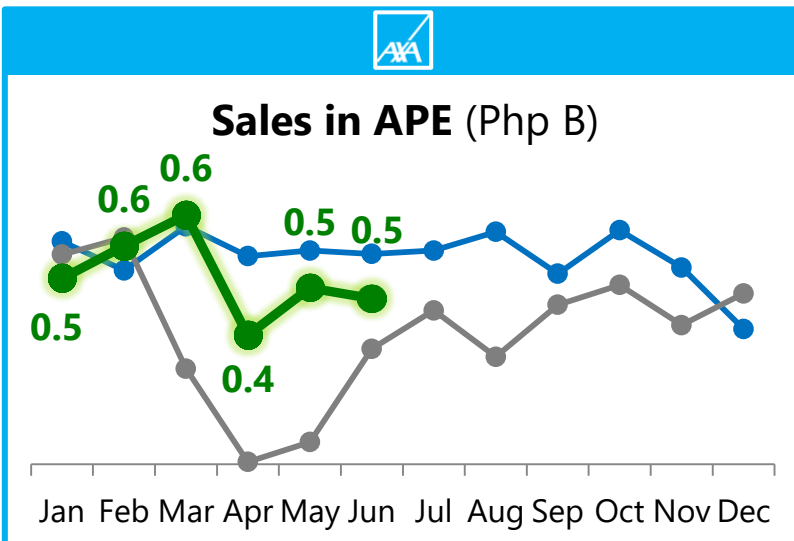
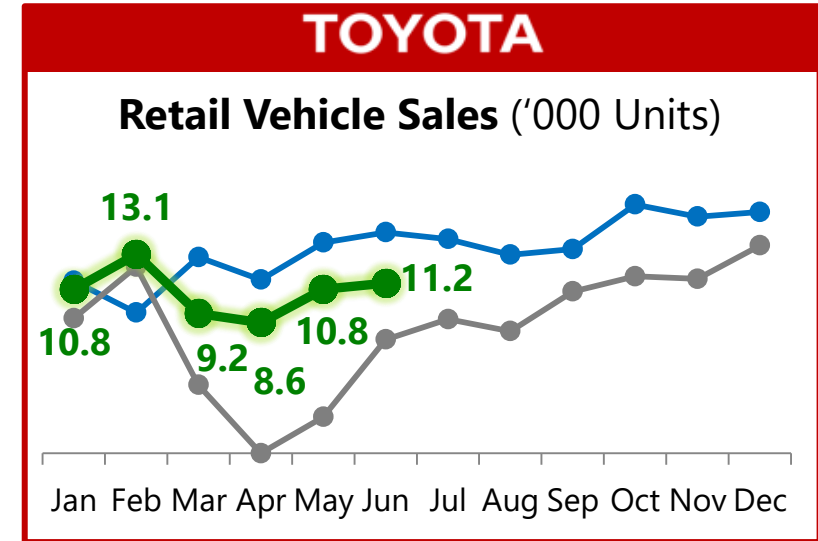
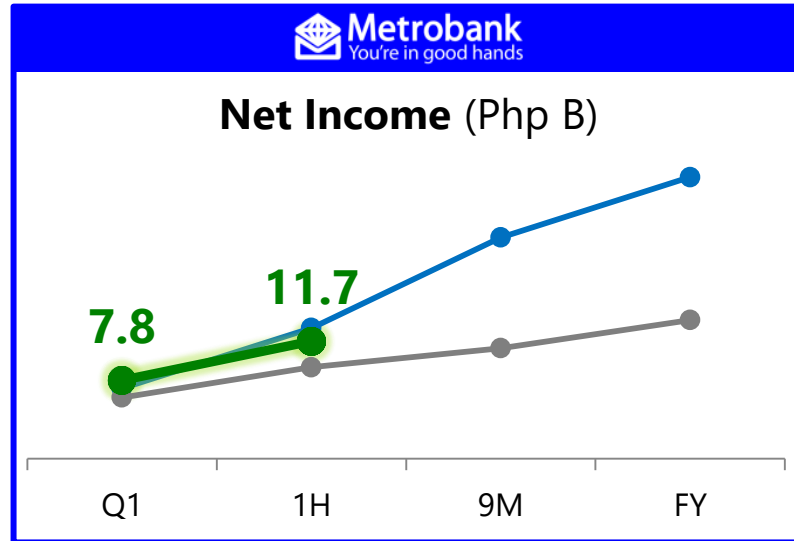
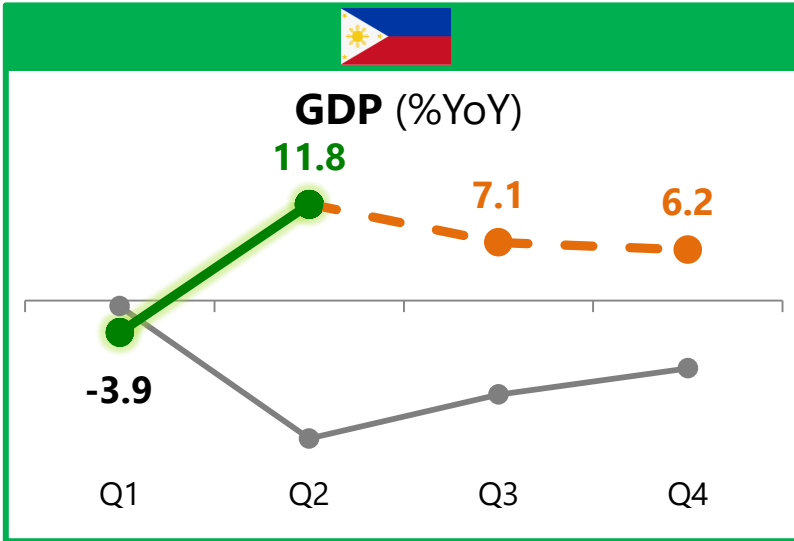


Moving Forward



Key Performance Indicators

●— 2021
 ●— 2020
 ●— 2019
 -●- Bloomberg Consensus GDP



Source: Bloomberg, Company data

Gradually Approaching Pre-COVID Levels

Core Net Income

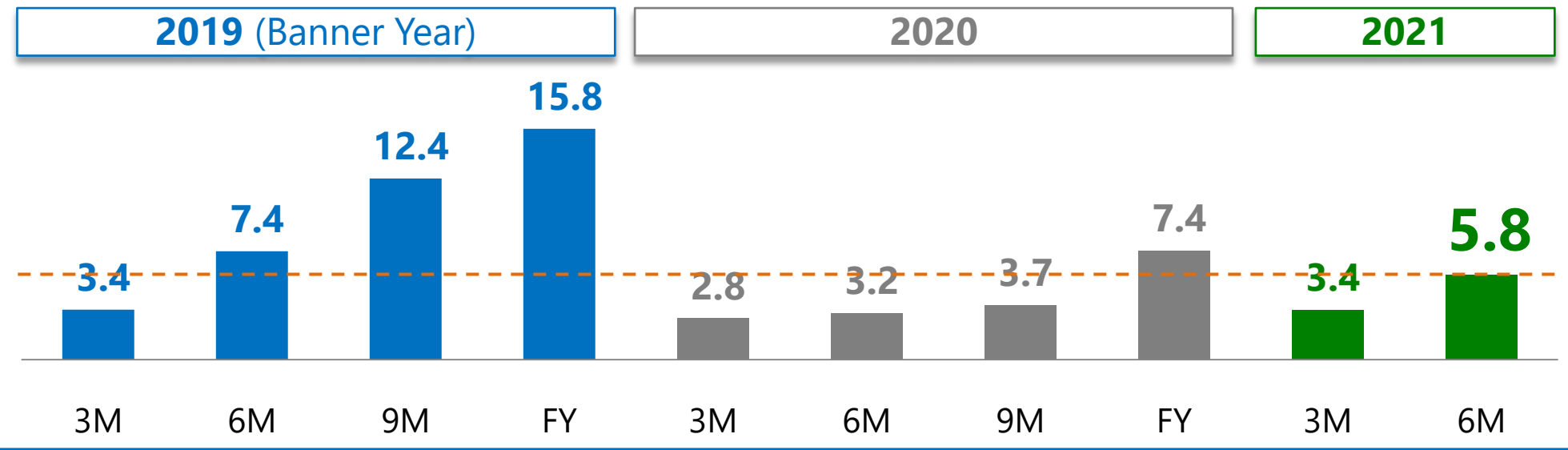
6M2021

78%

of 6M 2019

183%

of 6M 2020



Consolidated Net Income

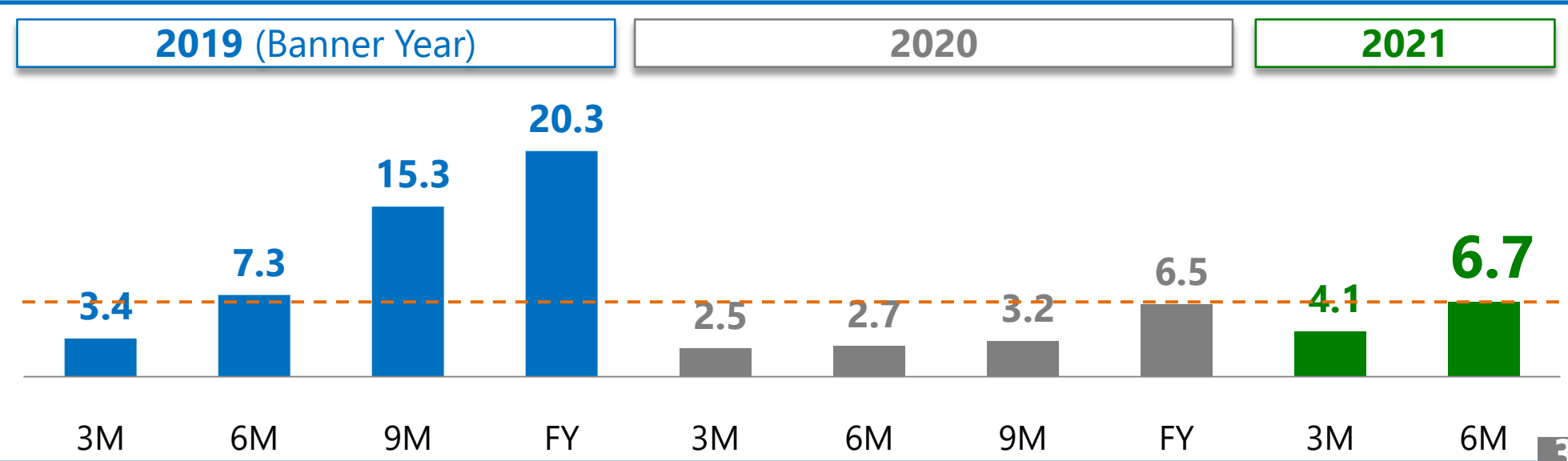
6M2021

92%

of 6M 2019

243%

of 6M 2020



- GT Capital's capacity to bounce back under GCQ conditions indicates **resilience** of underlying **core businesses**, outpacing industry growth in certain sectors
- Strong **Group-wide** performance led to significant earnings growth in 1H 2021 and are now 80% of 2019 pre-Covid levels
- **Liquidity reserves** within the Group and access to capital markets allow us to position for an economic recovery
- Q2 **11.8% GDP Growth** and more relaxed protocols in the current ECQ are improving overall sentiment
- We look forward to the **escalated vaccine deliveries** by the second half and the **faster inoculation** of the general public
- Such **positive developments** will allow the Group to build on its **growth momentum** from the first half



GT CAPITAL
HOLDINGS INCORPORATED

Thank You!

First Half 2021

Financial and Operating
Results Briefing

via Zoom

Tuesday, 17 August 2021
2:30PM

For more information,
Visit gtcapital.com.ph/investor-relations
or contact IR@gtcapital.com.ph

*Resilience
Amidst
Adversity*

