

29 January 2021

# J.P. Morgan Philippine Conference 2021 Plenary Session

**Carmelo Maria Luza Bautista**, President

**Vince S. Socco**, Chairman, GT Capital Auto Dealership Holdings, Inc.

**Francisco H. Suarez, Jr.**, EVP/Chief Finance Officer

**Jose B. Crisol, Jr.**, SVP/Head of Investor Relations, Strategic Planning, and Corporate Communication

**GT CAPITAL**  
HOLDINGS INCORPORATED

*Partners for  
Good*

For more information, Visit [gtcapital.com.ph/investor-relations](https://gtcapital.com.ph/investor-relations) or contact [IR@gtcapital.com.ph](mailto:IR@gtcapital.com.ph)



**GT CAPITAL**  
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# Briefing Panelists

**Mr. Carmelo Maria  
Luza Bautista**  
President

**Mr. Vince S. Socco**  
Chairman  
GT Capital Auto Dealership  
Holdings

**Mr. Francisco H.  
Suarez, Jr.**  
Chief Finance Officer  
Executive Vice President

**Mr. Jose B. Crisol, Jr.**  
Senior Vice President  
Head of Investor Relations,  
Strategic Planning, and  
Corporate Communication



# Mr. Carmelo Maria Luza Bautista

**President  
GT Capital Holdings, Inc.**



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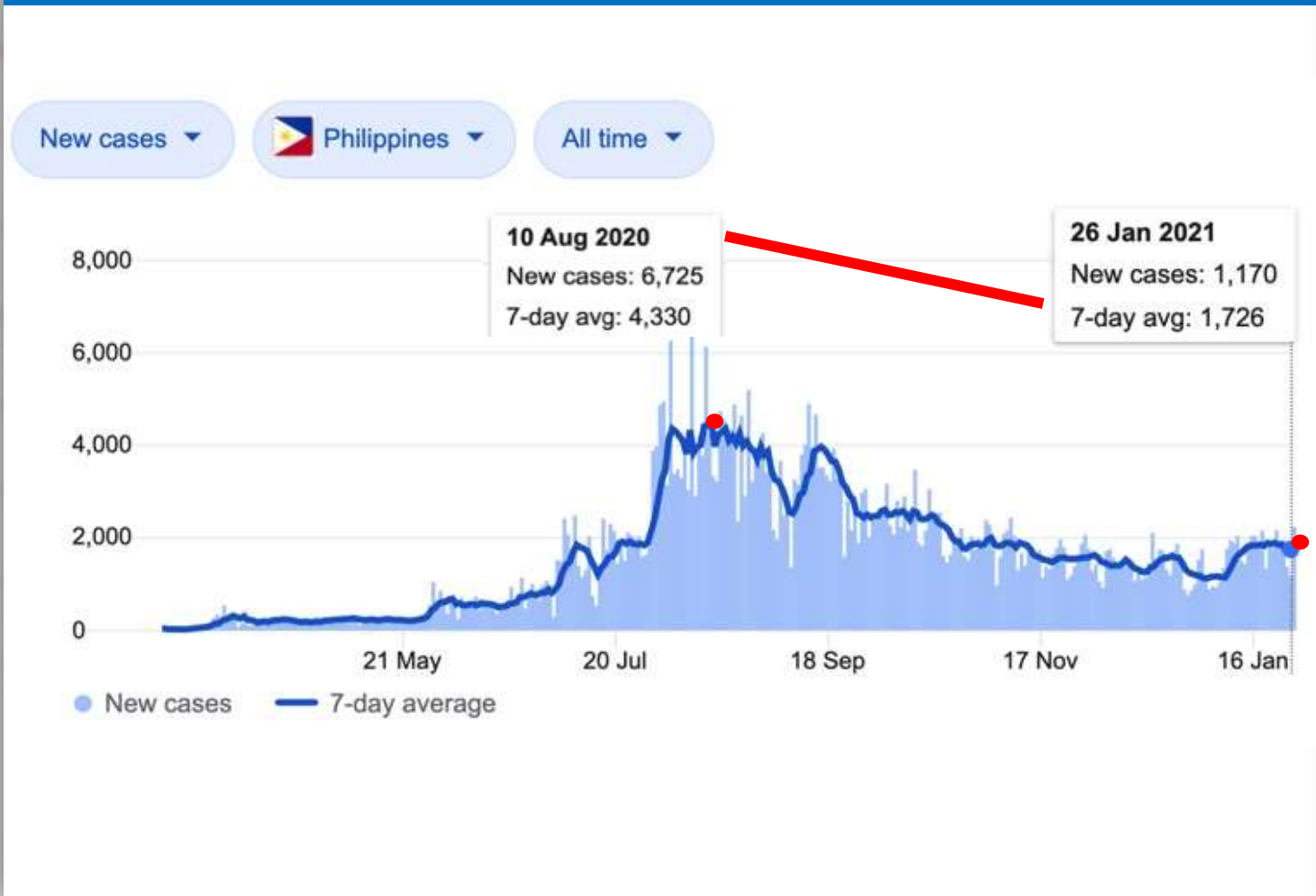


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# Macroeconomic Overview

# Encouraging signs of a slowdown in COVID cases

## Philippine Daily New COVID Cases (until Jan 26)



## COVID Updates in the Philippines

- Daily New Cases (Jan 26): **1,170**
- 7-day moving ave. (Jan 26): **1,726**
- Cases since Jan 2020: **519,575**
- Deaths since Jan 2020: **10,552**
- Mortality Rate: **2.01%**
- The Philippine government has allocated **Php82.5 Billion** for its vaccination program
  - For **60 Million** Filipinos, **55%** of population (**40%** 18 and below)
  - Initial doses to arrive in February
  - Funds from ADB, AIIB, World Bank



# GT Capital secures Covid-19 vaccines for ALL Group-wide employees and households

We pre-ordered  
**455,000**  
 total doses

that  
 will cover  
**100%**

of all regular and contractual GTCAP Group employees plus household (including all 71 Toyota dealerships)

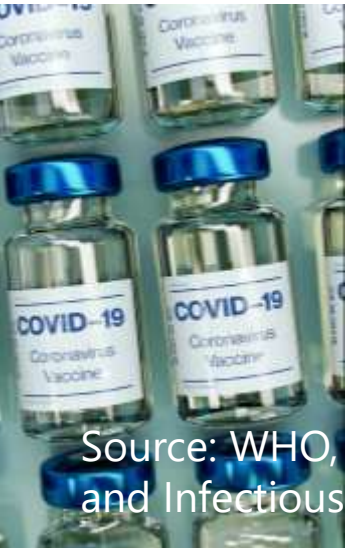
ALL employees targeted to be vaccinated by **October 2021, at latest**



- **405,000 doses** ordered
- 50% to arrive in June, 50% in September
- Agreement under the Ayala-Razon consortium
- Efficacy rate: **94%**



- **50,000 doses** ordered
- To arrive in 2Q 2021
- Agreement to donate 50% to Government signed Nov 27
- Efficacy rate: **70%**



Source: WHO, U.S. National Institute of Allergy and Infectious Diseases



Vaccines will be safe and effective, even against new variants of Covid-19, according to manufacturers

"We are encouraged by the new data, which reinforce our confidence that the Moderna COVID-19 Vaccine **should be protective against these newly detected variants.**"

moderna

Stéphane Bancel  
CEO

25 Jan 2021



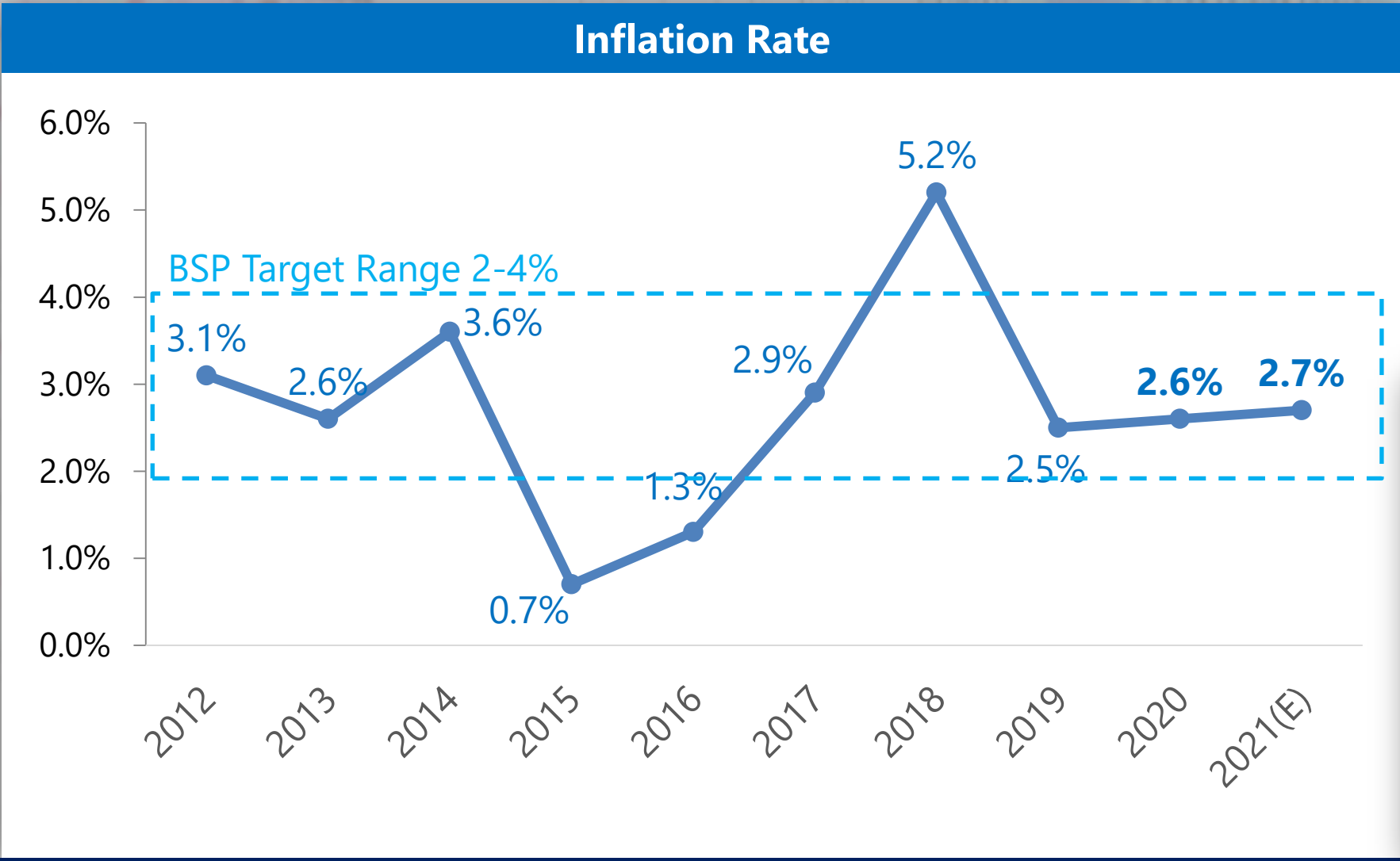
AstraZeneca

Global Media  
Relations  
27 Dec 2020

"AZD1222 (AstraZeneca's vaccine candidate) contains the genetic material of the SARS-CoV-2 virus spike protein, and the changes to the genetic code seen in this new viral strain do not appear to change the structure of the spike protein."

Source: Moderna Press Release, Reuters

# Inflation remains within BSP target range



### Inflation Rates

2019	2.5%
2020	2.6%
<b>2021(E)</b>	<b>2.7%</b>

- BSP target range is 2-4%
- Inflation uptick in 2021 is still manageable compared to 5.2% in 2018
- Inflation is necessary for GDP growth

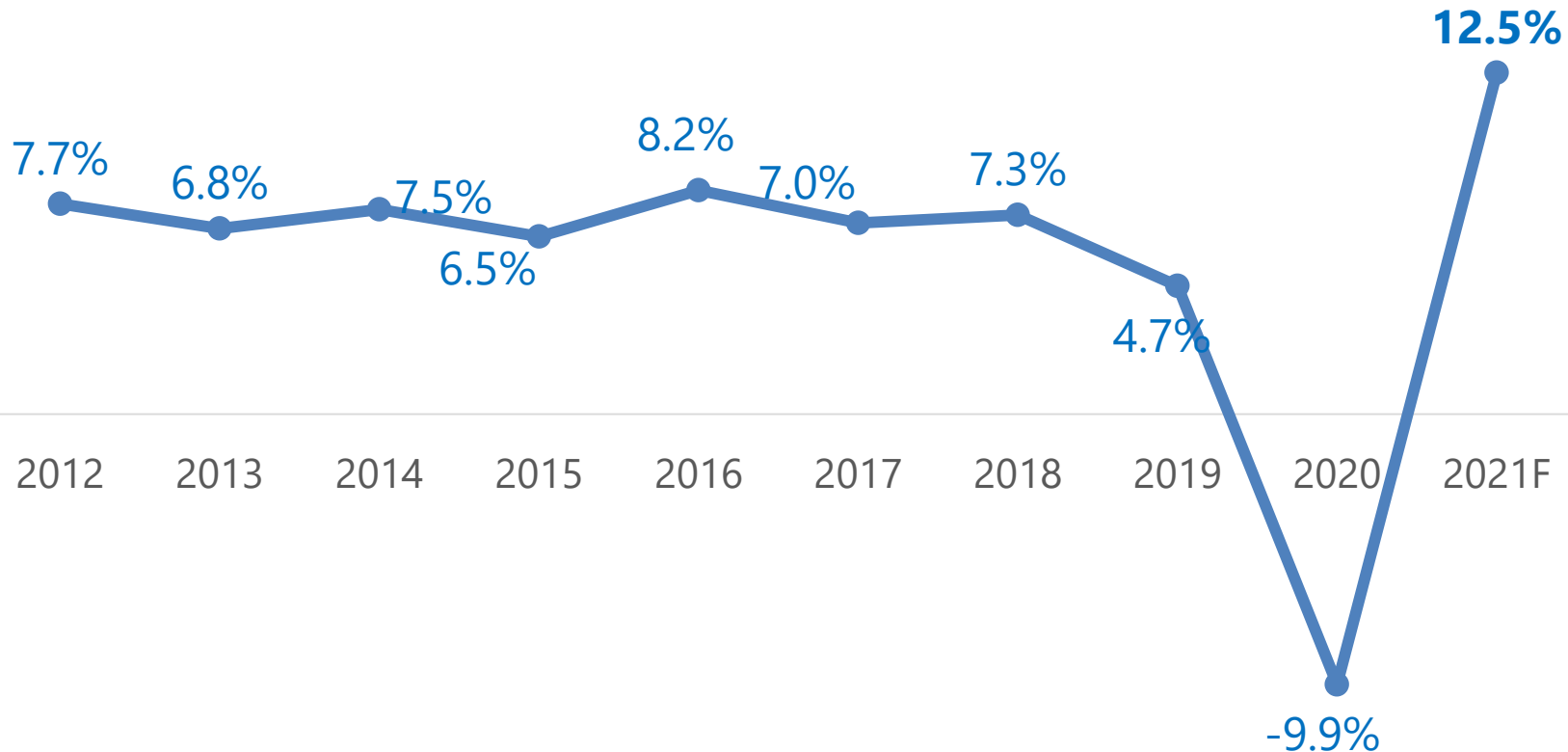
Source: Dr. Victor A. Abola, University of Asia and the Pacific, Bangko Sentral ng Pilipinas



# Industrial sector is projected to bounce back



### Industrial Sector Growth Rate



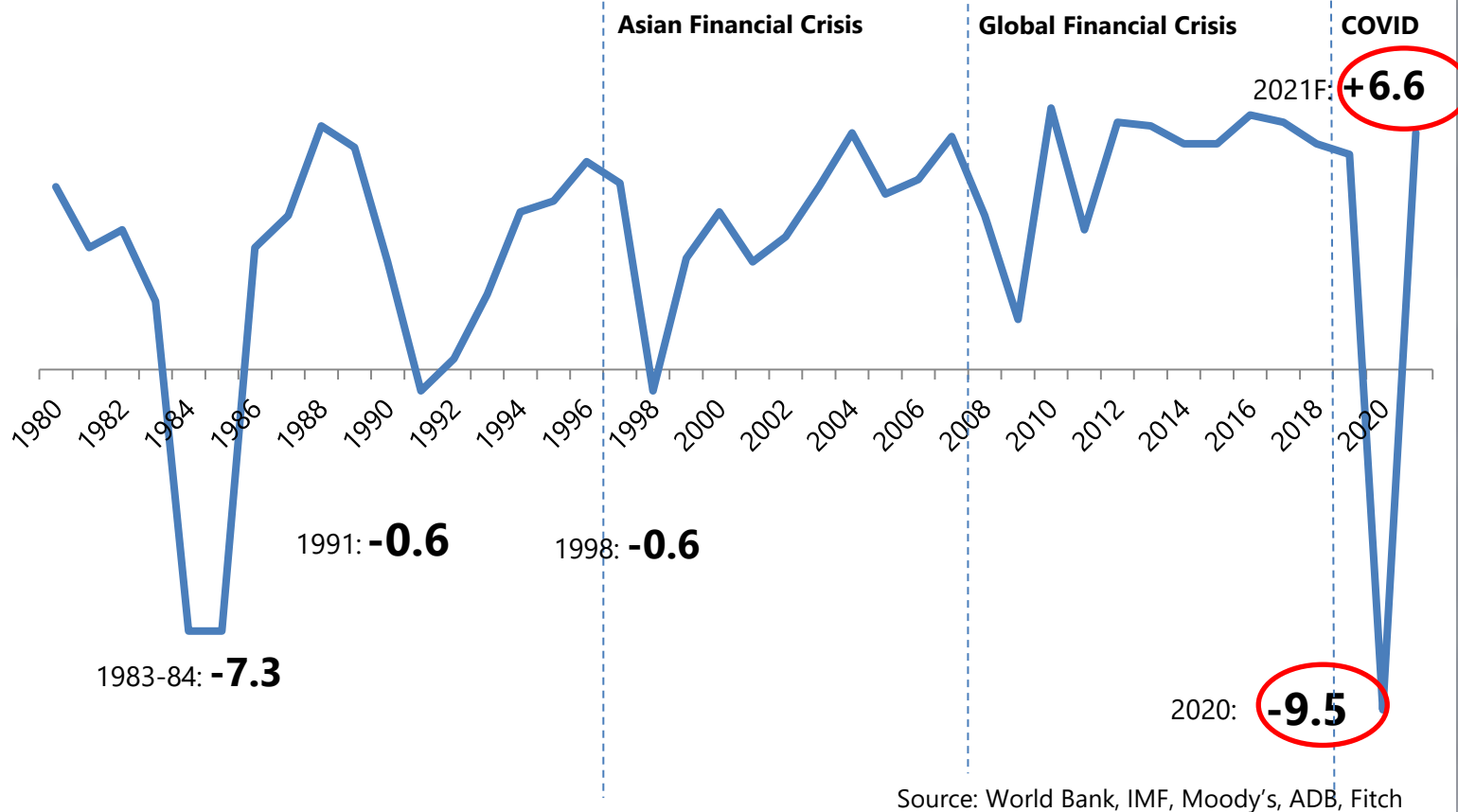
### Industrial Sector Growth Rates

2019	+5.1%
2020	-9.9%
<b>2021(E)</b>	<b>+12.5%</b>

- Manufacturing and construction are projected to increase
- GCQ relaxed restrictions
- Big ticket infra projects such as MRT7, Bulacan Airport, M.M. Subway, Northrail etc. are underway

# Our Macroeconomic View

## Philippine Annual GDP Growth Trends 1980 – 2020, in percent (%)

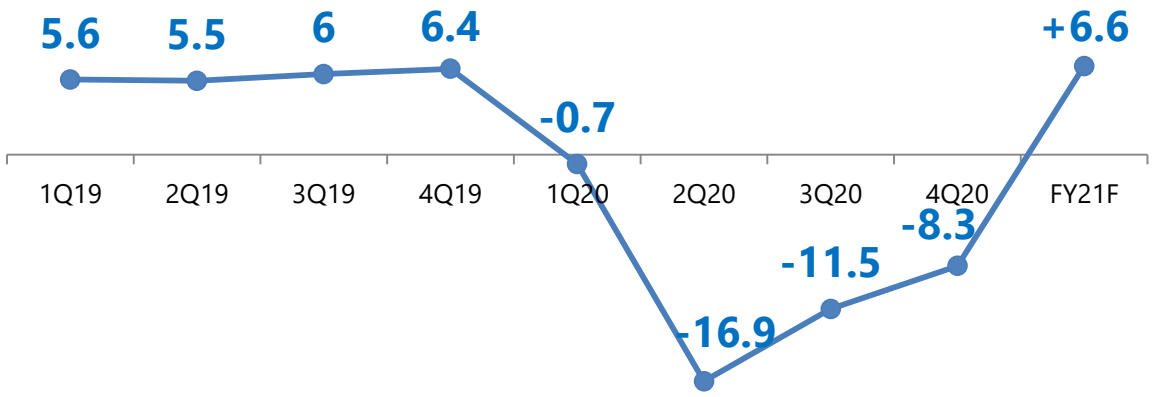


### Philippines

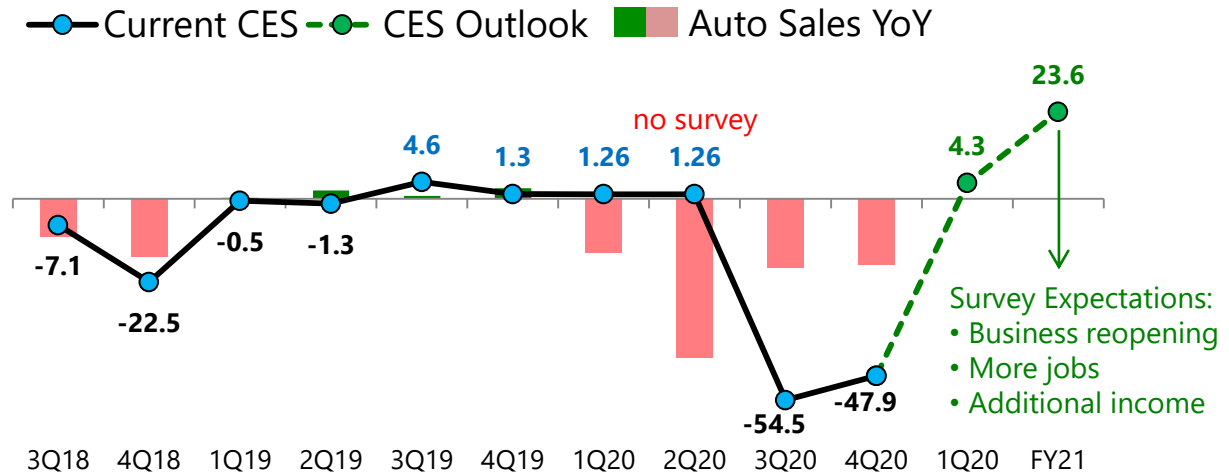
- Annual GDP growth averaged **6.4%** from 2010 until 2019, among the highest in ASEAN
- FY2020 GDP Decline at **-9.5%** due to the economic slowdown from the COVID pandemic
- 2021 GDP Growth Forecast at **+6.6%**
  - World Bank: +5.9%
  - ADB: +6.5%
  - IMF: +6.6%
  - Fitch: +6.6%
  - Moody's: +7.0%

# Promising signs of macroeconomic recovery

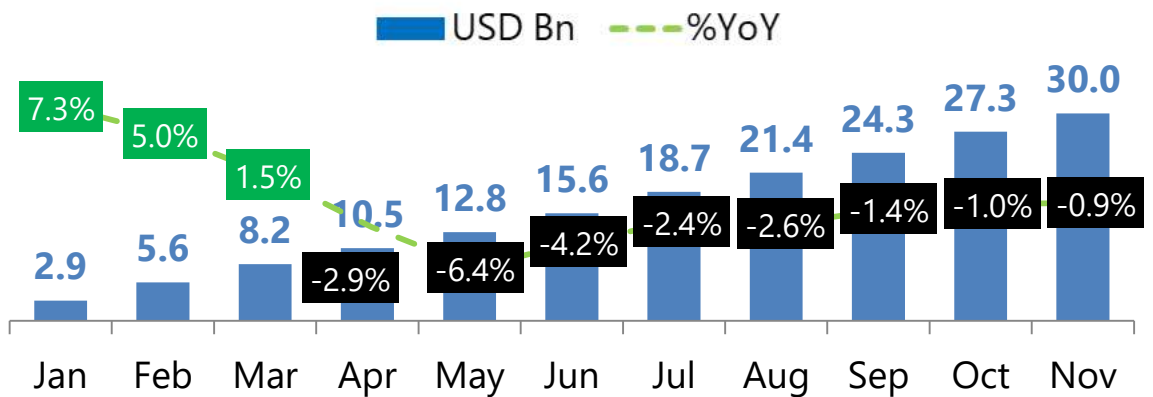
## GDP (Quarterly %YoY) Rebound by 2021



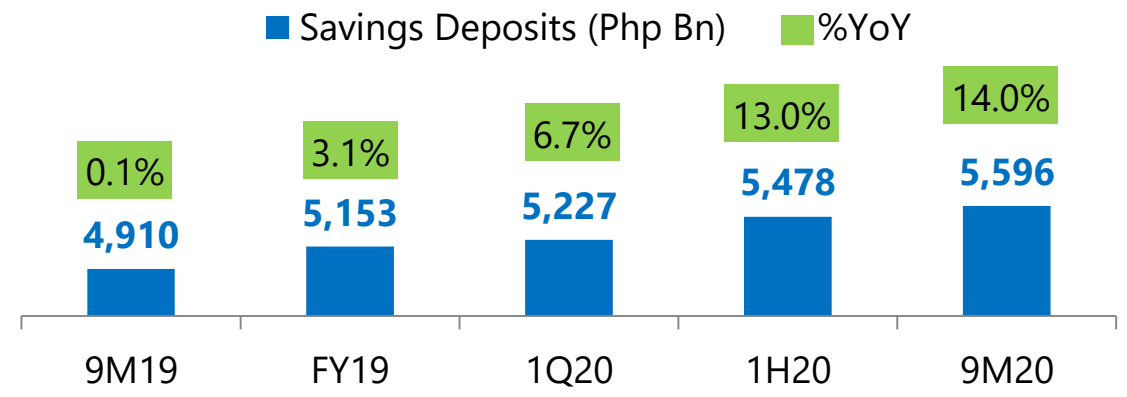
## BSP Consumer Expectations Survey (CES) – In % vs. PH Industry Vehicle Unit Sales – In YoY Change



## Improving OFW Remittances (Cumulative YTD 2020)



## Double-Digit Growth in Savings Deposits



	2018	2019	2020	2021(E)
Inflation Rate, base 2012	5.2%	2.5%	2.6%	<b>2.7%</b>
Peso-Dollar Rate	Php52.74	Php51.45	Php48.30	<b>Php49 to 50</b>
Gross International Reserves In billion USD	79.1	87.0	100.0	<b>110.0</b>
GDP Growth Rate	6.2%	5.9%	-9.5%	<b>5.5% to 6.5%</b>
Industrial Sector Growth Rate	6.8%	5.1%	-9.9%	<b>12.5%</b>
Services Sector Growth Rate	6.6%	6.9%	-8.4%	<b>3.0%</b>

- Covid-19 cases have plateaued below 2,000 per day.
- GT Capital pre-ordered **455,000 vaccines** enough for **100% of Group-wide employees** and their households, including all 71 Toyota dealerships nationwide.
- Target **100% vaccination** by October
- Moderna/AZ effective vs. Covid variants
- Inflation remains **within the target** BSP range of 2-4%.
- Industrial sector growth is projected to **bounce back in 2021 to +12.5%**, providing a strong economic growth engine.
- Overall GDP growth is expected to rebound by year-end 2021 to around **+6.6%** (consensus).



**TOYOTA**

**Automotive**



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# Industry Unit Sales, FY2020

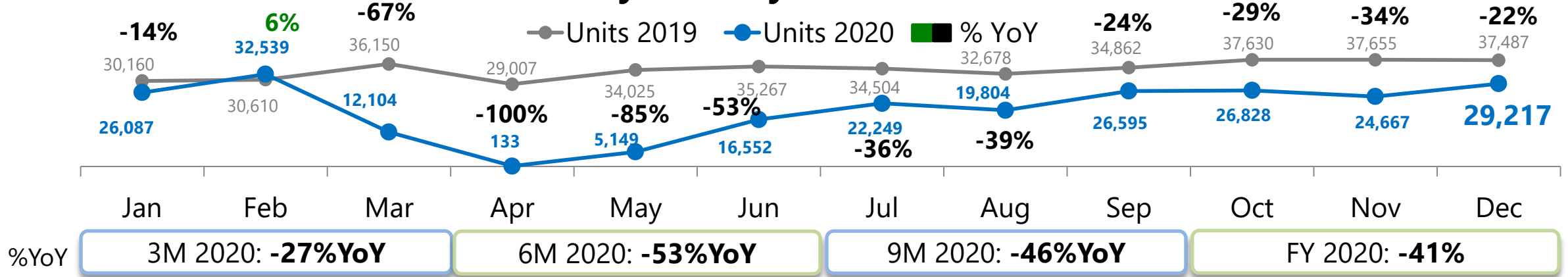


2020 New Model Launches

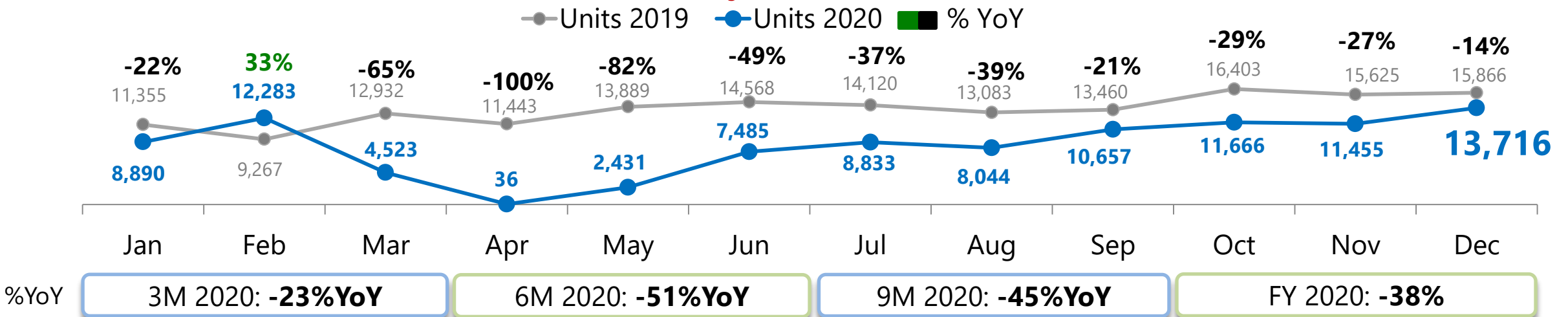
# Automotive Sector Updates



## Industry Monthly Retail Vehicle Sales



## TMP Monthly Retail Vehicle Sales



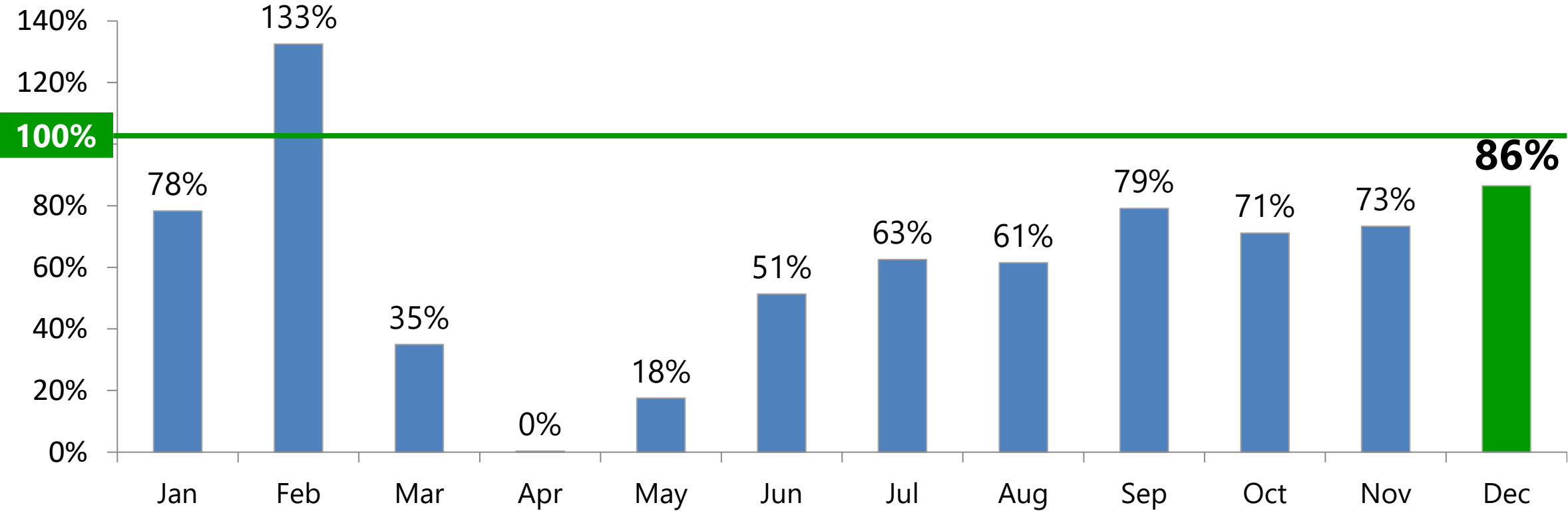
Source: Company Data, CAMPI and AVID



# Monthly Toyota unit sales performance is steadily approaching 2019 (pre-Covid) levels



## Toyota 2020 Monthly Unit Sales as a Percentage (%) of 2019 Monthly Unit Sales

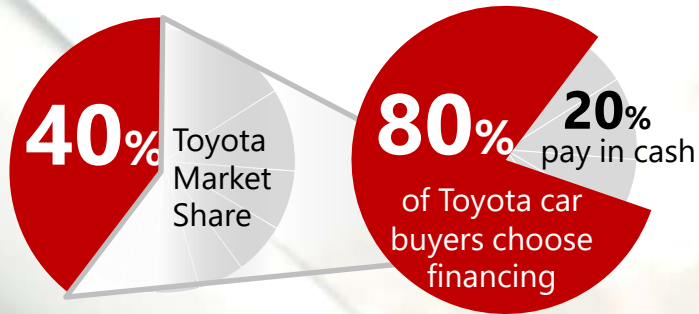


Source: Company Data (TMP)

# Updates on Toyota Financial Services

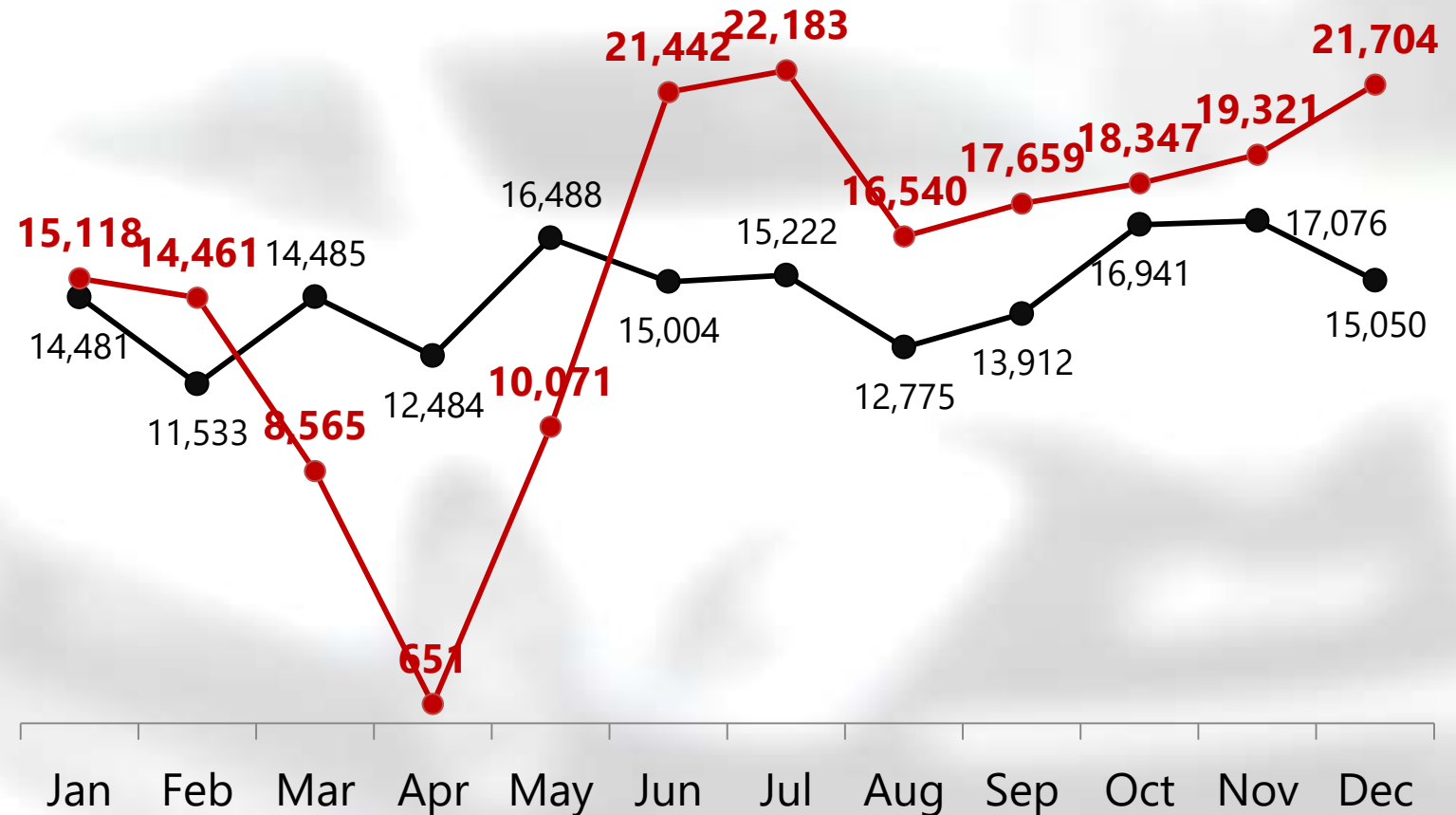


## Penetration Rate



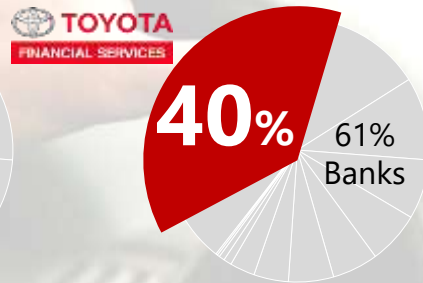
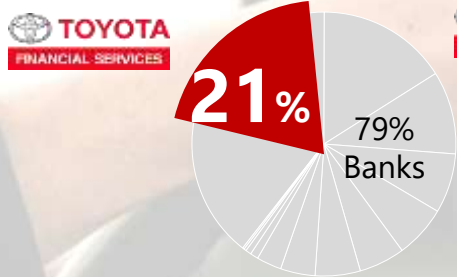
## Applications

● 2019 ● 2020



9M 2019

9M 2020



TFS continues to provide financing services and is present in all Toyota dealers nationwide

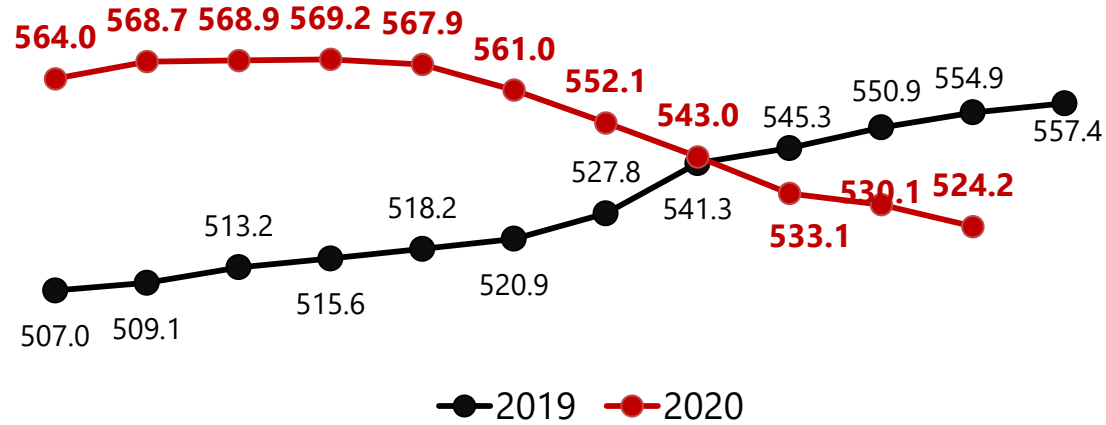
Source: Company Data (TFS)

# Updates on Banking Sector Auto Loans

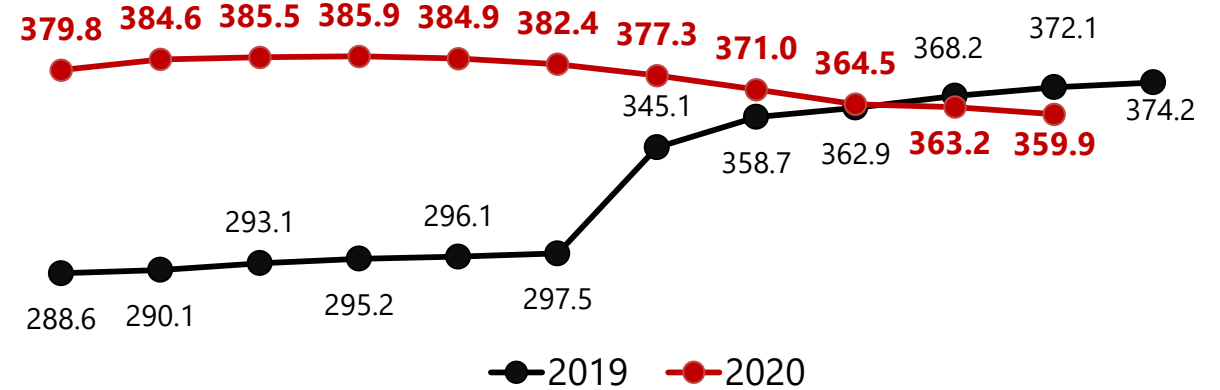
## Auto loan portfolios, all in Billion Php



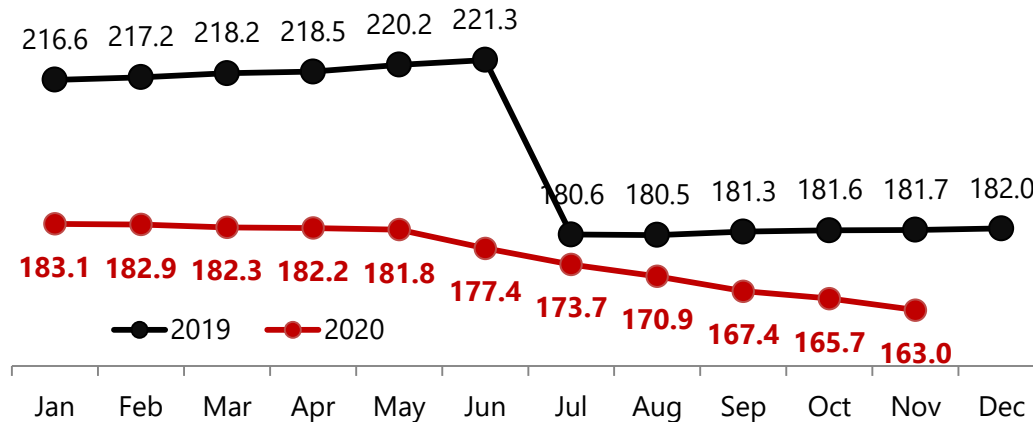
### Philippine Banking System



### Universal and Commercial Banks



### Thrift Banks



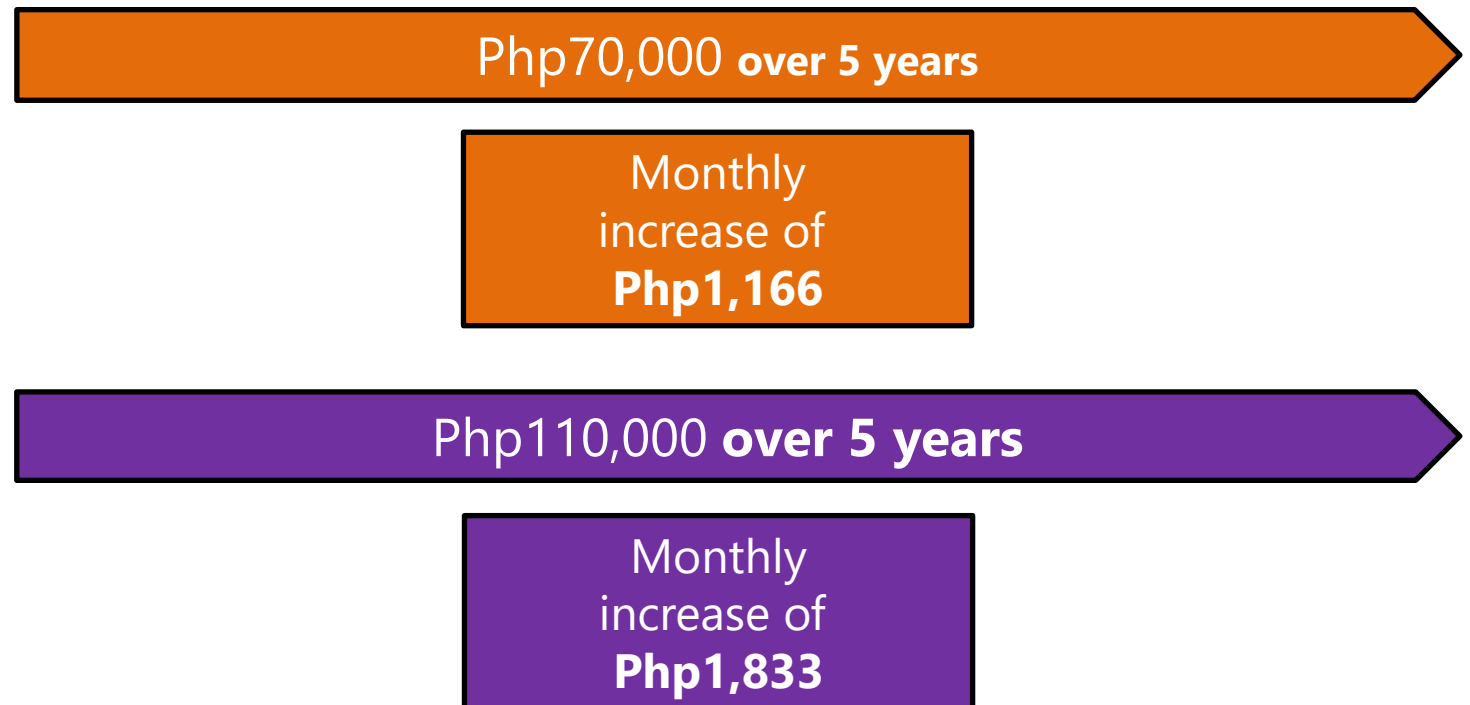
# DTI Safeguard Measures Admin Order 20-11

- While waiting for IRR, business as usual
- Considering ways to minimize impact to customers
- Protect margins, in line with competition

## Consumer behavior

- Customers look at monthly amortization, not at sticker price
- Discussions to extend beyond 5-year (60-month) term

## Impact to consumers can be amortized over time



# DTI Safeguard Measures Admin Order 20-11



- Outlook for 2021 based on macro indicators (original projection without impact of safeguard duties)
- Market 320,000 (+32%) / Toyota 130,000 (+30% and share of 40+%)
- Assuming implementation of duties in February, current estimates market may reach only 260,000 to 270,000 units (+7% to +12% growth); Toyota 104,000 to 108,000 units (40% share)

## New Investments

**TMP continues to invest in the development of the Philippine auto industry**

### Partner in Progress

TMP remains committed to supporting government's aims to **stimulate the economy** and to **prepare for the eventual resumption of motorization** in the country

### Driver of Growth

The auto industry is a **key driver of economic activity** and an essential part of the drive to increase mobility.



# DTI Safeguard Measures Admin Order 20-11

## New Logistics Hub Investments



TMP will invest  
**Php4.7 Bln**  
to establish a Logistics Hub  
in Batangas

It will cover an area of  
**32 hectares**  
and is expected to begin  
operations within  
**Q4 2021**



# TMP is one of the country's largest employers



TMP **did not lay off** any of its regular production workforce during the ECQ (strictest lockdown)



TMP hired an **additional 500** production members in September 2020 to resume two-shift operations and restore the Santa Rosa plant to full capacity



**60,000**  
full capacity



**35,842**  
units  
produced  
in 2020  
57%  
utilized

We can increase production to 60,000 **without having to further expand our workforce**



DTI Safeguard Measures Admin Order 20-11

# In case of consumer substitution, TMP has CKD capacity

## Opportunities for TMP

- Largest auto manufacturer in the Phils.
- Capacity at Sta. Rosa plant: **60,000+ units**
- Only **57.8% utilized** (35,841 units, 2020)
- Vios and Innova may take market share away from more expensive competitors
- Both CKD models are #1 in their respective segments

FY Unit Sales	2020	Segment Share	2019	Segment Share
<b>VIOS</b>	25,290	48.9%	33,181	38.6%
<b>INNOVA</b>	10,551	27.2%	20,794	28.4%



**#1**

in PC and MPV share, respectively



# Summary of Key Messages



- Full-year 2020 unit sales target of **100,000 units was exceeded** with a dominant **41.3%** overall market share
- Unit sales continued to recover from near-zero sales in April, reaching **86% of 2019 sales in December 2020**
- TFS provides Toyota with an in-house **competitive financing advantage**
- Large banks starting to extend auto financing again
- Pre-safeguard: **+32%**; Worst case post-safeguard: **+7% to +12%**
- CKD capacity at **57%**, capable of meeting increased demand
- New JV partnerships, **JBA Philippines** and **Premium Warranty** to commence operations within 2Q 2021



**Metrobank**  
You're in good hands

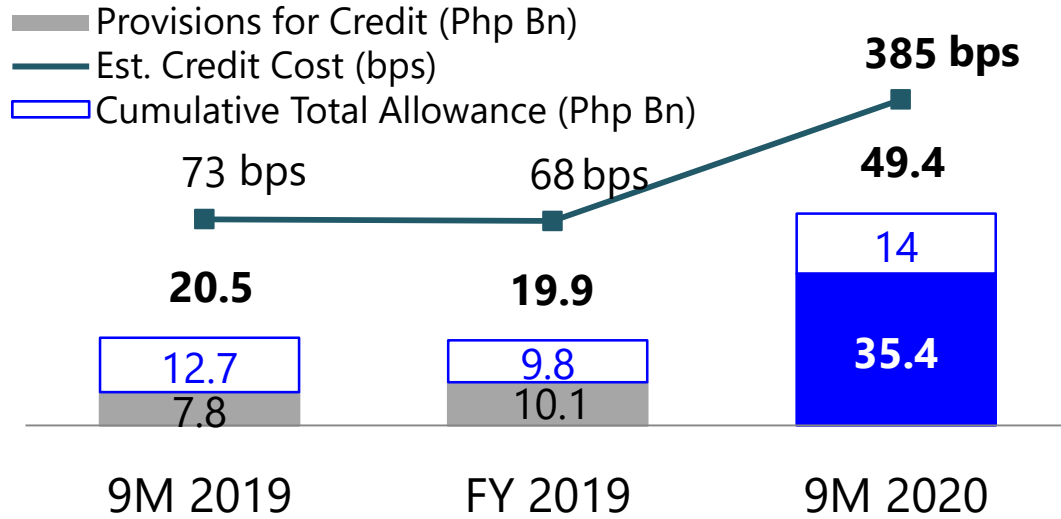
**Banking**



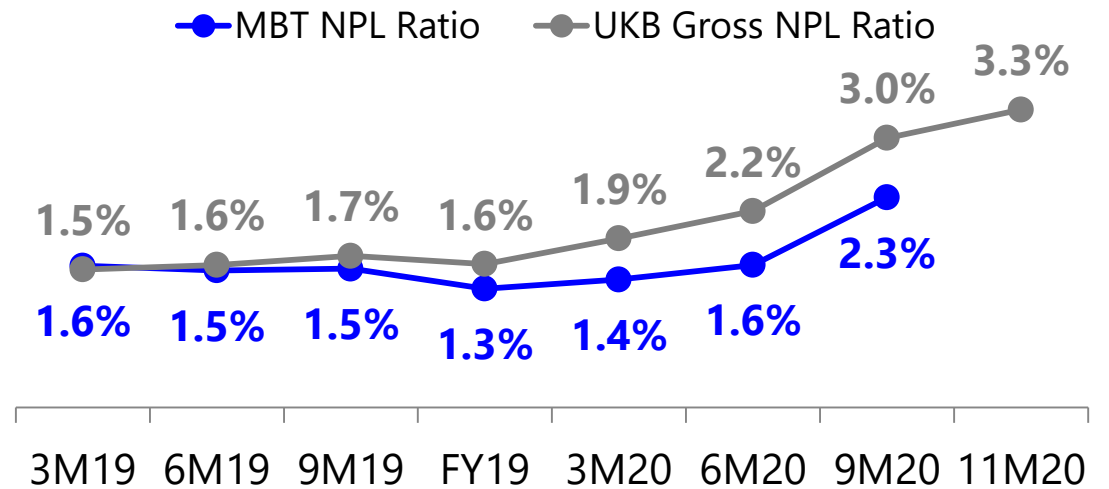
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# Asset Quality

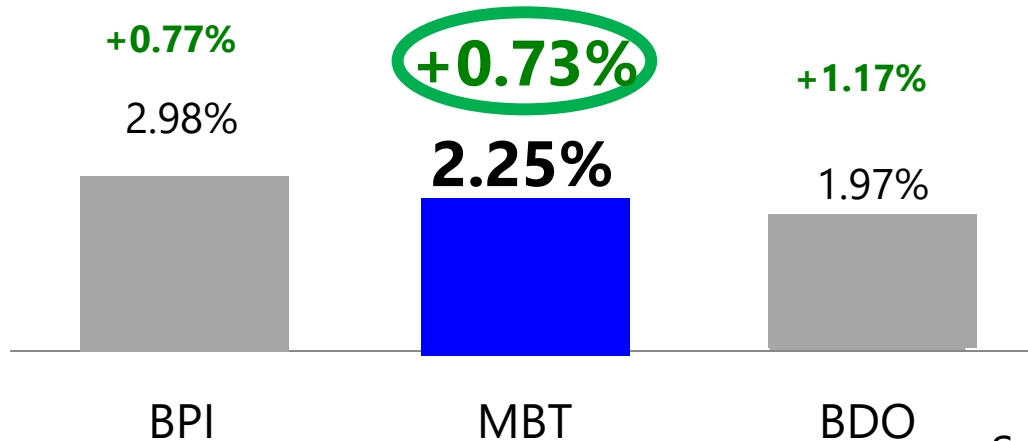
## MBT Provision and Credit Cost



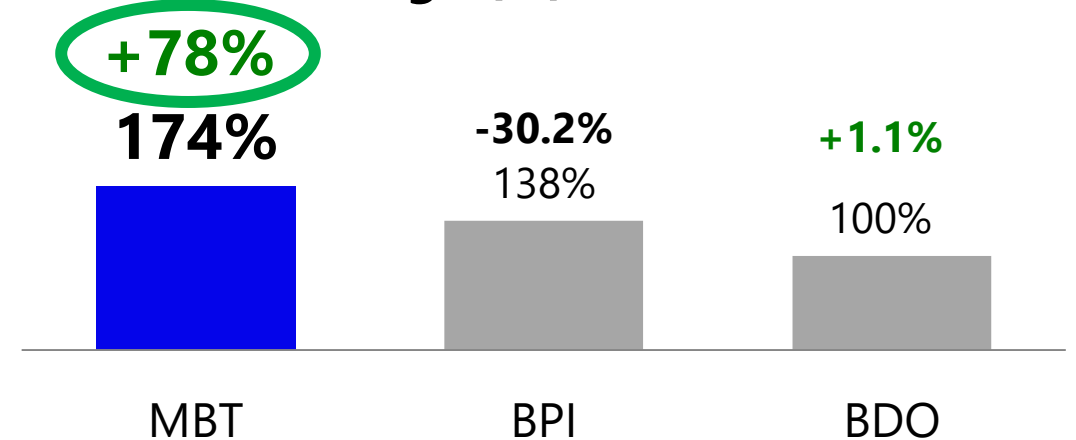
## NPL Ratio - MBT vs. Industry



## NPL Ratio (%) – MBT vs. Peers



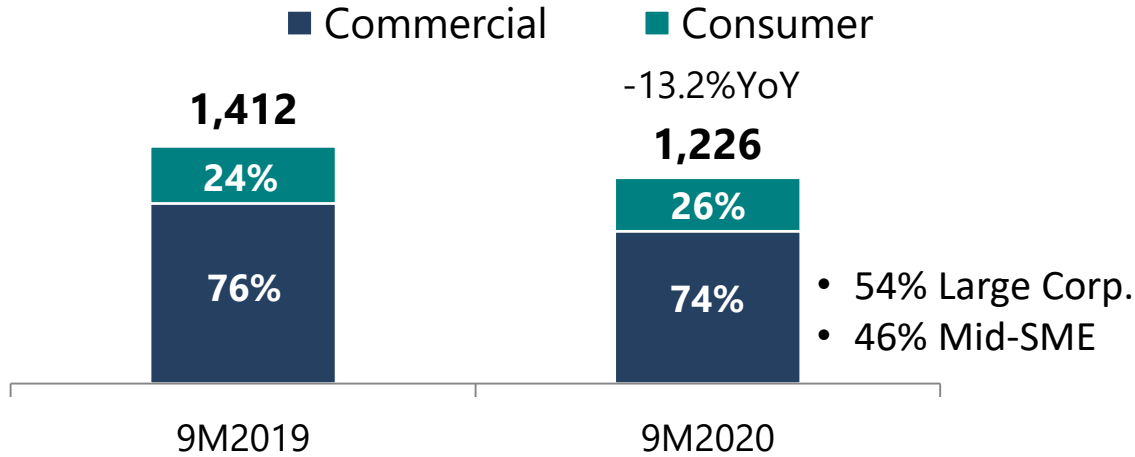
## NPL Coverage (%) – MBT vs. Peers



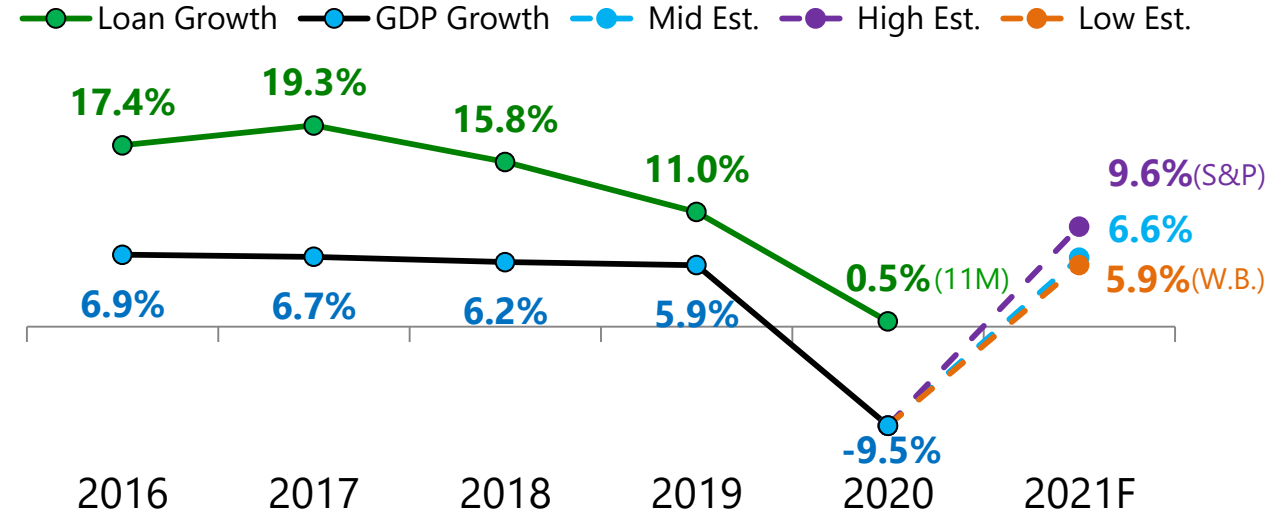
Source: BSP

# Loan Portfolio Performance

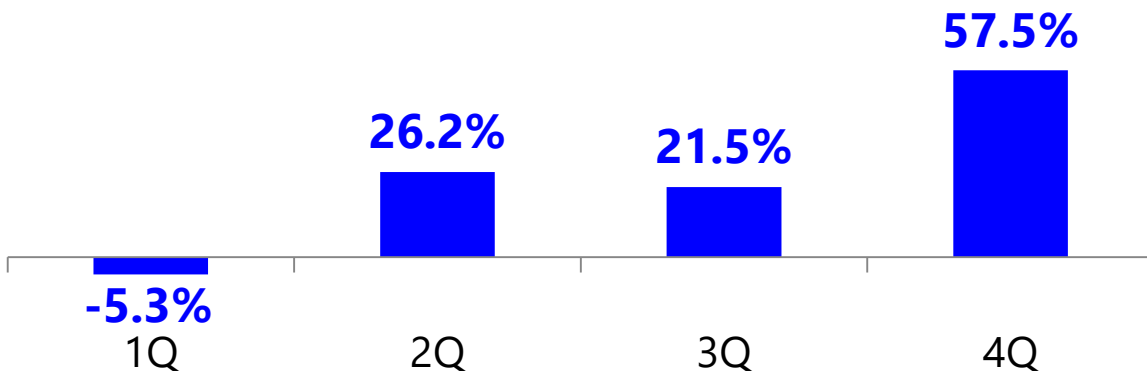
**MBT Loans By Segment - Php Bn**  
As of 9M2020



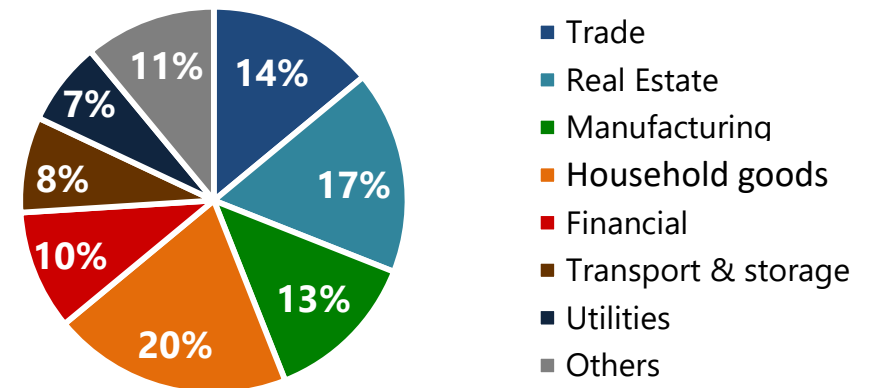
**Industry Loan Growth vs. GDP Growth**



**MBT Loan Growth Seasonality - 2011 to 2019**  
(Quarters as a % of Full Year Loan Value)



**MBT Loan Breakdown by Industry**  
As of 9M2020

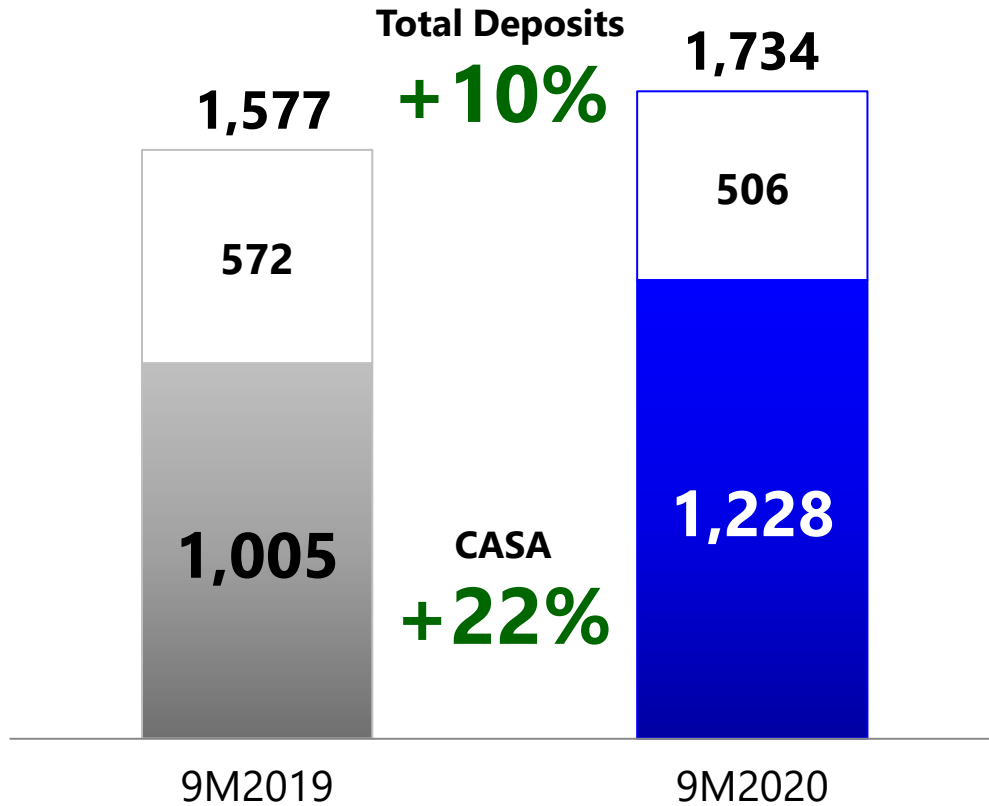


Nine Months 2020  
**Healthy double-digit deposit growth**  
**Low-cost CASA increased to over 70%**



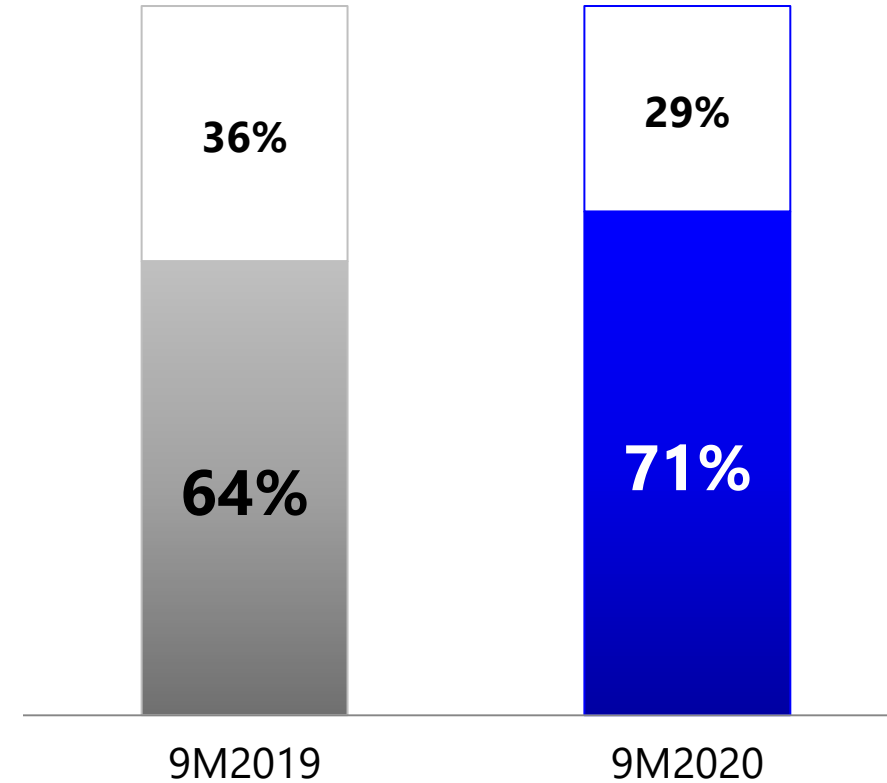
**Deposit Base**

■ CASA □ Deposit Balance



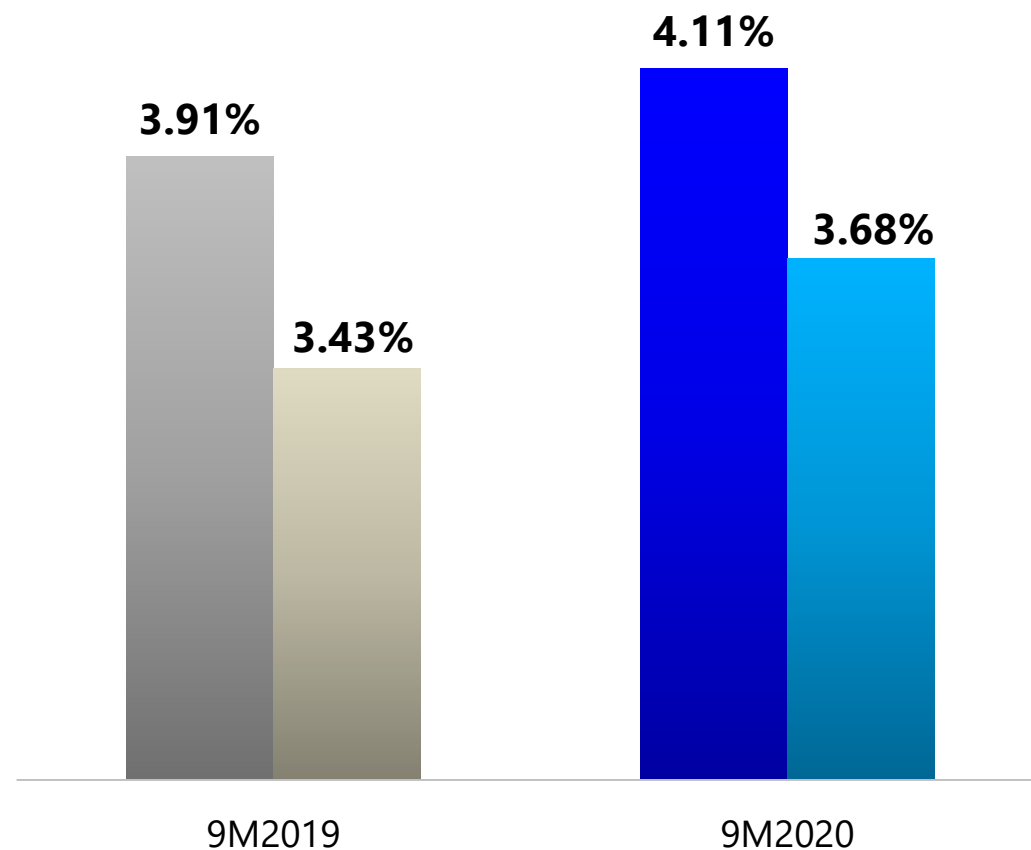
**CASA Ratio**

■ CASA □ TD



## Net Interest Margin (NIM)

■ MBT ■ UKB



**NIMs consistently above industry and improved significantly**

- **+20 bps** vs. 9M 2019

**NIM drivers**

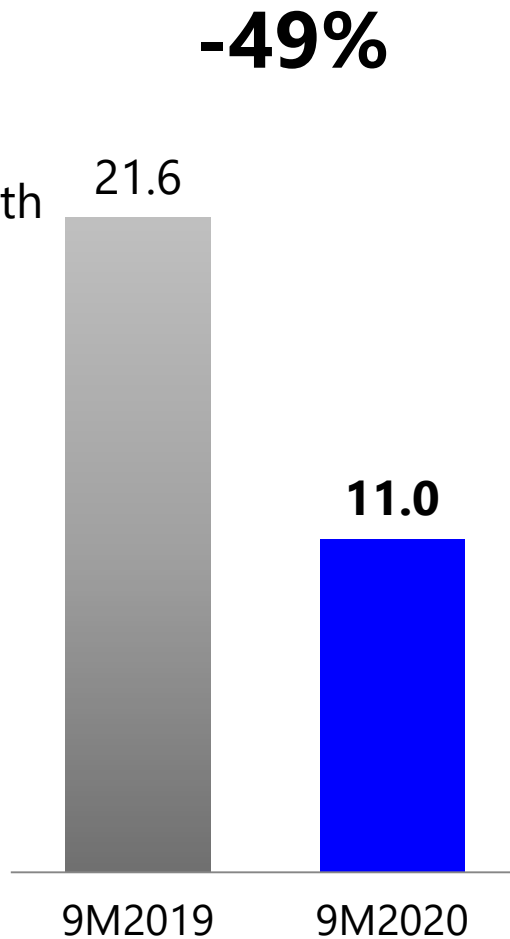
- CASA ratio improved to 71%

# Strong results across all metrics, moderated by proactive provisioning and reserves buildup

## Net Income

Resilient core business; continued build up of reserves

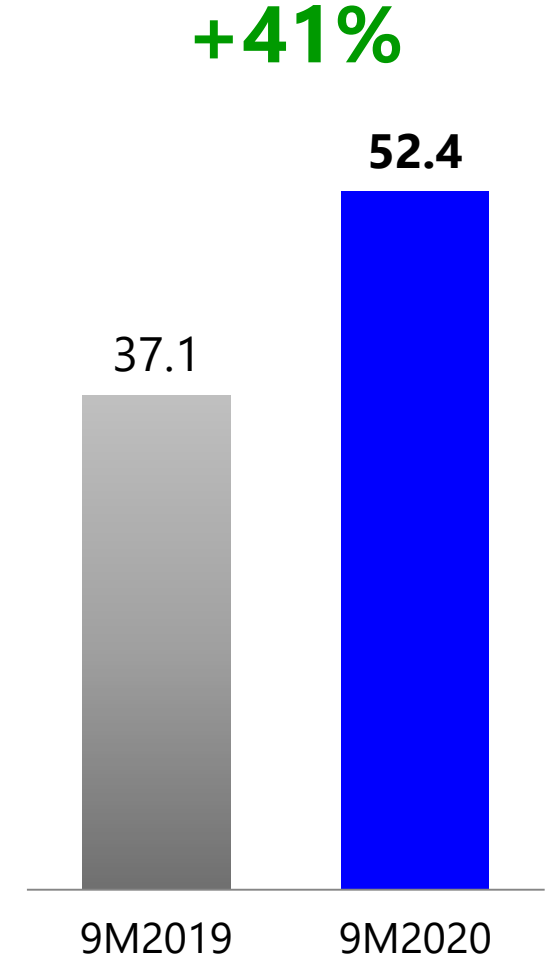
- Strong **+17%** NII growth
- Revenues **+20%** from NII; Trading gains mitigated weak fees
- Operating expenses **flat** YoY



## Pre-Provision Operating Profit

• Strong Pre-Provision Operating Profit **Php52.4B**

- NII **Php65.9B +17%**
- NII **68%** of Operating Income
- Trading/FX **+220%**
- Cost-to-Income Ratio **45.8%**
- Anticipatory Provisions **Php35.4 B +4.5x y-o-y**
- **175%** NPL Cover





# Summary of Key Messages

- Despite challenges, Metrobank's core business performance is resilient: solid NII growth **+17%**, NIM expansion **+20 bps**, strong CASA **+22%**, robust revenue growth **+20%**, all leading to sustained improvement in Cost-to-Income Ratio of **54%**
- Guided by lessons from past crises, the current strategy is for proactive provisioning and to build reserves early
- Management is comfortable with the current level of provisions
- Early signs that the NPL outlook is not as bleak as originally expected
- High capital ratio of **19.9%** a favorable position to rebound when the economy recovers



**FEDERAL LAND**  
GT Capital Holdings

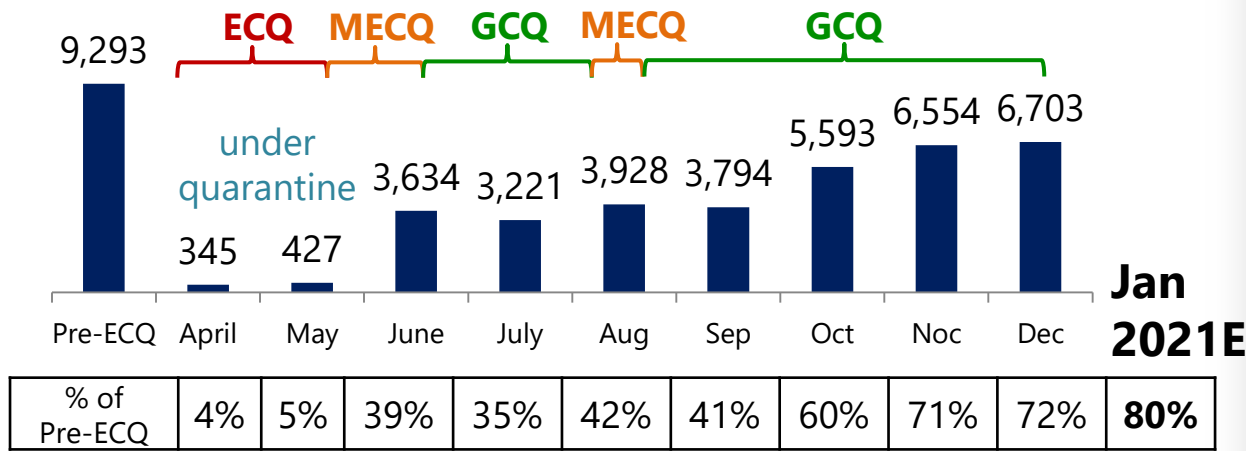


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**Property  
Development**

# Federal Land Recent Developments

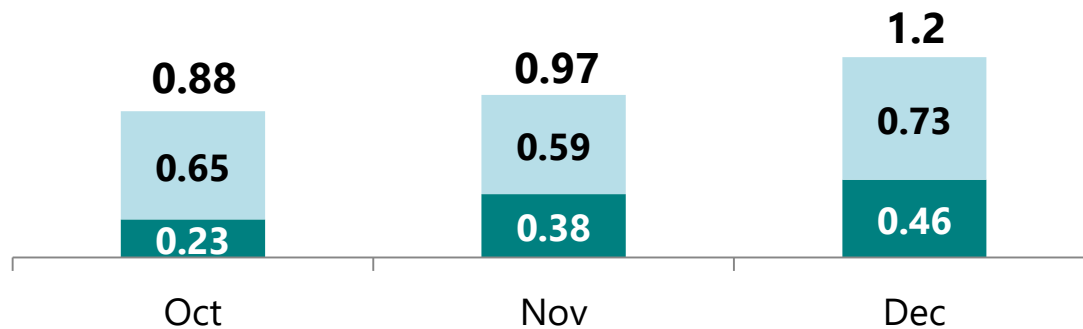
## Contractor Manpower Deployment



## Federal Land 4Q Collections

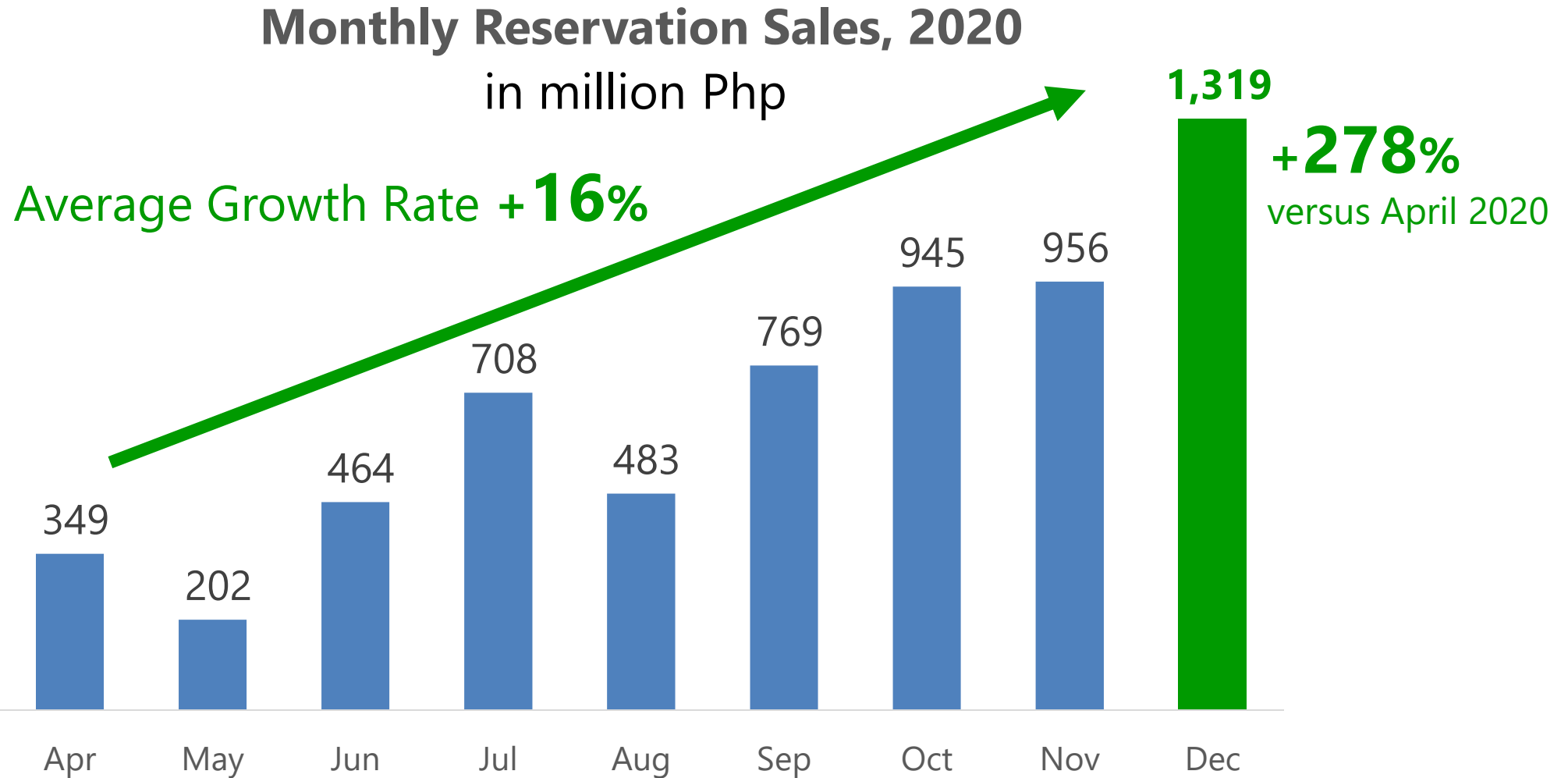
In Php Billions

■ Lump Sum ■ Others



As of December 2020

- Lump sum payments awaiting turnover of units to buyers
  - Balance of **Php4.7 B** in lump sum payments awaiting unit turnover in 2021
- Buyers with 10% equity eligible for revenue recognition but lacking POC
  - **Php7.0 B** realizable revenue with POC improvement in 2021





## Redemption of Shares

	Area in hectares
Lancaster (Imus and General Trias)	<b>592.28</b>
Bellefort (Bacoor)	<b>88.50</b>
Carmona	<b>20.29</b>
Shaw, Mandaluyong	<b>0.46</b>
Santolan, Quezon City	<b>0.91</b>

**approx. 702 has.**

**Php20B**



**TARGET COMPLETION DATES:**  
 CAVITEX - 2021  
 CAVITEX C-5 South Link - 2021  
 CALAX - 2022

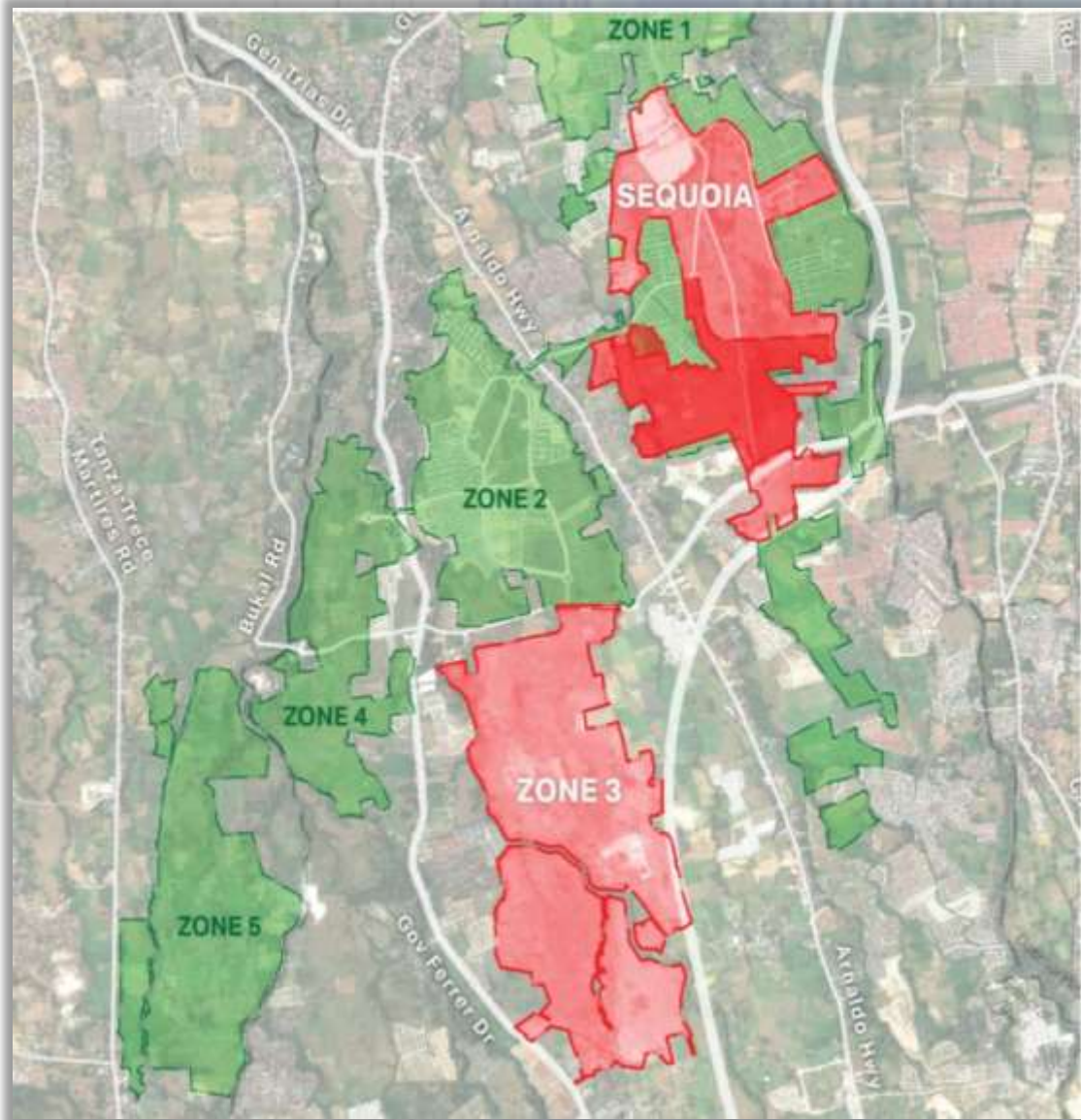
# Monetization of Land Assets

14 October 2020

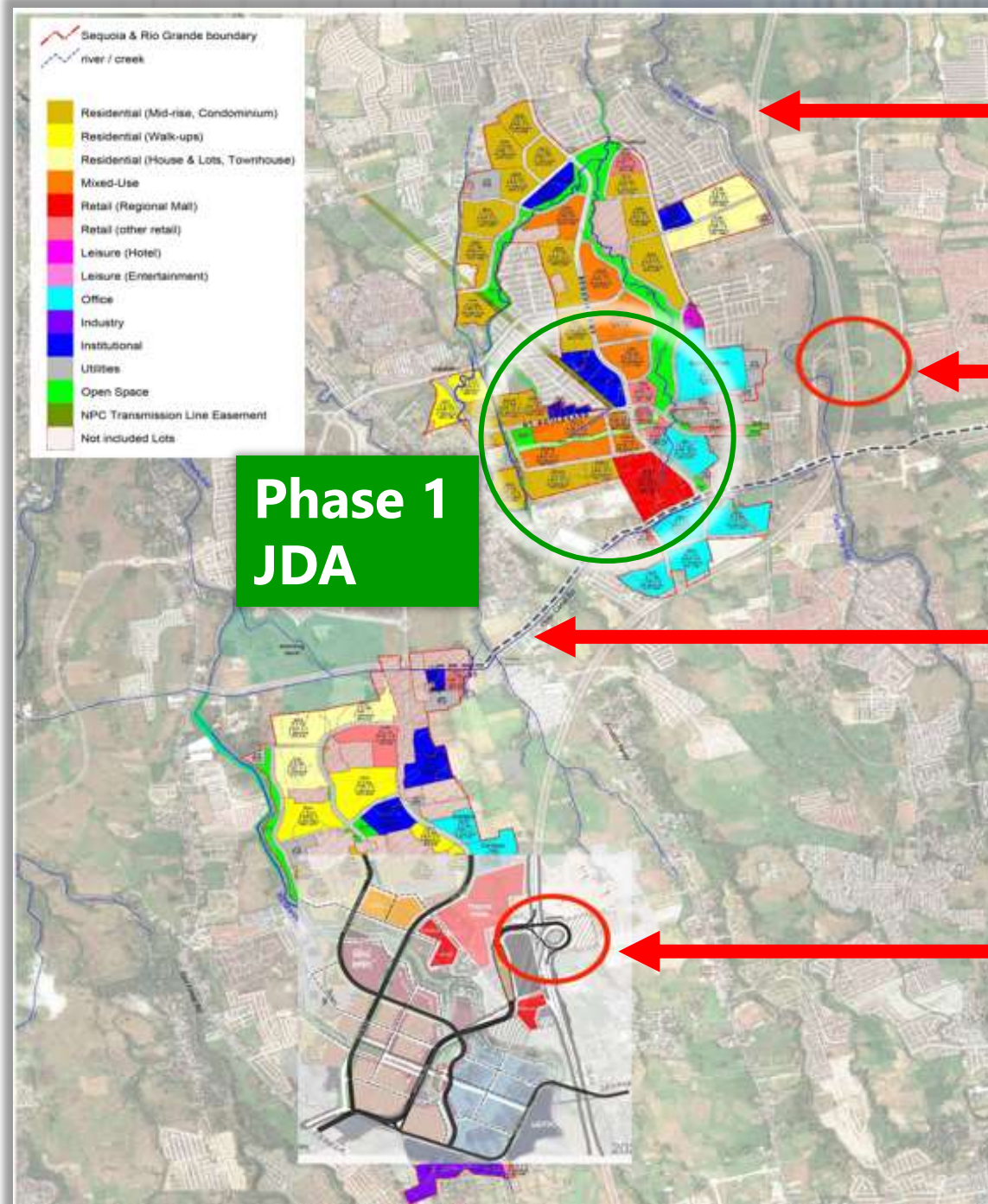
- MOA signed last October for joint development agreement (JDA) of 100 hectares with a strategic anchor investor
- **39 hectares** sold as part of JDA (**15 ha** in October and **24 ha** in December)
- 17-Q FS Notes: Material Subsequent Event **Php0.9 B** net income realized from lot sale in October 2020
- Additional disclosure upon submission of FY 2020 financials for the December sale



## Cavite



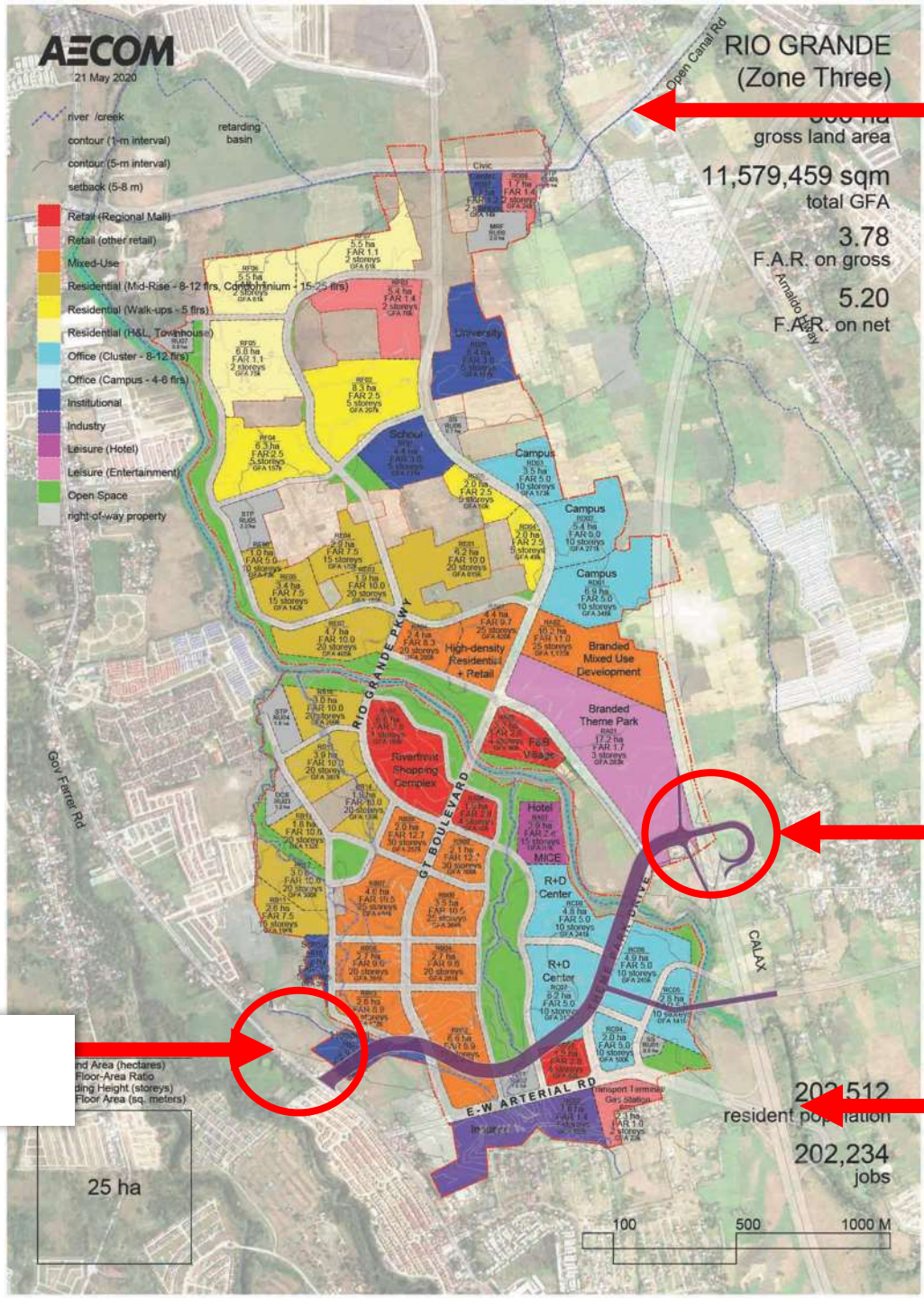
# Sequoia & Zone 3 / Rio Grande





# Rio Grande Masterplan 300 Hectares

Currently in discussion with three parties as strategic anchor investors/joint developers



RIO GRANDE (Zone Three)  
300 ha gross land area  
11,579,459 sqm total GFA  
3.78 F.A.R. on gross  
5.20 F.A.R. on net

Daang Hari Extension

CALAX / GT Riverview Interchange

Gov. Ferrer Road  
Municipal Hall

LGU Road  
Connecting Arnaldo to Gov. Ferrer Road

- GCQ conditions favorable to providing stable completion of projects (POC)
- Allows for realization of deferred lump sum payments and normalized revenue recognition
- Joint development of the Master Plan in Cavite will become a major contributor to revenue over the coming years, upon completion of CALAX



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**Insurance**

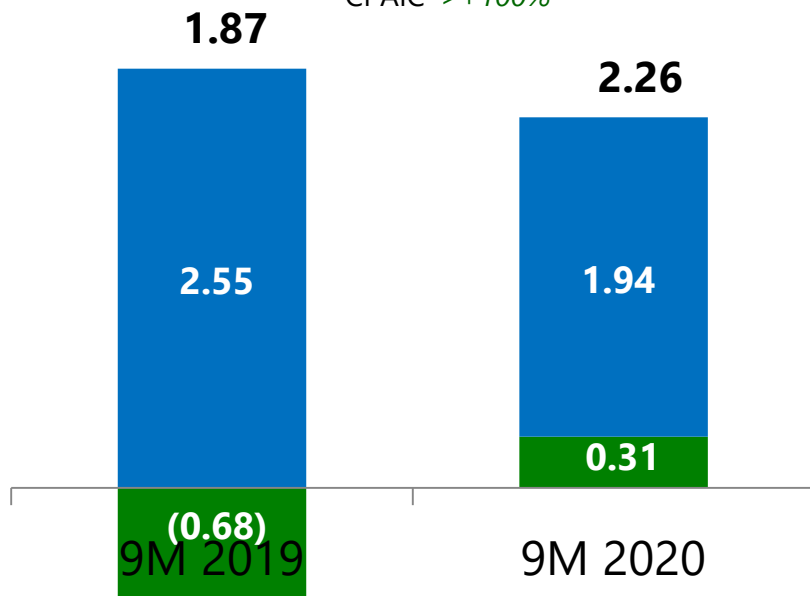
# AXA Recent Developments



## Net Income In Php Billion

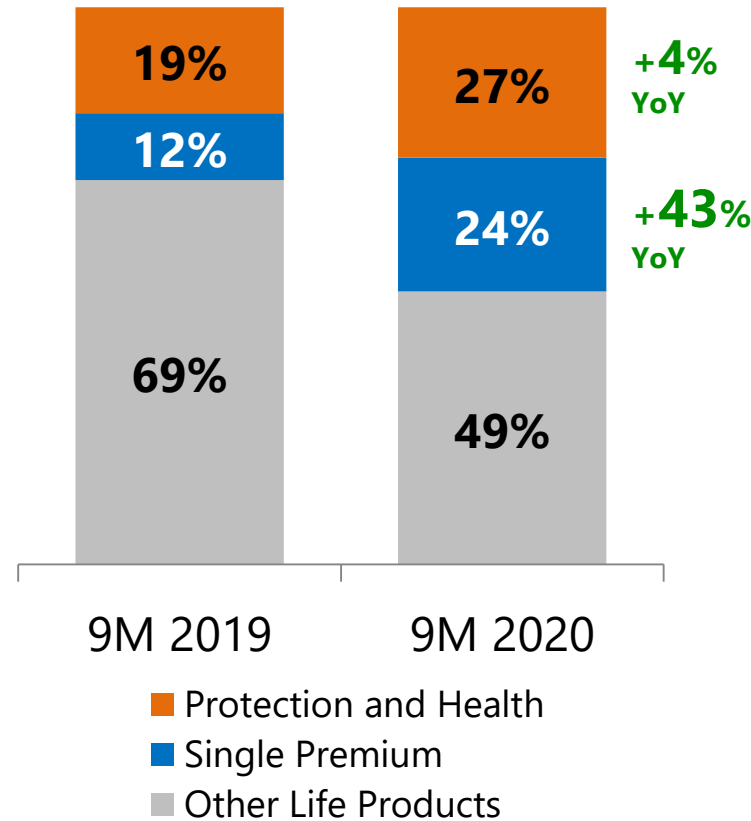
**+21%**

- AXA -24%
- CPAIC >+100%



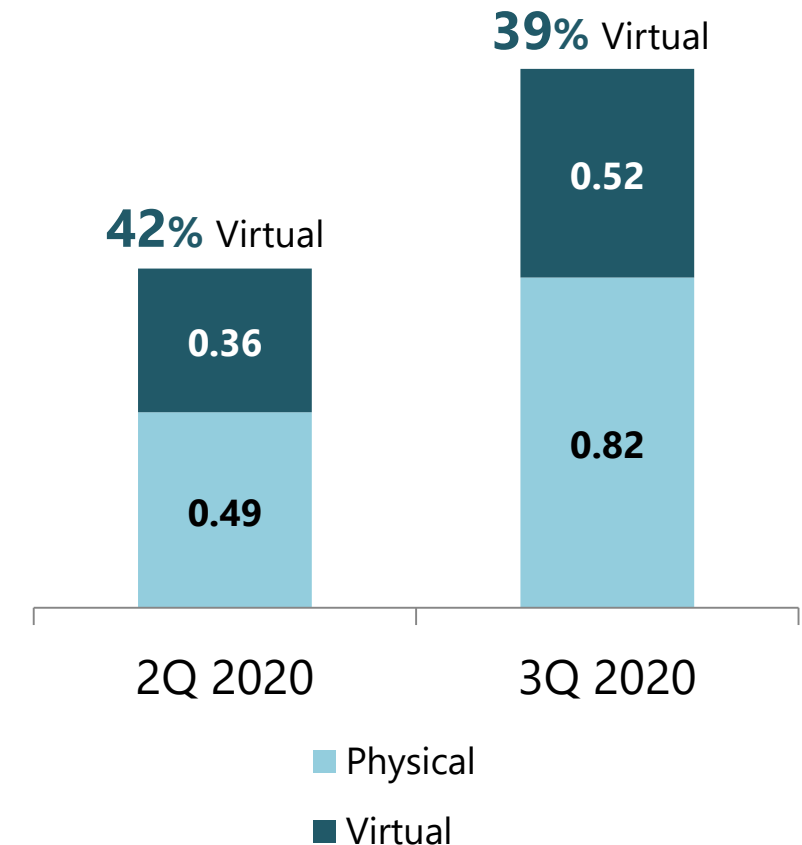
## New Business Mix

% to Total Life APE



## Virtual Selling to Total Life APE

In Php Billion

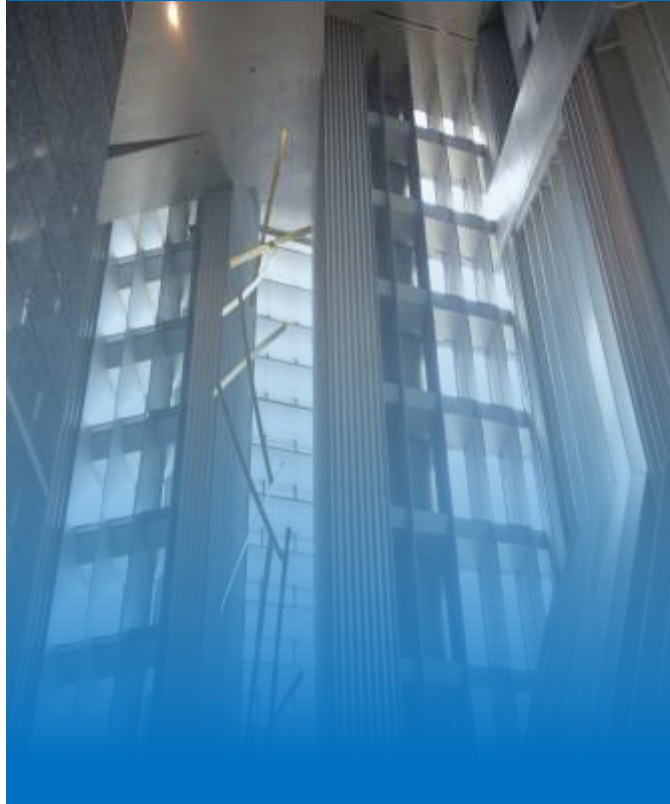












- Among our component companies, AXA Philippines exhibited the strongest results with a **+21%** net income growth in 9M2020
- Despite the lockdown, AXA was able to utilize its Virtual Selling platform well.
- Protection and health products, now accounting for **27%** of APE, drove the insurance company's strong performance.



**Prudent practices**



**2021 Projected  
Capex budget**

	Actual 2020	2021 Budget	Nature
 <b>Metrobank</b> You're in good hands	4.000	3.0 – 5.0	IT
 <b>TOYOTA</b>	0.831	3.500	Pre-delivery inspection facility
 <b>TOYOTA</b> FINANCIAL SERVICES	0.075	0.291	IT, Transportation, Leasehold rights
 <b>TOYOTA MANILA BAY CORP.</b> THE DEALER OF CHOICE	0.382	0.466	Service bay improvements
 <b>Sumisho</b> Motor Finance Corporation An affiliate of F&B Bank and Sumitomo Corporation	0.040	0.086	IT, Transportation, Leasehold rights
 <b>FEDERAL LAND</b> GT Capital Holdings	1.353	4.447	Various projects
 <b>AYA</b>	0.353	0.255	Branch refurbishments, Sales expansion
 <b>GT CAPITAL</b> HOLDINGS INCORPORATED <b>Parent</b>	2.136	1.602	Infrastructure in Cavite
	<b>9.170</b>	<b>13.646 - 15.646</b>	

- We will likely hit consensus of approximately **-57%** core net income delta in FY2020
- GT Capital's strong core businesses are all **poised for recovery** when the pandemic eases and as vaccines start to be distributed.
- Our component companies have all moved toward **digital platforms**, which were already in place prior to the pandemic.
- GT Capital's priorities are conservation of our **cash and liquidity** positions and the **monetization of our property** assets.
- Our increased presence in the used car segment will be initiated with the start of operations of **JBA Philippines** and **Premium Warranty**





# Thank You!



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# Briefing Panelists



**Mr. Carmelo Maria  
Luza Bautista**  
President

**Mr. Vince S. Socco**  
Chairman  
GT Capital Auto Dealership  
Holdings

**Mr. Francisco H.  
Suarez, Jr.**  
Chief Finance Officer  
Executive Vice President

**Mr. Jose B. Crisol, Jr.**  
Senior Vice President  
Head of Investor Relations,  
Strategic Planning, and  
Corporate Communication

29 January 2021

# J.P. Morgan Philippine Conference 2021 Plenary Session

**Carmelo Maria Luza Bautista**, President

**Vince S. Socco**, Chairman, GT Capital Auto Dealership Holdings, Inc.

**Francisco H. Suarez, Jr.**, EVP/Chief Finance Officer

**Jose B. Crisol, Jr.**, SVP/Head of Investor Relations, Strategic Planning, and Corporate Communication

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PACIFIC  
INVESTMENTS**

**AXA**