

29 January 2021

# UBS CEO/CFO Forum Philippine Conference 2021 Plenary Session

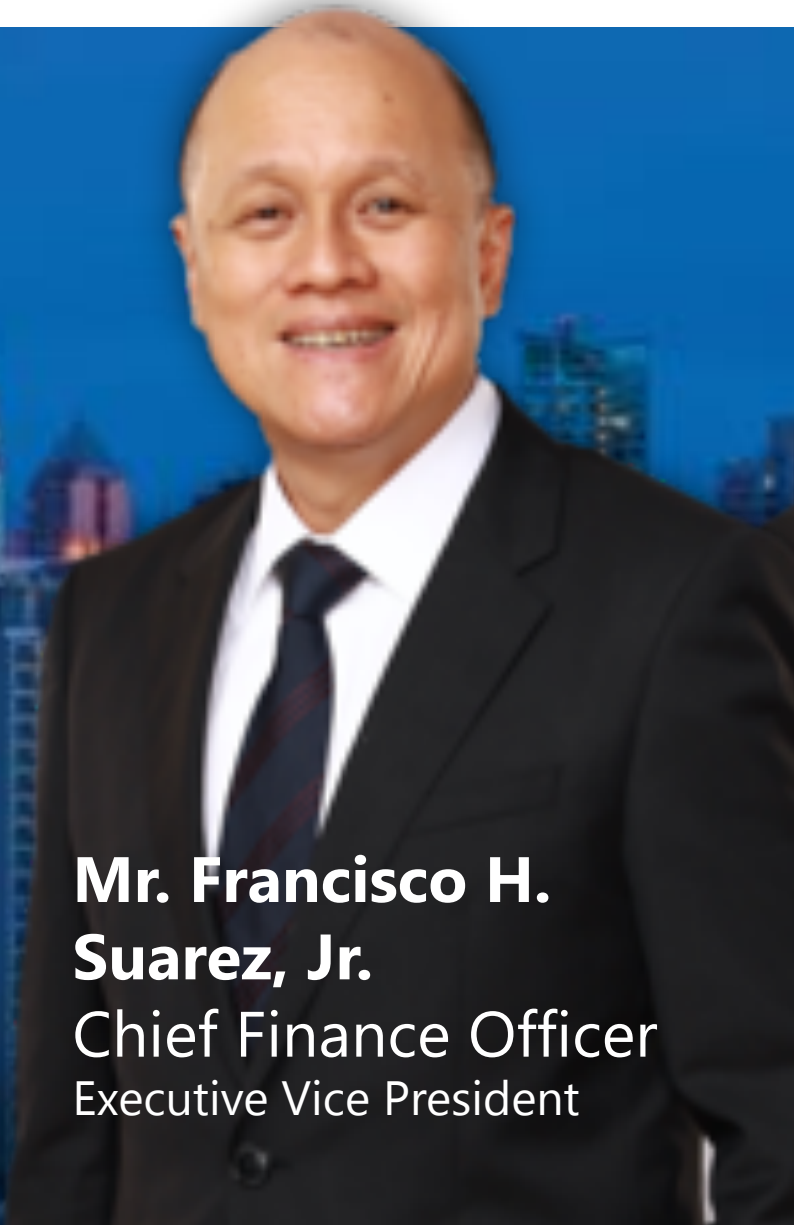
**Francisco H. Suarez, Jr.,** EVP/Chief Finance Officer

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


**GT CAPITAL**  
HOLDINGS INCORPORATED

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Good*

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**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



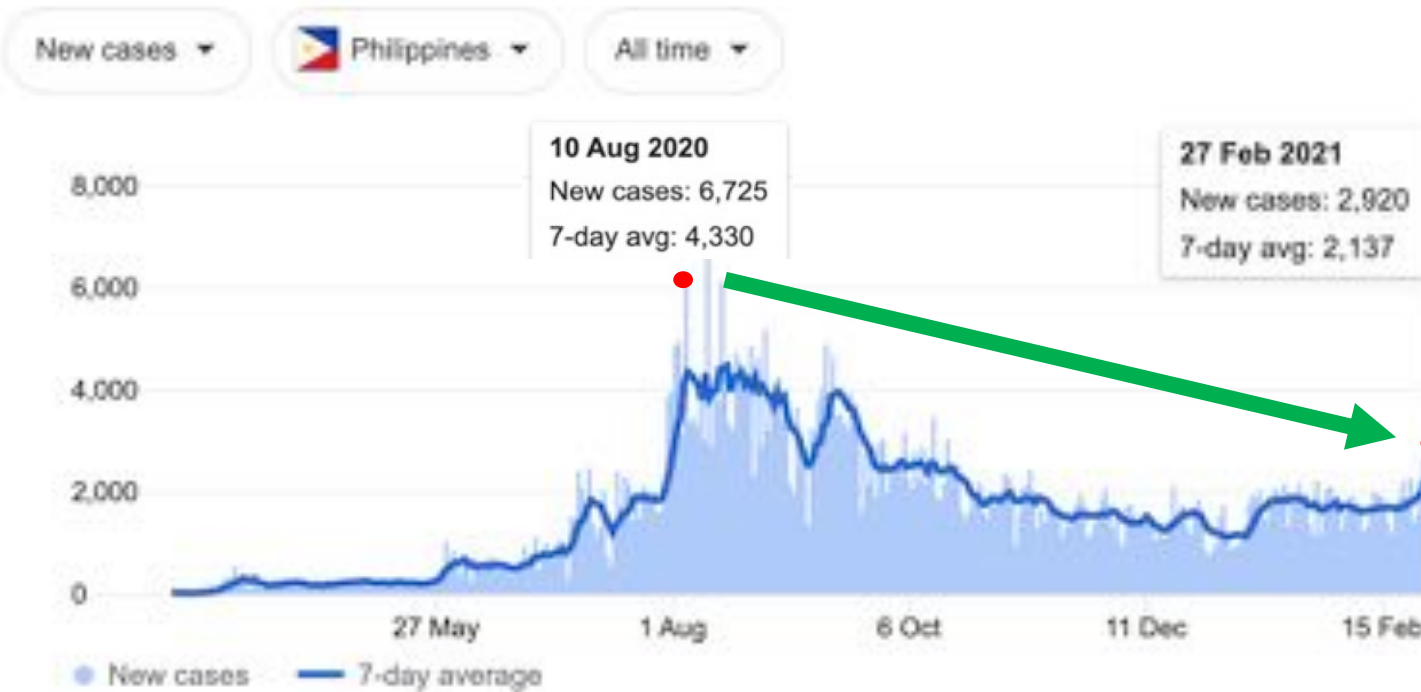
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# Encouraging signs of a slowdown in COVID cases

## Philippine Daily New COVID Cases (until Feb 27)



## COVID Updates in the Philippines

- Daily New Cases (Feb 27): **2,920**
- 7-day moving ave. (Feb 27): **2,137**
- Cases since Jan 2020: **576,352**
- Deaths since Jan 2020: **12,318**
- Mortality Rate: **2.14%**
- The Philippine government has allocated **Php82.5 Billion** for its vaccination program
  - For **60 Million** Filipinos, **55%** of population (**40%** 18 and below)
  - First doses have arrived on Feb 28
  - 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**

Partners for Good



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



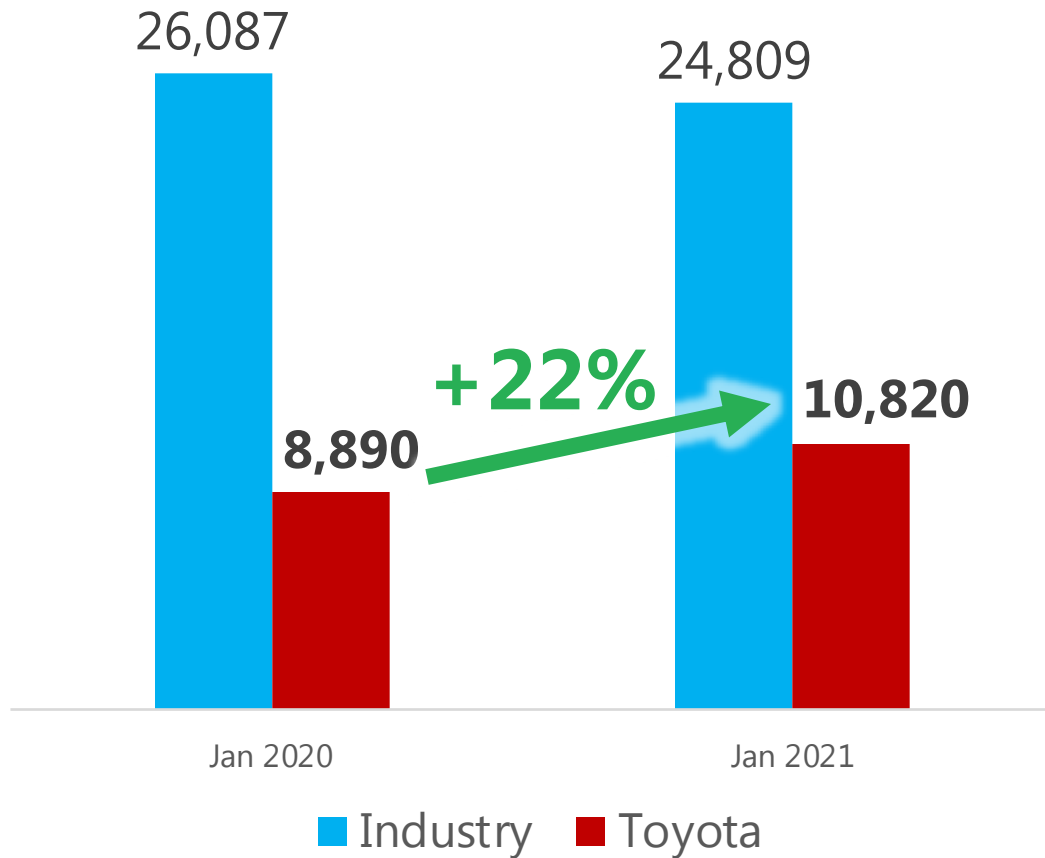
- **50,000 doses** ordered
- To arrive in 2Q 2021
- Agreement to donate 50% to Government signed Nov 27
- Efficacy rate: **70%**



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

# Industry Unit Sales, January 2021

### January 2021 Unit Sales YTD



THE NEW  
**INNOVA**

Enhanced Innova  
February 2021  
Php1.186 - 1.754 million

**19<sup>th</sup>**  
**TRIPLE**  
**CROWN**

**43.6%**  
**Market Share**

# DTI Safeguard Measures Admin Order 20-11

Included	Exempt
<p><b>Php78,400 deposit</b></p> <p>Wigo Rush Fortuner V and G Avanza Camry G Corolla Altis Rav4 Corolla Cross FJ Cruiser 86 Yaris</p> <p><b>Php123,200 deposit</b></p> <p>Hilux Hilux Cab and Chassis Hiace Cargo</p>	<ul style="list-style-type: none"><li>✓ Vios</li><li>✓ Innova</li><li>✓ Hiace</li><li>✓ Fortuner LTD (Two-Tone) &amp; Q</li><li>✓ Supra</li><li>✓ Camry V</li><li>✓ Prado</li><li>✓ Alphard</li><li>✓ Coaster</li><li>✓ Prius</li></ul>
<b>50% of sales</b>	<b>50% of sales</b>

Security deposit collected upon purchase; will be returned to customer in the event of a favorable ruling (within 120 days indicative timeline from 01 Feb 2021)

Will not increase the current suggested retail price

However, a security deposit will be collected upon every purchase of motor vehicle covered starting 01 March 2021

# DTI Safeguard Measures Admin Order 20-11 New Logistics Hub Investments



**Php4.7 Billion** Logistics Hub in Batangas for pre-delivery inspection and post-production installation

**32 hectares**  
land area

**Q4 2021**  
expected start of operations



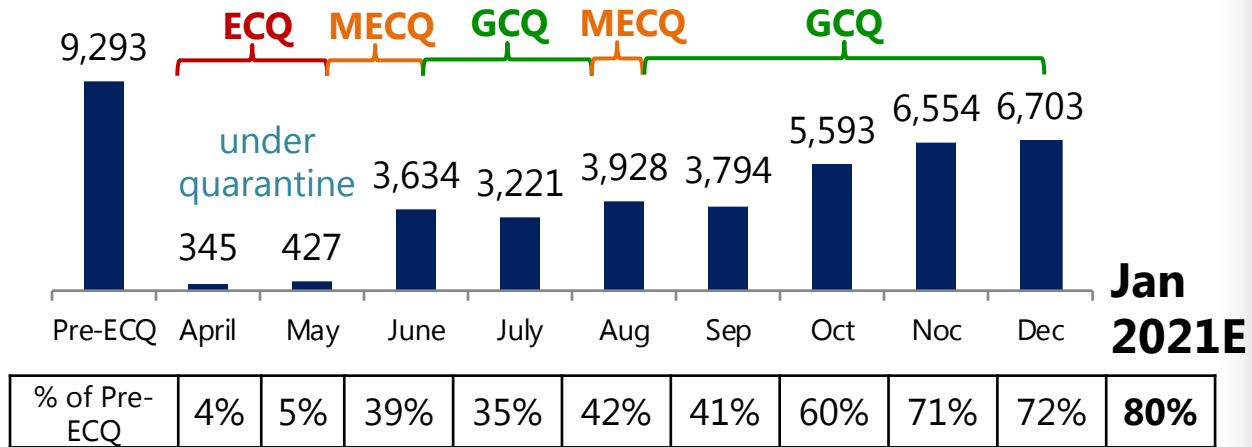
**160,000** inspection and post-prod installation capacity  
**4,500** units stockyard capacity





# Federal Land Recent Developments

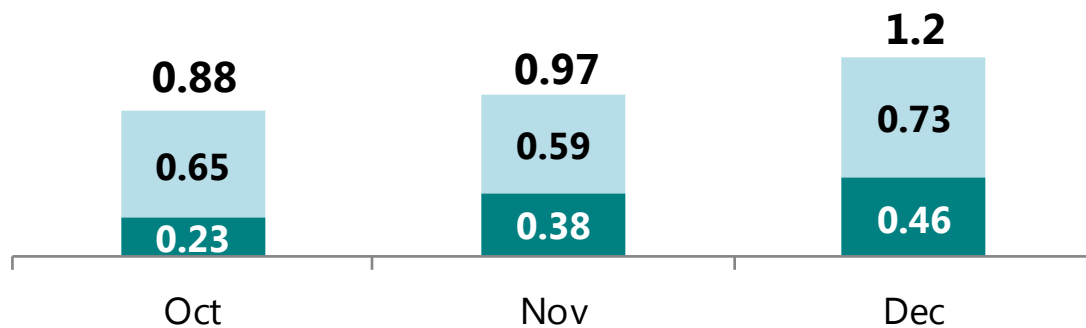
## Construction Worker Deployment



## Federal Land 4Q Collections

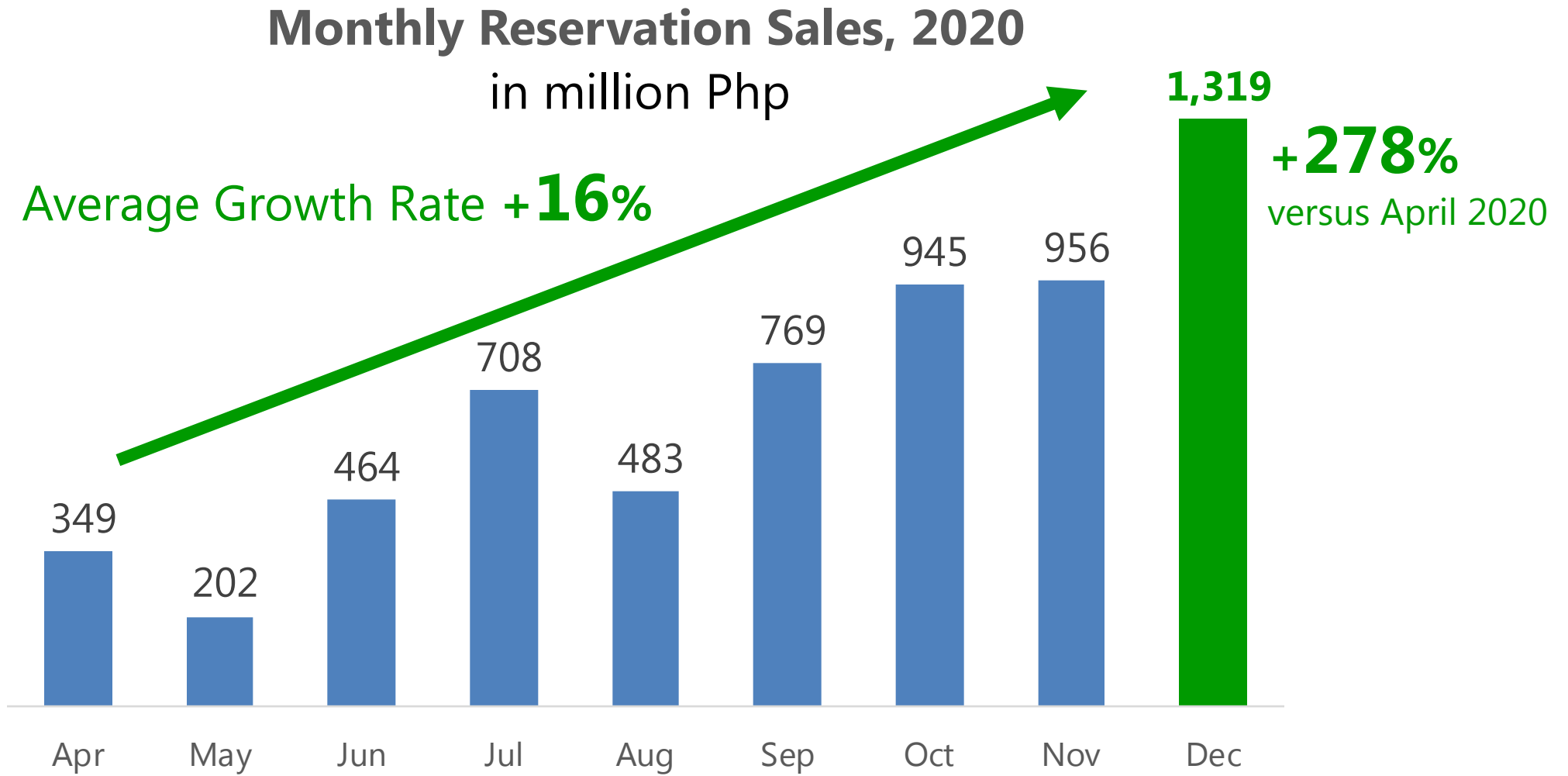
In Php Billions

■ 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

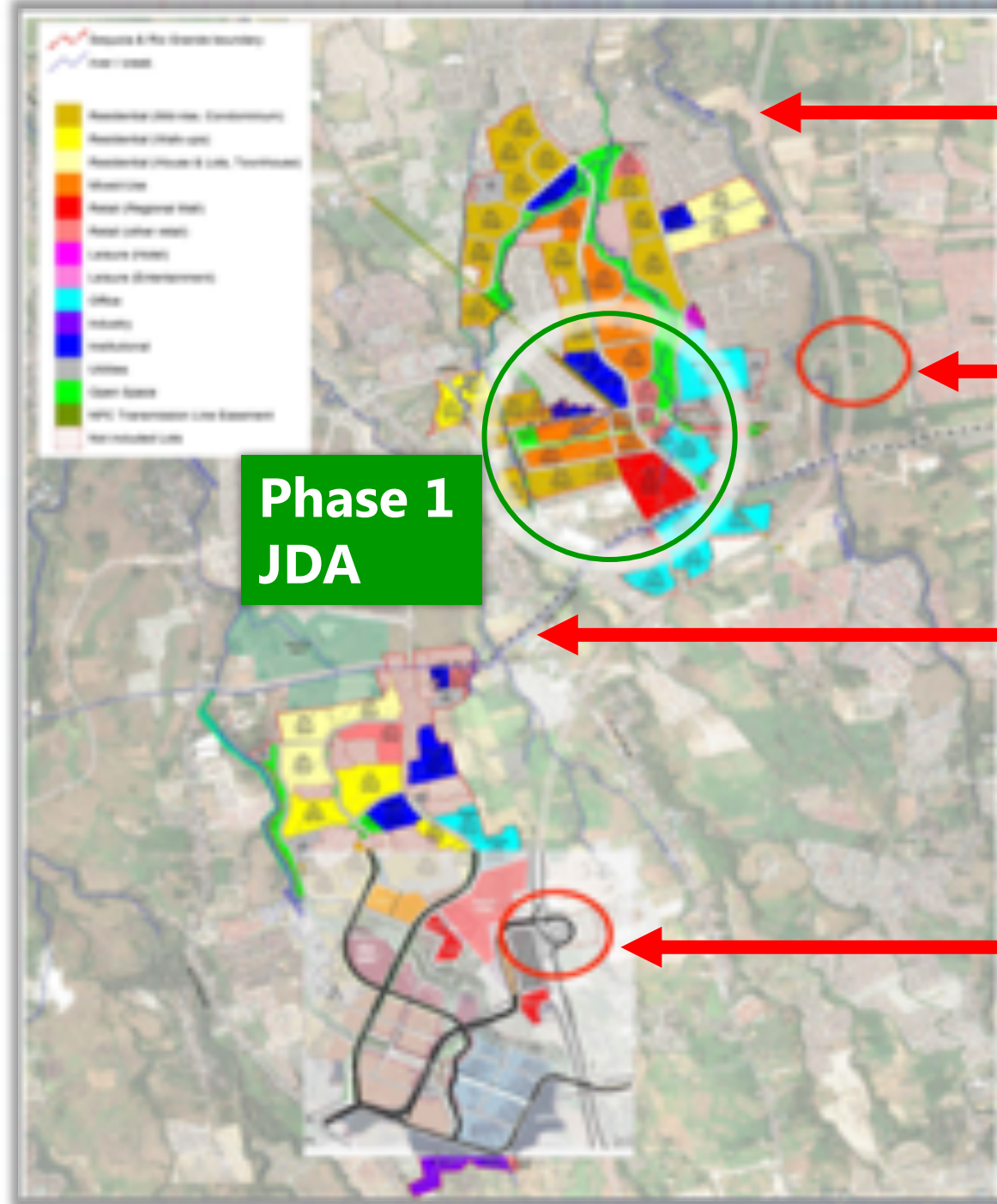


# Monetization of Land Assets

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

# Sequoia & Zone 3 / Rio Grande



**Phase 1  
JDA**

CALAX

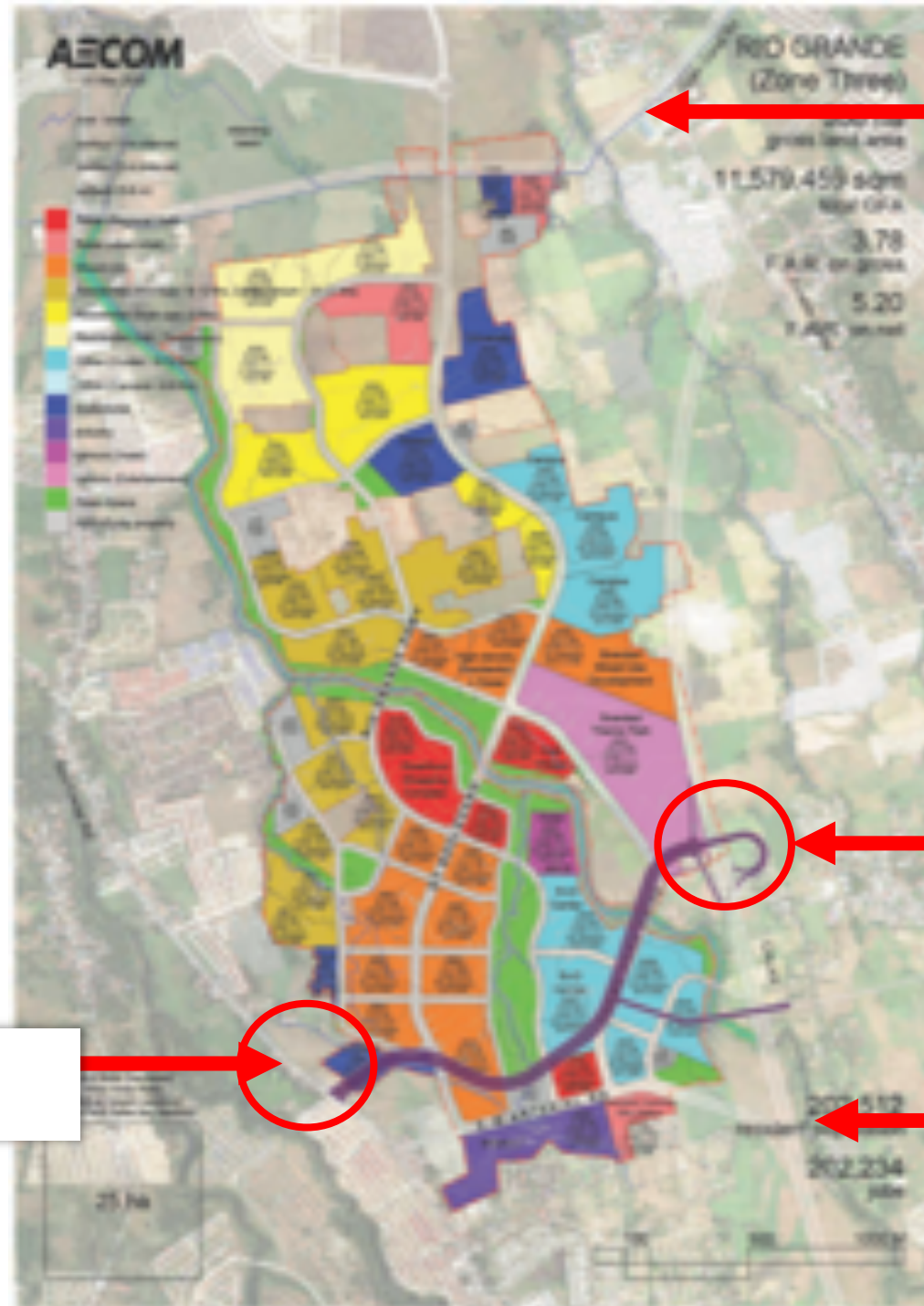
LANCASTER  
INTERCHANGE

DAANG HARI  
Extension

GT RIVERVIEW  
INTERCHANGE

# Rio Grande Masterplan 300 Hectares

Currently in discussion with other counterparties as strategic anchor investors/joint developers



Daang Hari Extension

CALAX / GT Riverview Interchange

Gov. Ferrer Road Municipal Hall

LGU Road Connecting Arnaldo to Gov. Ferrer Road

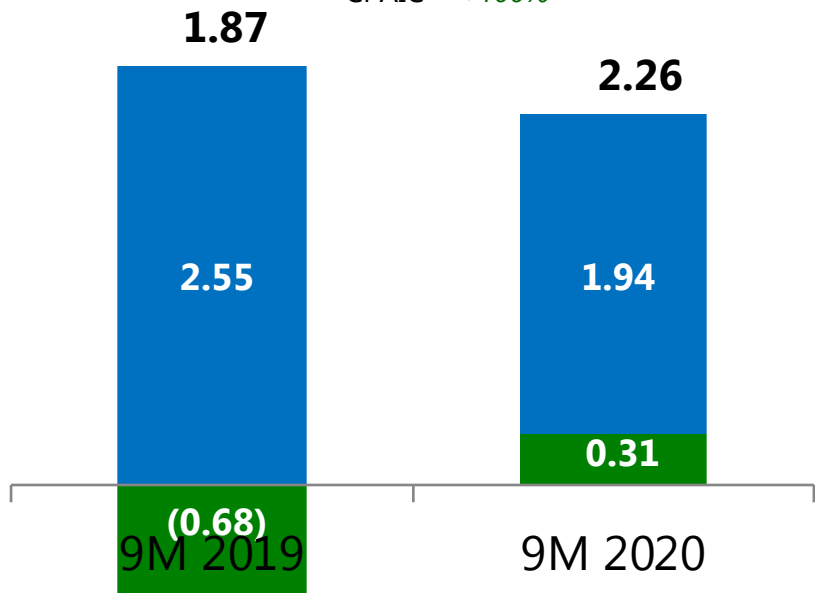
# AXA Recent Developments



## Net Income In Php Billion

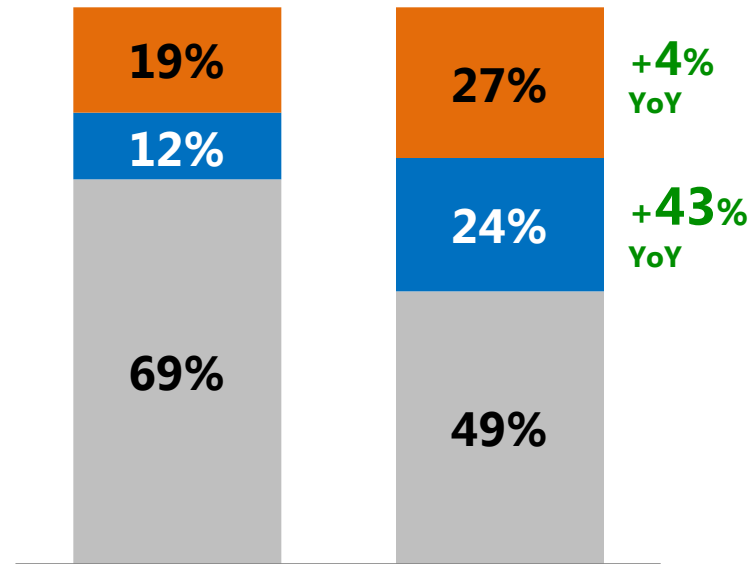
**+21%**

- AXA -24%
- CPAIC >+100%



## New Business Mix

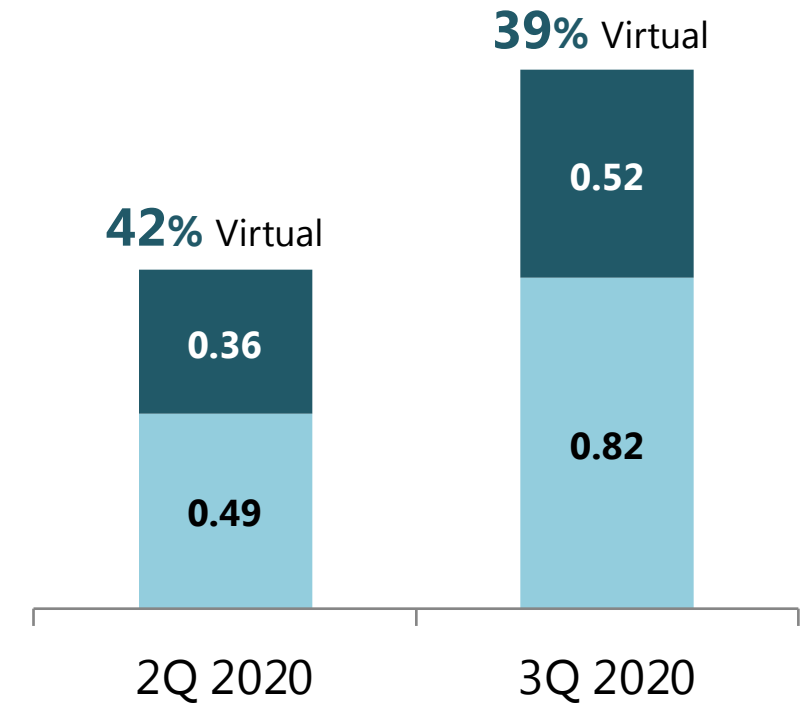
% to Total Life APE



- Protection and Health
- Single Premium
- Other Life Products

## Virtual Selling to Total Life APE

In Php Billion



- Physical
- Virtual

- We are expecting a good bounce back from 2020, wherein the consensus projection was a 50-60% decline from 2019.
- 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**





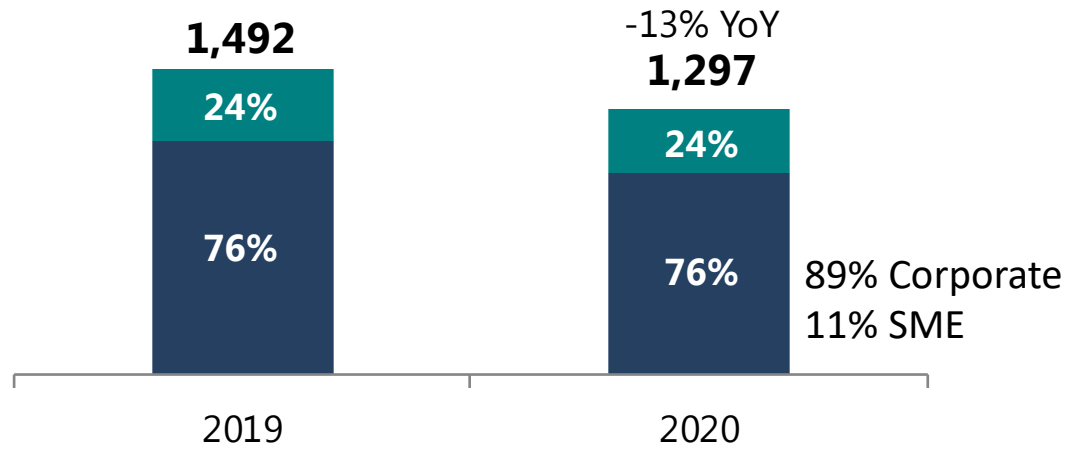
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# Loan Portfolio Performance

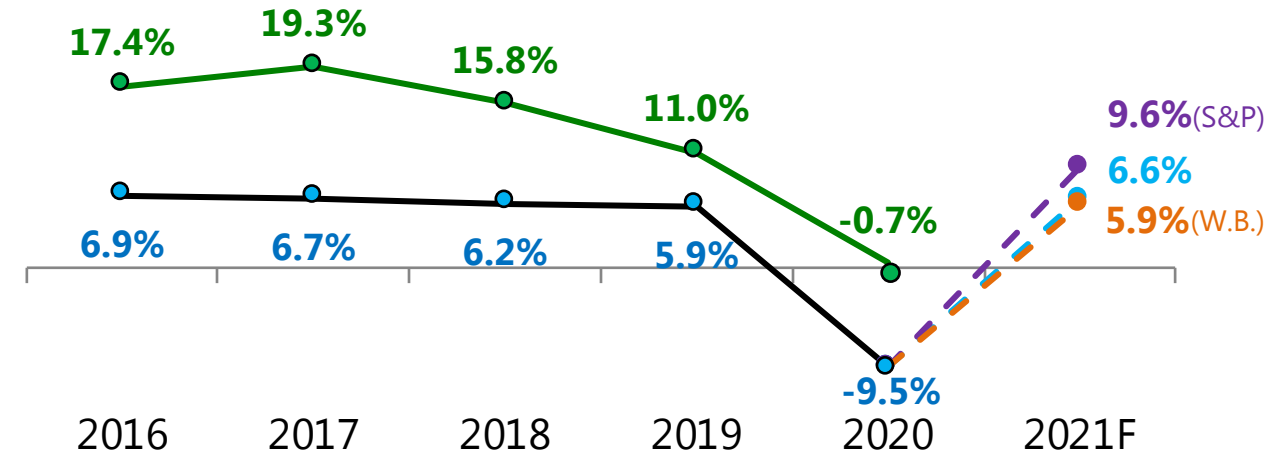
## MBT Loans by Segment – Php Bn

■ Commercial ■ Consumer



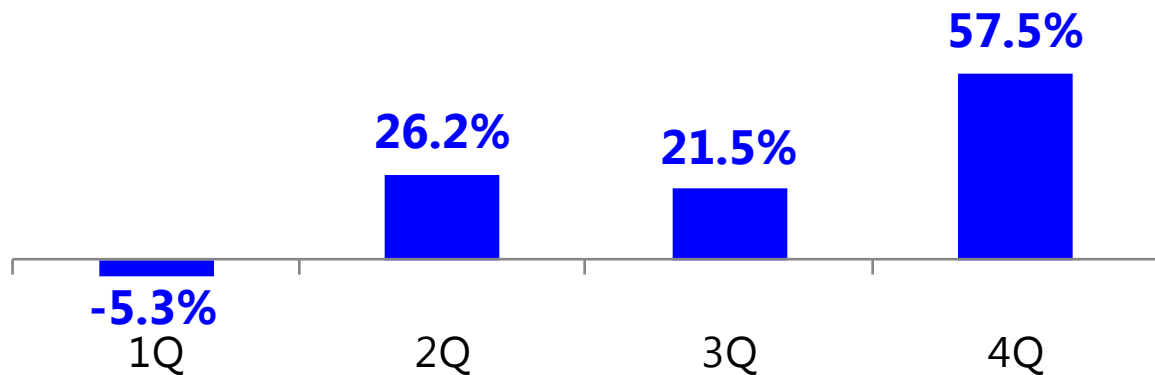
## Industry Loan Growth vs. GDP Growth

● Loan Growth ● GDP Growth ● Mid Est. ● High Est. ● Low Est.



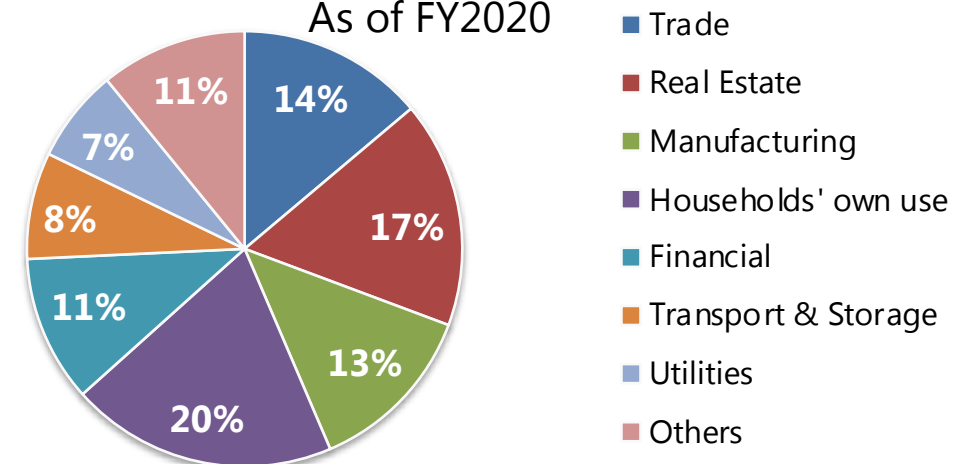
## MBT Loan Portfolio Seasonality - 2011 to 2019

(Quarterly Contribution to Full Year Loan Value)



## MBT Loan Breakdown by Industry

As of FY2020



# MBT has highest capital ratios among peers

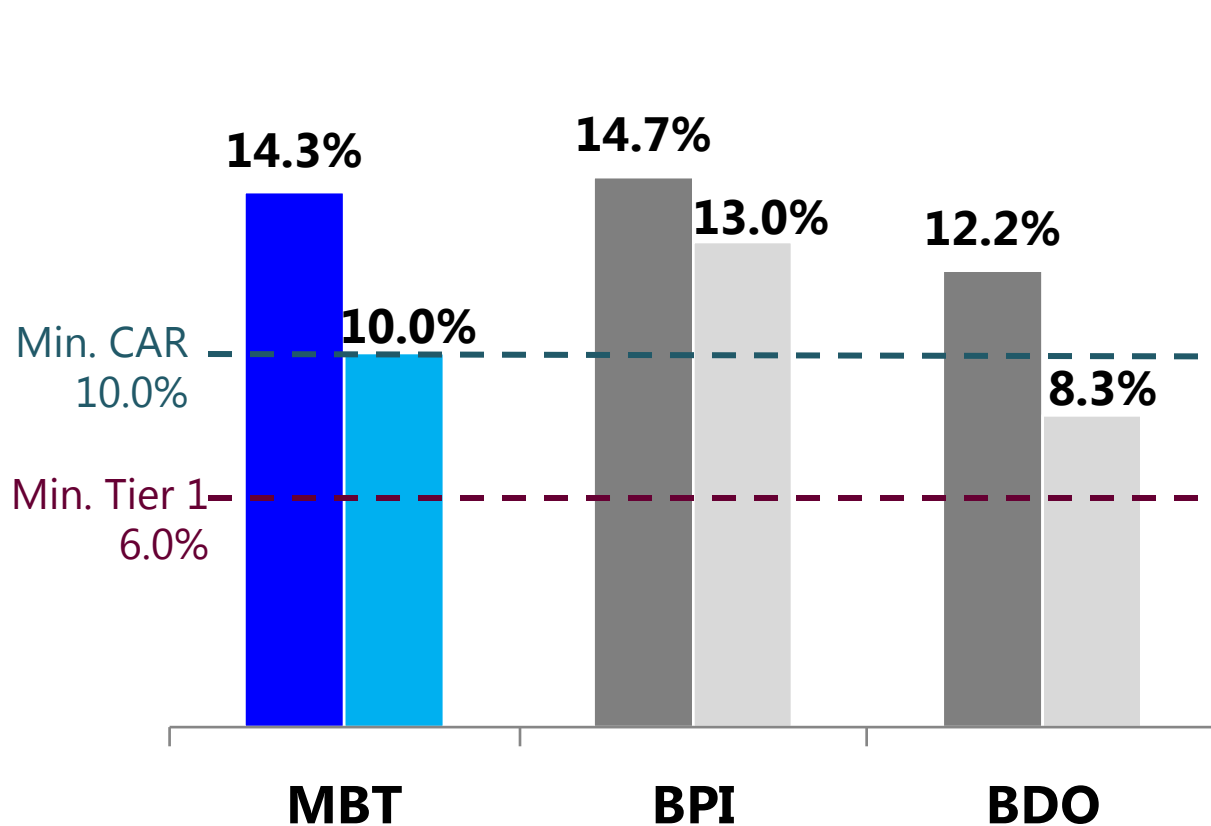
The country's largest banks have substantial capitalization above the minimum set by BSP



## December 31, 2009

Global Financial Crisis

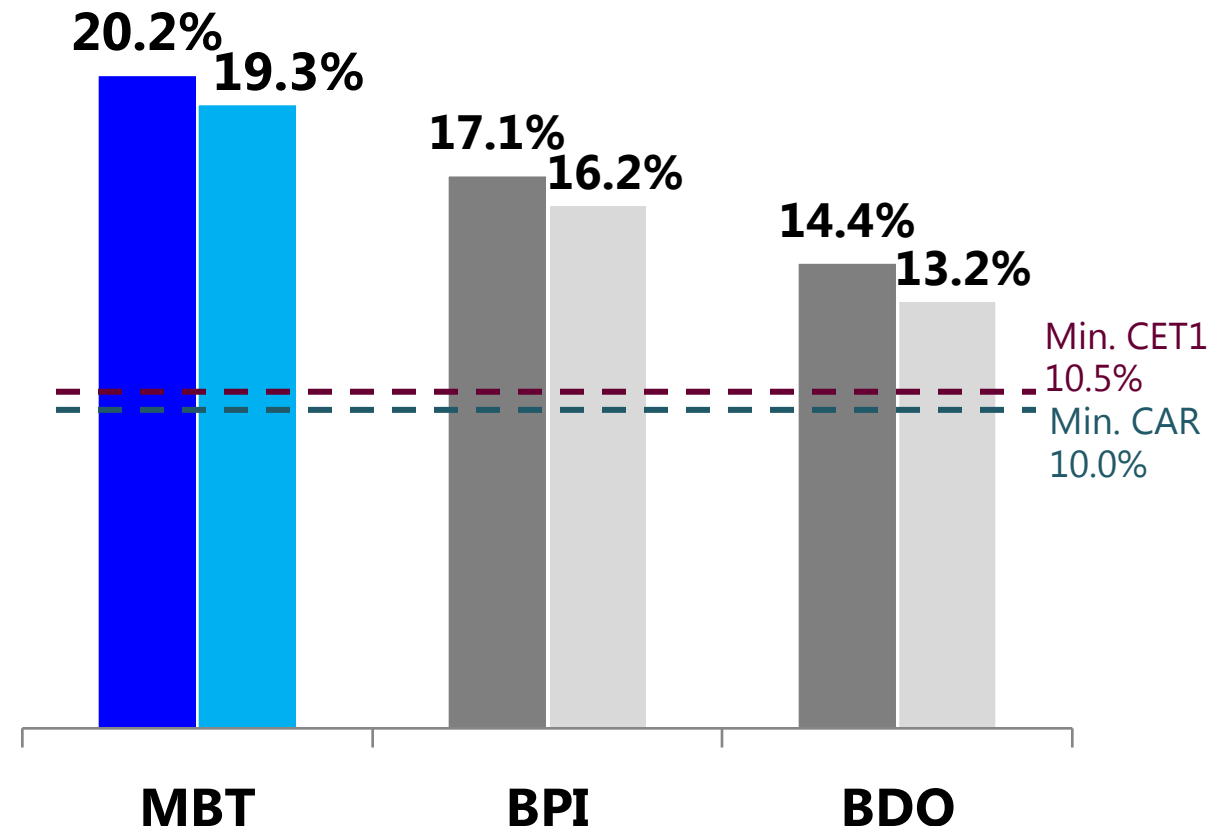
CAR Tier 1



## December 30, 2020

Covid-19 Pandemic

CAR CET1

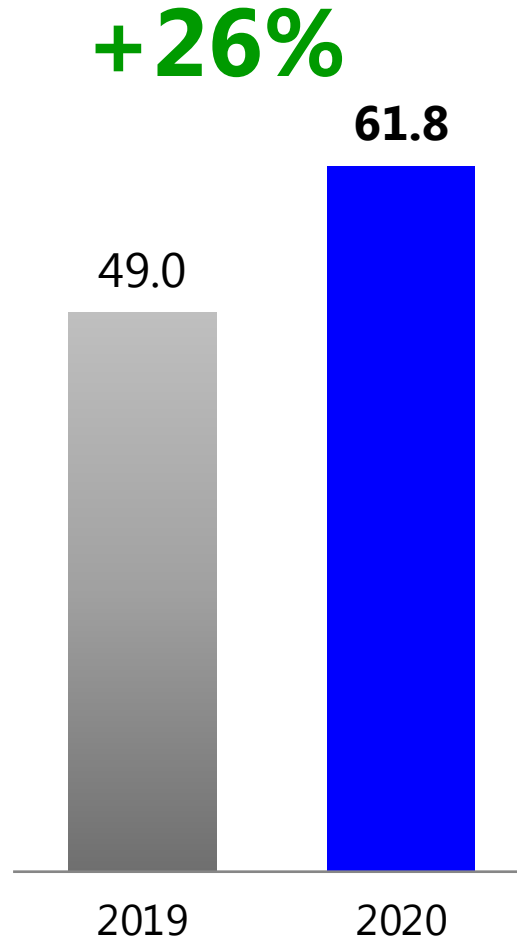


# Strong results across all metrics, moderated by proactive provisioning and reserves buildup

## Pre-Provision Operating Profit

• Strong Pre-Provision Operating Profit **Php61.8B** **+26%**

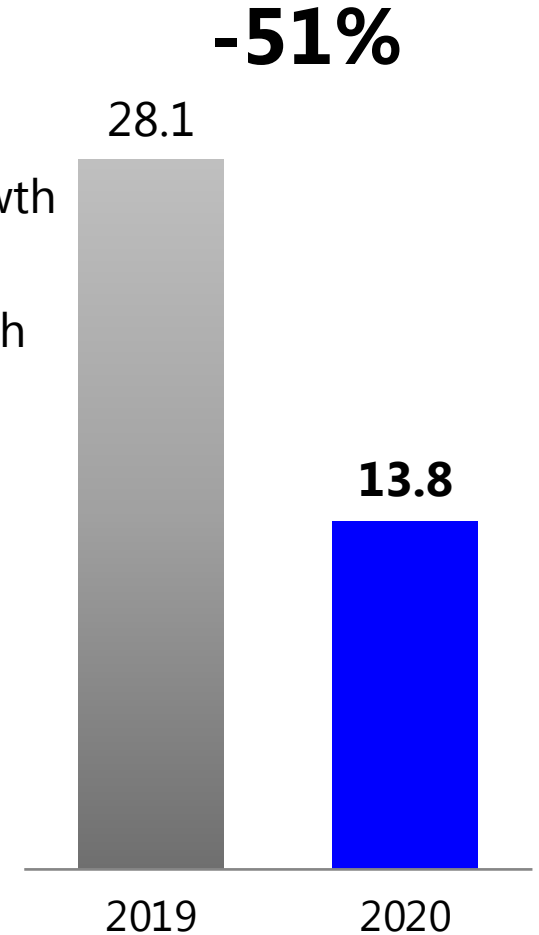
- NII **Php86.1B +12%**
- NII **71%** of Operating Income
- Trading/FX **+20%**
- Cost-to-Income Ratio **50%**
- Anticipatory Provisions **Php40.8 B +4x y-o-y**
- **163%** NPL Cover



## Net Income

Resilient core business; continued build up of reserves

- Strong **+12%** NII growth
- Robust **+20%** Non Interest Income growth
- Operating Income **+14%** from NII and Trading gains



# Special Dividend Declaration

**₱1**  
regular  
dividend



**₱3**  
special  
dividend

Total Dividend Amount  
**Php17.9 billion**

Record Date  
**05 March 2021**

Payment Date  
**18 March 2021**

## Pandemic has tempered near-term growth prospects

Capital planning indicate that demand for risk assets will likely remain muted

## Strong NPL risk buffers in place

Aggressive provisioning in 2020 has raised NPL cover to 163% providing buffer vs. risk of rising NPLs

## Ability to generate internal capital

Medium-term earnings drivers are intact

## Post special dividend, CET1 Ratio is still high at 18.2%

Well clear of 11.0% CET1 Ratio minimum for D-SIBs  
Still significantly better than peers

## Return on Equity (ROE) to rise as a result

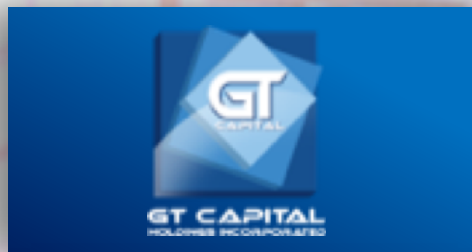
Higher payout is supportive of ROE recovery



**GT CAPITAL**  
HOLDINGS INCORPORATED

# Financial Highlights

# GT Capital Group Nine Months 2020 Financial Highlights



## Core Net Income\*

**Php3.7 B** -69%

Php12.0 billion 9M 2019

## Consolidated Net Income

**Php3.2 B** -79%

Php15.1 billion 9M 2019

\*Material subsequent event: Php0.9 B net income realized from the lot sale to a third party, Core NI reached **Php4.6 B**



## Net Income

**Php11.0 B** -49%

Php21.6 B 9M 2019

- Strong Pre-Prov OP **Php52.4B +41%**
  - NII **Php65.9B +17%**
  - NII **68%** of OI
  - Trading/FX **+220%**
- CASA **+22%** /Tot Dep **+10%**
- Cost-to-Income Ratio **45.8%**
- Anticipatory Provisions **Php35.4 B +4.5x y-o-y**
- **175%** NPL Cover



## Net Income

**Php2.1 B** -71%

Php7.3 B 9M 2019

- Dec. Retail Sales Volume **86%** of pre-COVID
- 9M20 GPM **13.2%** vs. **12.7%** 9M19
- Plant operations back to two shifts as of September
- **303** increase in Production Team Members
- **100,019** FY20 Retail Sales Volume



## Net Income

**Php172 M** -78%

Php769 M 9M 2019

- Reservation sales **-31%**
- Lower booked sales due to 6-month POC stoppage
- Bayanihan moratorium
- 9M20 GPM **50%** vs. **41%** in 9M19
- **P4.6 B/8.3 B** lump sum payments awaiting turnover of units 2020-2021
- **P0.9 B/7.7 B** realizable with POC improvement 2020-2021



## Net Income

**Php2.3 B** +21%

Php1.9 B 9M 2019

- Effective virtual selling under lockdown **Php0.9 B** (24% of APE)
- Protection & Health now **27%** of APE
- Single Premium-Unit Linked **+43%**
- GI profitability **Php0.3B** vs. Php0.7B loss



## Core Net Income

**Php7.7 B** -38%

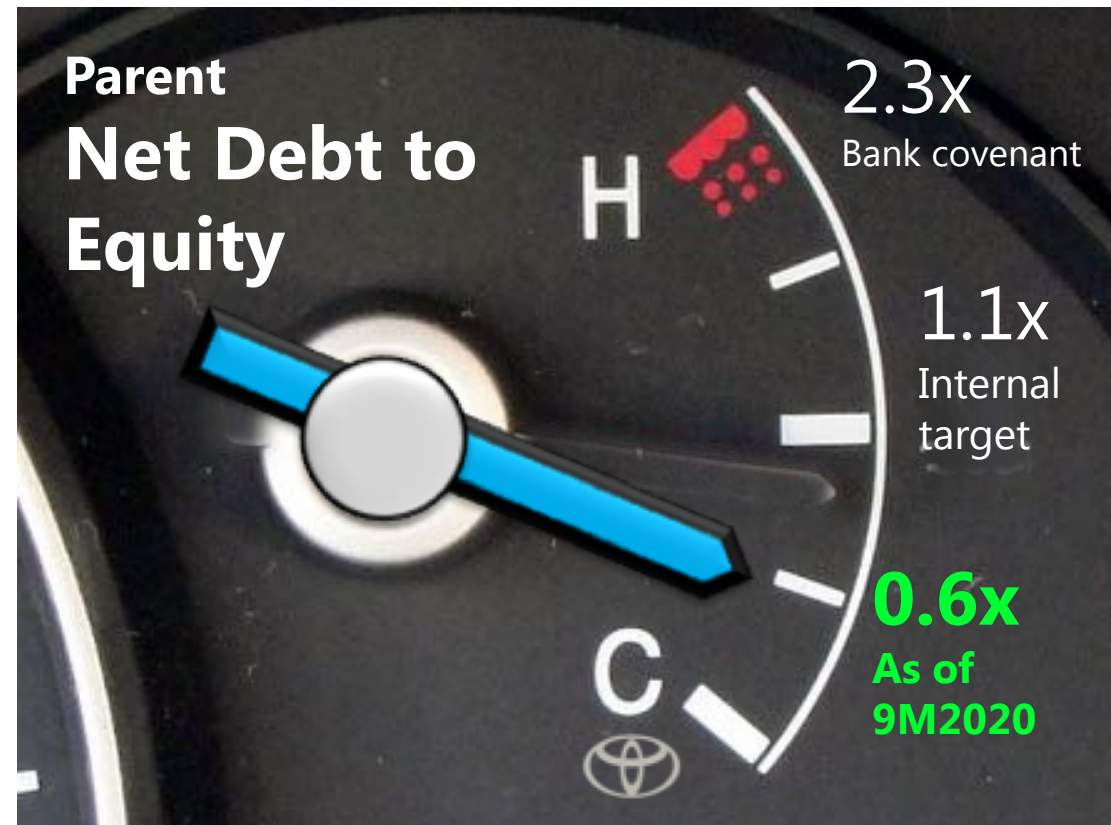
Php12.5 B 9M 2019

- Volume recovery in most sectors closely approximating pre-COVID levels
- Parent Cash **Php25B**
- **GT Capital's share in NI** -57% to **Php0.8B**

## Strong position



Continued financial health for the parent company despite crisis, lockdown



### Next Debt Maturity

Php5.0 Billion Retail Bond in **Aug. 2021**

### Unutilized Short-Term Lines

**Php34 B**

### Conso Cash

**Php17 B**









### Parent Cash

**Php10 B**

## Prudent practices



2021 Projected  
Capex budget

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



# Thank You!



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Good



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