



**Fulfilling the Promise  
of Creating Value**

**GT CAPITAL**  
HOLDINGS INCORPORATED



**FIRST HALF 2016**

**ANALYSTS AND MEDIA  
BRIEFING**

**08 AUGUST 2016**



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HOLDINGS INCORPORATED

**Fulfilling the Promise  
of Creating Value**

**GT CAPITAL  
JAN-JUNE 2016  
FINANCIAL  
HIGHLIGHTS**

# Financial Highlights 1H 2016



Inclusive of non-recurring income and expenses  
**Consolidated Net Income**

Total extraordinary gain of Php2.9B, net of tax

**+62%**

**Php9.1 billion**

Php5.6 billion 1H 2015

**Core Net Income**

**+16%**

**Php6.2 billion**

Php5.3 billion 1H 2015

**Revenues**

**+40%**

**Php102.4 billion**

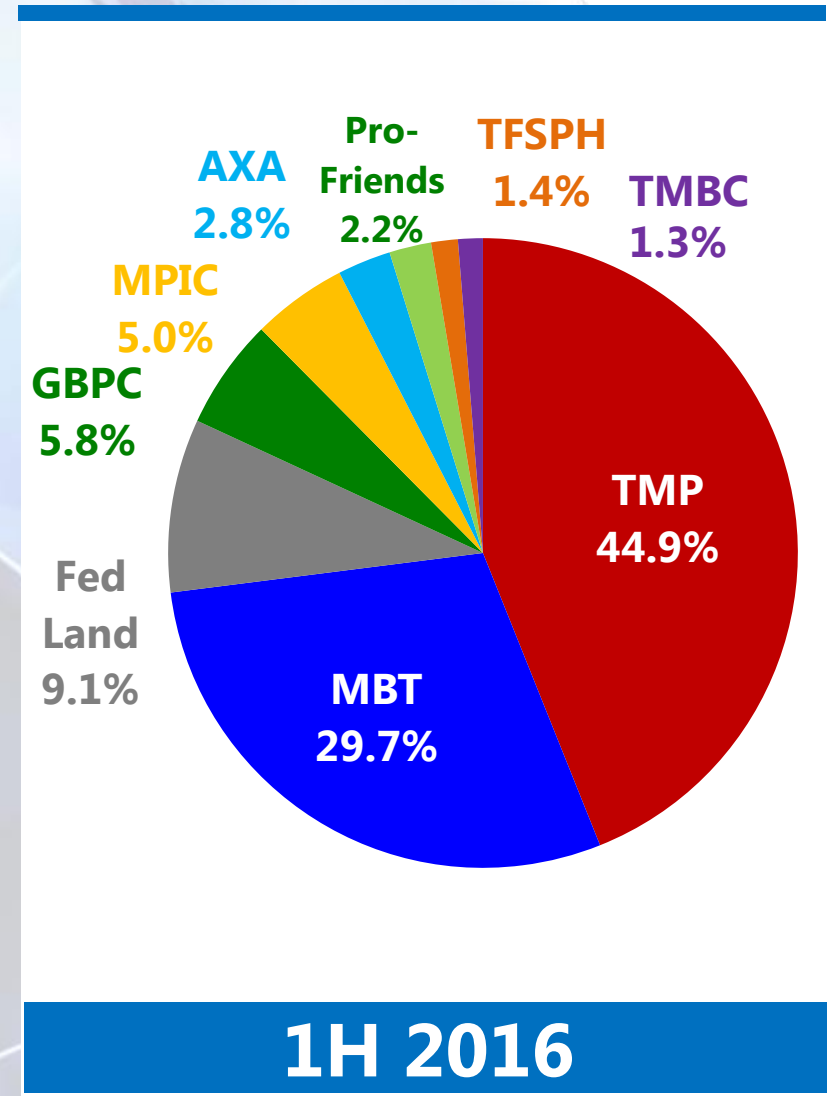
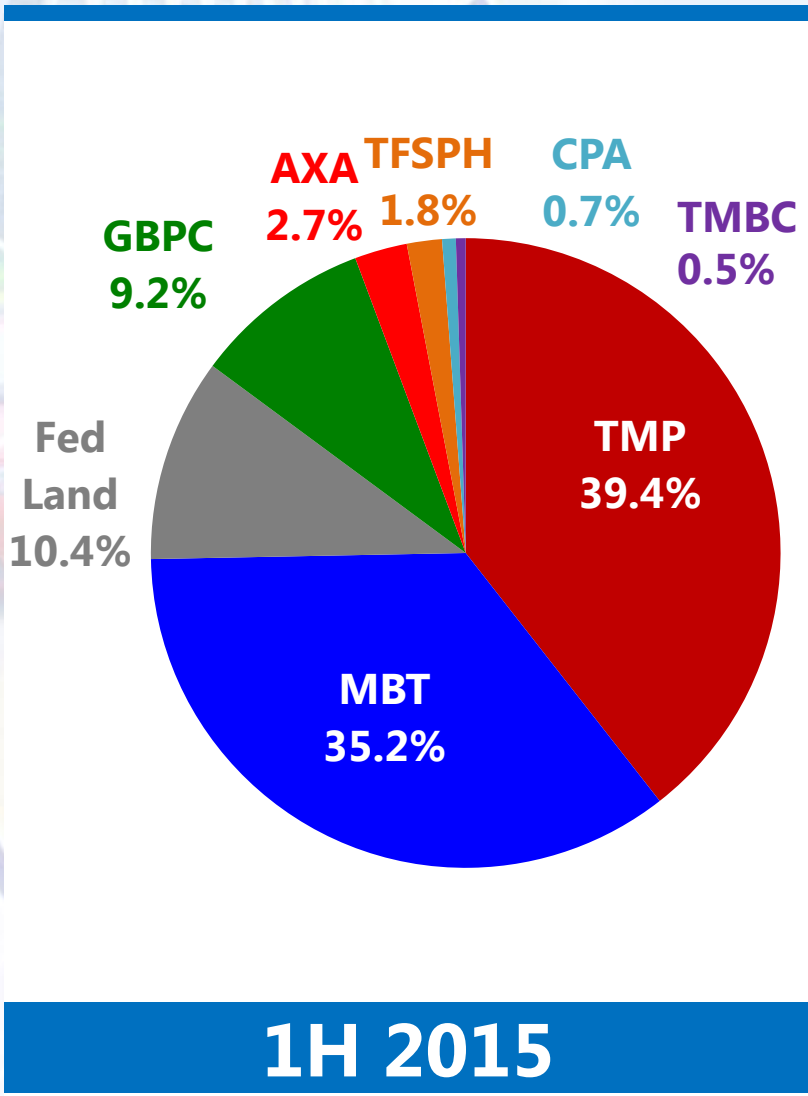
Php73.1 billion 1H 2015

TMP & TMBC - Auto Sales	Php	<b>80.6 billion</b>	<b>+33%</b>
GBP – Net Fees (up to May 31, 2016)	Php	<b>6.8 billion</b>	
FLI & PCFI - Real Estate Sales and Interest income on Real Estate Sales (PCFI revenue contribution Php3.1B)	Php	<b>6.3 billion</b>	<b>+77%</b>
Equity in net income of associates (MPIC net income Php0.4B)	Php	<b>3.2 billion</b>	<b>+15%</b>
Gain on disposal of GBP (Php3.7B), CPAIC (Php0.23B) and TMBC merger (Php0.14B)	Php	<b>4.2 billion</b>	

# GT Capital Net Income Contribution



GT CAPITAL HOLDINGS INCORPORATED



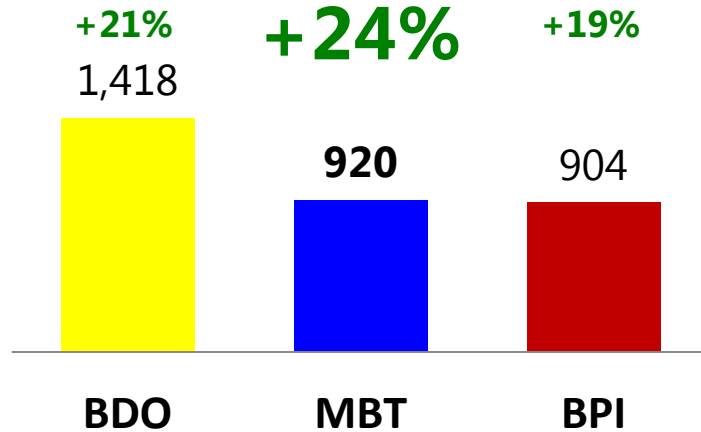


# BANKING

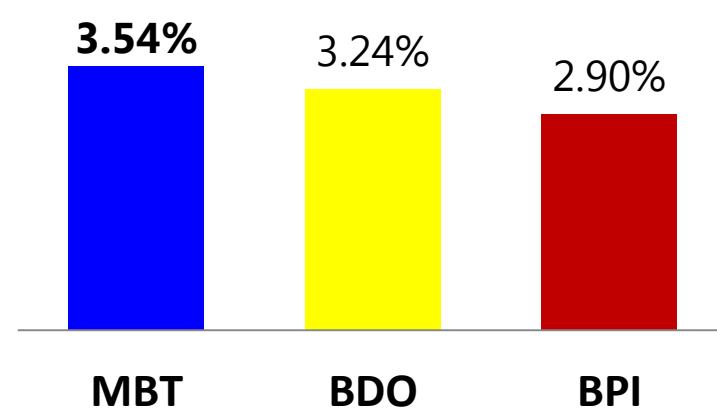
# Peer Banks Highlights

**+17%** industry growth

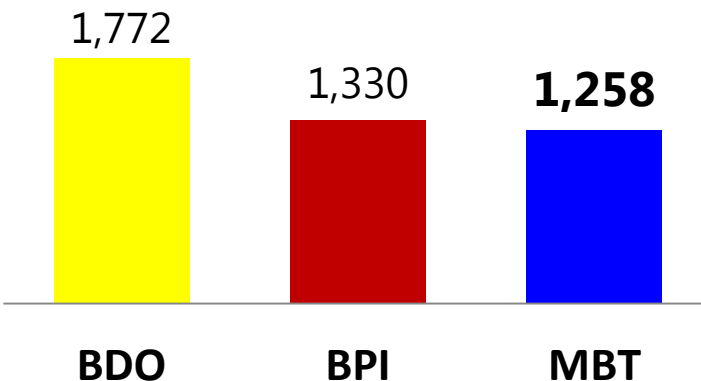
**Total Loans (Php Billion)**



**Net Interest Margin (%)**

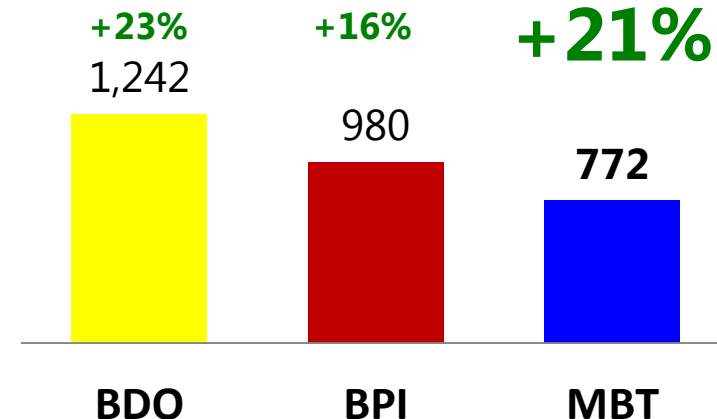


**Total Deposits (Php Billion)**



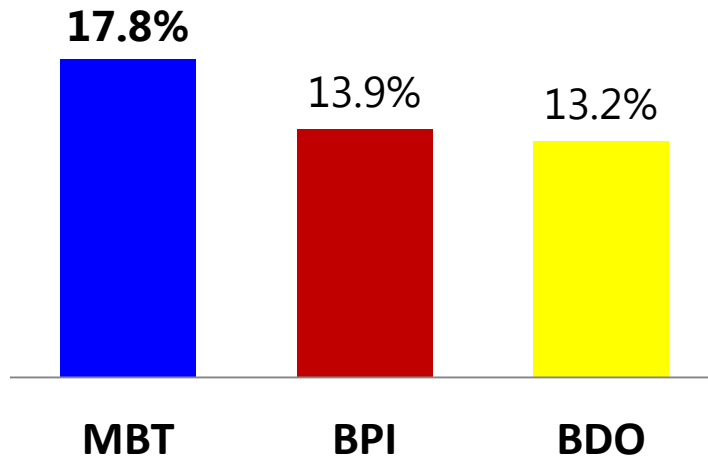
**+13%** industry growth

**CASA Deposits (Php Billion)**

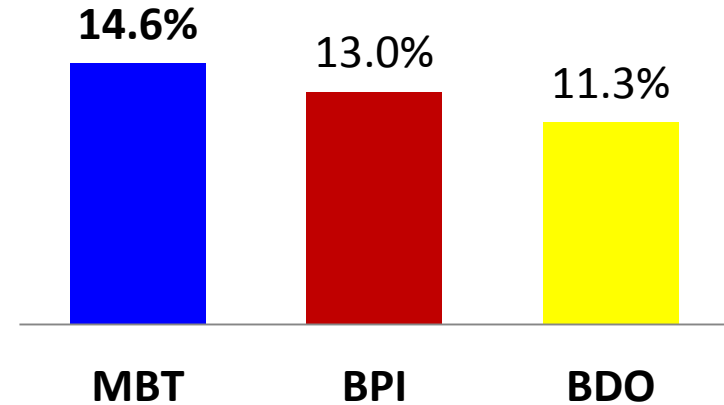


# Peer Banks Highlights

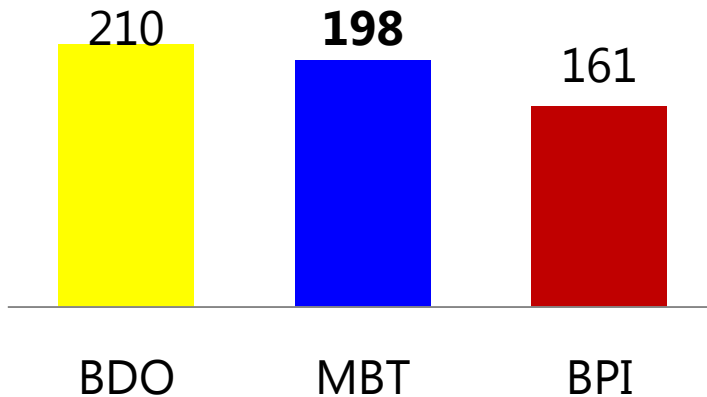
## Total Capital Adequacy Ratio (%)



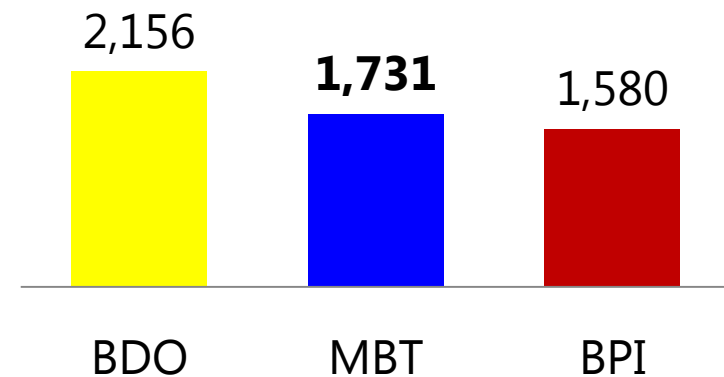
## Common Equity Tier 1 (CET1) Ratio (%)



## Total Equity (Php Billion)



## Total Assets (Php Billion)





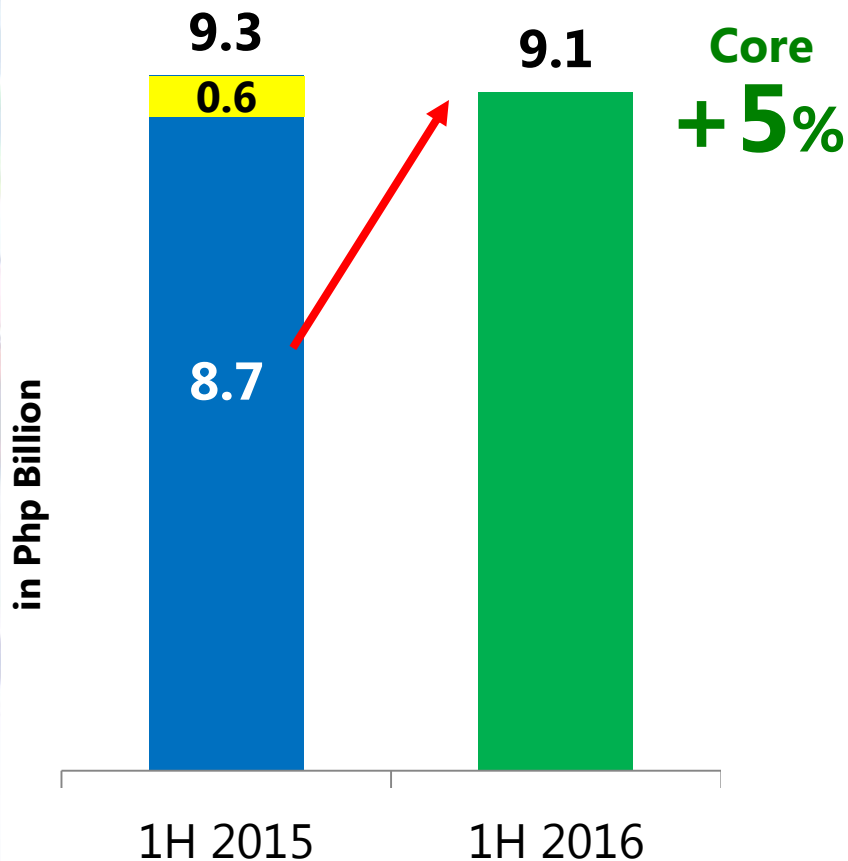
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# Metrobank



## Net Income



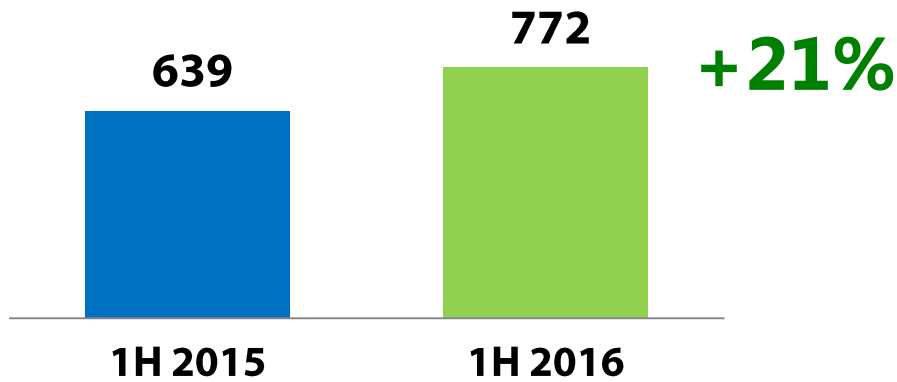
- Total loan growth **+24%**
  - Commercial **+27%**
  - Consumer **+17%**
    - Auto **+22%**
    - Home **+12%**
- Low-cost deposit growth **+21%**
- NIMs held steady at **3.54%**
- **P3.6bn** Trading and FX gains
- Provision for credit and impairment losses of **Php3.2B**
- **+12%** in OPEX due to manpower (strategic hires + CBA) and IT investments

# Metrobank Financial Highlights

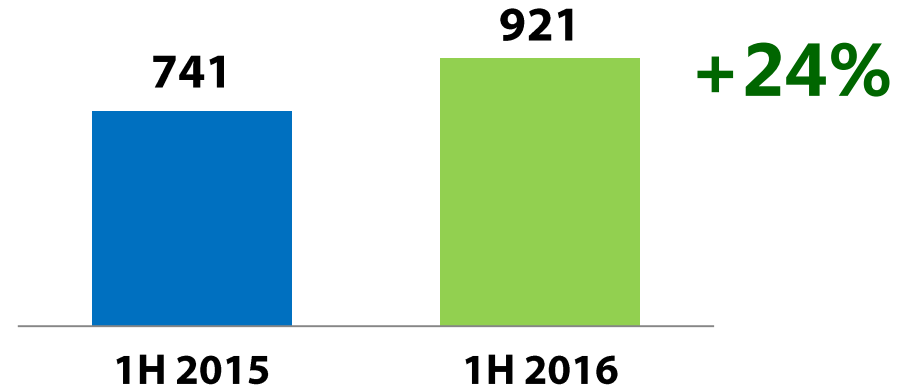


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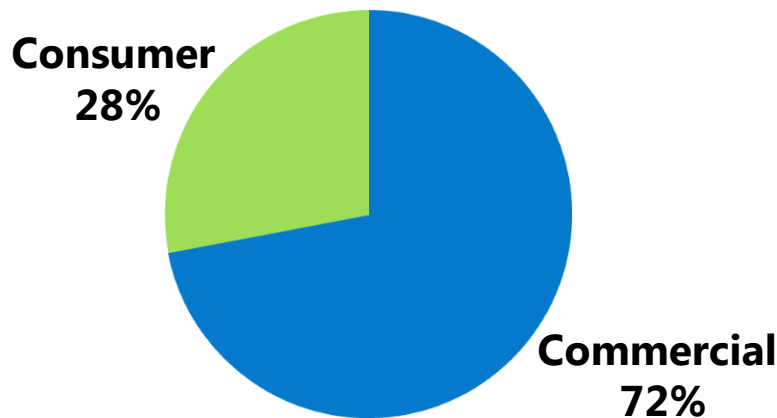
## CASA (Php Billion)



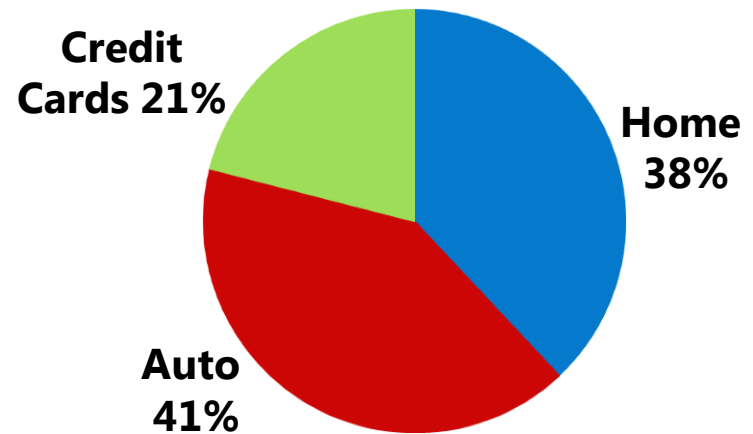
## Loans and Receivables (Php Billion)



## Total Loan Portfolio Breakdown

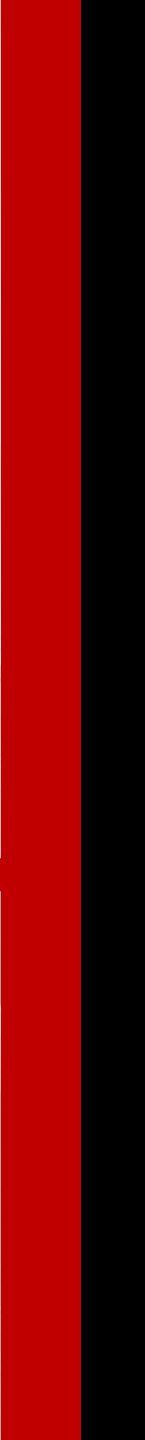


## Consumer Loan Portfolio Breakdown



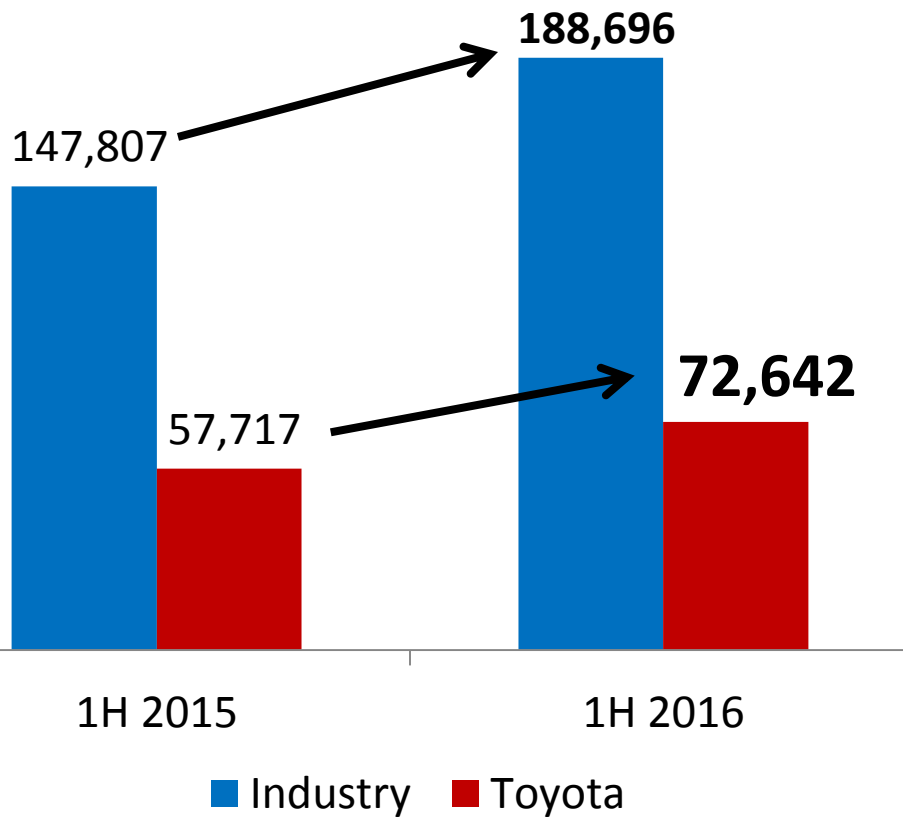


**AUTOMOTIVE**



# Auto Industry versus TMP

Unit Sales, as of June 2016



**Industry growth**

**▲28% Y-O-Y**

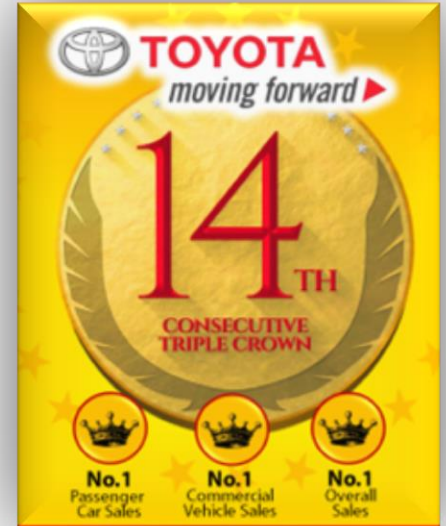
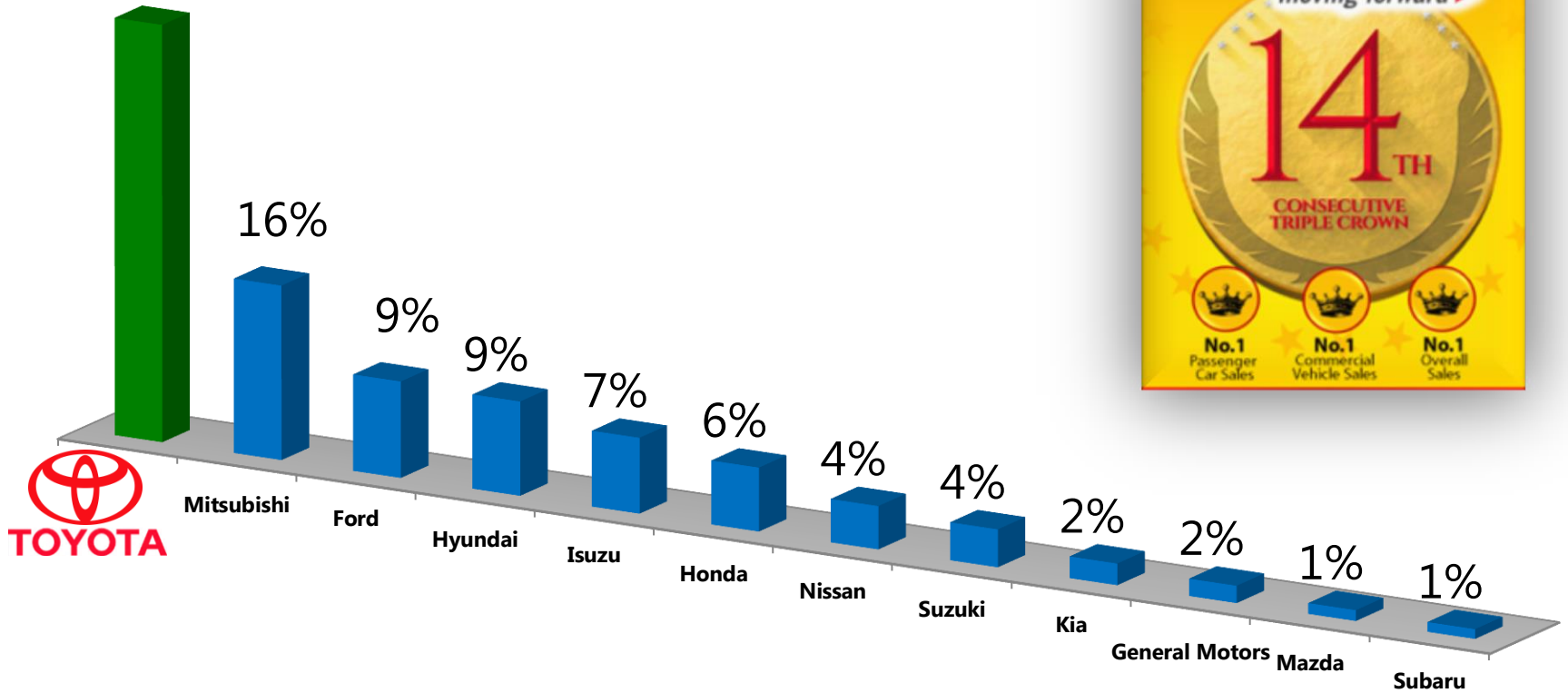
**Toyota growth**

**▲26% Y-O-Y**

# Overall Market Share

As of June 2016

**38.5%** From 35% in March

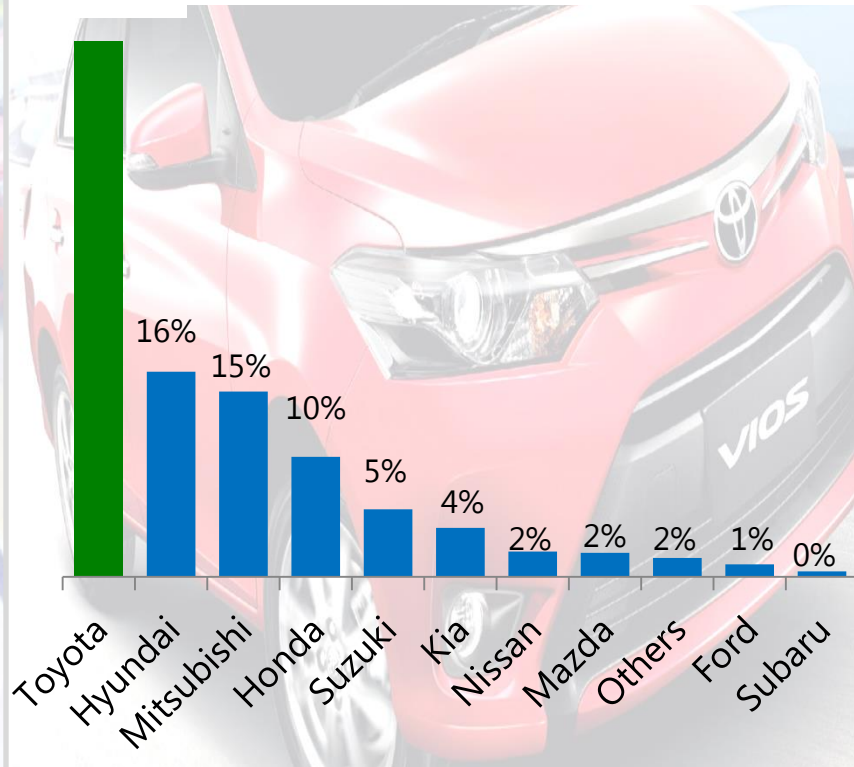


# Auto Industry Market Share

As of June 2016

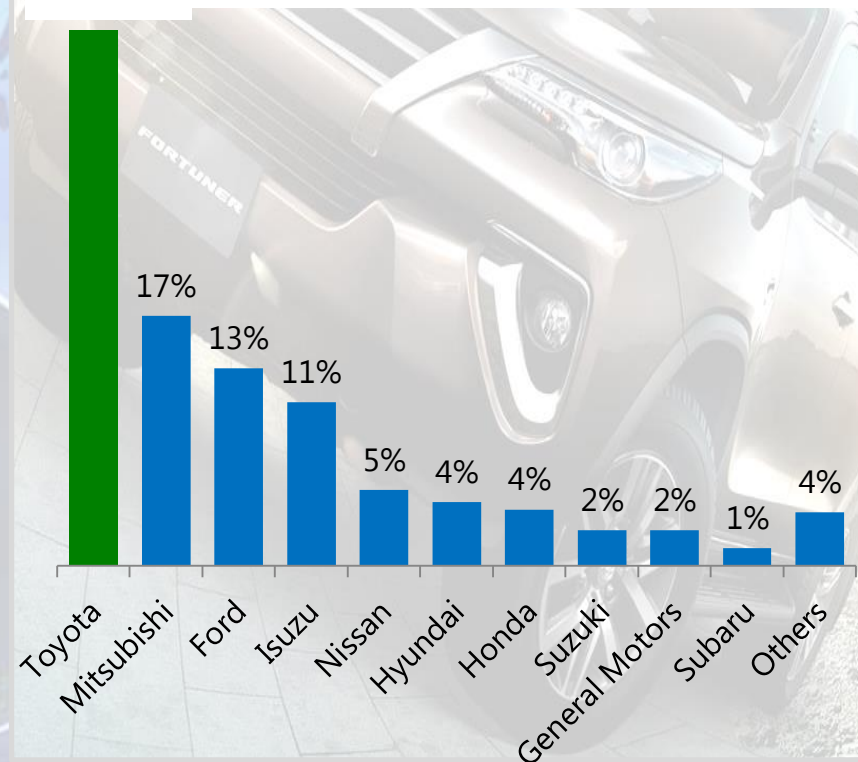
## Passenger Car

**43%** From 43% in March



## Commercial Vehicle

**36%** From 30% in March





**TOYOTA**



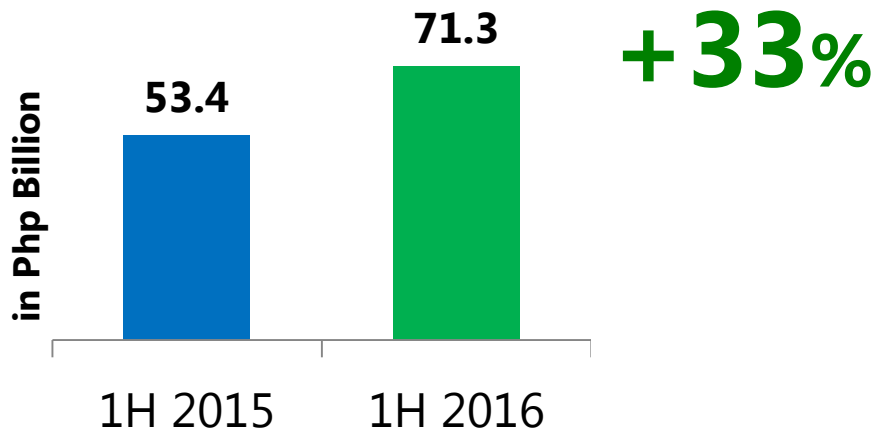
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# Toyota Financial Highlights

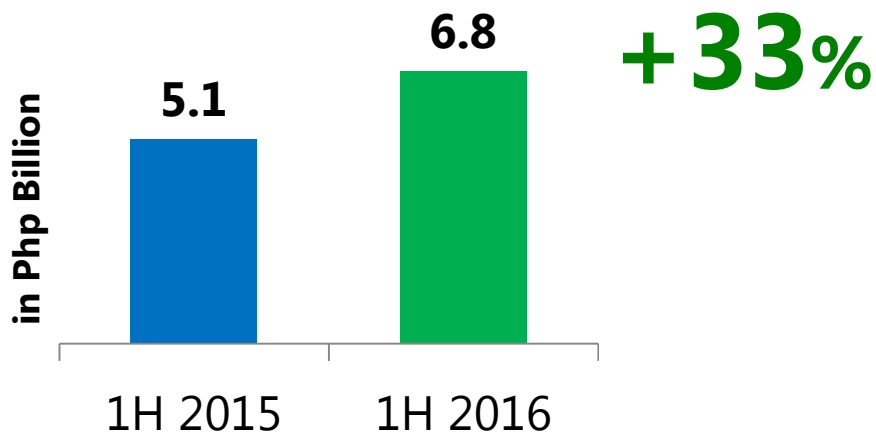


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## Revenues



## Net Income ATP



- Volume growth of **+31%**  
**74,461** units (wholesale)
- Strong sales:
  - PCs: Vios and Wigo models
  - CVs: Fortuner, Hiace, Hilux and Avanza models
- Sold **14,886** units in June – highest sales record to date, of which **3,370** units came from FMC Fortuner
- Overall market share **38.5%**
- Due to higher sales volume, lower CKD parts cost (F/X translation cost) and price increases



# Toyota Dealerships



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Target by end of year	2012	2013	2014	2015	2016
Number of Dealerships	<b>32</b>	<b>42</b>	<b>45</b>	<b>49</b>	<b>55</b>

## Expansion in *Next Wave Cities* Outside Metro Manila



**Toyota Bataan**  
Opened: April 2016



**Toyota Bacoor, Cavite**  
Opened: May 2016

## 52 Dealerships as of 8 August 2016

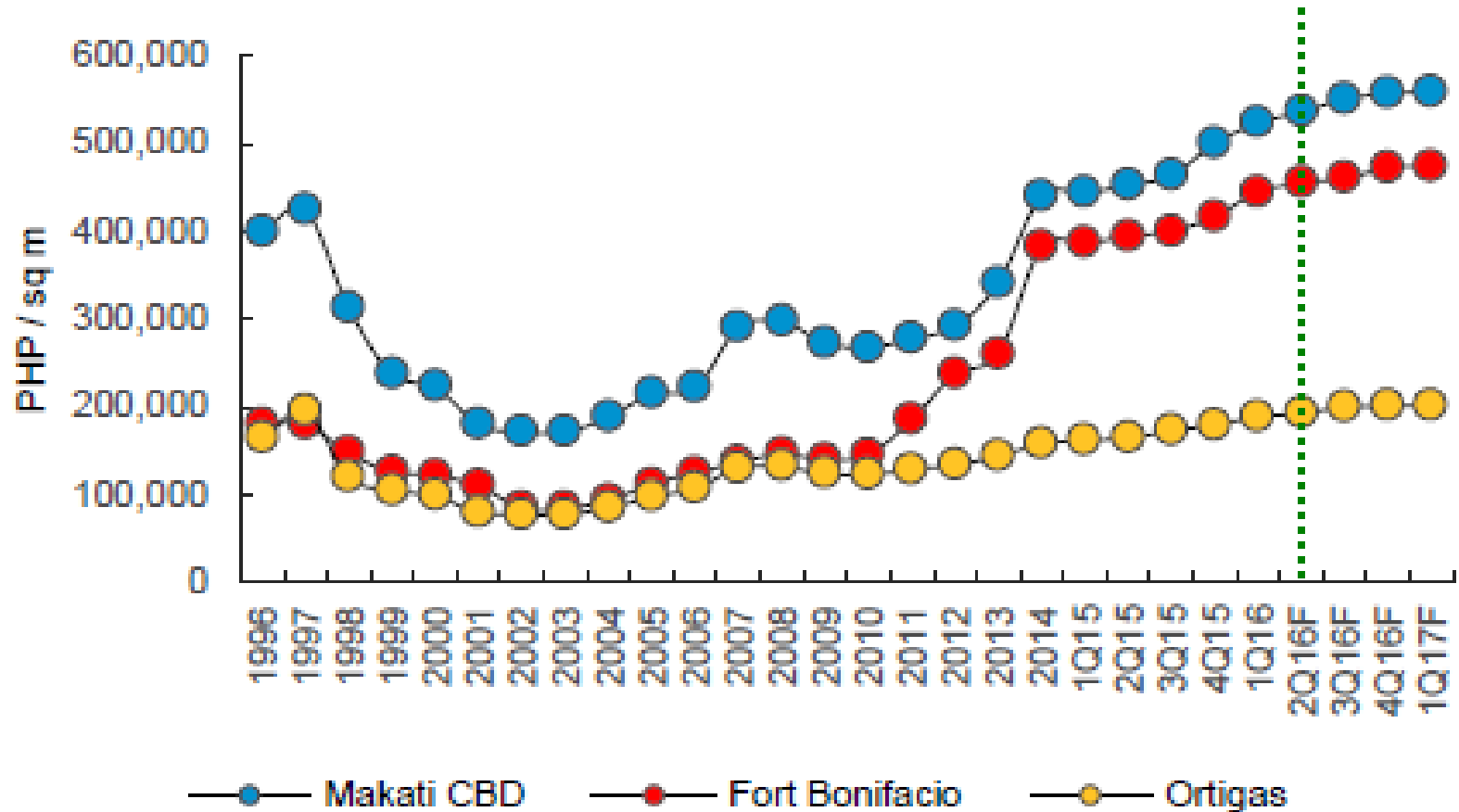
Opening soon: Angeles, Pampanga (September), Ilocos Norte (November),  
Tugueguerao, Isabela (January), Santa Rosa, Laguna (2Q 2017)



# PROPERTY DEVELOPMENT

# Land values expected to grow 5-7% in 12M

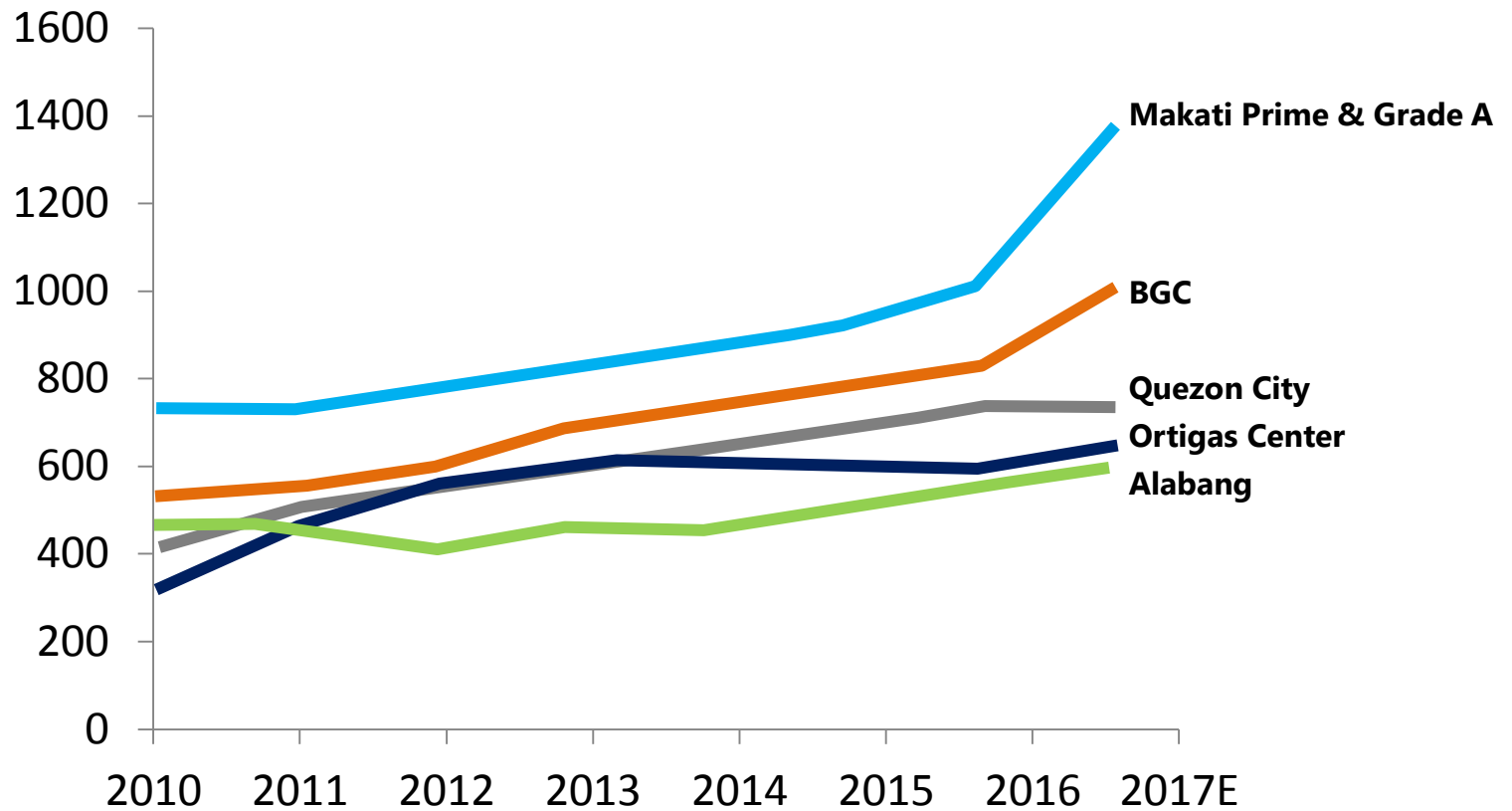
In PHP per square meter, May 2016



Source: Colliers International Philippines Research

# Metro Manila Office Rental Range

In PHP per square meter, August 2016



Source: Lee Chiu Property Consultants

# Metro Manila Condominium Supply

Number of Residential Condominium units in Metro Manila based on HLURB statistics



**28% Average Increase of units from 2001 - 2015**

Source: Housing and Land Use Regulatory Board

Source: Lee Chiu Property Consultants



# FEDERAL LAND<sup>®</sup>

GT Capital Holdings

KEEPING YOU IN MIND

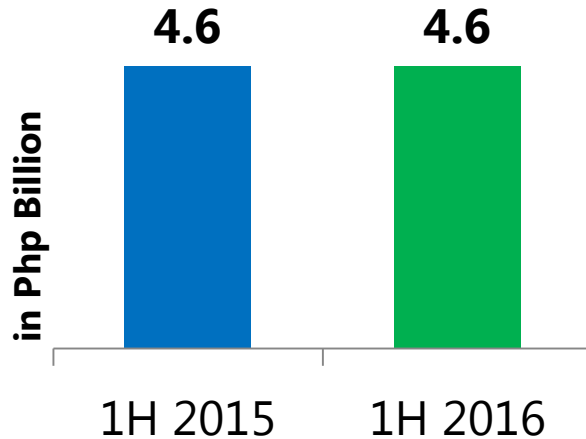


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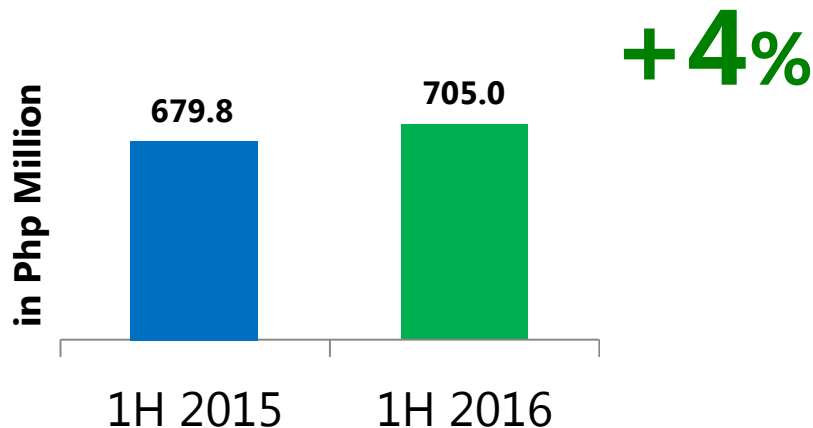


# Federal Land Financial Highlights

## Revenues



## Net Income



- Real estate sales (Php3.6B) **+1%**
- Deferred launch of new projects
- New projects launched: 2014 (5), 2015 (4) and 2016 (1) to date
- 4 projects scheduled for launch within 2H 2016
- Extensive cost planning to minimize cost variations and improve margins
- Inventory of **2,174** units
- POC improved from **31%** to **34%**
- Completed **5** projects in 2015 and 2 projects in 1H 2016
- Rent Income **+7%** due to rate escalation
- Gross profit margin increased from **34%** to **37%**



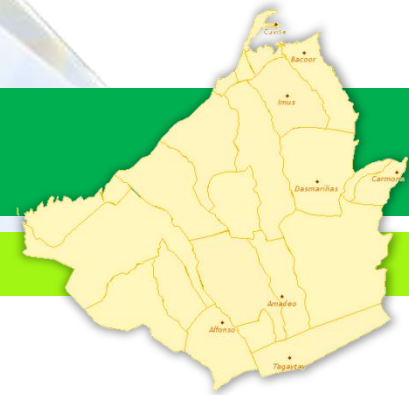
# AFFORDABLE COMMUNITIES





# Province of Cavite

## Fast Facts



Total population: **4 million** (2016 estimate)

**10** out of 23 cities/municipalities are considered “**First Class**”\* in income

**12** economic zones; most in the Philippines

**2<sup>nd</sup>** most densely populated out of 80 provinces

**Most populous province** in Calabarzon

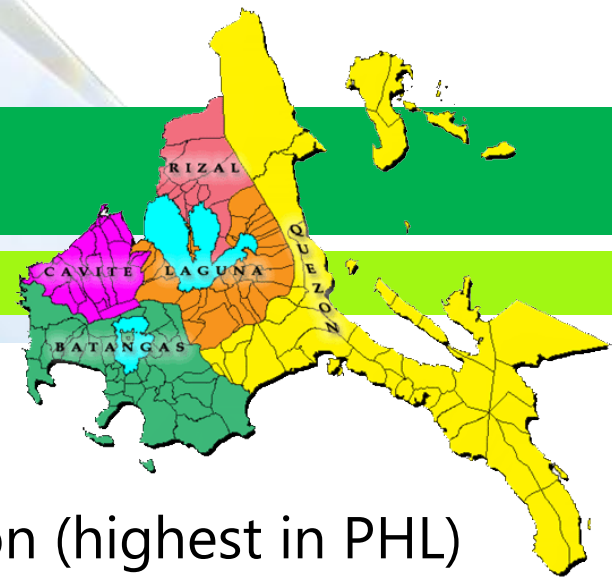
\*cities with more than Php400M in income per year;  
municipalities with more than Php65M in income per year

Area	
Total	1,574.17 km <sup>2</sup> (607.79 sq mi)
Land	1,426.06 km <sup>2</sup> (550.60 sq mi)
Area rank	66th out of 80
Divisions	
Municipalities	16
Barangays	829
Congressional Districts	7

Source: Cavite Provincial Government

# Calabarzon

Fast Facts, latest data as of 2015

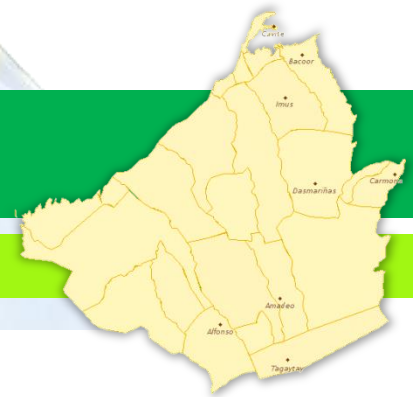


## Region IV-A

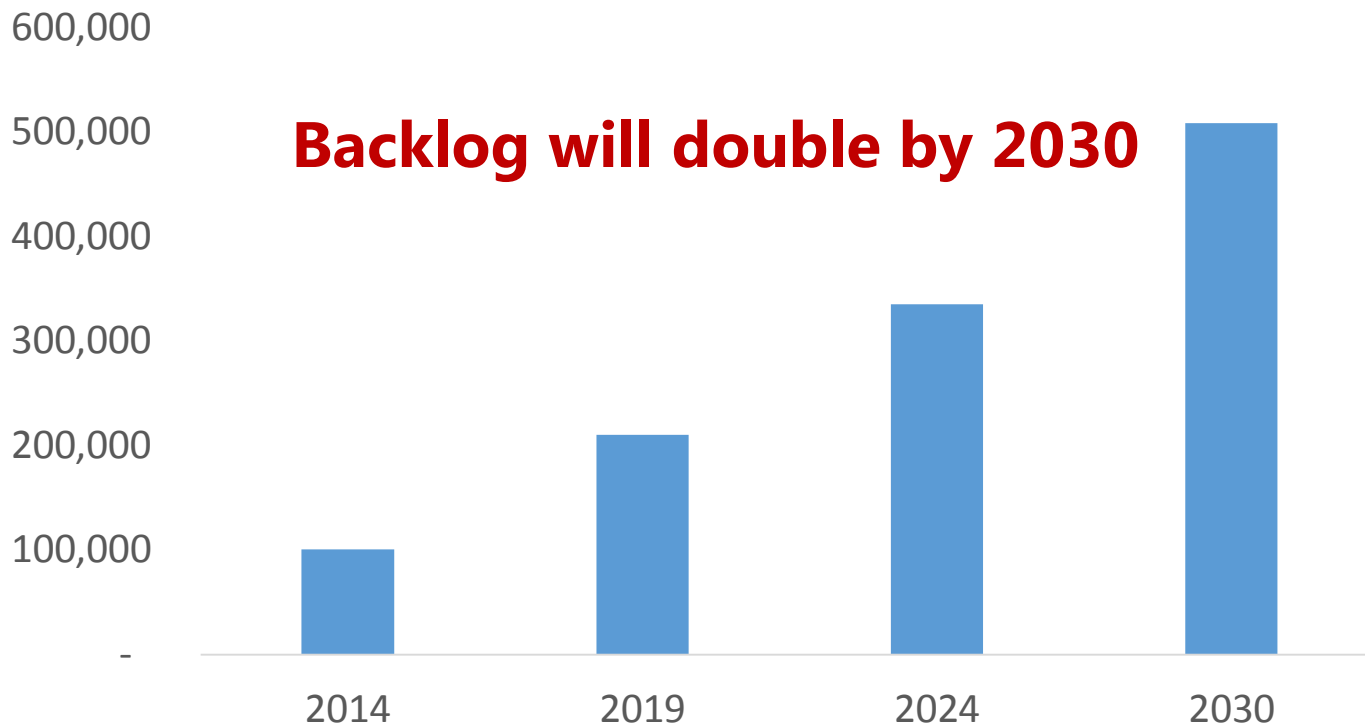
- **17.7%** of OFWs come from the region (highest in PHL)
- **2<sup>nd</sup>** Largest Contributor to **GDP** at **17.2%** (NCR 1st at 36.3%)
- **USD3,153 GDP per capita** (PHL at USD2,800, NCR at USD8,125)
- Largest Contributor to **Manufacturing** at **39.8%** (NCR 2<sup>nd</sup> at 19.5%)

Source: Cavite Provincial Government

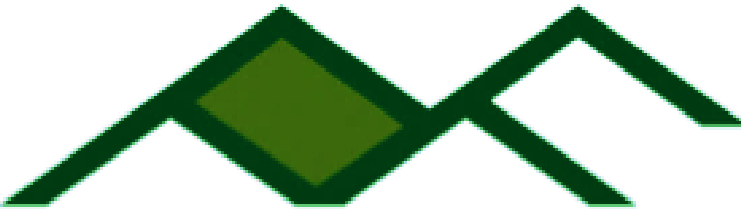
# Backlog in Cavite housing



Cavite Housing Backlog Projection  
(2014-2030)



Source: National Statistics Office, Colliers International Philippines (forecasts)



**PRO • FRIENDS**  
PROPERTY COMPANY OF FRIENDS, INC.

*Creating communities, transforming lives.*

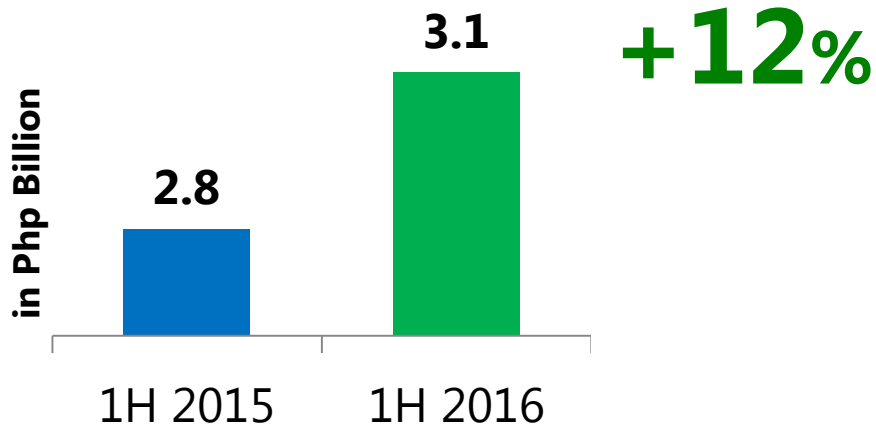


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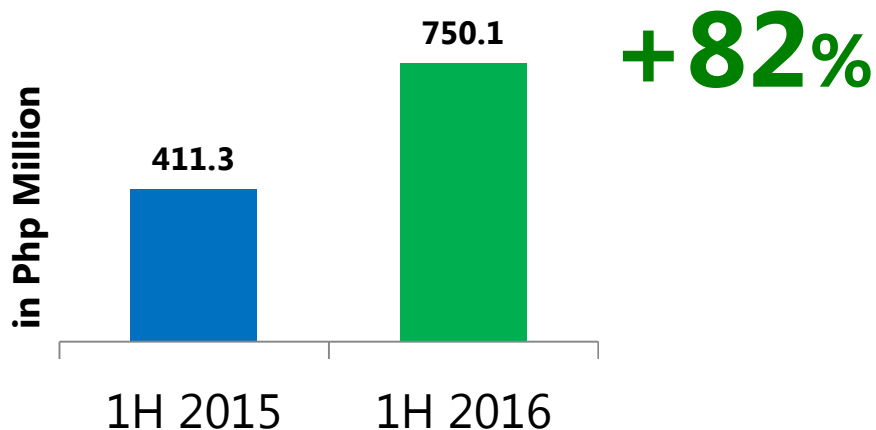


# Pro-Friends Financial Highlights

## Revenues



## Net Income



- Homes completed **+63%** from 1,824 to 2,968 units
- Average **495** units per month
- Construction in Lancaster reached **600** units in June
- Reservation sales remain healthy at **Php7.1B**
- Selling and marketing **-38%** from **Php256M** to **Php159M** due to shift in promotion strategy
- Interest Expense **-20%** due to partial debt repayment, refinancing to lower rates
- Net margins improved to **26%**

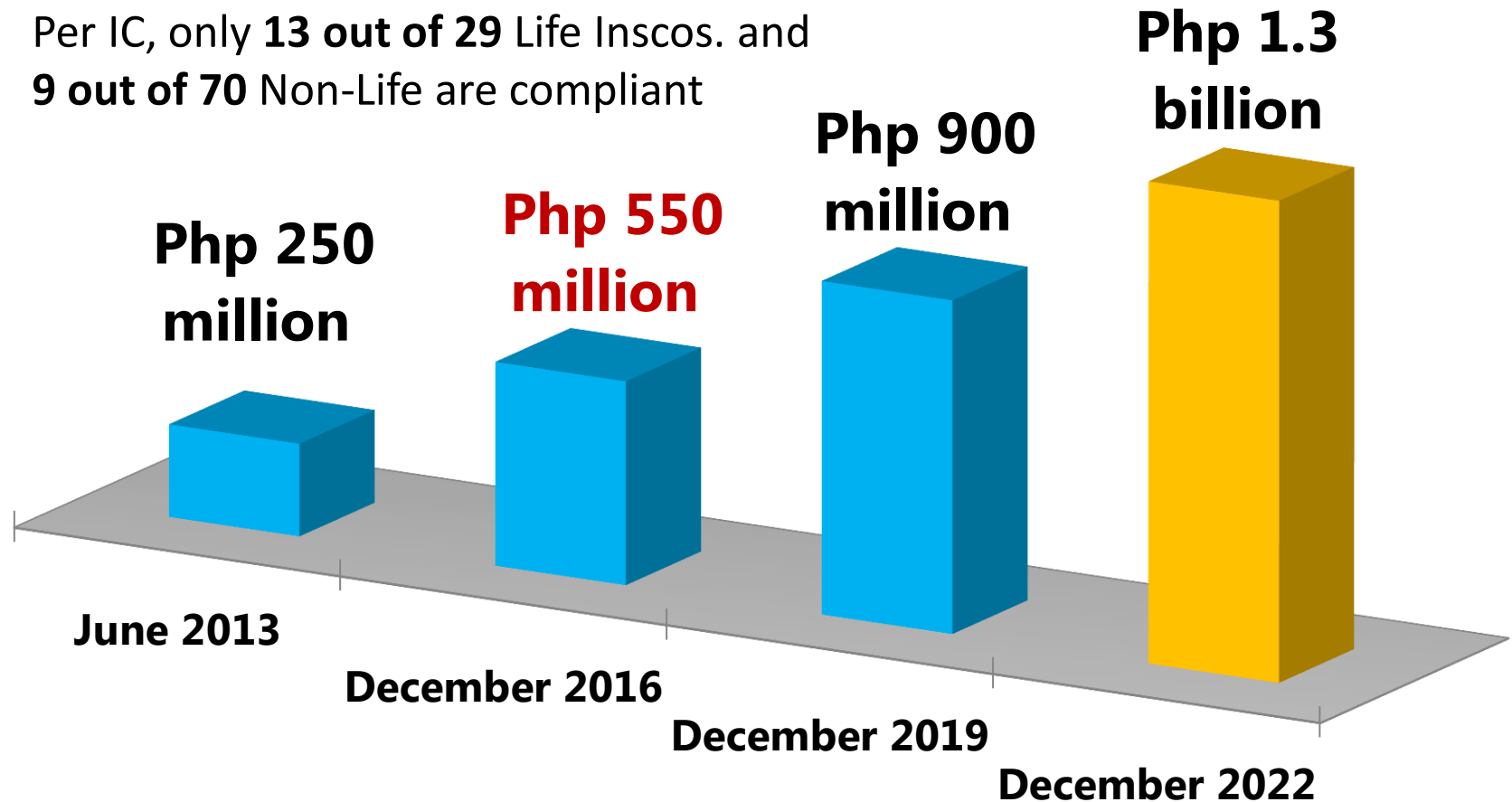


**INSURANCE**

# Paid-up Capital Requirements for Insurance Cos.

## Insurance Commission of the Philippines

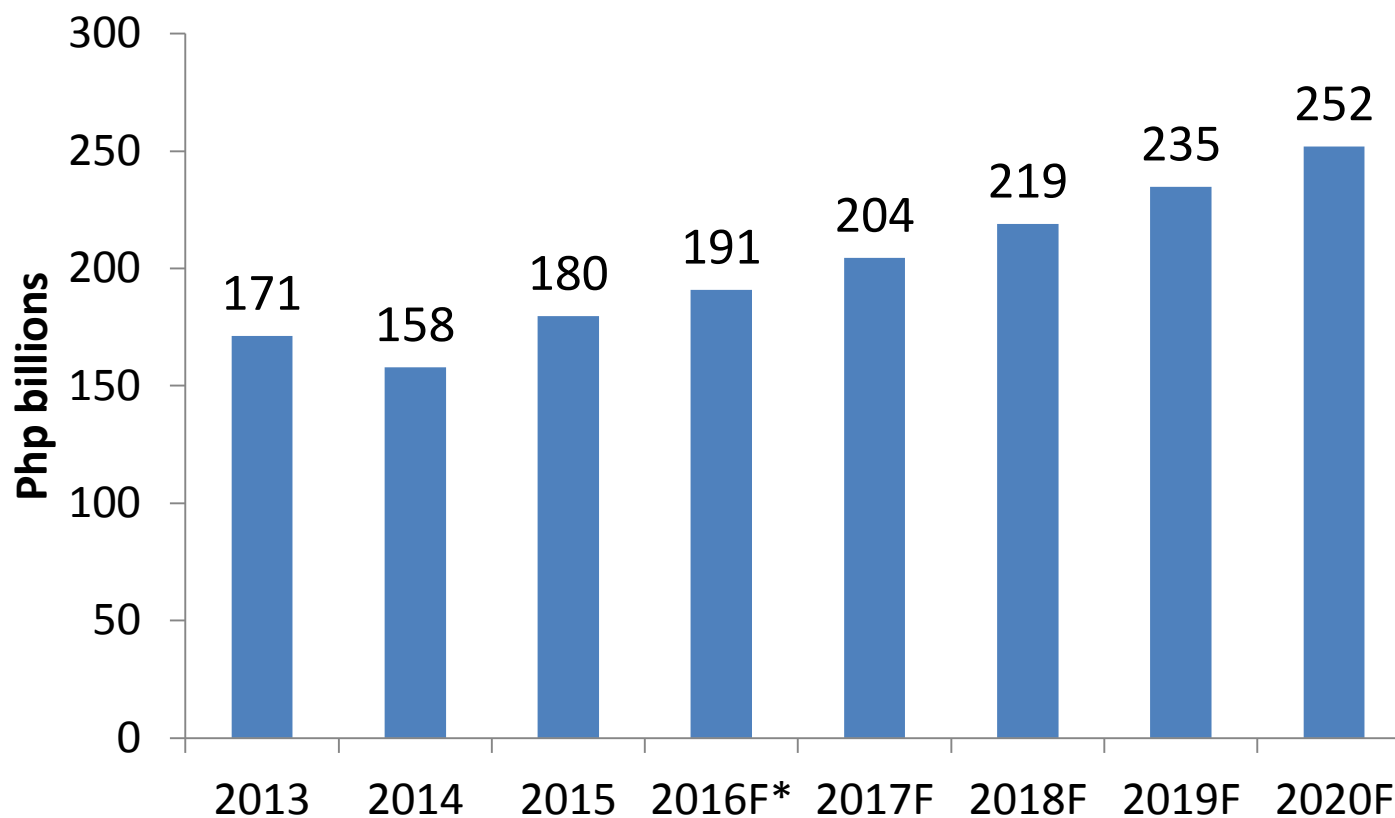
Per IC, only **13 out of 29** Life Inscos. and  
**9 out of 70** Non-Life are compliant



Source: RA 10607 or the Amended Insurance Code of the Phils., August 2013

# Gross premiums written are projected to rise

Industry-wide gross life premiums, as of December 2015



\*approx. 1.4% of GDP

Source: BMI Research, Insurance Commission





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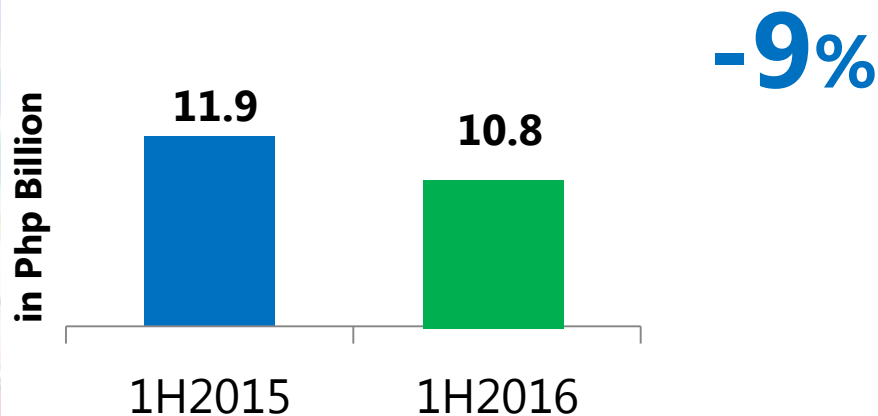


**redefining / standards**



# AXA Financial Highlights

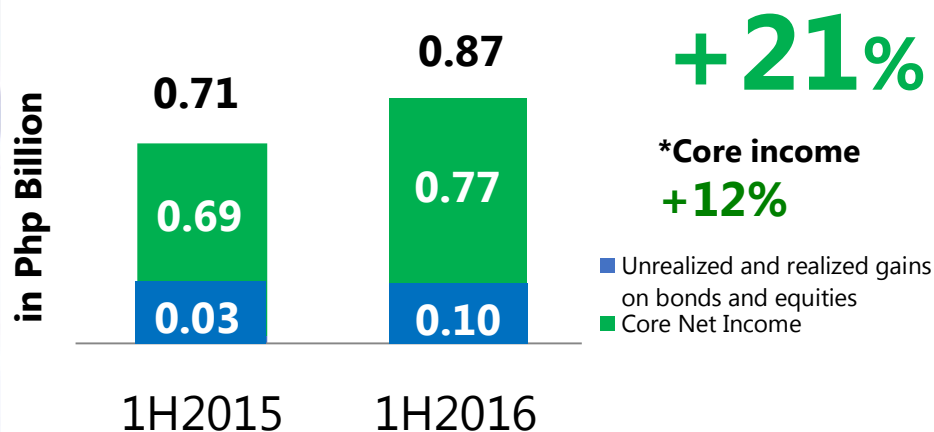
## Gross Premium



- New Business (APE) at Php2.3B in 2016 vs. Php2.4B in 2015 (**-3%** vs. last year)
  - Single Premium **-39%** due to lower demand for unit-linked products
  - Regular Premium **+25%**

- Single and Regular Premium product mix - **69:31** to **51:49**

## Net Income




- Total premium margins **+3%**
- AUM **+16%** asset management fees **+20%**
- Realized gains Php46M
- Gains on bonds and equities Php49M

\*includes CPAIC effective April 1, 2016



# INFRASTRUCTURE AND UTILITIES



World Economic Forum  
**Global Infrastructure  
Competitiveness Rankings 2015**

ranking of 144 countries

Based on a survey of over 14,000 business leaders in 148 economies between February and June 2014

# Global Infrastructure Competitiveness Rankings

**Philippines**  
out of 144 countries

**Roads**

**Railways**

**Ports**

**#87**

**#89**

**#116**

# Global Infrastructure Competitiveness Rankings

## Philippines

out of 144 countries

**Fixed Telephone**

**#109**

**Mobile Phone**

**#81**

# Global Infrastructure Competitiveness Rankings

**Philippines**  
out of 144 countries

**Power**

**#93**

**Airports**

**#113**

New administration aims to increase  
infrastructure spending to

**7** % of GDP  
from 3% at present







**METRO  
PACIFIC**  
INVESTMENTS

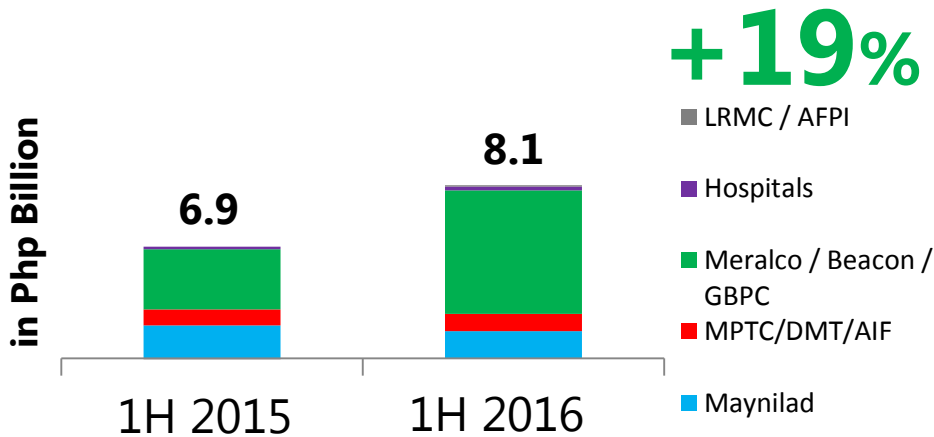


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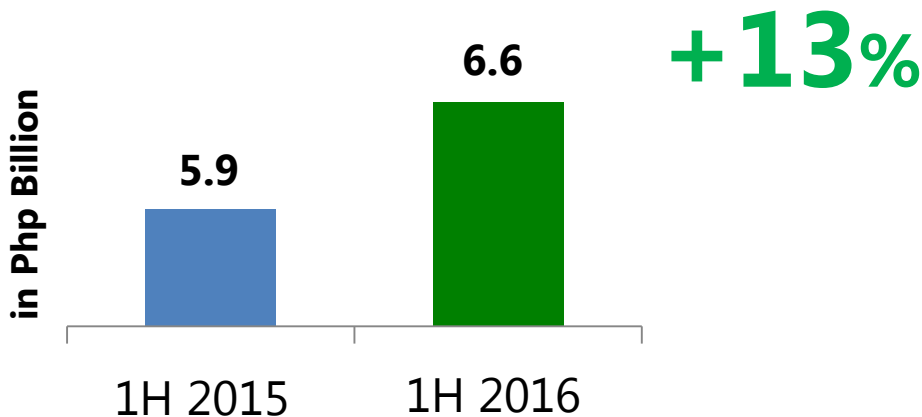


# Metro Pacific Financial Highlights

## Share in Operating Net Income (Core)



## Core Net Income



- Acquisition of GBPC through Beacon
- Meralco
  - Energy sales **+11%**
  - Increased direct equity stake from 32.5% to **41.2%**
- Water
  - Billed volume **+4%**
  - Expiration of ITH
- Toll Roads
  - Increase in average daily traffic in NLEX **+9%**, Cavitex **+6%**, and SCTEX
- Hospitals
  - increase in gross revenues from existing and new hospitals **+25%**
  - out-patient **+31%**
  - in-patient **+25%**
  - Cost control
- Equity accounting net income for GT Capital for 1 month at **Php389M**



**GT CAPITAL**  
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**Fulfilling the Promise  
of Creating Value**



# **STRATEGIC INITIATIVES**

# Strategic Merger of Toyota Dealerships



GT CAPITAL  
HOLDINGS INCORPORATED



**TOYOTA MANILA BAY CORP.**  
THE DEALER OF CHOICE



Toyota Manila Bay



**TOYOTA MANILA  
BAY GROUP**

- **7 March 2016**
- **Economies of scale**
- **Take advantage of synergies**



# Strategic Acquisition



redefining / standards



GT CAPITAL  
HOLDINGS INCORPORATED

**stronger**  **together**



redefining / standards



## Completed in **April 2016**

**Php2.3  
billion**

**for 100%  
of Charter  
Ping An**

# Strategic Acquisition



redefining / standards



GT CAPITAL  
HOLDINGS INCORPORATED

**AXA** is the world's  
#1 insurance brand

**AXA PH** now in  
both life & nonlife

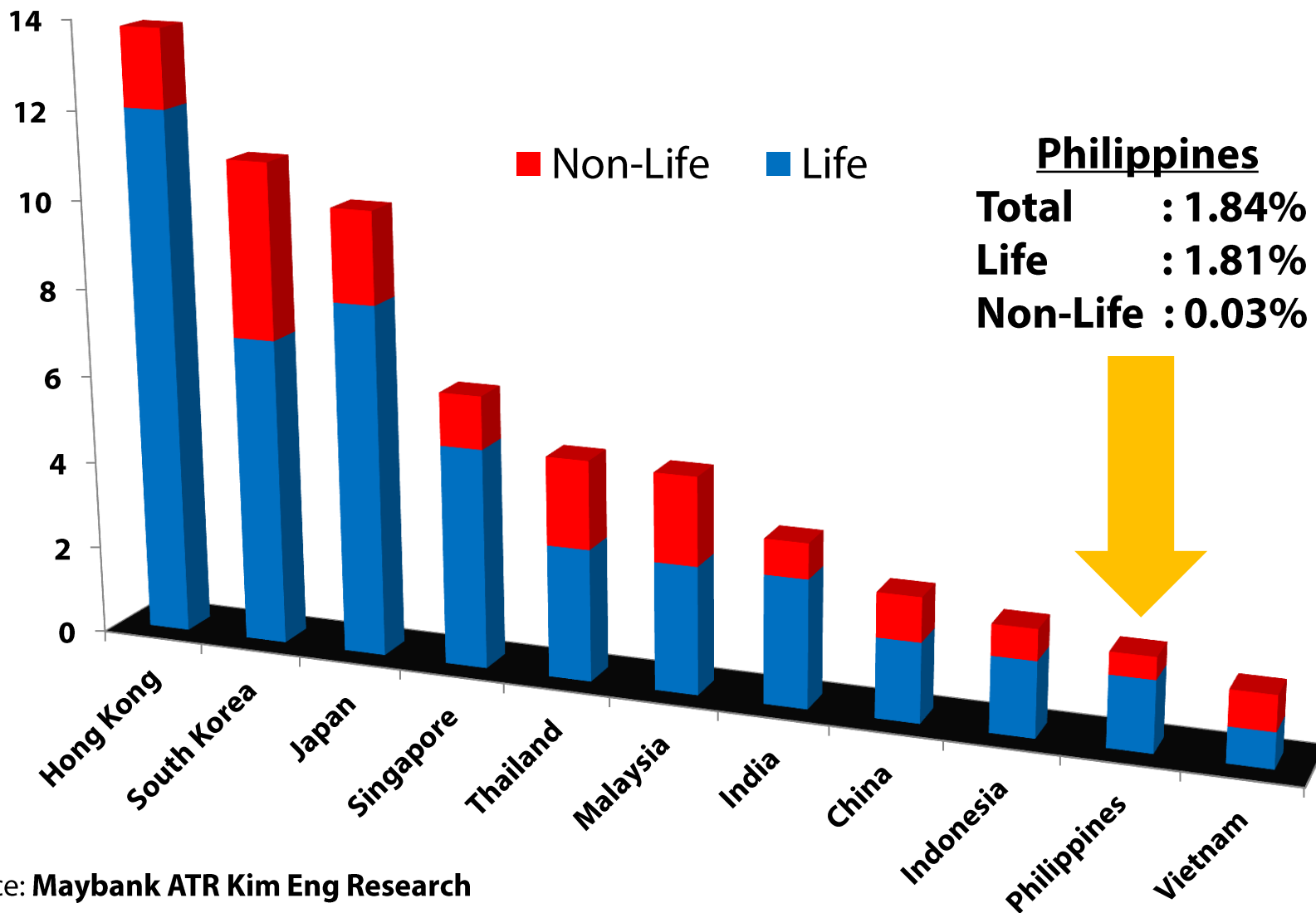
**More complete**  
bancassurance  
offering

**Synergy** leads to  
cost efficiencies  
(reinsurance costs)

**Faster** insurance  
sector growth

# The Insurance Sector

## Insurance Penetration as % of GDP



## Sell-Side

On 27 May 2016, GT Capital sold **56%** of Global Business Power to MPIC affiliate **Beacon Powergen Holdings** for **Php22 billion**.



**gbp**  
GLOBAL BUSINESS POWER

**METRO  
PACIFIC**  
INVESTMENTS





**Buy-Side**



**15.55%**

**Php22 billion**

**11.43%**  
primary shares

**4.13%**  
secondary shares

**Php7.9 billion**

**METRO PACIFIC INVESTMENTS**

**METRO PACIFIC HOLDINGS INC.**

**@ Php6.10 per share**

# Accounting Criteria for "Significant Influence"



**Two** board seats



Joint selection of an  
**Independent Director**



**Representation in board committees**

**Entitled to nominate 1/3 members in each of the:**  
Audit, Risk Management, Corporate Governance committees



**Veto rights on certain corporate acts:**  
declaration/payment of any dividend, adoption of annual budget or business plan, capital calls, and any amendment to such

## Rationale

- Diversification of power investments in the Visayas into the high-growth **infrastructure and utilities sectors**
- Many of MPIC's ongoing PPP projects **are in Cavite**, home to Pro-Friends' **Lancaster New City**
- Set up of Logistics subsidiary (MetroPac Movers, Inc.) will create opportunities for logistics hub
- Synergies (vehicle sales, staff housing, mortgage loans, utility connections, insurance, etc.)
- Cross-selling of GT Capital products into MPIC subsidiaries





6

NLEX-SLEX Connector Road

NAIA Expressway

Skyway Extension

2



Cavitex

4



C-5 South Link

1



CALAX

3

LRT-1 Extension

1,600 hectares



EPZA

CALAX Exit

LRT-6

MCX

SLEX

5



Aveia Federal Land/ Alveo

EPZA

# Completion of Acquisition



GT CAPITAL  
HOLDINGS INCORPORATED

- Acquired **22.68%** of Pro-Friends for **Php7.24 billion** (first tranche) in August 2015
- Completed acquisition of a **51%** stake in Pro-Friends in June 2016
- A leading brand in affordable economic property development
- Complements Federal Land's mid-to-high end vertical residential projects and master-planned communities



# The Road Ahead

In June 2016, GT Capital Auto Dealership Holdings, Inc. (GTCAD) was incorporated to establish a new Toyota dealership in SBMA (Subic Bay), Olongapo City.



**GT CAPITAL**  
HOLDINGS INCORPORATED



**Thank You!**

First Half Briefing 2016



**GT CAPITAL**  
HOLDINGS INCORPORATED

**Fulfilling the Promise  
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**FIRST HALF 2016**

**ANALYSTS AND MEDIA  
BRIEFING**

**08 AUGUST 2016**