

# Investor Update

## FINANCIAL RESULTS

### FULL YEAR 2016



**GT CAPITAL**  
HOLDINGS INCORPORATED



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Joey Crisol  
FVP/Head of Investor Relations & Corp Comm  
jose.crisol@gtcapital.com.ph

Jaydie Dilidili (Ms.)  
Corp Comm Manager  
jaydielou.dilidili@gtcapital.com.ph

Louis de Jesus  
Investor Relations Officer  
david.dejesus@gtcapital.com.ph

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HOLDINGS INCORPORATED

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# Strategic Direction/Corporate Objectives



## ***Synergy***

Toyota Unit Sales through MBT/PSBank auto loans/TFS lease-to-own package

Fed Land & Pro-Friends home mortgages by MBT/PSBank

AXA Bancassurance through MBT/PSBank branch network

Motor vehicle insurance

Cross-selling of GT Capital products into MPIC subsidiaries



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## ***New Sectors***

New strategic partners

Retail

Infrastructure

Logistics

Tourism

## ***Expansion in Existing Sectors***

- ✓ TMP/MBT expansion in Next Wave Cities
- ✓ Wider property sector product offerings (from Pro-Friends' affordable/economic to Fed Land's upper mid-end)
- ✓ Master-planned communities
  - Retail spaces
  - BPO/Commercial space



# GT Capital Corporate Profile



GT Capital directly owns market-dominant businesses in underpenetrated sectors of the Philippine economy, namely banking; automotive assembly, importation, dealership, and financing; infrastructure; property development; and life- and non-life insurance.

**Banking**

**Auto Assembly and  
Importation,  
Dealership, and  
Financing**

**Infrastructure  
and Utilities**

**Property  
Development**

**Life & Non-Life  
Insurance**

**Listed on the PSE since April 2012**

**Included in PSEi 16 September 2013**

**Included in FTSE All World Index 21 March 2014**

**Included in MSCI Philippine Index 29 May 2015**

**Market Cap peak 10 Aug 2016: Php282 billion**

## Strategic Partnerships with Best-of-Class Brands



**MITSUI & CO., LTD.**



**GRAND | HYATT**

# GT Capital Component Companies



- 1** Strongest bank in the Philippines for 2016 according to *The Asian Banker*
- 2** Second largest Philippine bank by assets, equity, and loan book as of end-2016
- 1** No. 1 bank in net interest margins (NIMs) as of 2016



- ❖ Over **40 years experience** in vertical, residential property development
- ❖ Track record of **landmark developments** with 36 ongoing projects (as of end –Dec 2016)
- ❖ Nearly 100 has. of land bank in prime locations



- 1** Market leader in auto financing for Toyota vehicles with market penetration rate of 17% as of end-Dec 2016
- ❖ 15-year track record in auto lease financing
- ❖ Strategic partnership with Toyota Financial Services of Japan



- 1** **Largest automotive company** in the Philippines, maintaining 39% market share as of end-2016
- 1** **Highest** passenger car, commercial vehicle, and overall **sales** annually since 2002
- 1** **Triple Crown** winner for 15 consecutive years 2002 – 2016



- ❖ Strategic contiguous land bank of over **2,000 hectares**
- ❖ Established footprint in horizontal, affordable and low-cost housing
- ❖ Presence in Next Wave Cities (Cavite, Iloilo, Cagayan de Oro)



- 1** Owns **MERALCO**, the Philippines' largest power distribution company
- 1** Owns **GLOBAL BUSINESS POWER**, one of Visayas' largest power generation companies
- 1** Owns **MAYNILAD WATER**, Metro Manila's widest water distribution network
- 1** Owns **METRO PACIFIC TOLLWAYS**, which manages the Philippines' widest toll road network

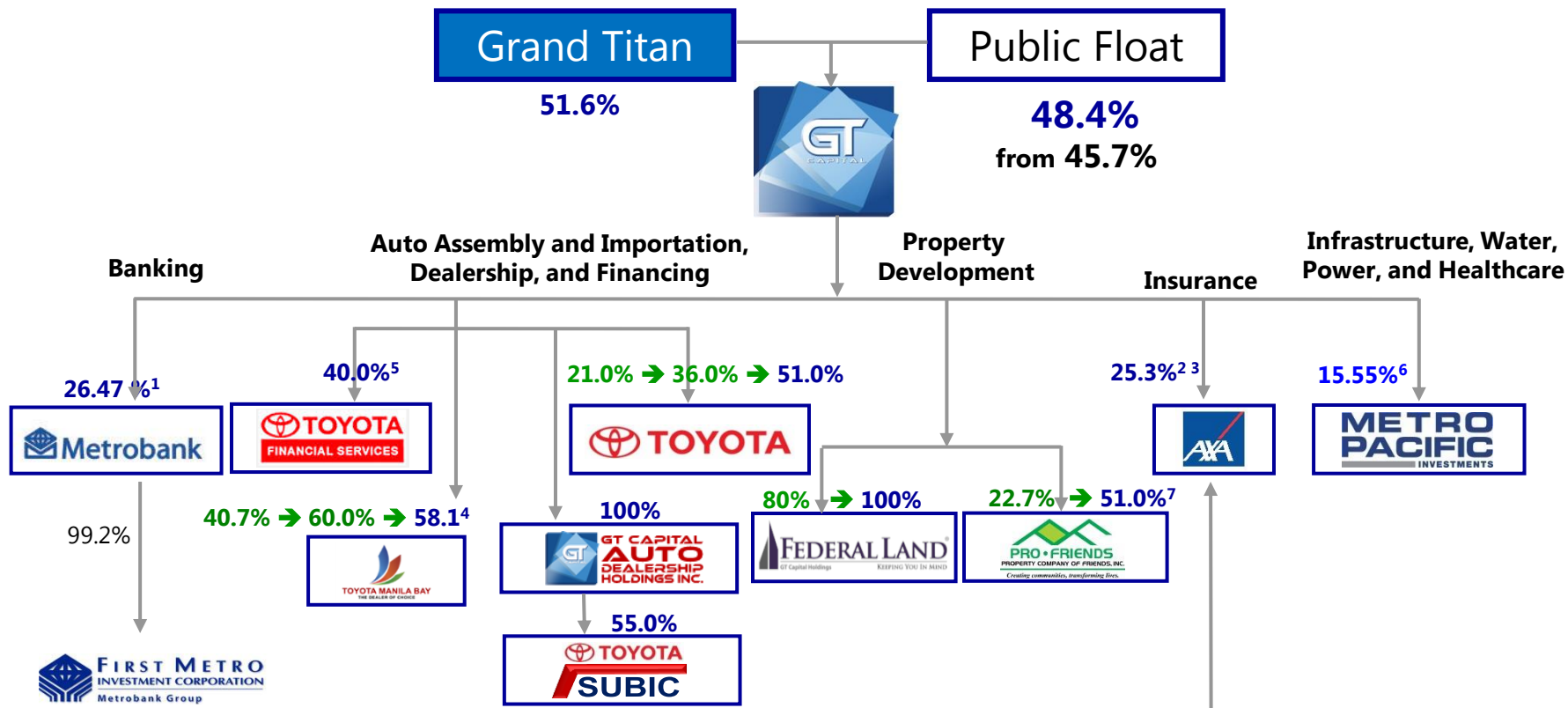


- 2** Second largest life insurance company in terms of gross premiums as of end-2016
- 1** Pioneer in bancassurance
- 1** Pioneer in Health and Protection products
- ❖ Strong bancassurance synergies with Metrobank and PSBank involving 925 branches



- ❖ Combined penetration rate of 14% among Toyota dealers as of end-Dec 2016
- ❖ Network of 5 dealer outlets
- ❖ Strategic partnership with Mitsui & Co. of Japan

# Current Corporate Ownership Structure



<sup>1</sup> Free float (49%), Ty family - related entities (24%)

<sup>2</sup> AXA SA (45%), FMIC (28%), Others (2%)

<sup>3</sup> In April of 2016, AXA Philippines completed its acquisition of 100% of Charter Ping An Insurance Corp. from GT Capital.

<sup>4</sup> Acquired 40.7% in December 2013 from Ty family - related entities; acquired remaining 19.3% in March 2014 from FMIC. On 7 March 2016, Toyota Manila Bay Corp. and Toyota Cubao, Inc. merged, with Toyota Manila Bay Corp. (TMBC) as the surviving entity.

<sup>5</sup> Acquired 40% on August 2014 from Metrobank and PSBank

<sup>6</sup> Acquired 11.43% of MPIC primary common shares and 4.13% of secondary common shares from Metro Pacific Holdings, Inc.

<sup>7</sup> On June 30, 2016, GT Capital subscribed to an additional Php 8.7B worth of shares, increasing its stake to 51.0%.

# Financial Highlights FY 2016



**Consolidated Net Income**

**+21%**

**Php14.6 billion**

Php12.1 billion 2015

**Revenues**

**+44%**

**Php202.1 billion**

Php139.9 billion 2015

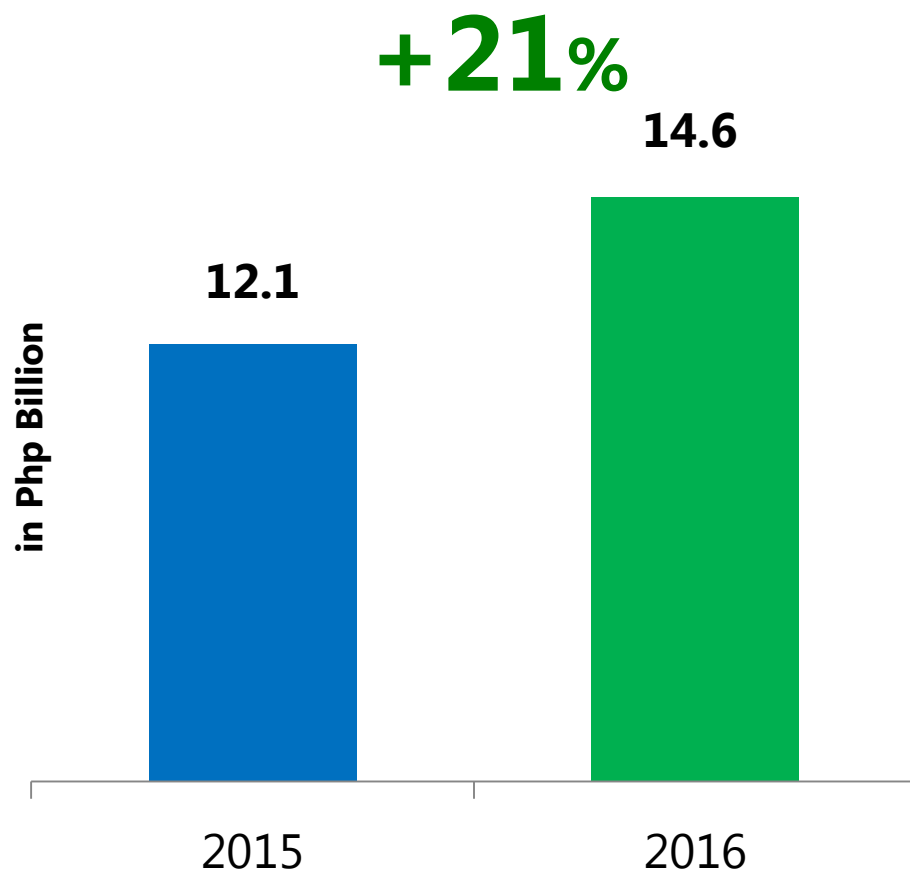
TMP & TMBC - Auto Sales (TMP - Php155.8B)	Php	<b>177.7 billion</b>	<b>+47%</b>
GBP – Net Fees (up to May 31, 2016)	Php	<b>6.8 billion</b>	
FLI & PCFI - Real Estate Sales and Interest income on Real Estate Sales (PCFI revenue contribution Php6.9B or 50% of total)	Php	<b>13.9 billion</b>	<b>+34%</b>
Equity in net income of associates (MPIC net income Php1.1B)	Php	<b>8.3 billion</b>	<b>+13%</b>
Gain on disposal of GBP (Php3.4B), CPAIC (Php257M) and TMBC merger (Php73M)	Php	<b>3.8 billion</b>	



# GT Capital FY 2016 vs FY 2015 Comparative



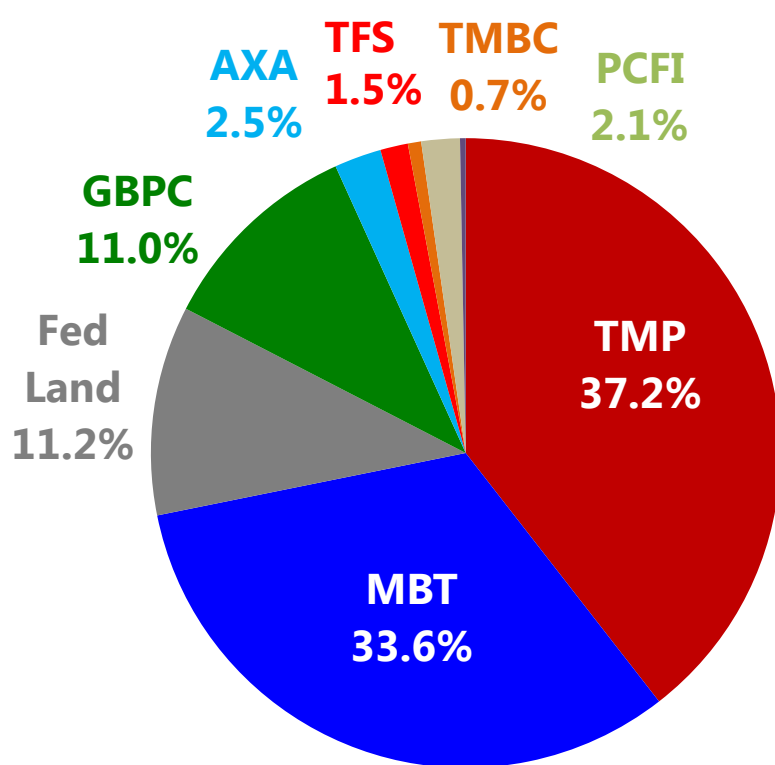
## Consolidated Net Income



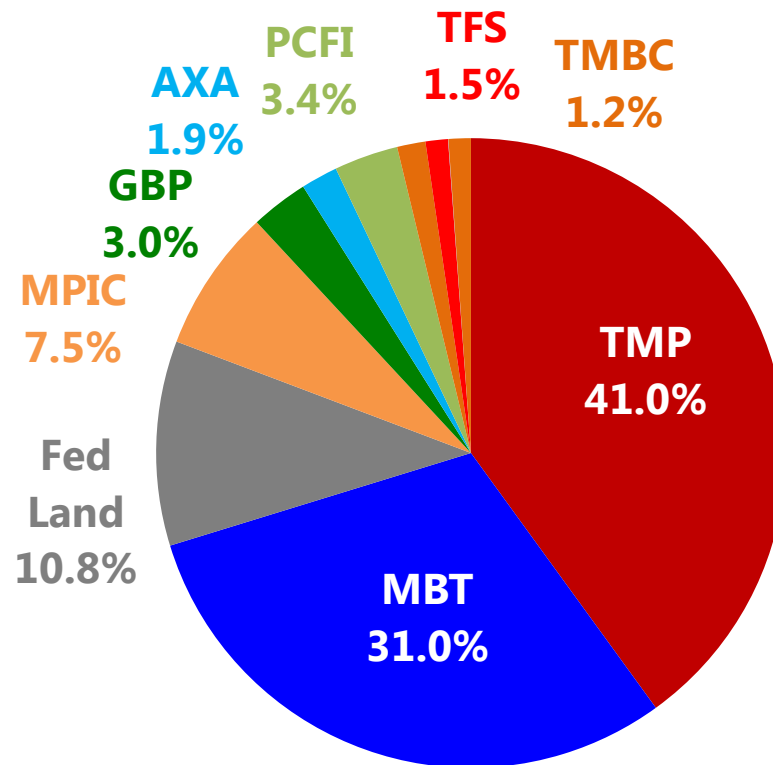
- TMP **+16%**
- MBT **+1%**
- AXA Conso NI **Php1.1B -18%** (AXA: **Php1.7B** +20% CPA: **Php536M**)  
- CPA: Typhoons and fire losses **Php443M**
- FLI **-13%**
- GBPC NI contribution **Php451M** (5 months)
- MPIC NI contribution **Php1.1B**
- PCFI NI contribution **Php446M\***
- Gain on sale of GBPC (**Php3.4B**); sale of CPAIC (**Php179M**) and TMBC merger (**Php73M**)
- CPA reinsurance cost **Php198M**

\*Net of FV adjustment (**Php51M**)

# GT Capital Net Income Contribution



2015



2016



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# Peer Banks Highlights

**+17% industry growth**

**Total Loans (Php Billion)**

**+14%**

**+20%**

**+20%**

1,574

**1,061**

1,050

**BDO**

**MBT**

**BPI**

**Total Deposits (Php Billion)**

1,905

1,433

**1,389**

**BDO**

**BPI**

**MBT**

**Net Interest Margin – NIMs (%)**

**3.54%**

3.20%

2.85%

**MBT**

**BDO**

**BPI**

**+5% industry growth**

**CASA Deposits (Php Billion)**

**+21%**

**+14%**

**+21%**

1,382

1,052

**846**

**BDO**

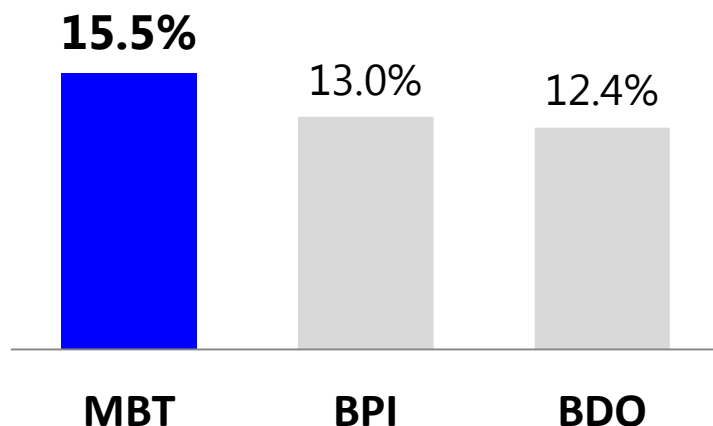
**BPI**

**MBT**

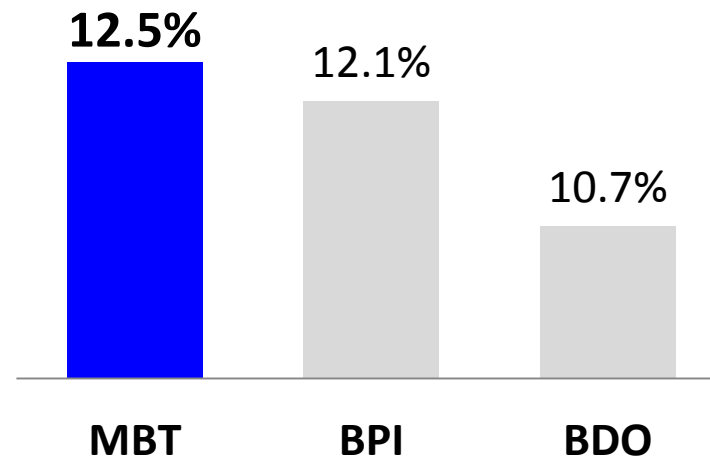


# Peer Banks Highlights

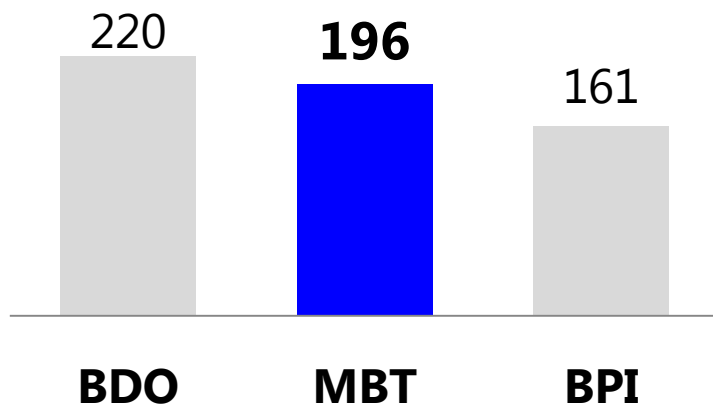
## Total Capital Adequacy Ratio (%)



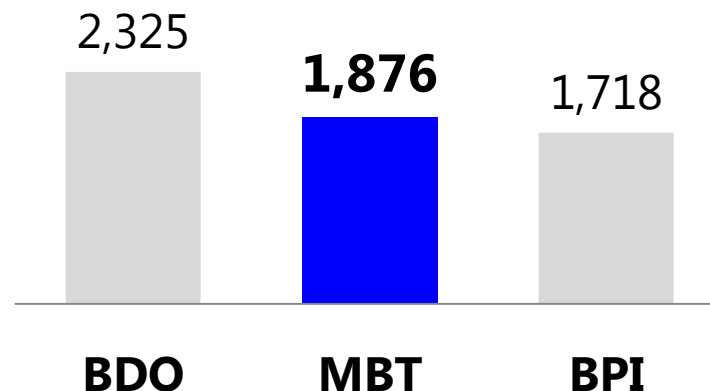
## Common Equity Tier 1 (CET1) Ratio (%)



## Total Equity (Php Billion)



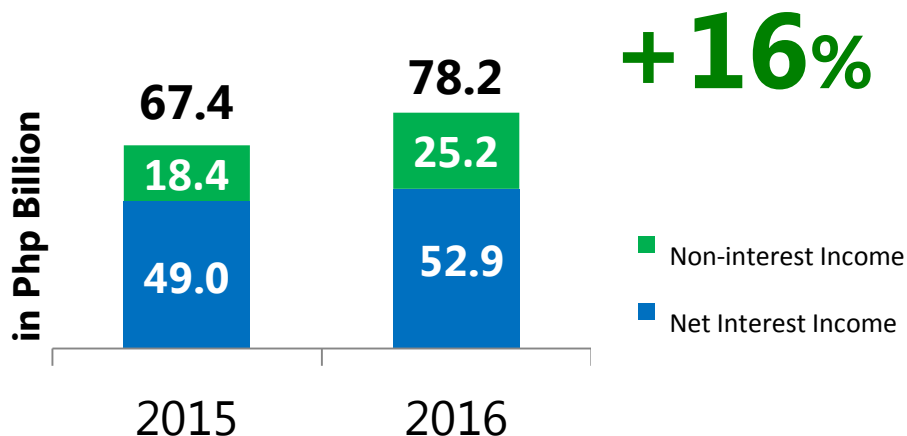
## Total Assets (Php Billion)



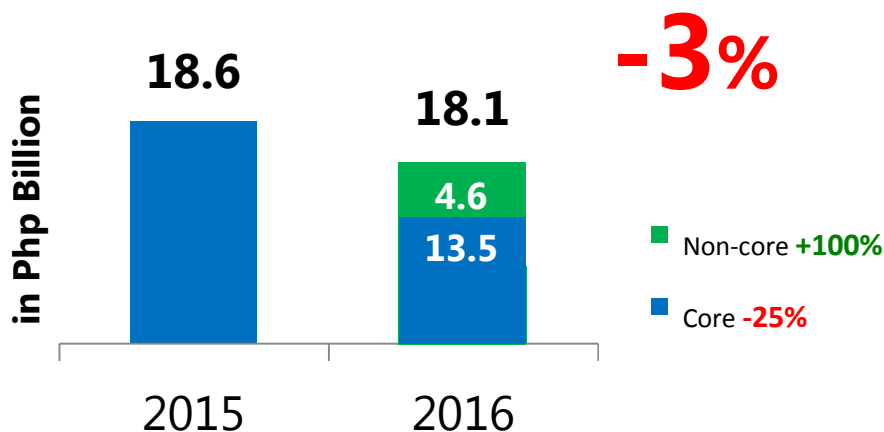
# Metrobank Financial Highlights



## Operating Revenues



## Net Income



- Sustained volume growth: loans **+20%** and CASA **+21%**
- Strategic re-balancing of asset mix
  - Investments: from **28%** to **19%**
  - Loans: from **50%** to **57%**
- CASA deposit/total deposit from **56%** to **61%**
- Net interest income **+8%** (68% of total operating revenue)
- Non-interest income **+37%**
  - Trading/FX gains **+352%**
  - Trust **+9%**
  - Fees/commissions **+5%**
- NIM steady at **3.54%**
- Provisions for credit and impairment losses **Php7.3B** of which mandatory (Php1.7B), auto (Php3.0B)

# Metrobank Financial Highlights



## CASA (Php Billion)

701

846

+21%

FY 2015

FY 2016

## Loans and Receivables (Php Billion)

887

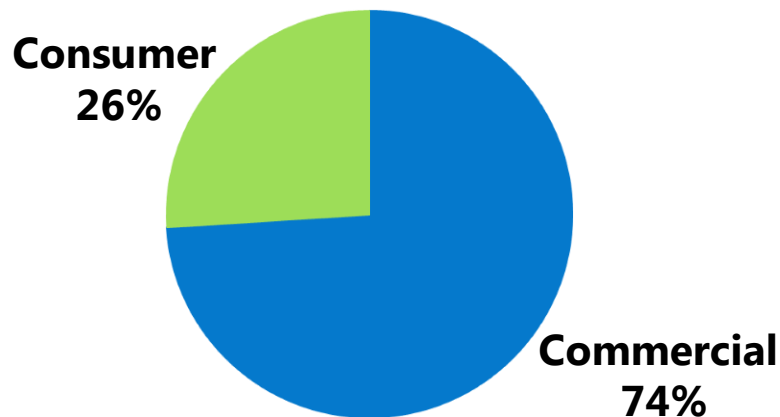
1,061

+20%

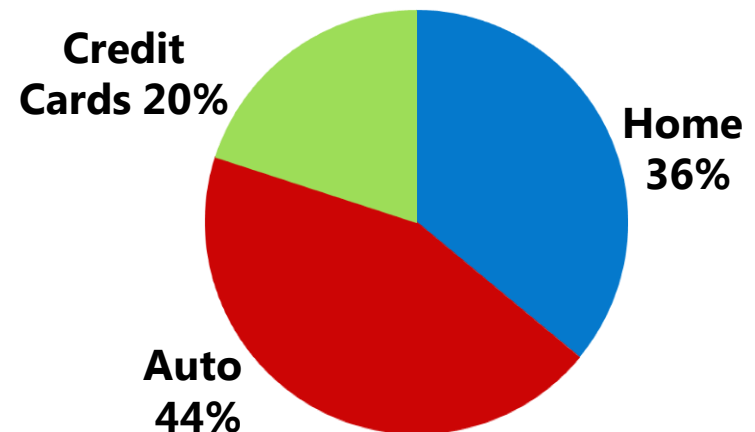
FY 2015

FY 2016

## Total Loan Portfolio Breakdown



## Consumer Loan Portfolio Breakdown





**TOYOTA**



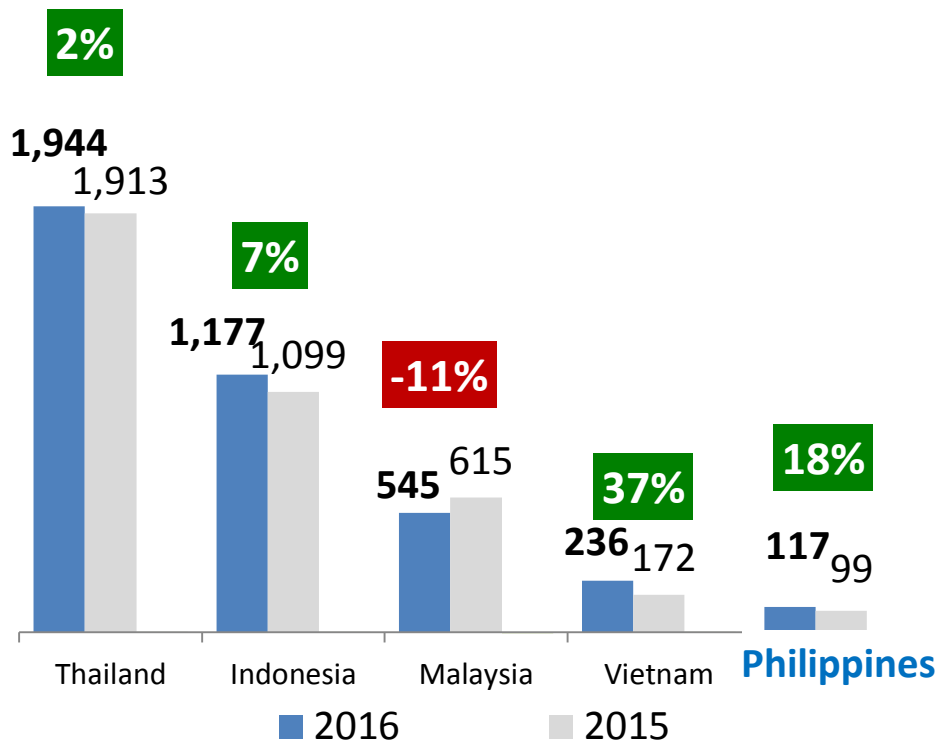
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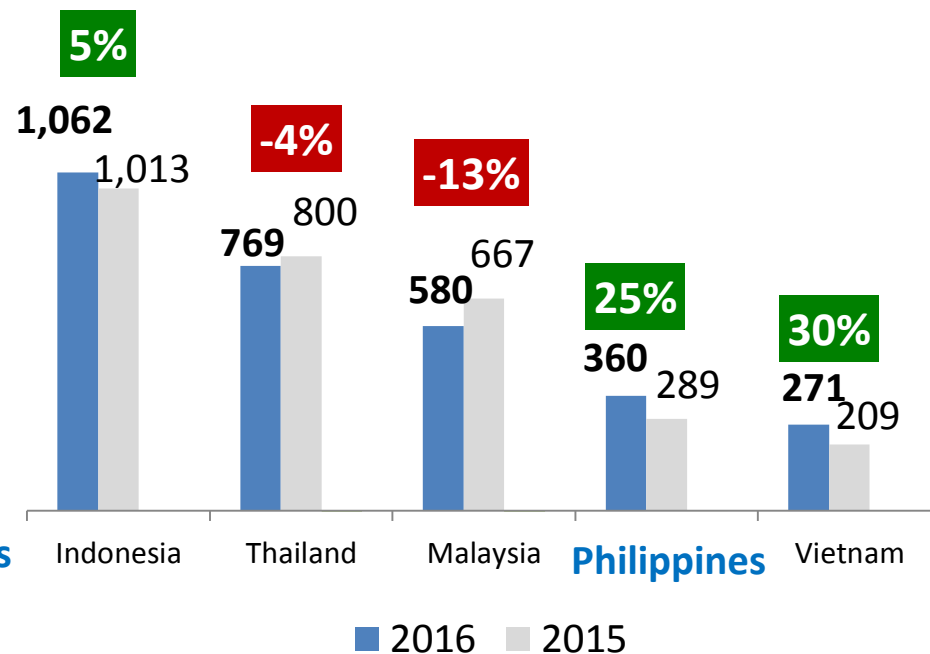
# Automotive Industry Updates



## Car Production in Units ('000) FY 2016 vs FY 2015



## Domestic Sales in Units ('000) FY 2016 vs FY 2015



## Incentives



**Model Life**

**Budget**

**Maximum amount of  
incentive given to each  
participant**

**In the form of  
tax incentive  
certificates**

**40%**

### **Fixed Investment Support (FIS)**



Body Shell  
Assembly



Large Plastic  
Assemblies

**12.5% to 30%**



Common  
Parts



Shared  
Testing Facility

**maximum 5%**

### **Production Volume Incentive (PVI)**

Dependent on **three factors**:



**Volume** produced  
in excess of 200,000



**Actual annual  
production volume**



**Size of locally-made  
high tech parts**

**60%**

**BUDGETED FOR 2016**

**₱110.75  
million**



**50mln**  
Industrial equipment



**25mln**  
innovation  
centers



**25mln**  
technical training  
& operations



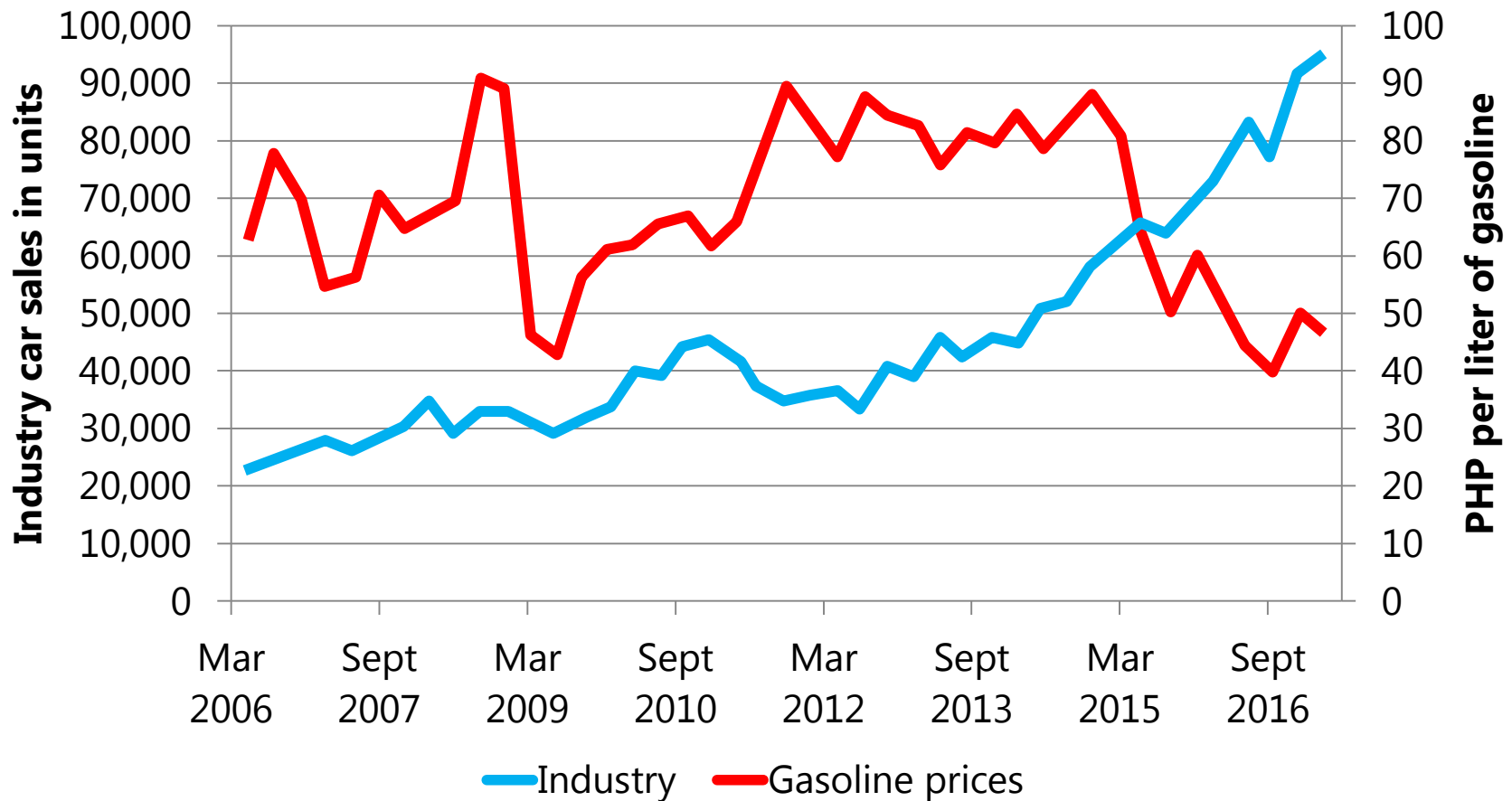
**10.75mln**  
CARS  
implementation

## Rationale and Regulations

- Aims to provide a strategic enhancement program for the Philippine auto industry to increase local content from 30% to 60%
- Manufacturing of model, body shell, large plastic assemblies, common parts, OEM parts, and shared testing facility are covered
- **Php9.0 billion** maximum incentive in the form of **tax certificates**
  - Incentive per unit of 8% of price per unit or Php45,000 per unit
  - **40%** given for tooling, equipment and training costs for the initial start-up operation (Fixed Investment Support)
  - **60%** given for volume-based incentive (Production Volume Incentive)
- Only entirely new models or full model change (FMC) units can qualify
- Minimum production volume of 200,000 units over six years (33,333 units per year or 2,750 units per month)

# Industry car sales vs. gasoline prices

**Gasoline prices erratic; auto sales not as volatile**

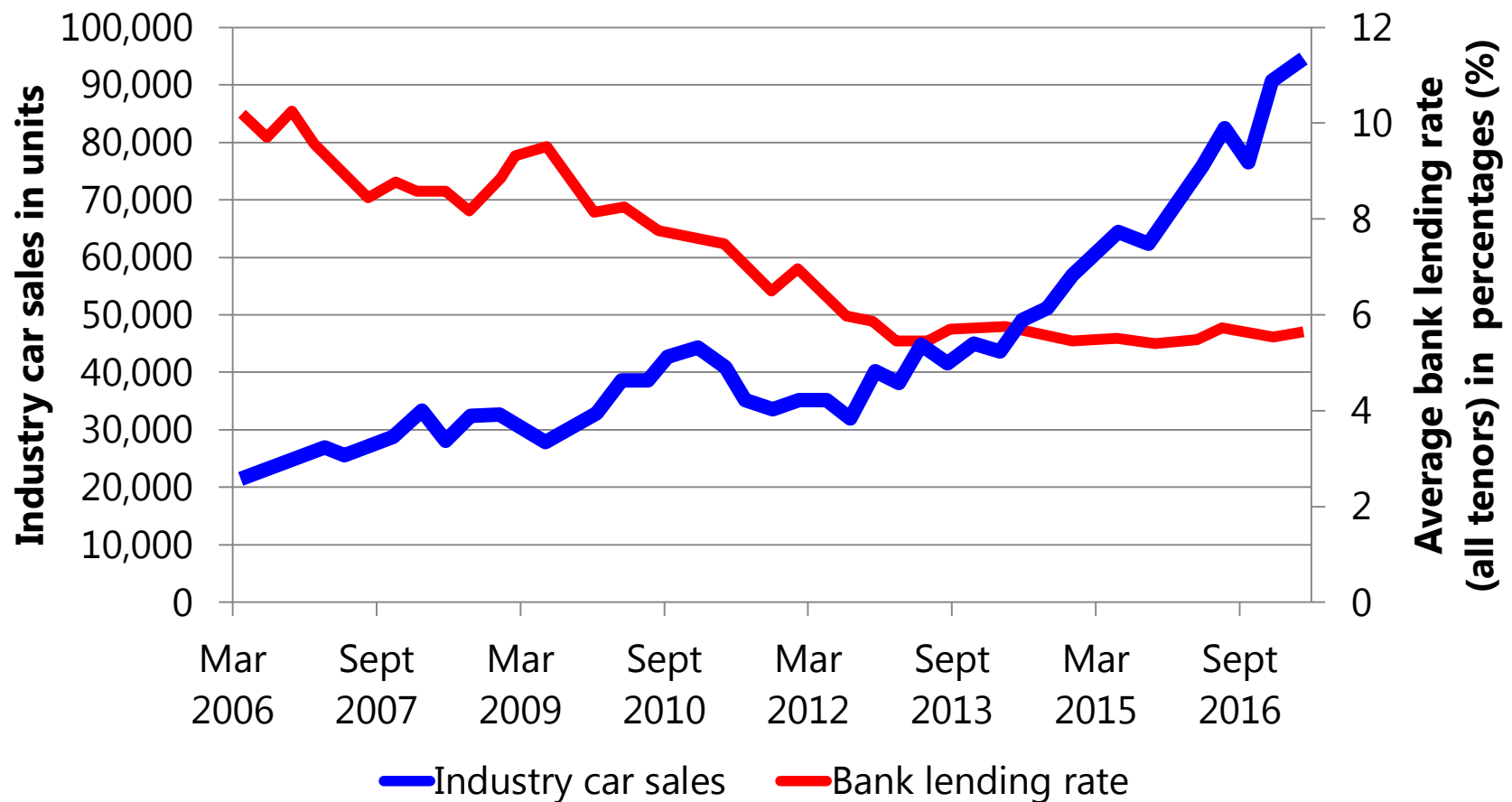


Source: CAMPI, Bloomberg



# Industry car sales vs avg. bank lending rates

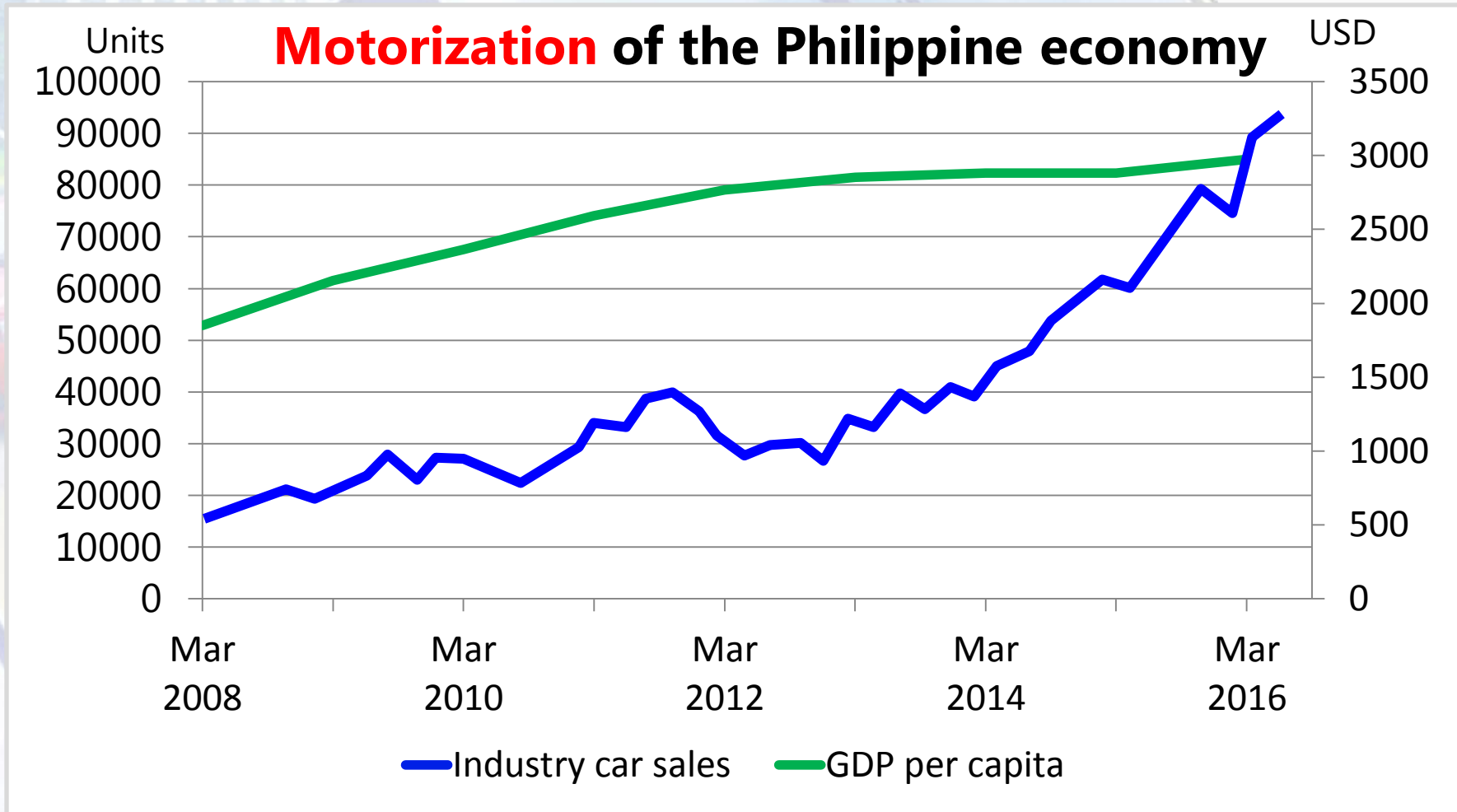
**Continued affordability of car loans boosted sales**



Source: CAMPI

# Industry car sales vs. PH GDP per capita

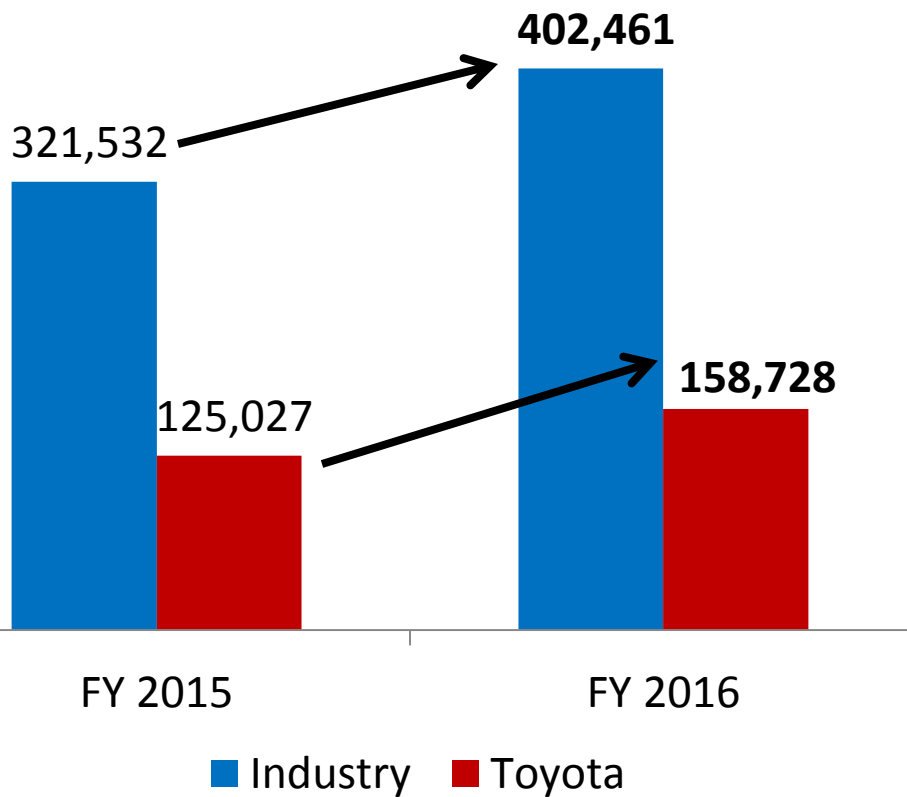
As the economy grows, more Filipinos buy cars



Source: CAMPI

# Auto Industry versus TMP

**Retail Unit Sales, as of December 2016**



**Industry growth**

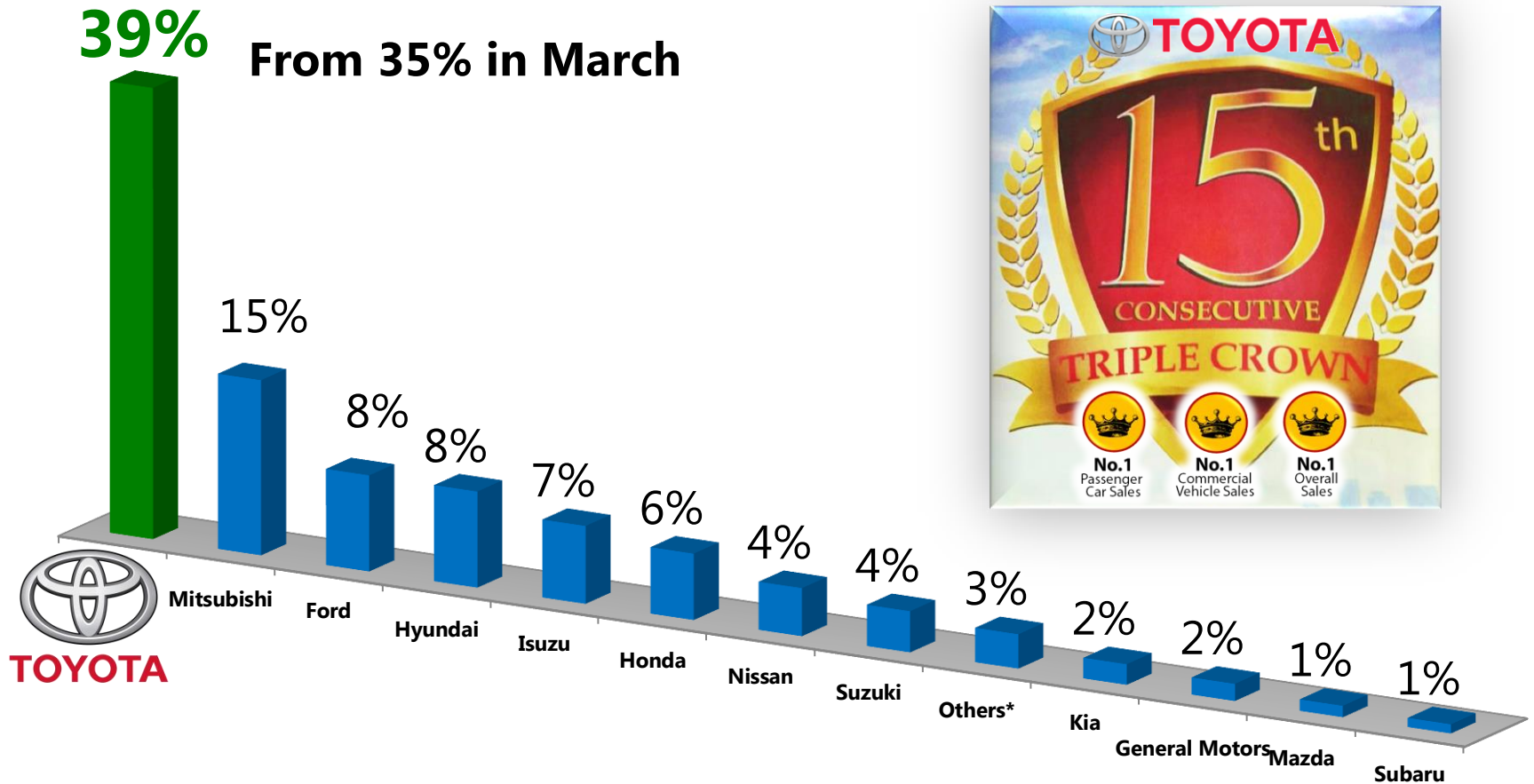
**▲25% Y-O-Y**

**Toyota growth**

**▲27% Y-O-Y**

# Overall Market Share

As of December 2016



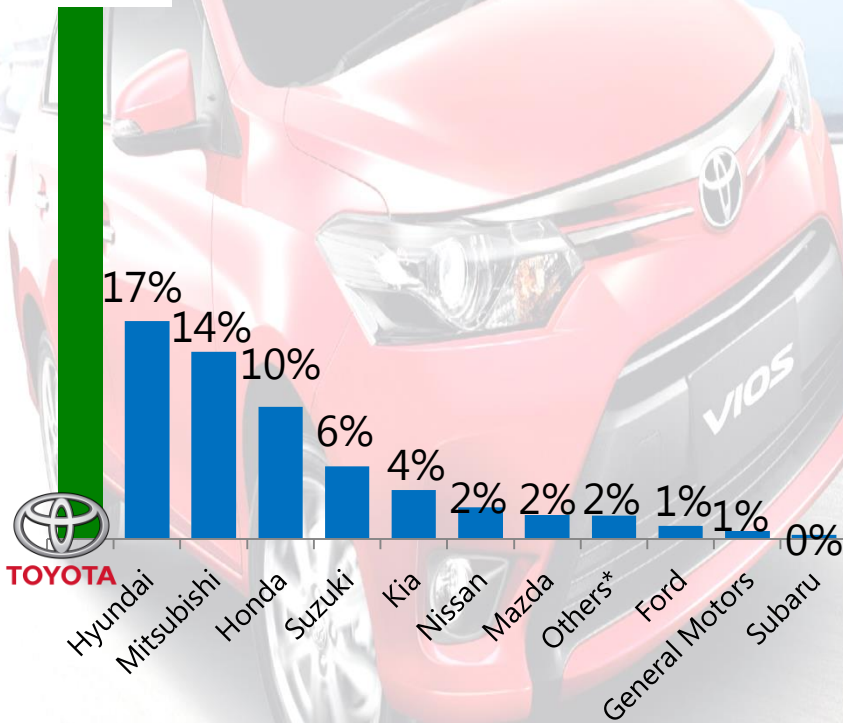


# Auto Industry Market Share

As of December 2016

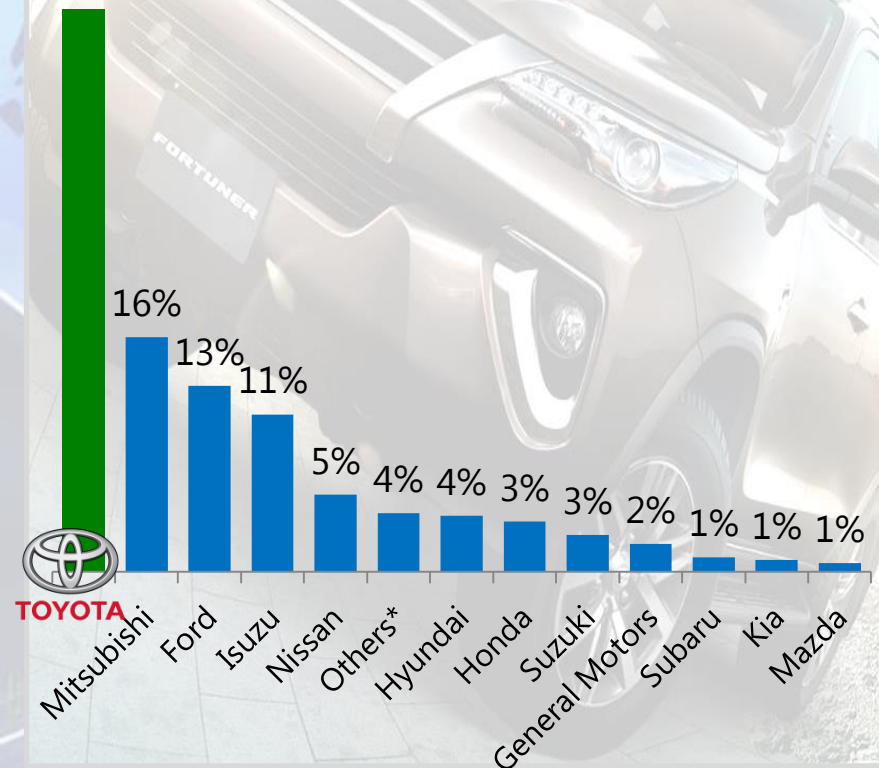
## Passenger Car

42%



## Commercial Vehicle

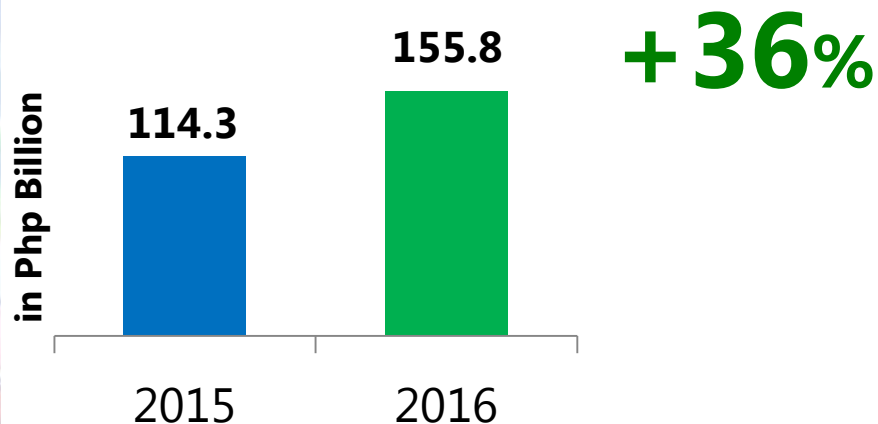
38%



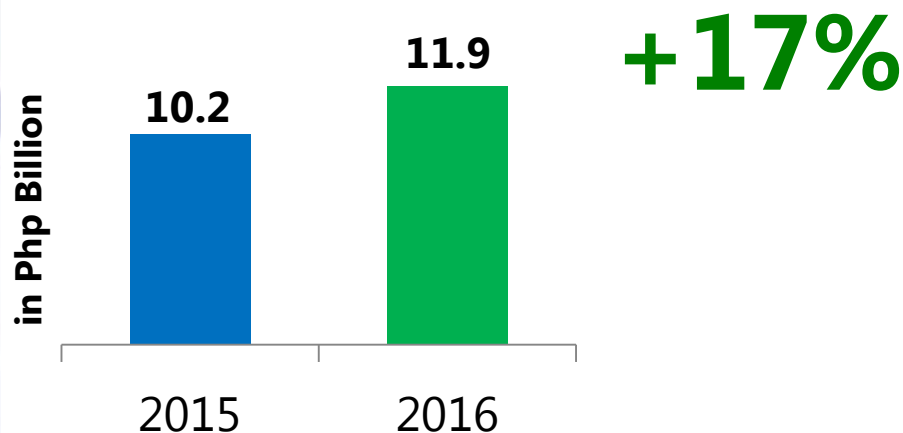
# TMP Financial Highlights



## Revenues



## Net Income ATP



- Wholesale volume **+32%**  
**162,085** units
- Strong sales volume:
  - PCs: Vios +9% & Wigo +37%
  - CVs: Fortuner +81%, Hiace +19%, Innova +7%, Avanza +60% & Hilux +42%
- Overall market share from **38.6%** to **39.4%**
- 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	2017E
Number of Dealerships	32	42	45	49	52	67

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

BRINGING TOYOTA QUALITY PRODUCTS & SERVICES CLOSER TO YOU.  
**TOYOTA ANGELES IS NOW OPEN.**

TOYOTA Angeles Pamanga

REPAIR AND MAINTENANCE SERVICE  
CUSTOMER SERVICE CENTER  
SALES AND FINANCIAL STAFF  
FULL STOCK AND UP-TO-DATE PARTS & ACCESSORIES  
COMPREHENSIVE SERVICE PROGRAM  
STATE-OF-THE-ART SERVICE CENTER

TOYOTA Motor Philippines  
DIRECT NUMBER (045) 400 1000  
ADDRESS Angeles-Magalang Road, Pulang Maragul, Angeles City, Pampanga

**Toyota Angeles, Pampanga  
Opened February 2017**

EXPANDING OUR SALES AND SERVICE ACROSS DAVAO.  
**TOYOTA MATINA, NOW OPEN.**

TOYOTA Matina, Davao

REPAIR AND MAINTENANCE SERVICE  
CUSTOMER SERVICE CENTER  
SALES AND FINANCIAL STAFF  
FULL STOCK AND UP-TO-DATE PARTS & ACCESSORIES  
COMPREHENSIVE SERVICE PROGRAM  
STATE-OF-THE-ART SERVICE CENTER

TOYOTA Motor Philippines  
DIRECT NUMBER Trunk Line: (082) 226 29 94  
Service: (082) 296 06 43  
ADDRESS Mc. Arthur Highway, Barangay Matina Crossing, Talomo District, Davao City 8000

**Toyota Matina, Davao  
Opened March 2017**

## 54 Dealerships as of 29 March 2017

**Opening soon:** Calbayog (Samar), Ilocos Norte, Talisay (Cebu), Santa Rosa (Laguna), Kidapawan (Cotabato), Aklan (Panay), Iligan (Lanao del Norte), Mabolo (Cebu), Calapan (Oriental Mindoro), Tuguegarao (Isabela), Valencia (Negros Oriental), Lapu-Lapu (Cebu), Subic Bay (Zambales)



# GT Capital Toyota Dealerships



## Strategic Merger of Toyota Dealerships



## New dealership in Subic

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



# Toyota New Model Launches in 2016



## ALL NEW **FORTUNER**

Full model change  
**March 2016**



## ALL NEW **INNOVA**

Full model change  
**April 2016**



## **VIOS**

Minor change; new engine  
**August 2016**



## AHEAD OF THE CURVE. **THE NEW LEXUS IS 350**

Full model change  
**December 2016**



# Toyota Financial Highlights



## Gross Profit Margin

15.9%



13.5%



FY 2015

FY 2016

## Net Profit Margin

9.0%



7.8%



FY 2015

FY 2016

USD:PHP depreciated from 45.61 to 47.67  
USD:JPY appreciated from 118.01 to 111.44

# Toyota Brand Attributes



**Globally trusted brand**  
QUALITY, DURABILITY, RELIABILITY (QDR)

**Dealership network offering**  
**full range of services**

**Availability of original parts,**  
**supplies and service**

**High resale value (up to 50%**  
**of original selling price for 5**  
**years old and above)**

**Corporate policy of**  
**manufacturing original**  
**parts for models**  
**discontinued up to 15 years**



# Price Comparables by Category

## in Million Philippine Peso (PHP)



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In Million PHP	Toyota	Hyundai	Honda	Mitsubishi
<b>Model</b>	<b>Camry</b>	<b>Sonata</b>	<b>Accord</b>	
Price	1.575 - 2.190	1.698 - 1.898	1.793 - 2.313	
<b>Model</b>	<b>Altis</b>	<b>Elantra</b>	<b>Civic</b>	<b>Lancer</b>
Price	0.896 - 1.335	0.908 - 1.158	1.103 - 1.535	0.850 - 1.238
<b>Model</b>	<b>Vios</b>	<b>Accent</b>	<b>City</b>	<b>Mirage G4</b>
Price	0.611 - 0.993	0.673 - 0.908	0.764 - 1.063	0.573 - 0.805
<b>Model</b>	<b>Innova</b>			<b>Adventure</b>
Price	0.936 - 1.482			0.690 - 1.010
<b>Model</b>	<b>Fortuner</b>	<b>Santa Fe</b>		<b>Montero Sport</b>
Price	1.413 - 2.183	1.723 - 2.508		1.395 - 2.000
<b>Model</b>	<b>Hiace</b>	<b>Grand Starex</b>		
Price	1.326-2.127	1.358 - 1.968		
<b>Model</b>	<b>Wigo</b>	<b>Eon</b>	<b>Brio</b>	<b>Mirage</b>
Price	0.475-0.625	0.513 - 0.530	0.614 - 0.734	0.560 - 0.720

Source: Company websites; Retail prices as of 10 April 2017

# Price Comparables by Category in United States Dollars (USD)



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	<b>Toyota</b>	<b>Hyundai</b>	<b>Honda</b>	<b>Mitsubishi</b>
<b>Model</b>	<b>Camry</b>	<b>Sonata</b>	<b>Accord</b>	
Price	31,500 – 43,800	33,960 - 37,960	35,860 - 46,260	
<b>Model</b>	<b>Altis</b>	<b>Elantra</b>	<b>Civic</b>	<b>Lancer</b>
Price	17,920 – 26,700	18,160 - 23,160	22,060 - 30,700	17,000 - 24,760
<b>Model</b>	<b>Vios</b>	<b>Accent</b>	<b>City</b>	<b>Mirage G4</b>
Price	12,220 – 20,160	13,460 - 18,160	15,280 - 21,260	11,460 - 16,100
<b>Model</b>	<b>Innova</b>			<b>Adventure</b>
Price	18,720 – 29,640			13,800 - 20,200
<b>Model</b>	<b>Fortuner</b>	<b>Santa Fe</b>		<b>Montero Sport</b>
Price	28,260 – 43,660	34,460 - 50,160		27,900 - 40,000
<b>Model</b>	<b>Hiace</b>	<b>Starex</b>		
Price	26,520 – 42,540	27,160 - 39,360		
<b>Model</b>	<b>Wigo</b>	<b>Eon</b>	<b>Brio</b>	<b>Mirage</b>
Price	9,500 – 12,500	10,260	12,280 - 14,680	11,200 - 14,400

Source: Company websites; Retail prices based on average Peso-Dollar rate of Php50/USD1.00





**FEDERAL LAND<sup>®</sup>**  
GT Capital Holdings      KEEPING YOU IN MIND

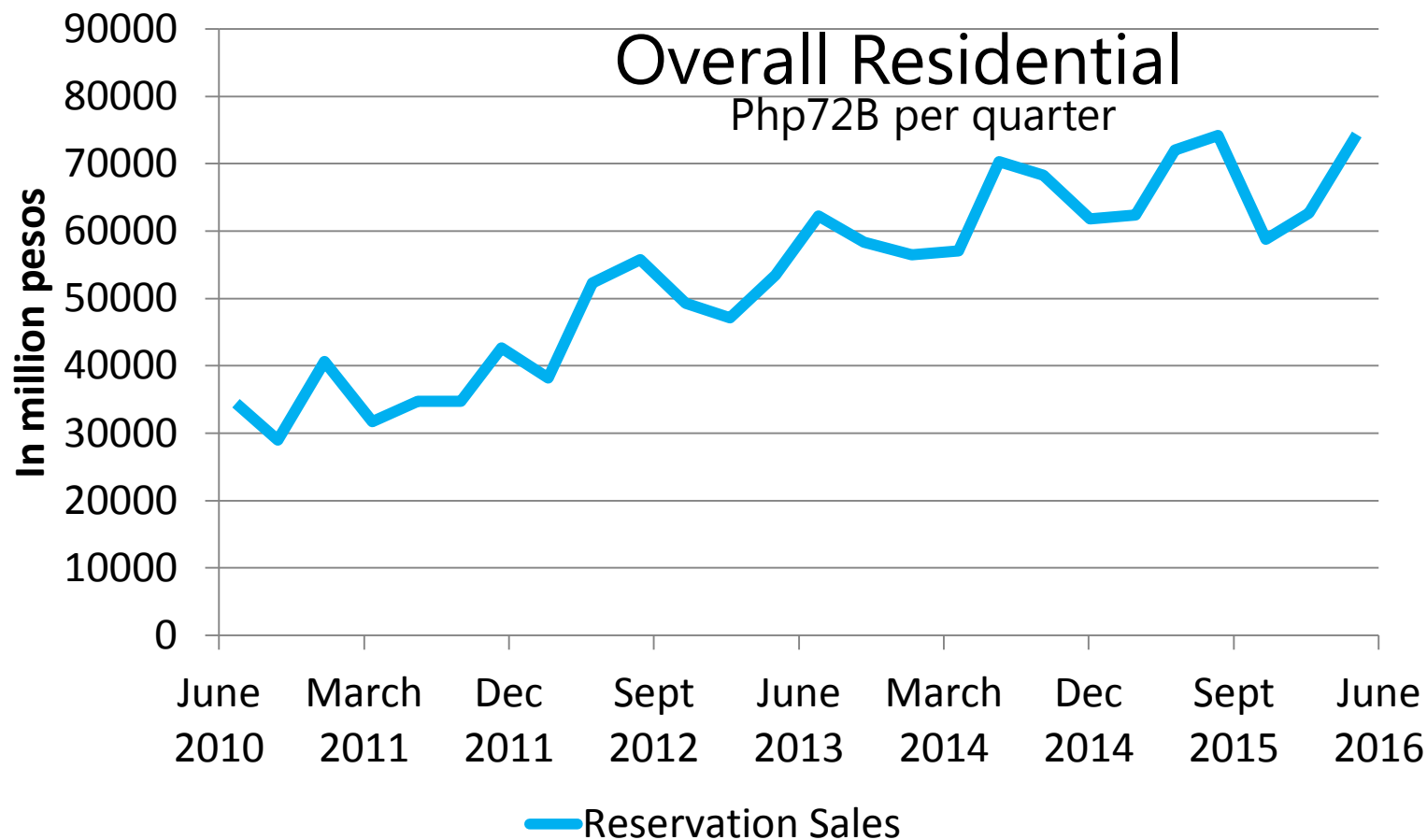


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# Quarterly reservation sales nationwide

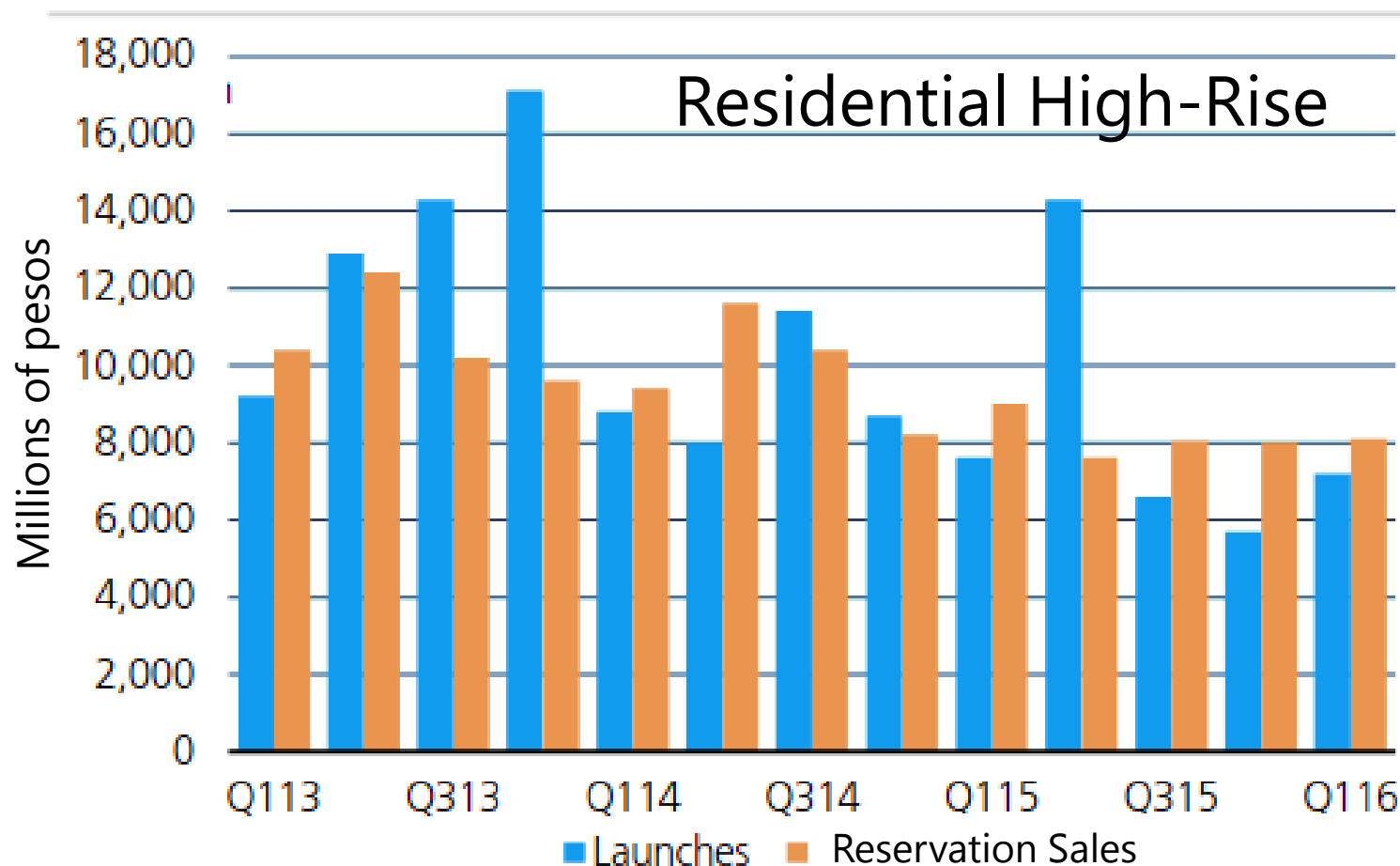
**Growth still exists, but at a slower pace**



Source: UBS Securities Philippines, Colliers International

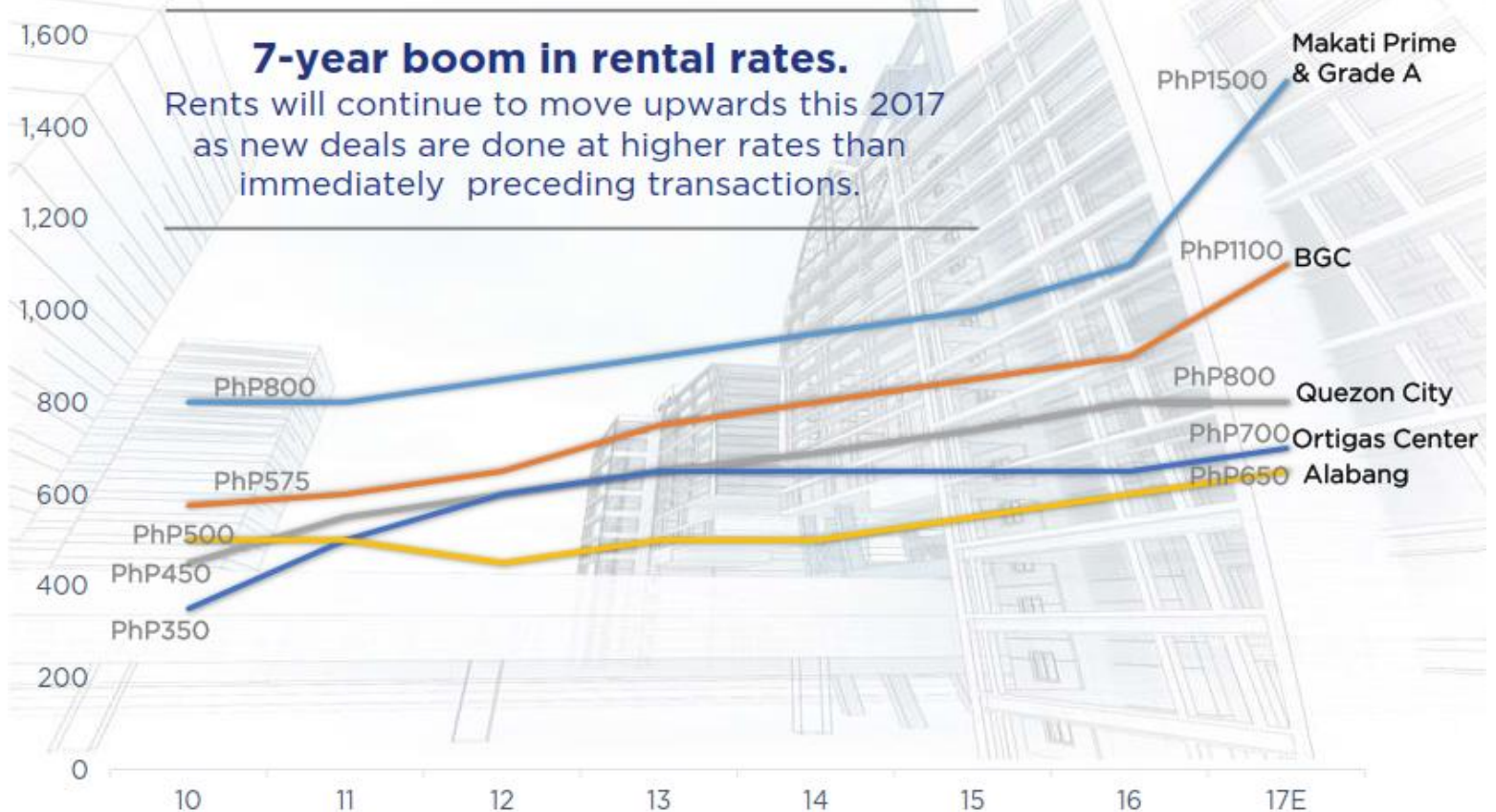
# New launches vs reservation sales in M. Manila

## Managed number of product launches to meet demand



# Office rental rates, Metro Manila

More demand due to a growing macroeconomy



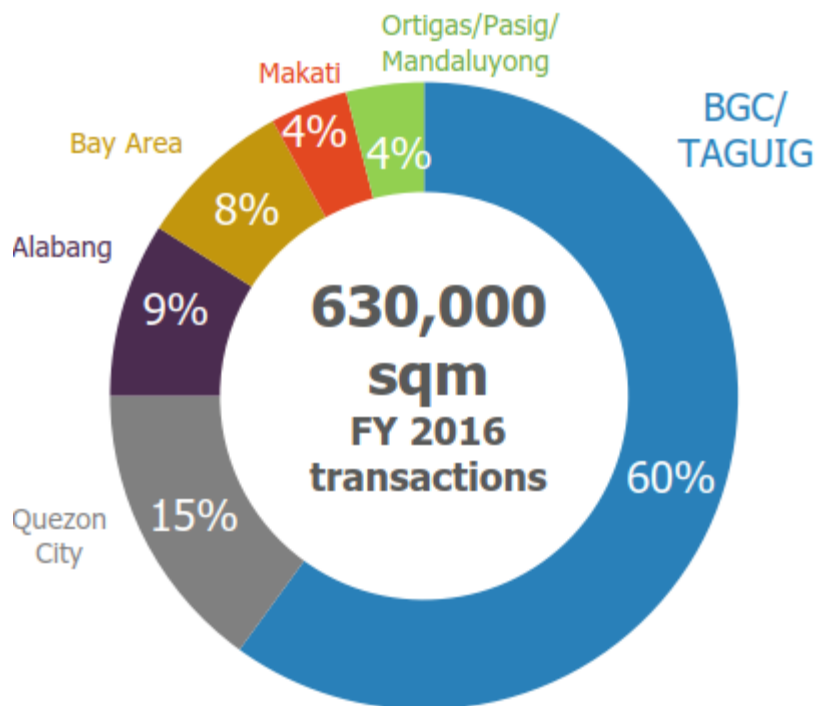
Source: Leechiu Property Consultants, October 2016

# Federal Land is present where the demand is

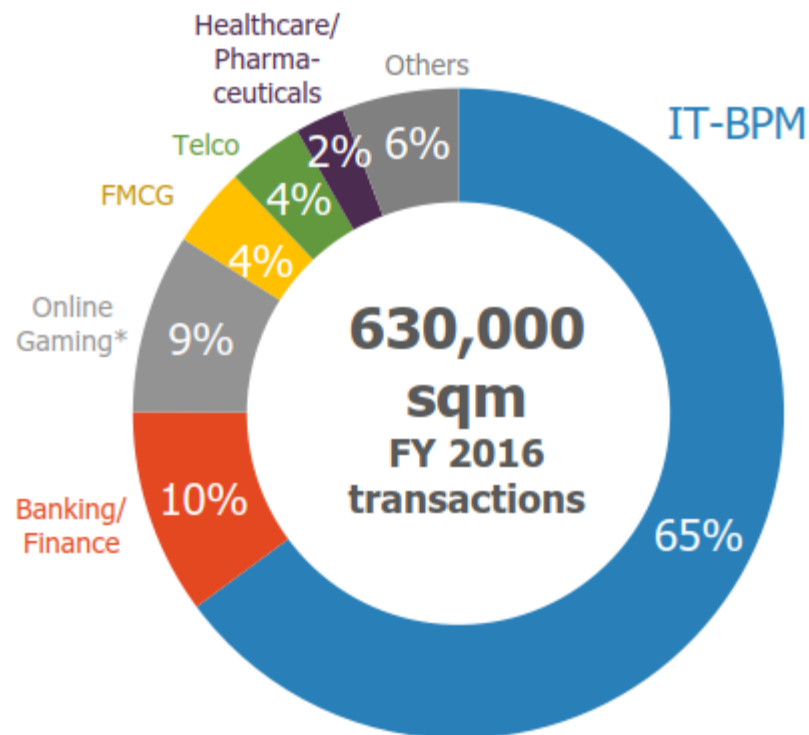
## Grand Central Park BGC & i-Met have the advantage

### Percentage of 2016 Property Transactions

By Location



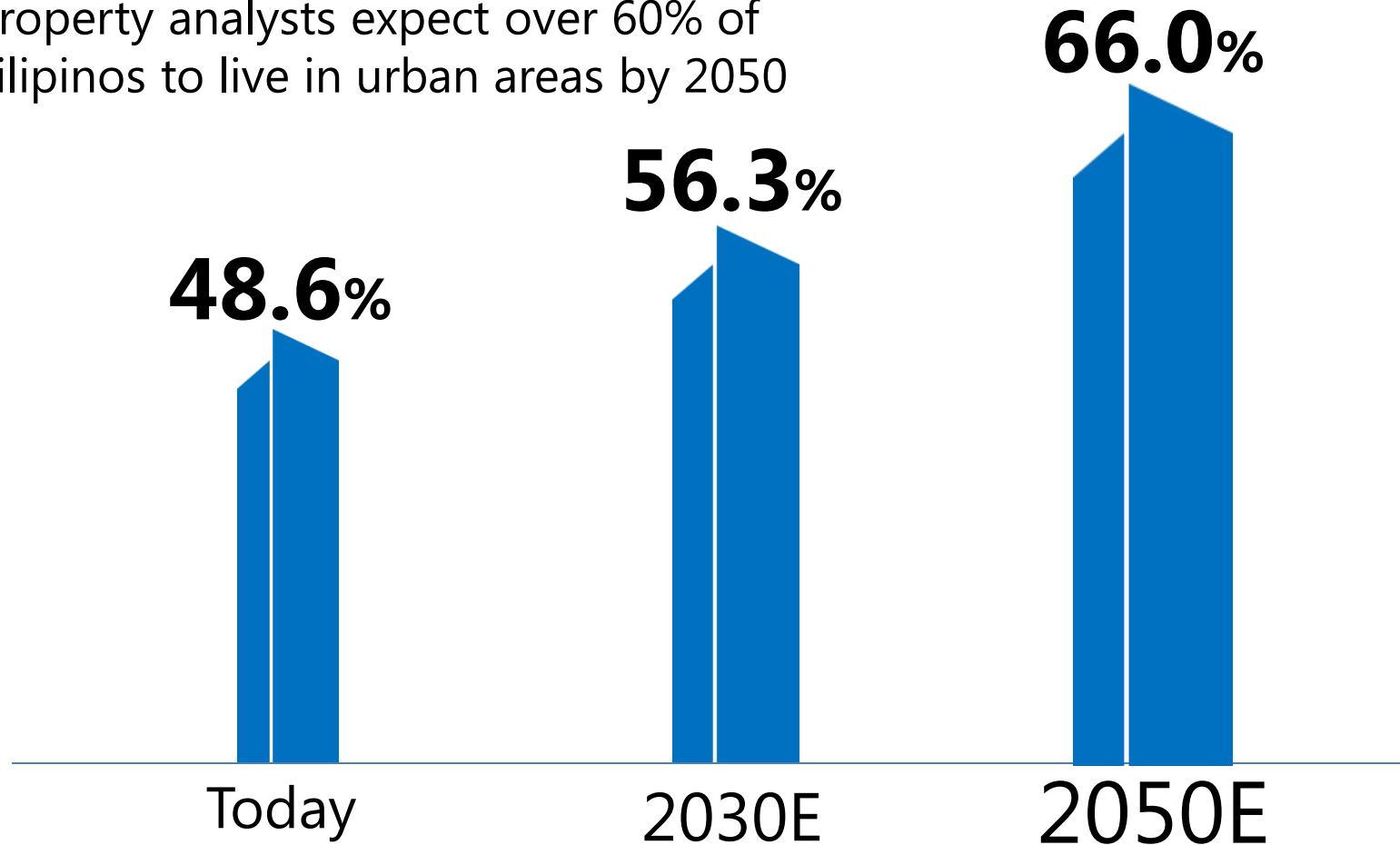
By Industry



# Urban population continues to grow

## The potential for high-rise residential remains present

Property analysts expect over 60% of Filipinos to live in urban areas by 2050





# Federal Land Current Projects

## 36 On-going Projects

- **7** launched in 2011
  - **11** launched in 2012
  - **5** launched in 2013
  - **4** launched in 2014
  - **5** launched in 2015
  - **2** launched in 2016
- 
- **5** completed as of December 2016

**18 sqm. to 400 sqm.**  
unit size range

**PHP20M – PHP101M**  
price range

## 8 Different Locations:

- **6** cities within Metro Manila
- **2** cities outside Metro Manila

Recurring Income at **8%** of total revenue

## New Launches in 2016



**Six Senses  
Tower 6  
SEPTEMBER 2016**

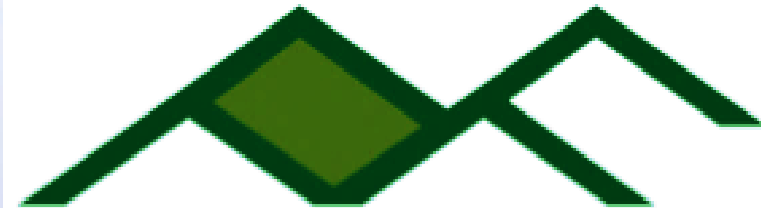


**Peninsula Garden  
Midtown Homes  
Tower 7: Mango  
JUNE 2016**

# Federal Land, Inc. Land Bank Location



Location		in hectares
1.	Metro Manila	
	(a) Macapagal	29.5
	(b) Fort Bonifacio	5.3
	(c) Marikina	14.4
	(d) Mandaluyong	3.5
	(e) Paco Manila	0.6
	(f) Makati City	0.4
	(g) San Juan	0.4
2.	Laguna	35.3
3.	Cavite	18.3
4.	Iloilo	0.3
<b>TOTAL</b>		<b>108.0</b>



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

*Creating communities, transforming lives.*



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# New developments in Cavite

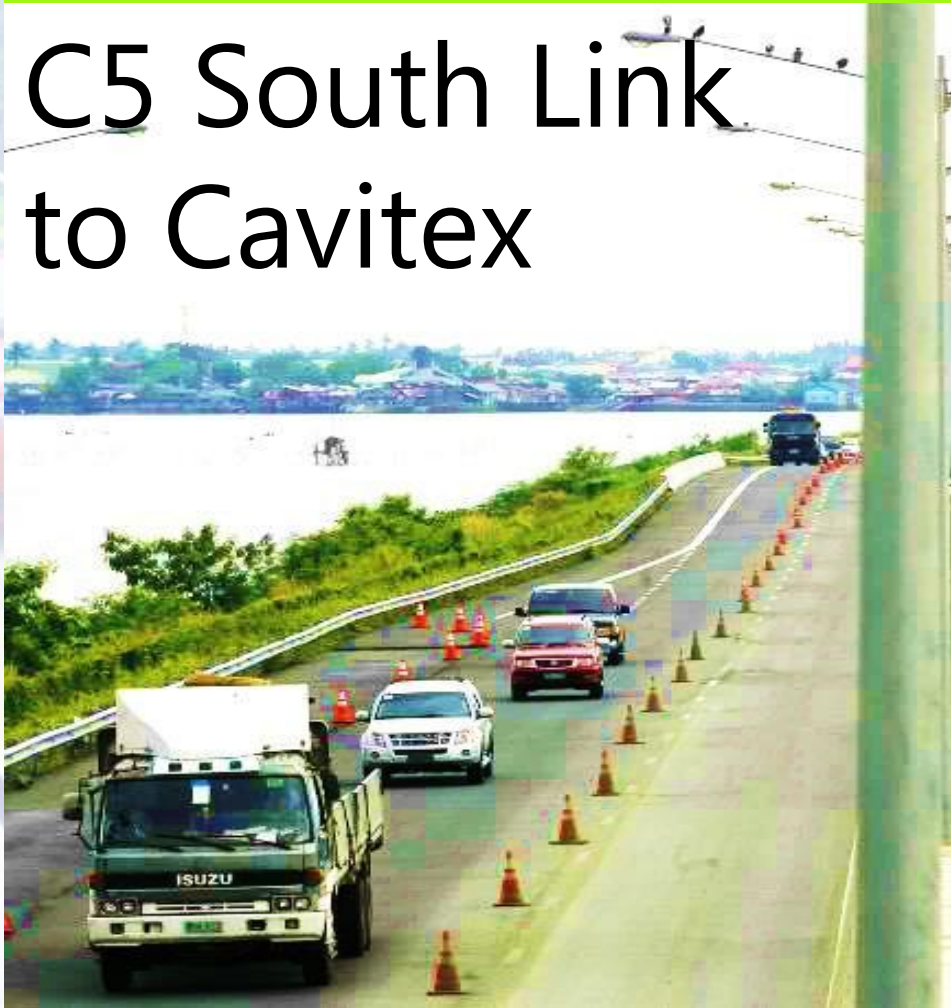
## LRT1 extension project



- Metro Pacific signed engineering, procurement, and construction (EPC) agreement - signed February 12, 2016
- 11.7 km extension of LRT1 to Bacoar, Cavite
- Start of construction slated by 2017
- Php25B project finance loan in place, 64% earmarked for extension project

# New developments in Cavite

## C5 South Link to Cavtex

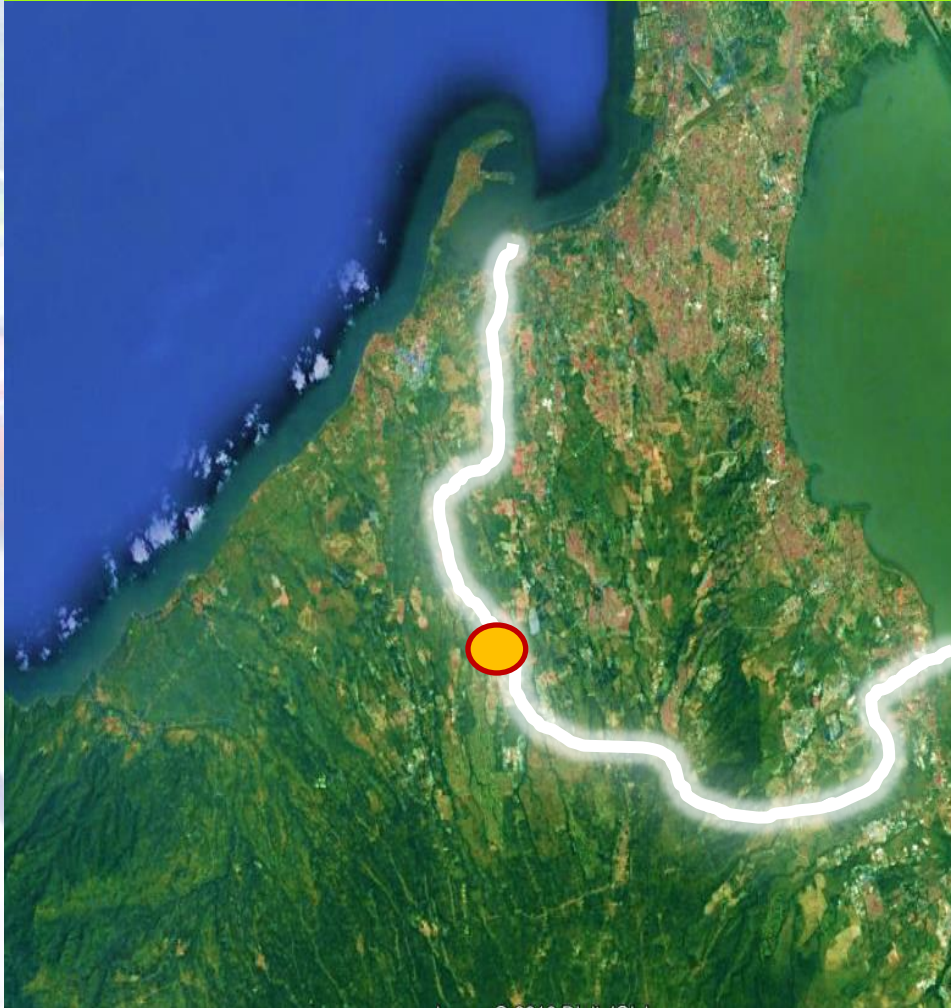


- Expansion of Cavtex project
- Groundbreaking was in **May 2016**
- Php12.7 billion project; 7.6 km
- Construction expected to start by Q1 2017; Target completion in **2020**

Source: MPIC



# New developments in Cavite



## CALAX

- Ongoing preparation of detailed engineering design
- Right-of-way acquisition 50% accomplished
- Target completion 2020
  - Start 1H 2017 for Laguna portion
  - Start 2H 2017 for Cavite portion

# An Expansive Nationwide Land Bank

Location	Total Area in Hectares
Lancaster	1,600
Bellefort	116
Iloilo	171
Carmona	88
Micara	74
<b>Total</b>	<b>2,049 hectares*</b>

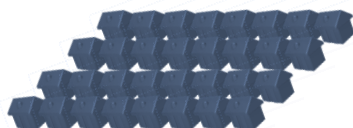
*\*as of 31 December 2016*

# The Low-Cost Property Sector

## Property Development Sweet Spot

Segment	Demand	Supply	Surplus/ (Deficit)	Segment	Price Range PHP	USD	% to Total Households
Socialized	1,146,275	551,109	(595,166)	Socialized	<400k	<9k	23.0
Economic	2,509,271	618,542	(1,890,729)	Economic	400k – 1.25m	9k – 28k	66.3
Low cost	705,642	276,597	(429,045)	Low cost	1.25m – 3m	28k – 67k	9.6
Middle	34,590	370,109	335,519	Middle	3m – 6m	67k – 133k	0.9
High	6,789	276,597	269,808	High	> 6m	> 133k	0.2

Total backlog in 2016 for  
**low-cost and economic** segments  
**2.3 million homes**



By **2030**, backlog is projected to grow to  
**6.5 million homes**







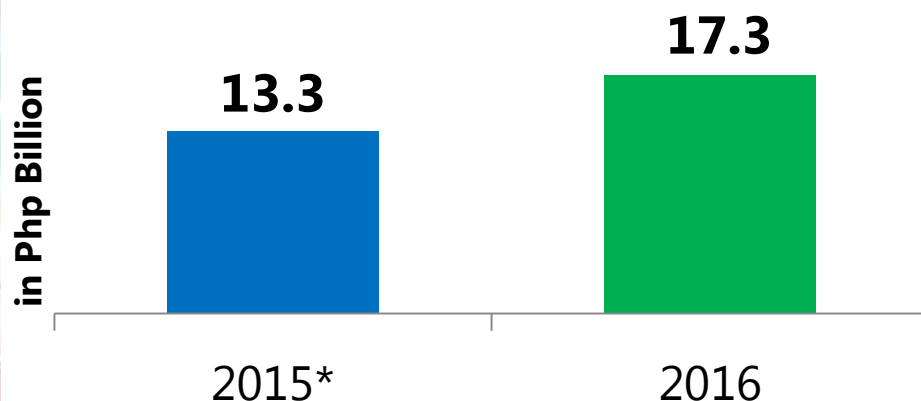
1,600 hectares



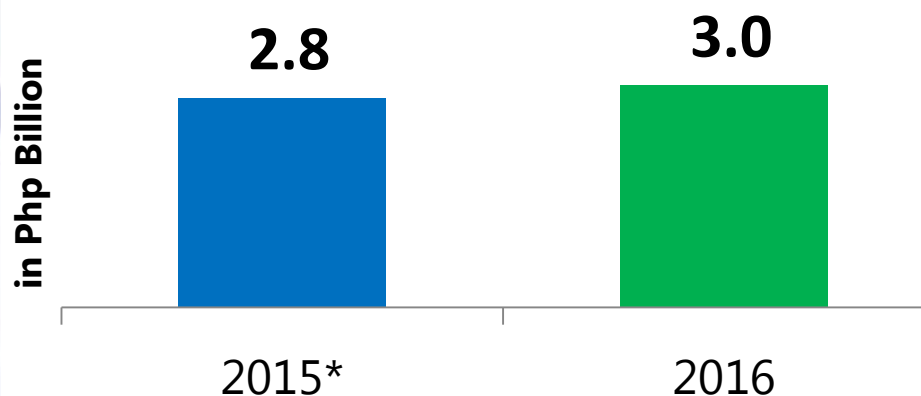
# Federal Land & Pro-Friends Highlights



## Revenues



## Net Income



- GT Capital's property investments recorded **Php17.3 billion** in consolidated revenues, of which real estate sales accounted for **Php14.6 billion**.
- Together, the two property developers reported a net income amounting to **Php3.0 billion** in 2016.

\*GT Capital invested 22.68% in PCFI in August 2015





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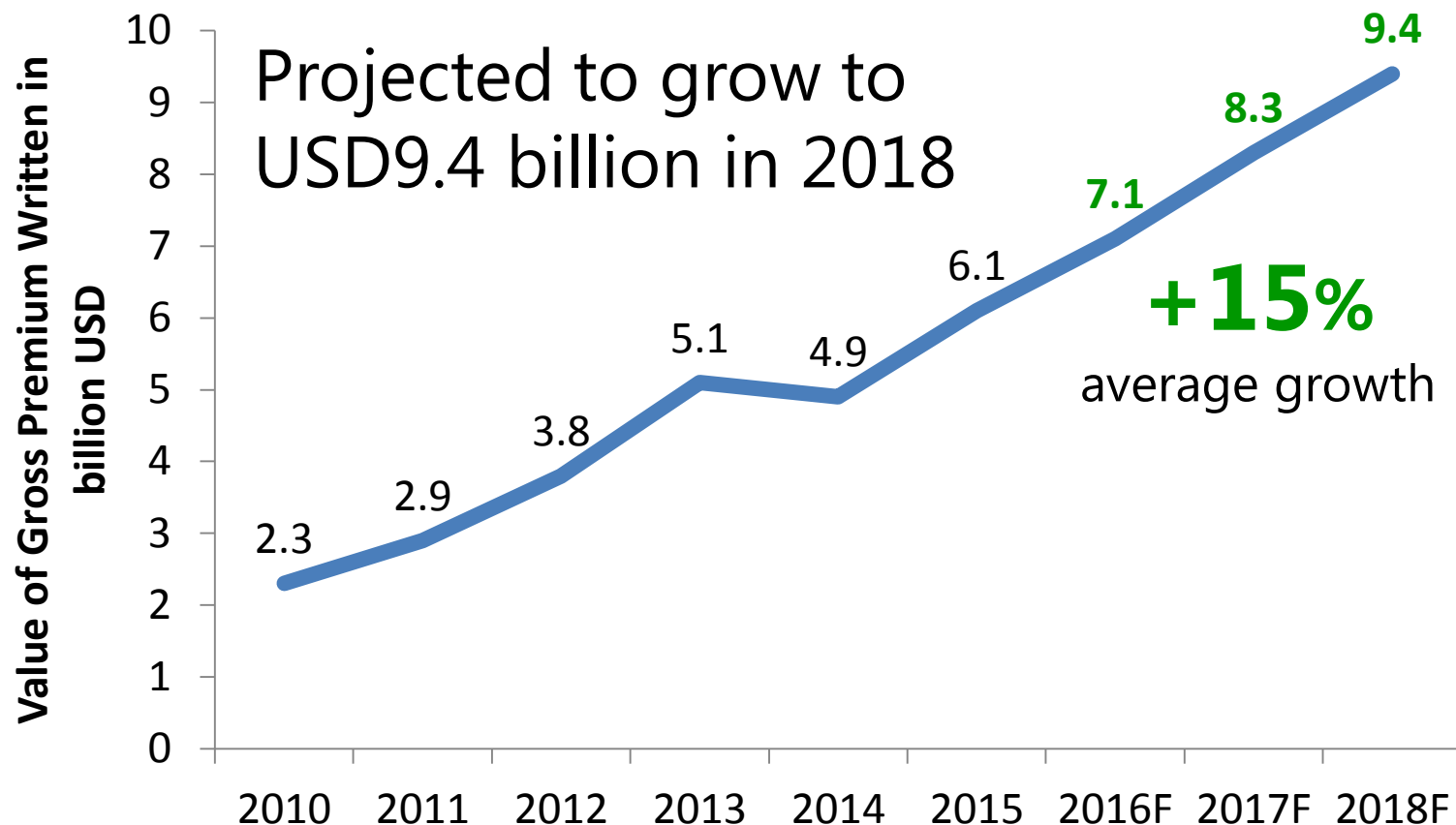


**redefining / standards**

# Value of **total** insurance premiums, Philippines

**2009-2018F, in billion USD**

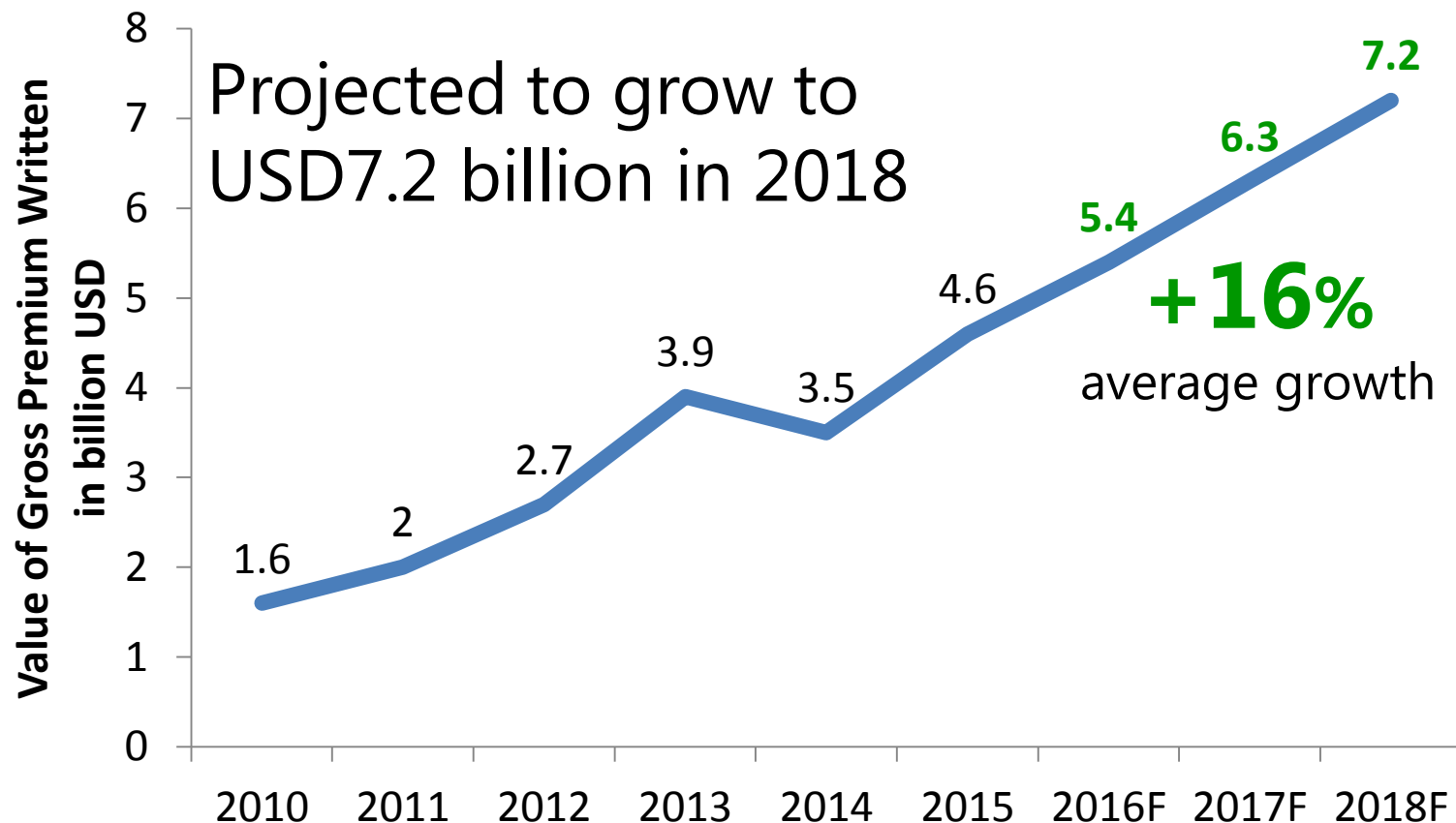
**Life and Non-life**



# Value of **life** insurance premiums, Philippines

**2009-2018F, in billion USD**

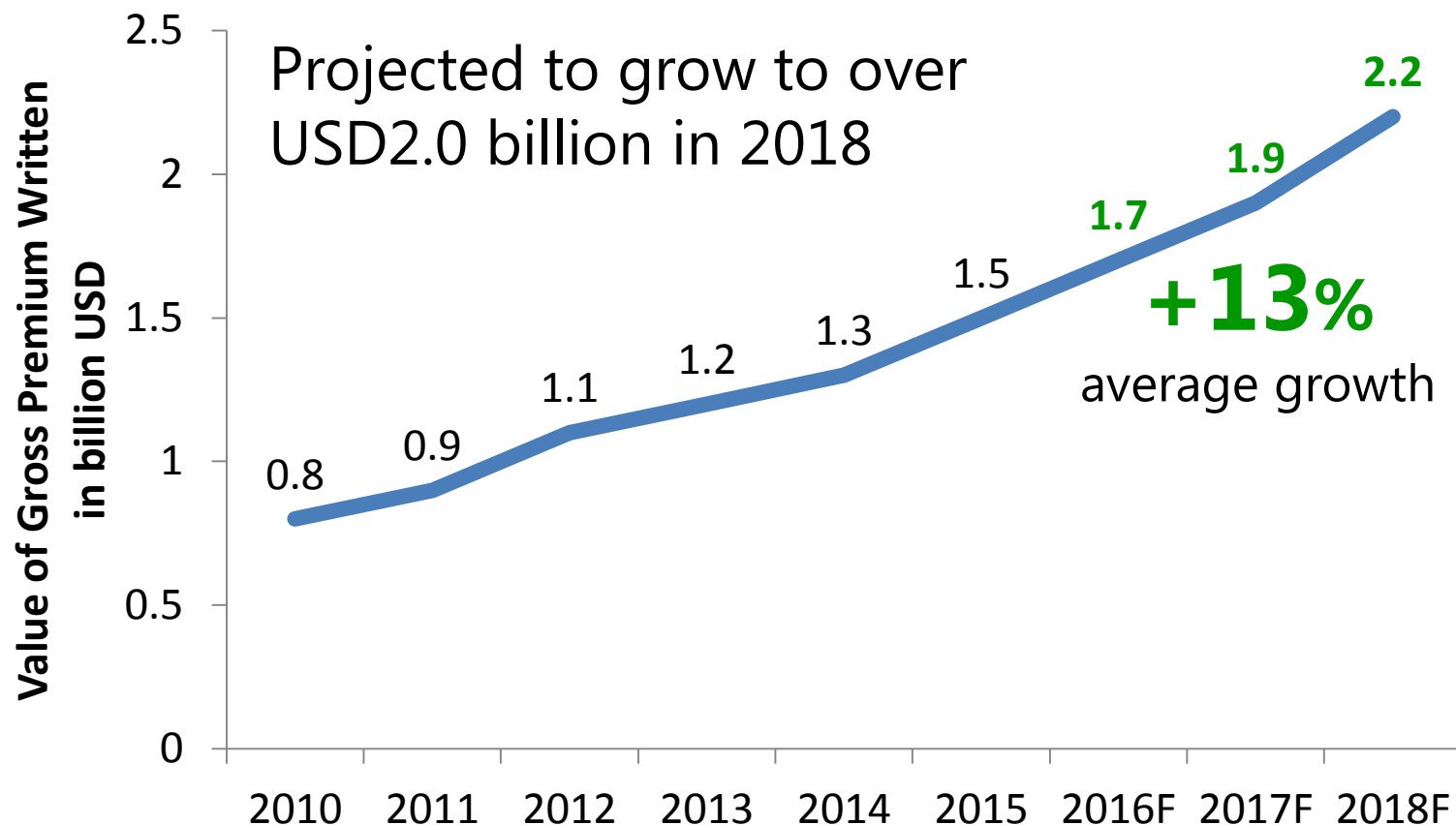
**Life**



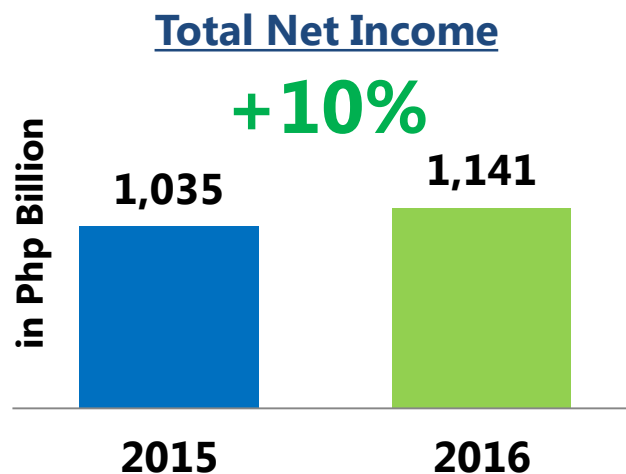
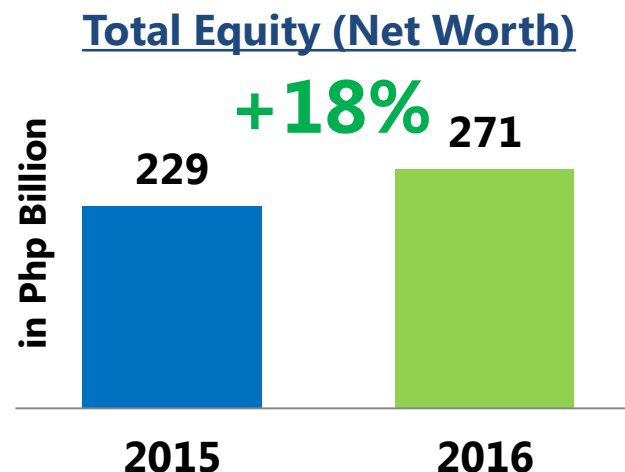
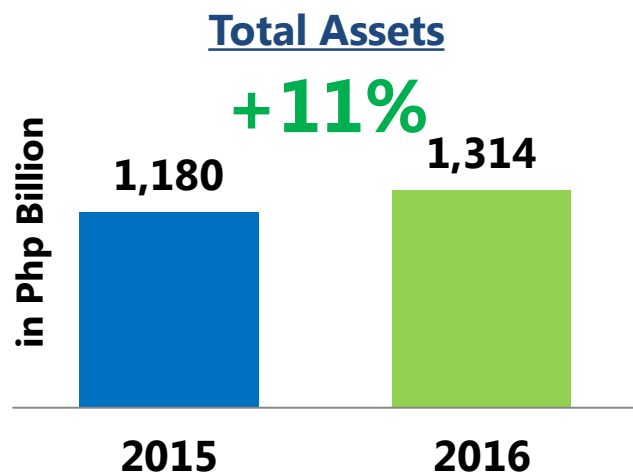
# Value of **non-life** insurance premiums

**2009-2018F, in billion USD**

**Non-life**



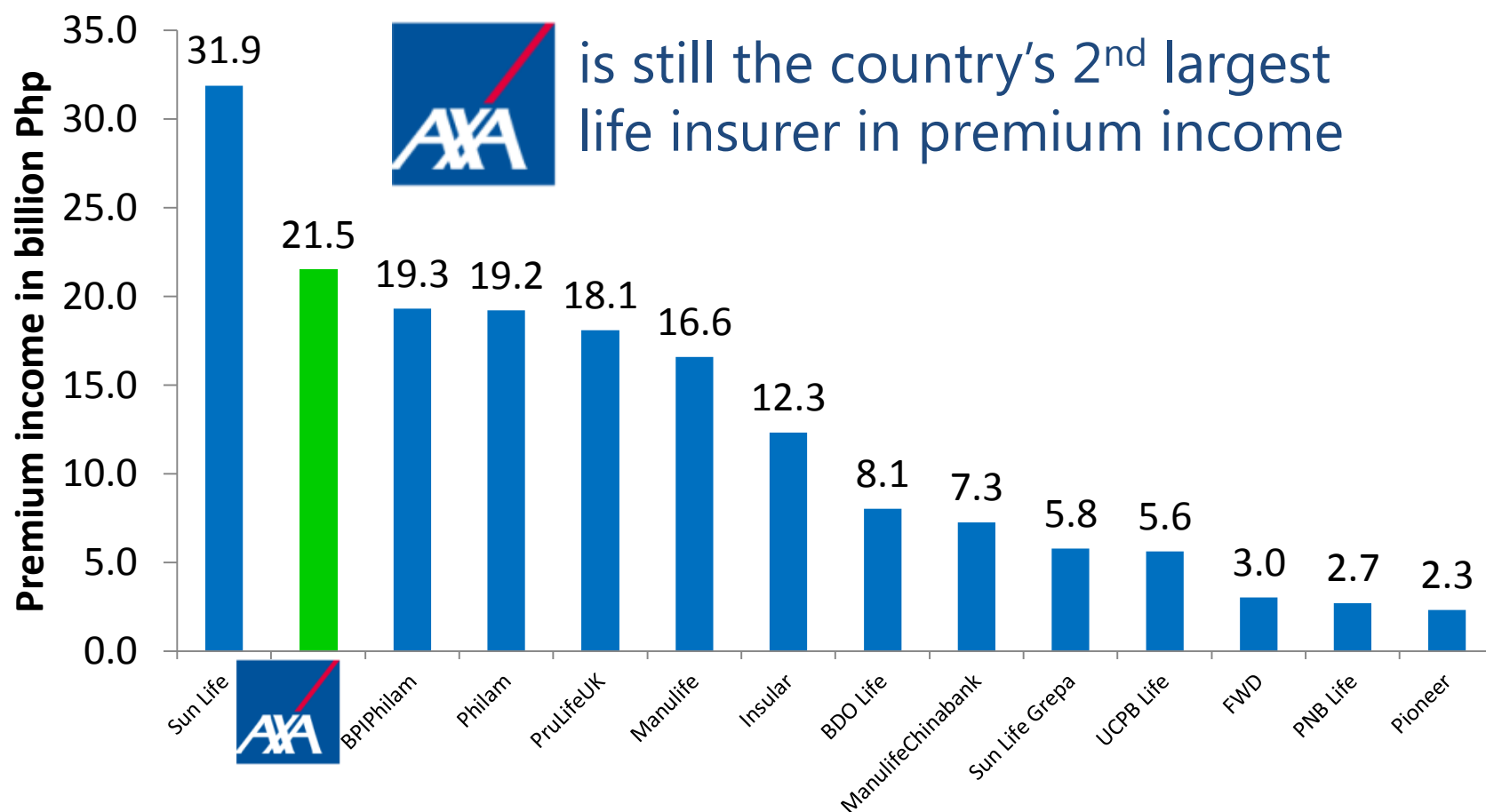
# Insurance Industry Updates





# Life Insurance Industry Rankings

**Premium income in billion Philippine pesos**



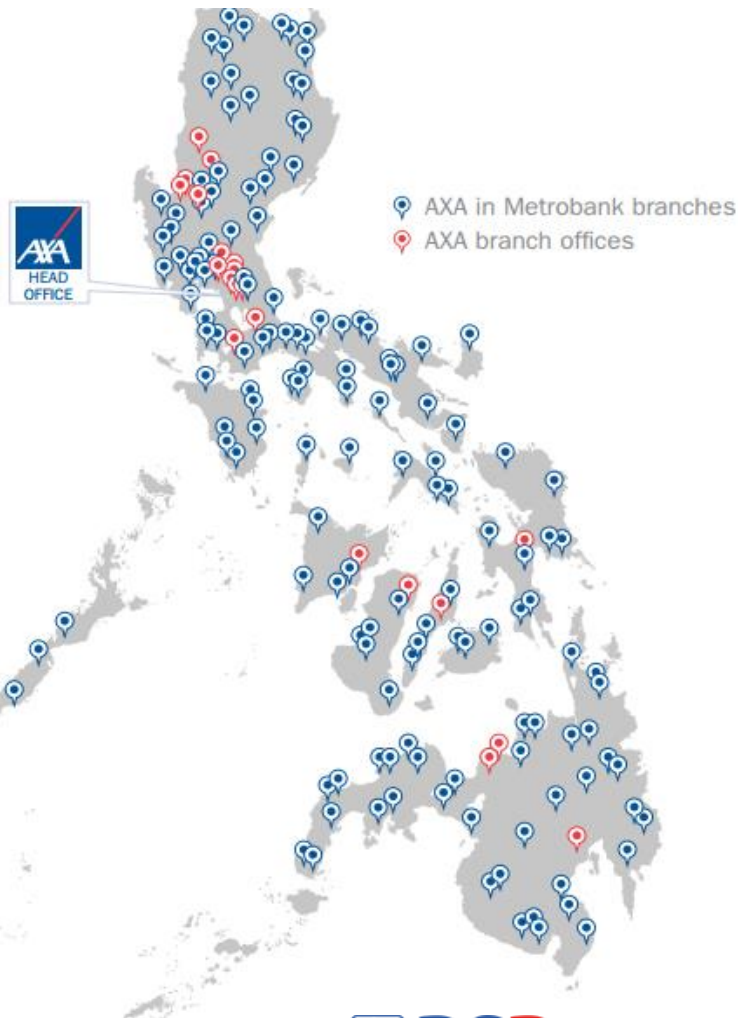
# AXA in the Philippines



redefining / standards

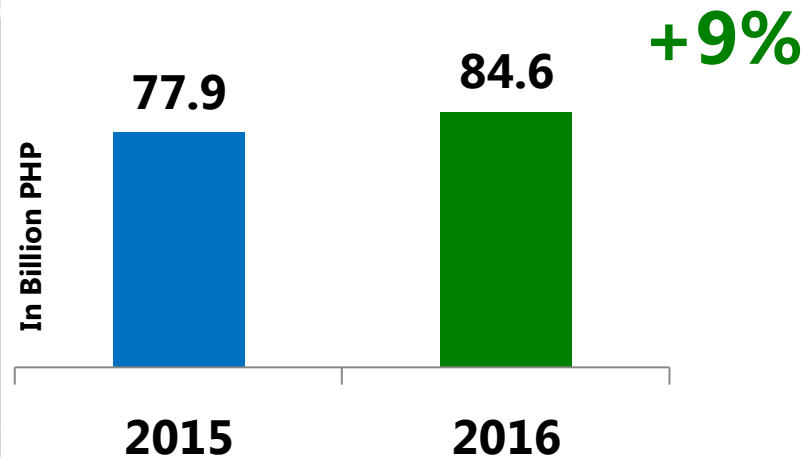


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- Persistency Ratio: **83%**
- Agency Sales Force: **3,000**  
from 2,700
- Total bancassurance (Metrobank and PSBank) branches: **925**  
out of 959 branches

## Assets Under Management



# AXA Financial Highlights\*

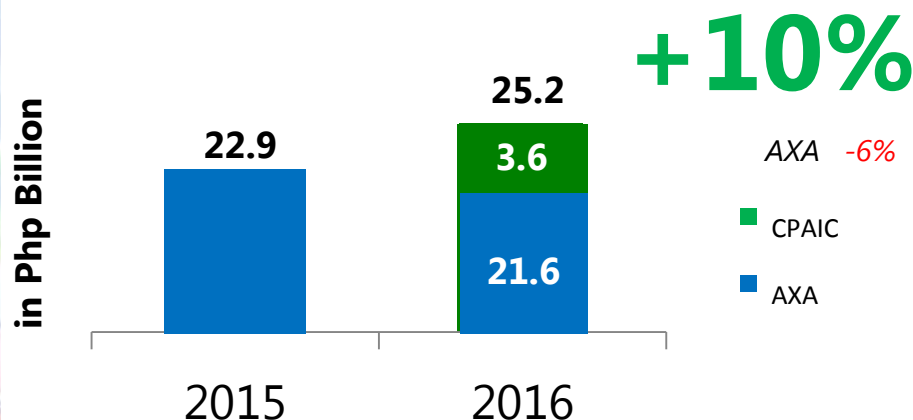


redefining / standards



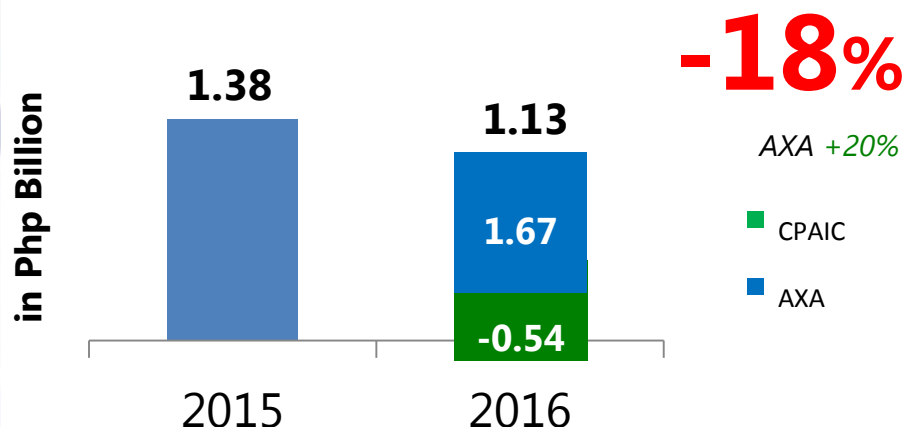
GT CAPITAL  
HOLDINGS INCORPORATED

## Gross Premium



- New Business (APE) at **Php5.0B** in 2016 vs. **Php4.7B** in 2015 **+5%**
  - Regular Premium (RP) **+26%**
  - Single Premium (SP) **-21%** due to lower demand for unit-linked products SP and RP product mix - **66:34** to **55:45**

## Net Income



- Premium margins **Php3.9B** to **Php4.4B +12%** (RP – 35%; SP – 3%)
- AUM **Php65B** to **Php73B +12%**; Asset management fees **+19%**
- Realized gains **Php257M** and MTM losses on bonds and equities **Php135M**
- CPAIC net loss **Php536M** (9 mos.) driven by typhoon claims **Php229M**

\*includes CPAIC effective April 1, 2016



**METRO  
PACIFIC**  
INVESTMENTS



**GT CAPITAL**  
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**METRO  
PACIFIC**  
INVESTMENTS

## **Strategic Partnership Agreement between GT Capital and Metro Pacific (MPI)**

**Two transactions signed on 27 May  
2016**

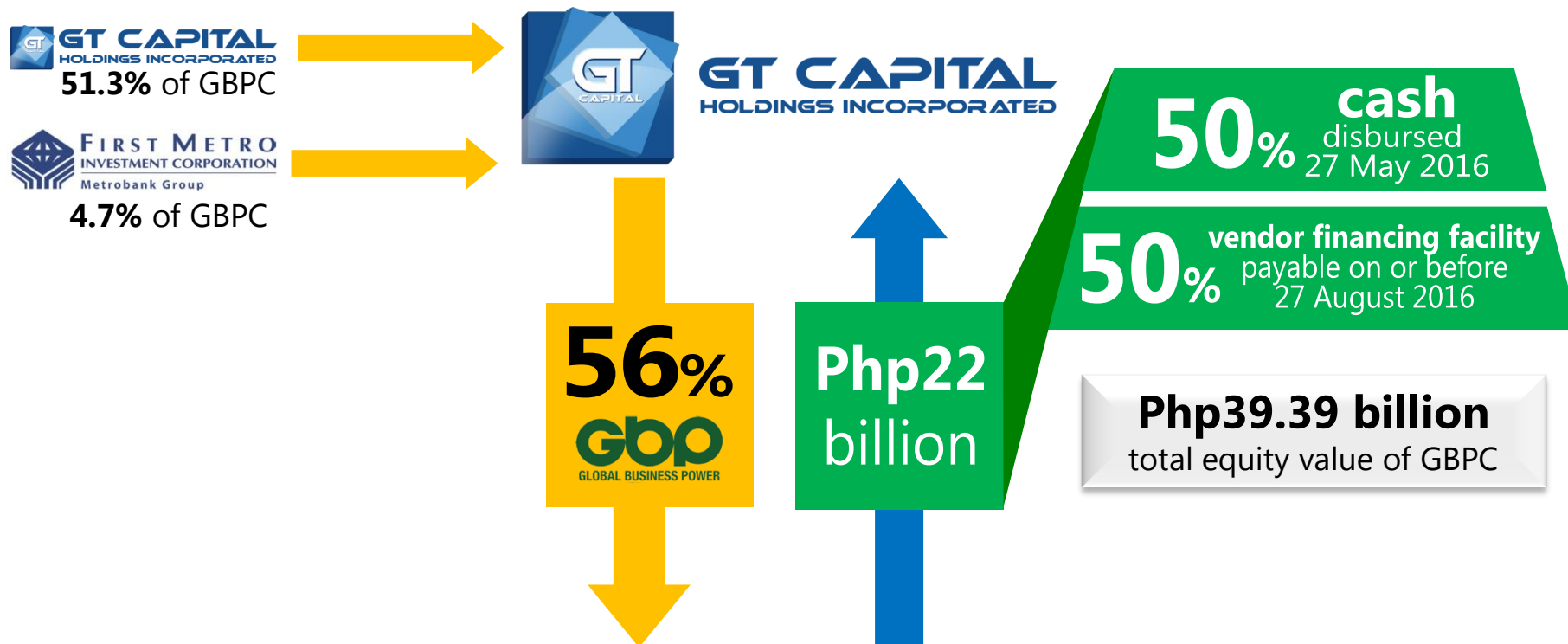
- 1. Sale** of 56% of Global Business Power Corp. (GBPC) to Beacon PowerGen Holdings, an associate of MPI, for Php22.0 billion
- 2. Acquisition** of 15.55% of Metro Pacific Investments Corp. (MPI) for Php29.9 billion at Php6.10 per share



# GTCAP-MPIC Strategic Partnership



## Sell-Side: Sale of 56% GBP stake to MPI



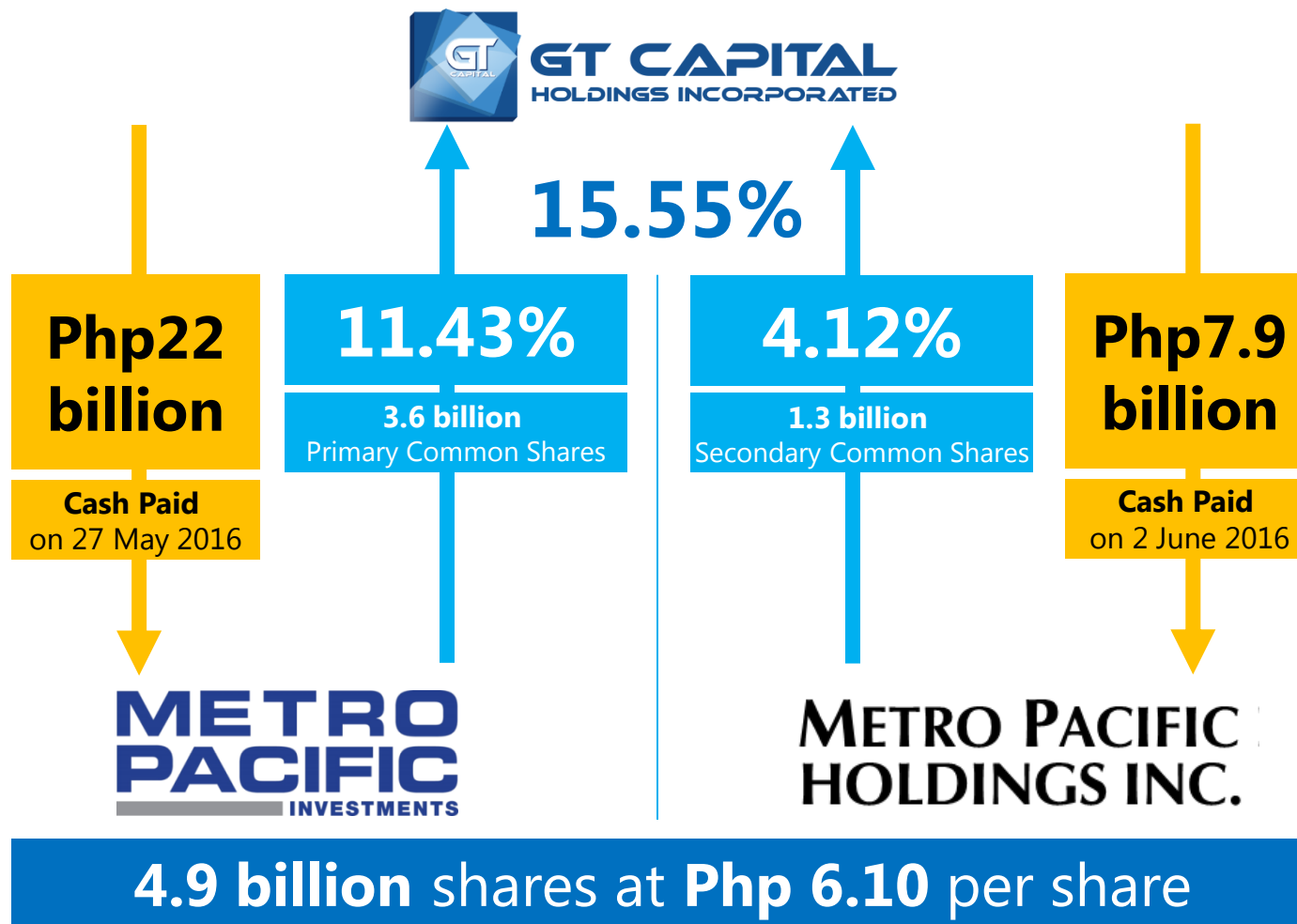
**Beacon PowerGen Holdings, Inc.,**  
a subsidiary of Beacon Electric Asset  
Holdings, Inc., an associate of



# GTCAP-MPIC Strategic Partnership



## Buy-Side: Acquisition of 15.55% of MPI



# 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

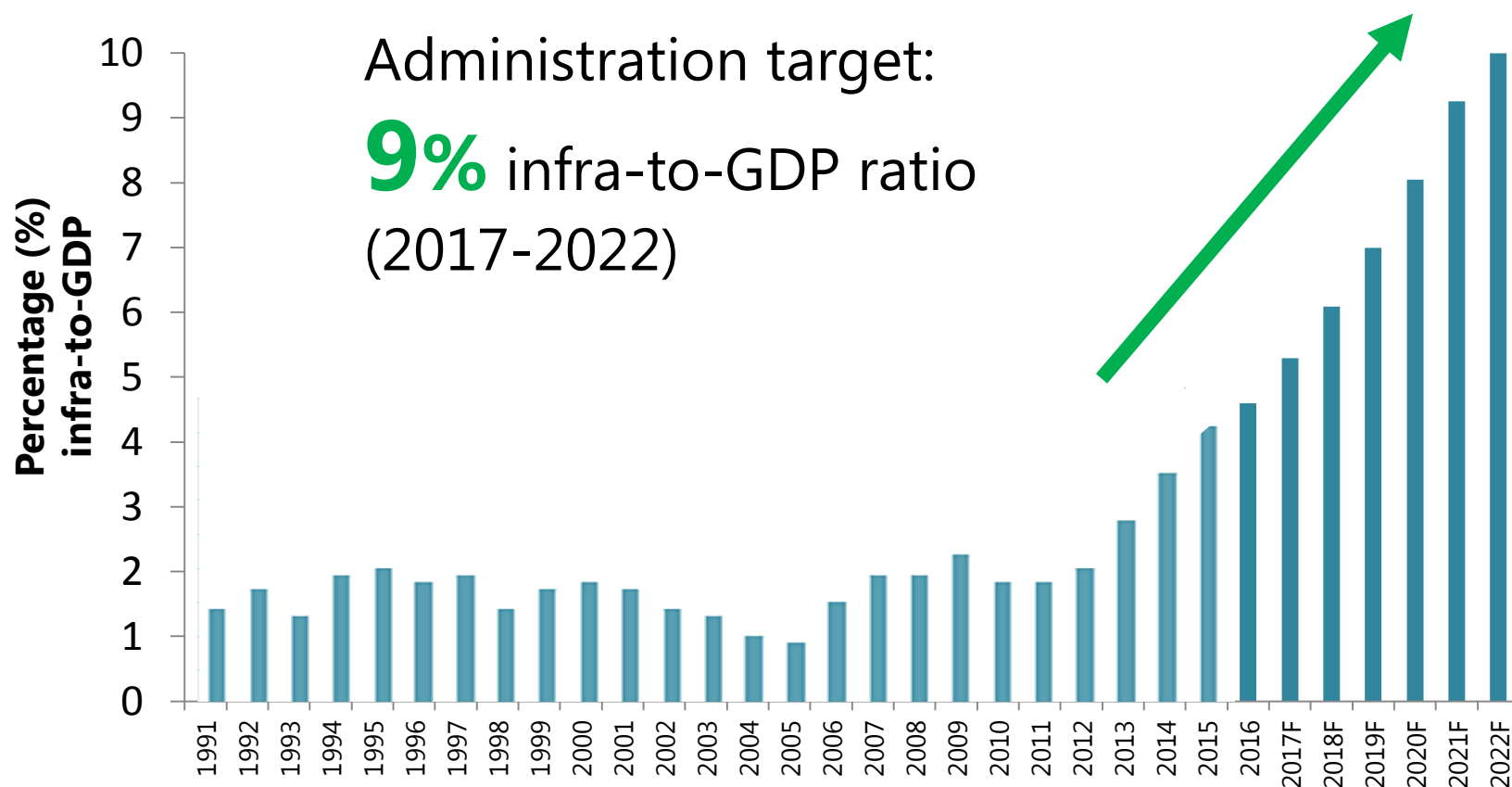




1,600 hectares

# Public infrastructure-to-GDP ratio

Infrastructure is expected to lift GDP growth



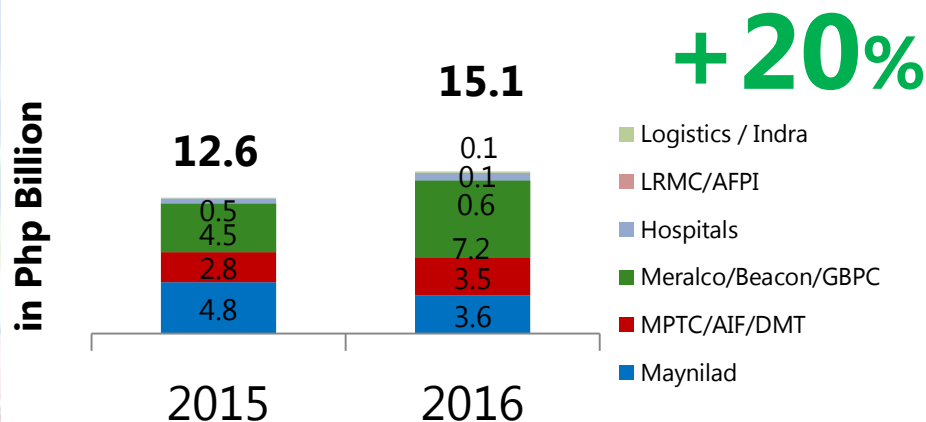
# Metro Pacific Financial Highlights

**METRO  
PACIFIC**  
INVESTMENTS

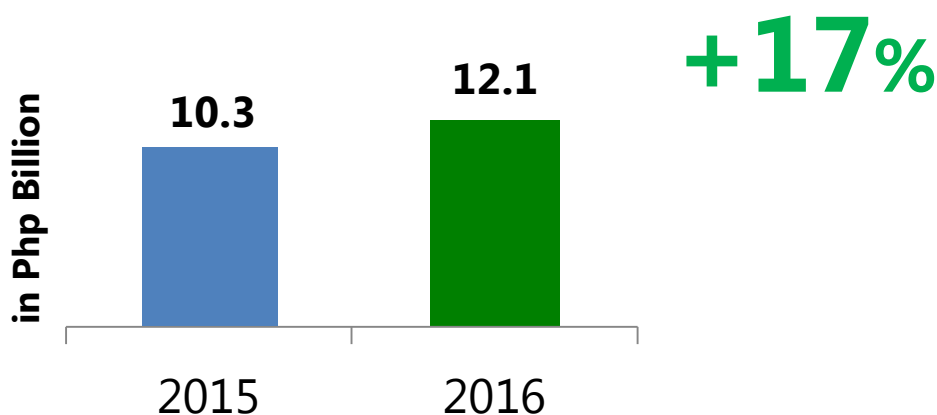


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## Share in Operating Net Income (Core)



## Core Net Income



- Meralco
  - Energy kwh sales **+8%**
  - Increased direct equity stake from 32.5% to **41.2%** effective June
  - Higher preferred dividend income from Beacon; Php1.2B - FY2016 (18 mos.) vs. Php0.41B - FY2015 (6 mos.)
- 7 mos. contribution from GBPC through Beacon (acquisition last May 2016) and Meralco **Php489M**
- Toll Roads
  - Increase in average daily traffic in NLEX **+9%**, Cavitex **+7%**, and SCTEX **+17%**, DMT **+12%** & CII **+5%**
- Water
  - Billed volume **+4%**
  - Expiration of ITH (**-Php1.3B**)
- Hospitals
  - Increase in gross revenues from existing and new hospitals **+28%**
  - Out-patient **+35%**
  - In-patient **+26%**
- Equity accounting net income for GT Capital for 7 months at **Php1.1B**

# Current Administration Agenda



Continue **stable macroeconomic** policies



Increase PH's competitiveness and the **ease of doing business**



**Relax constitutional restrictions** on foreign ownership, except for land



Increase **infrastructure** spending to **7%** of GDP



Boost **rural productivity** and rural tourism;



Ensure security of **land tenure**



Develop **human capital**, including **health** and **education**



Promote science, math, and arts to enhance **innovation**

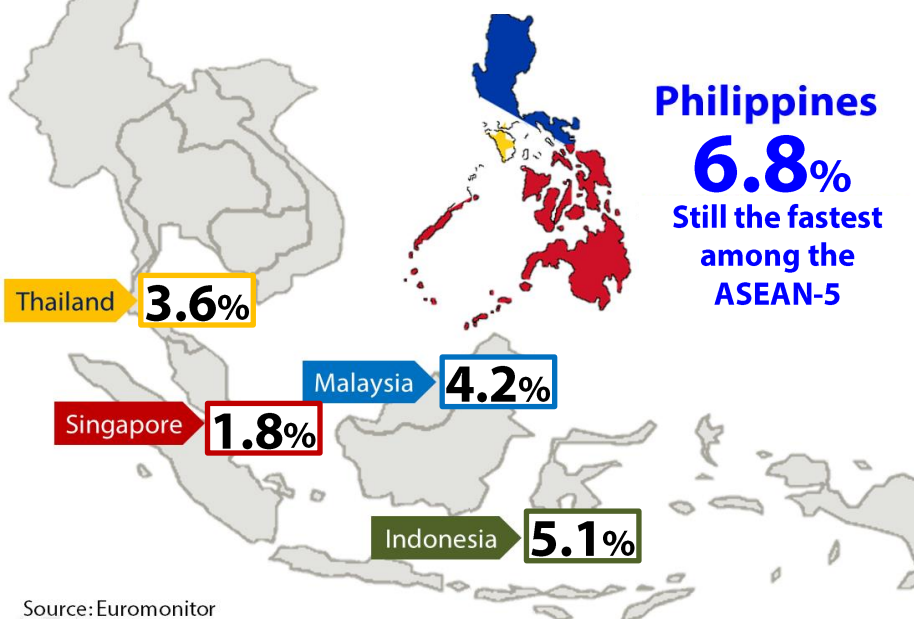


Improve **social protection** programs, including **CCT**



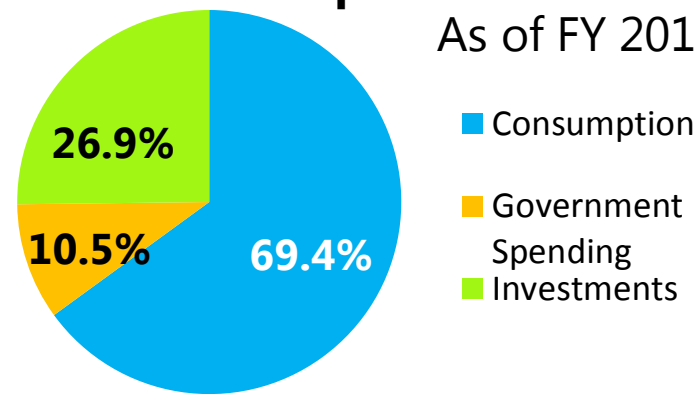
# Macroeconomic Indicators

## Full-Year 2016 GDP Growth



## Household Consumption as % of GDP

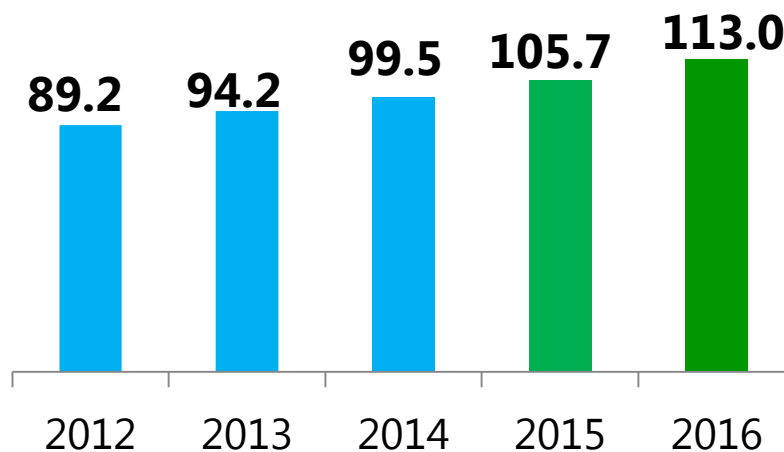
As of FY 2016



## Household Consumption +6.9%

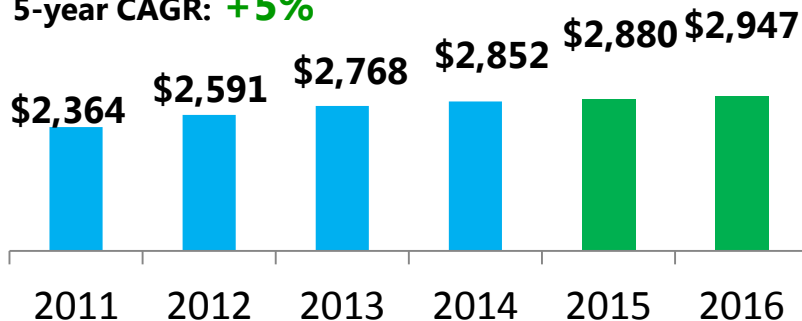
In USD Billion

Y-o-Y



## GDP Per Capita

5-year CAGR: +5%



Source: Bangko Sentral ng Pilipinas

# Macroeconomic Indicators



**2.4 million OFWs**  
remitting  
**USD 26.9 billion**  
▲ **5.0%** year-on-year

Source: Philippine Statistics Authority



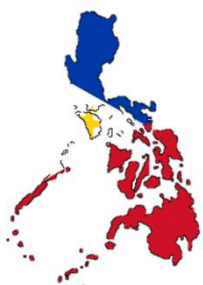
Thriving BPO sector  
**1.2 million** employees  
**USD 22.9 billion** revenues  
▲ **12%** year-on-year

Source: Information Business Processing Association of the Philippines (IBPAP)

# Macroeconomic Indicators, latest as of FY2016



Benign inflation  
**1.8%**  
as of FY 2016



Population  
**103.2 million**



Foreign direct investments  
**USD7.9 billion**  
▲41% from **USD5.6 billion** in 2015



Gross international reserves  
**USD80.7 billion**



External Debt-to-GDP  
**24.6%** from 26.5% in 2015



Domestic liquidity  
**PHP9.5 trillion**  
▲12.7% from **8.4 trillion** in 2015



**53% of Filipinos are below 25 years old**