



*Rising Together  
to New Heights*

**GT CAPITAL**  
HOLDINGS INCORPORATED



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HOLDINGS INCORPORATED



**A DECADE OF  
CREATING VALUE**

# Investor Update 9M2017

**JAN TO NOV 2017  
FINANCIAL AND  
OPERATING RESULTS**

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# Strategic Direction



## 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



## New Sectors

- New strategic partners
- PPP projects
- Infrastructure
- Logistics

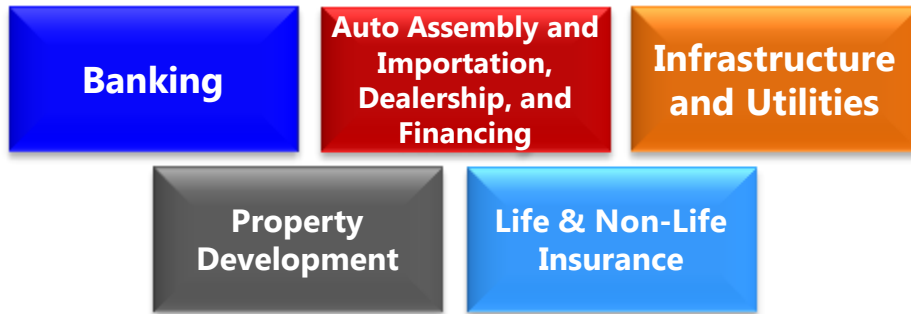
## Expansion in Existing Sectors

- ✓ 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

# 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.



- 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
- All-Time High Market Capitalization (10 August 2016): Php282 billion

## Strategic Partnerships with Best-of-Class Brands



# GT Capital Component Companies



- 1** No. 1 bank in net interest margins as of end-Sept 2017
- 2** Second **largest Philippine bank** by assets as of end-Sept 2017
- 1** **Strongest bank** in the Philippines for 2011, 2013, 2015, and 2016 according to *The Asian Banker*



- 1** **Largest automotive company** in the Philippines, maintaining 39% market share as of end-Sept 2017
- 1** **Highest** passenger car, commercial vehicle, and overall sales annually since 2002
- 1** **Triple Crown** winner for 15 consecutive years 2002 – 2016



- 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



- ❖ Over **40 years experience** in vertical, residential property development
- ❖ Track record of **landmark developments** in Metro Manila
- ❖ Over 100 has. of land bank in prime locations



- ❖ 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)



- 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



- 1** Market leader in auto financing for Toyota vehicles
- ❖ 15-year track record in auto lease financing
- ❖ Strategic partnership with Toyota Financial Services of Japan

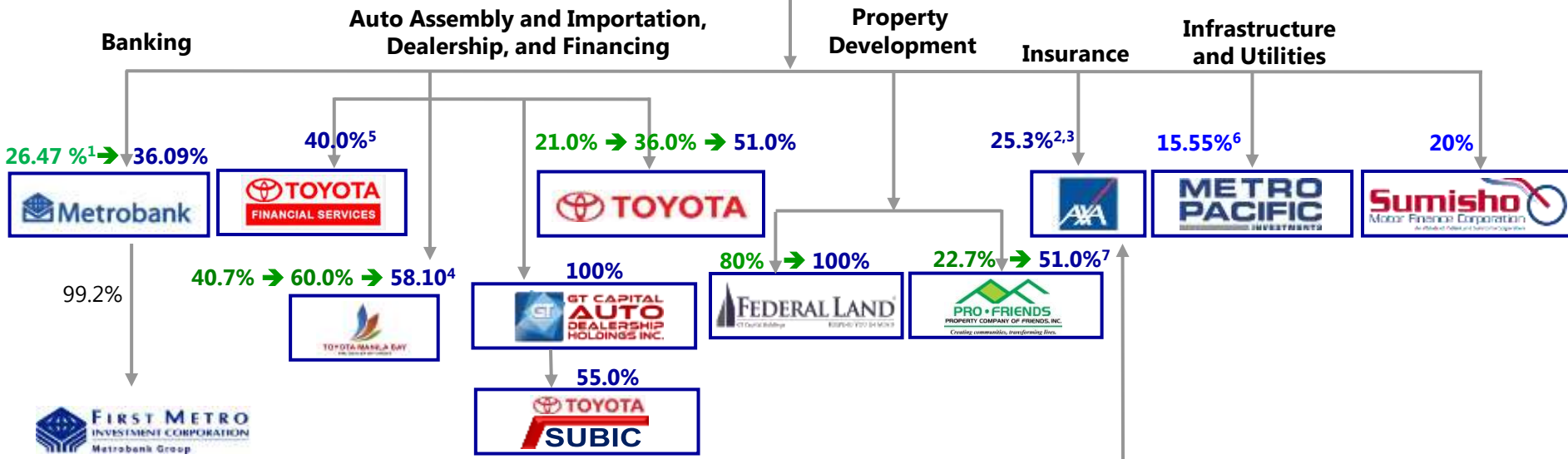


- ❖ Combined penetration rate of 13% among Toyota dealers as of end-Sept 2017
- ❖ Network of 5 dealer outlets
- ❖ Strategic partnership with Mitsui & Co. of Japan



- ❖ Joint venture with **Sumitomo Corporation**, one of Japan's largest conglomerates
- ❖ Nationwide footprint in over **320 motorcycle dealerships**
- ❖ A leading institution in financing Japanese motorcycle brands

# Current Corporate Ownership Structure



<sup>1</sup> Free float (49%), Ty family - related entities (24%); Acquired 9.6% of Metrobank shares in April 2017

<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%.

<sup>8</sup> On August 8, 2017, GT Capital acquired Sumisho Motor Finance Corporation from Philippine Savings Bank (PSBank).

# Financial Highlights 9M 2017

## Consolidated Net Income

\*Includes GBP & CPAIC after tax gain on sale of Php2.9B

**-12%**

**Php10.8 billion**

Php12.3 billion 9M 2016\*

## Core Net Income

**+19%**

**Php11.0 billion**

Php9.3 billion 9M 2016

## Revenues

**+16%**

**Php169.5 billion**

Php146.2 billion 9M 2016

TMP & TMBC - Auto Sales (TMP – Php130.7B)

**Php 149.1 billion +15%**

Equity in net income of associates (MBT–Php4.1B, MPIC–Php1.7B  
AXA Philippines—Php 0.4B)

**Php 6.6 billion +43%**

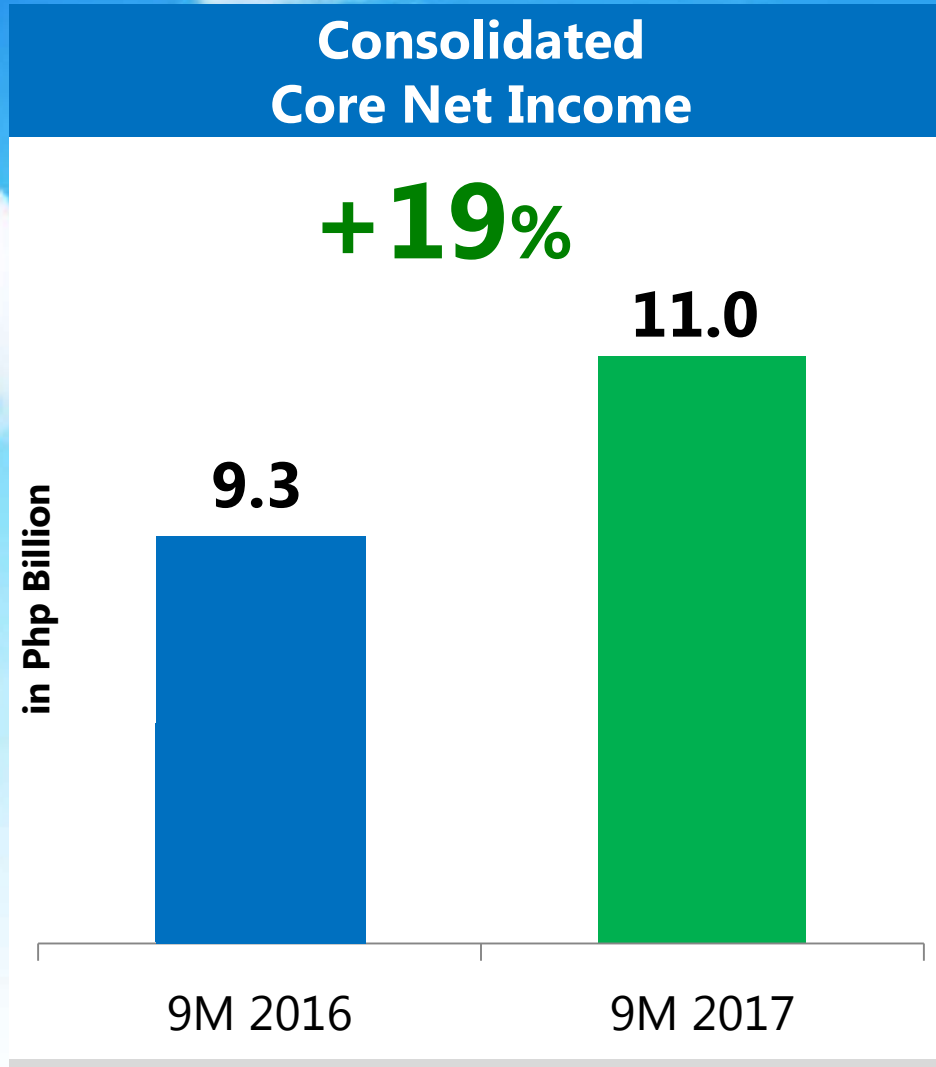
FLI & PCFI - Real Estate Sales and Interest income on Real Estate  
Sales (PCFI revenue contribution Php4.8B or 44% of total)

**Php 10.9 billion +19%**

Excluding increase in stake (Php0.6B) +30%

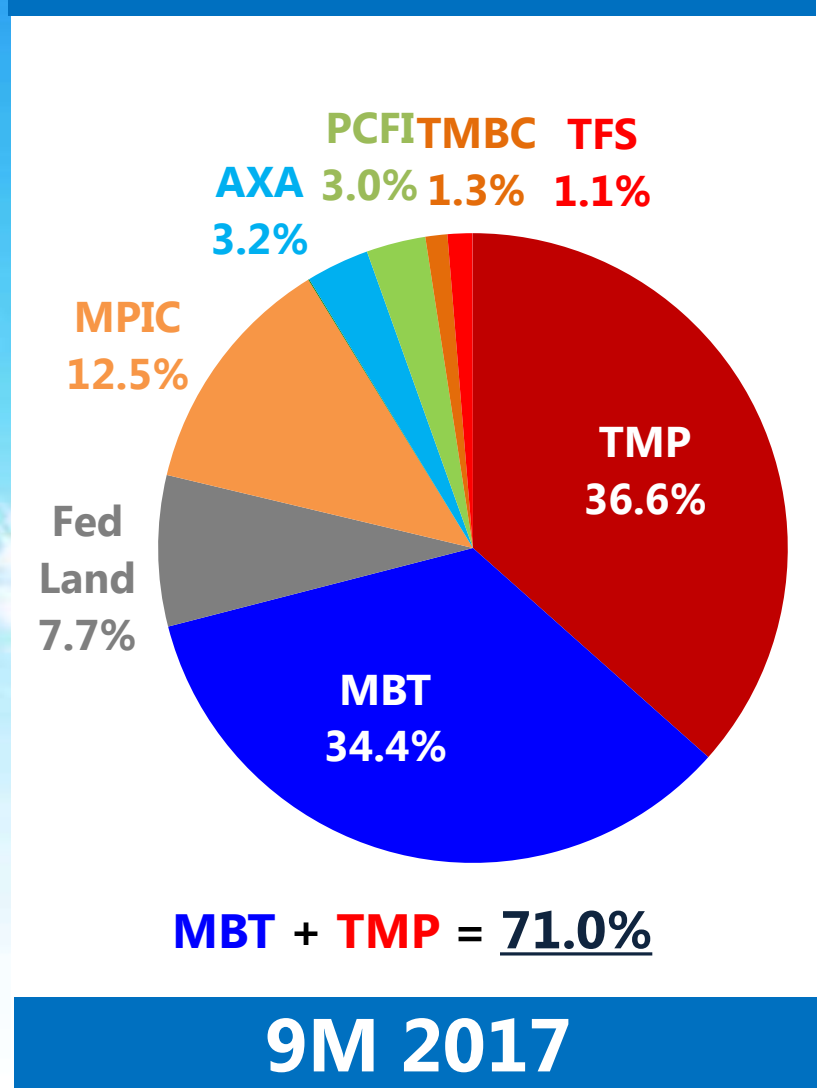
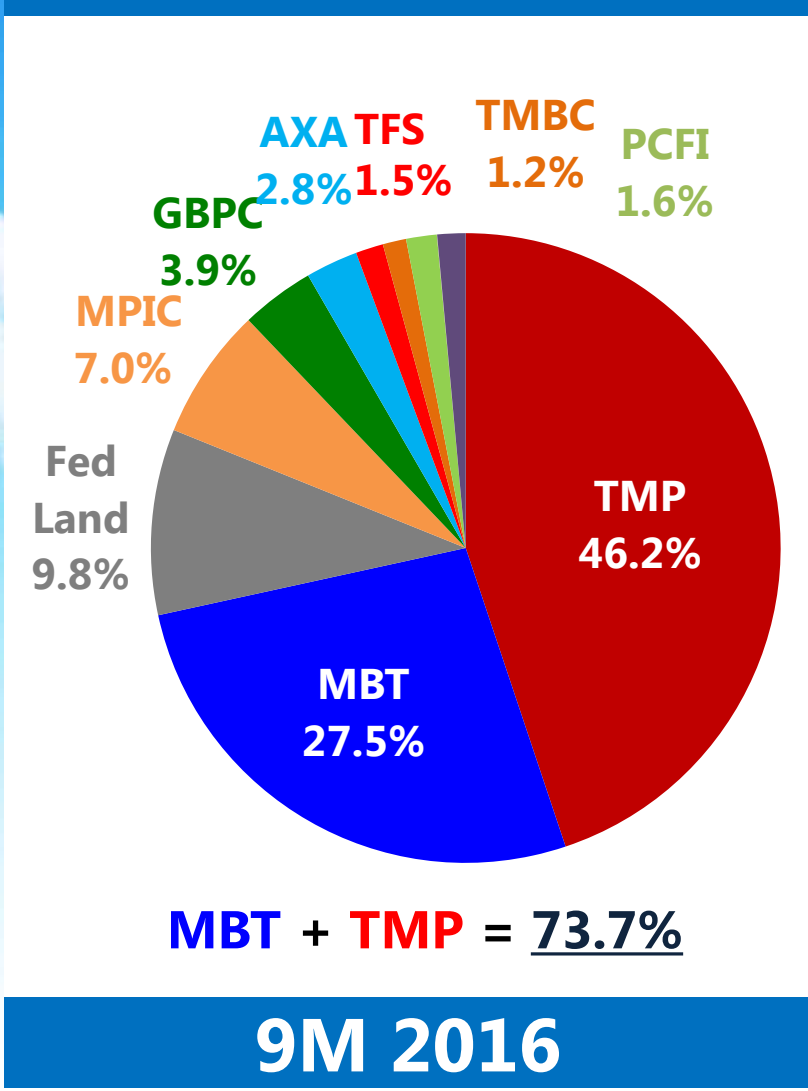


# GT Capital 9M 2017 vs 9M 2016 Comparative

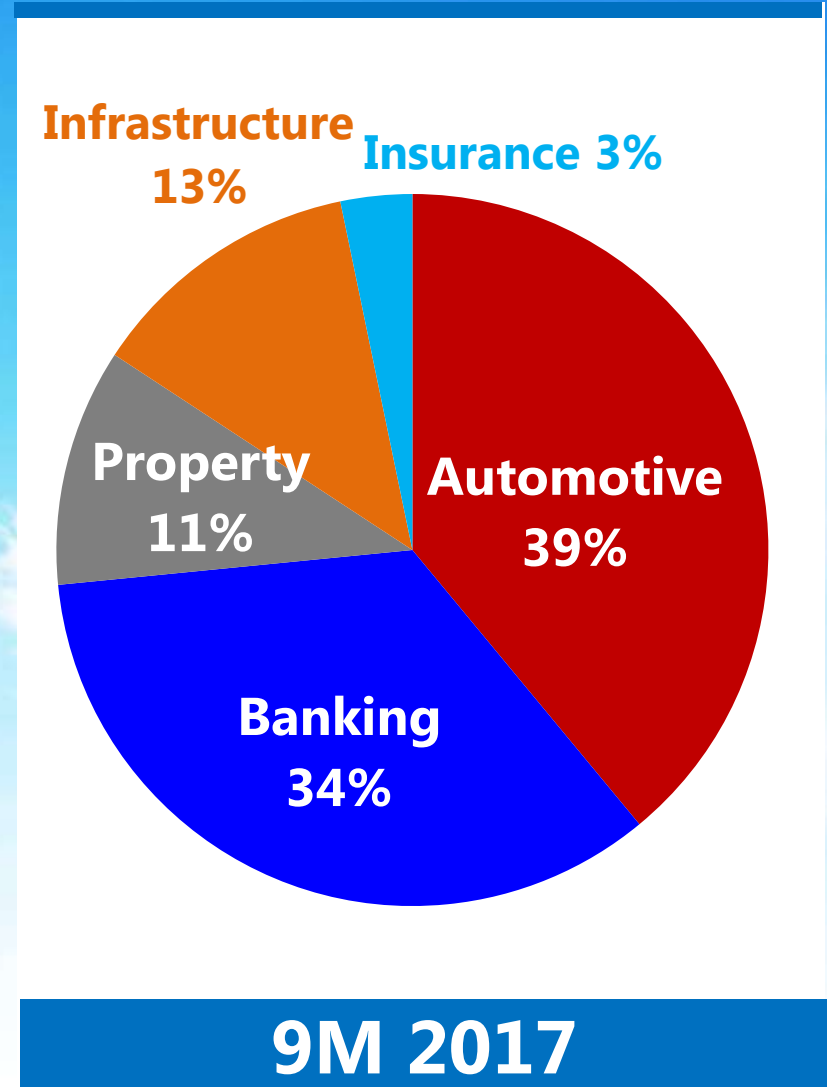
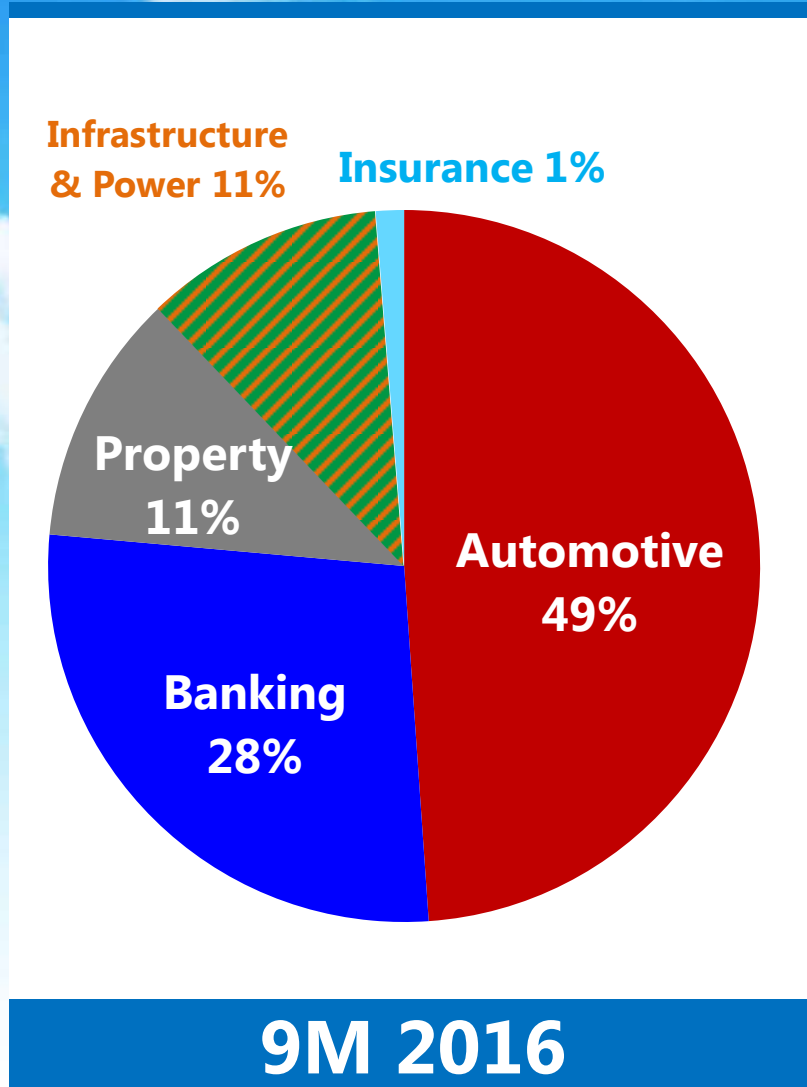


- MBT **+40% (+19%)**
- AXA **+39%**
- FLI **+3%**
- MPIC **Php1.76B +76%** (vs. GBP Php1.0B 9M2017)
- TMP **-5%**
- PCFI NI contribution **Php421M +124%**

# GT Capital Net Income Contribution



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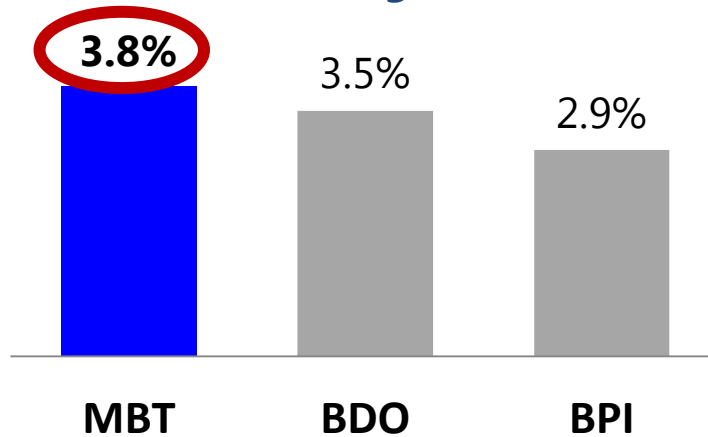


 **Metrobank**



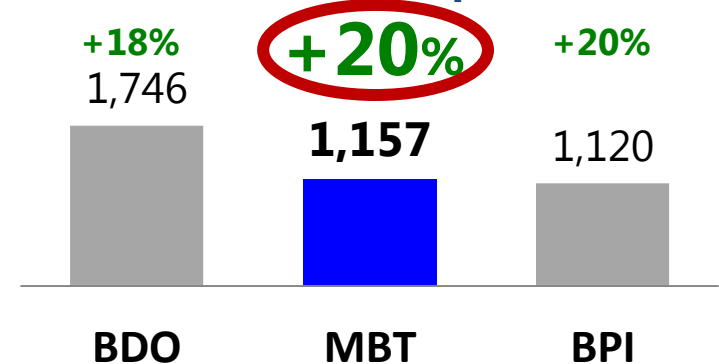
# Peer Banks Highlights

## Net Interest Margin – NIMs (%)

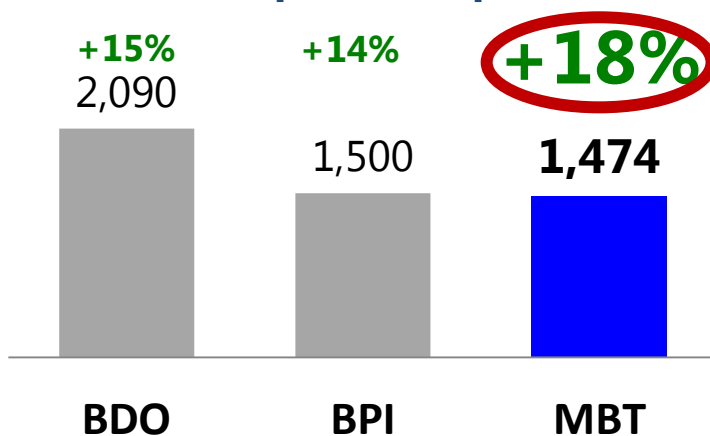


## +21% industry growth

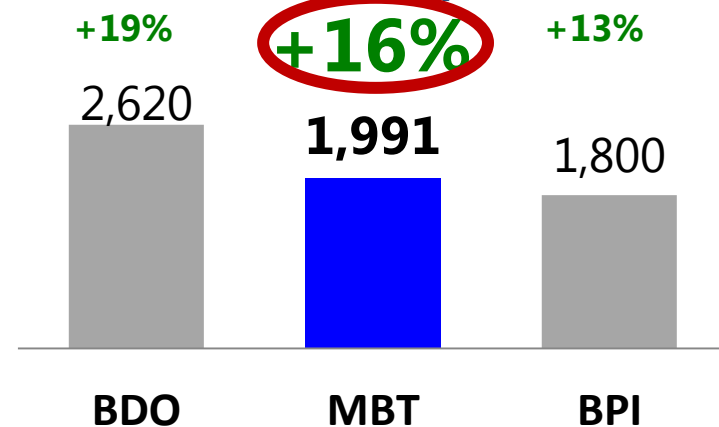
### Total Loans (Php Billion)



### Total Deposits (Php Billion)

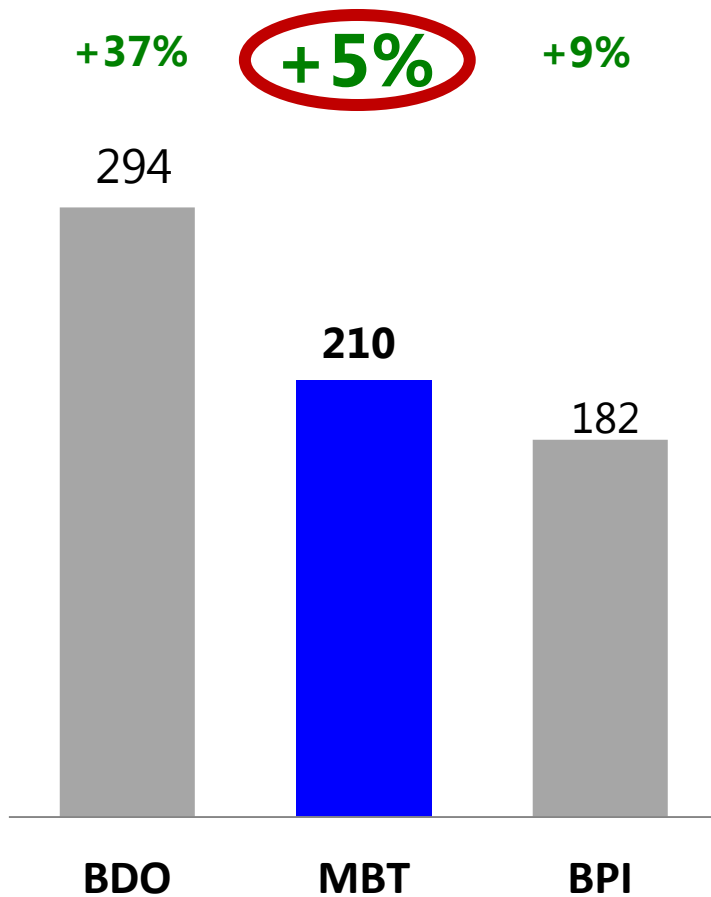


### Total Assets (Php Billion)

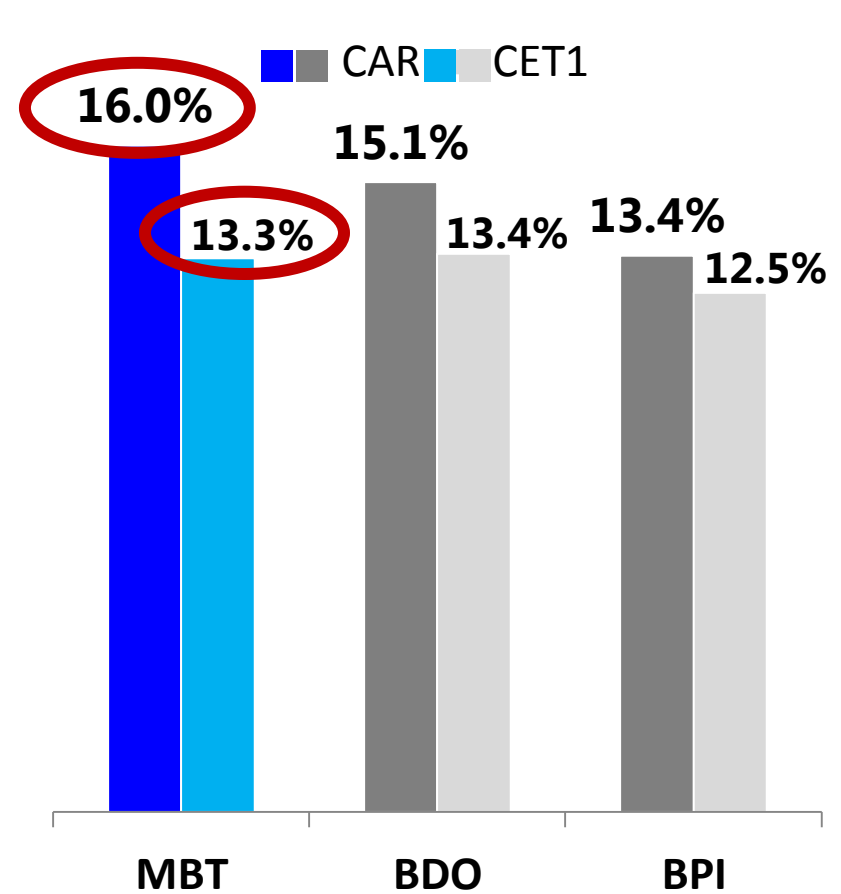


# Peer Banks Highlights

### Total Equity (Php Billion)



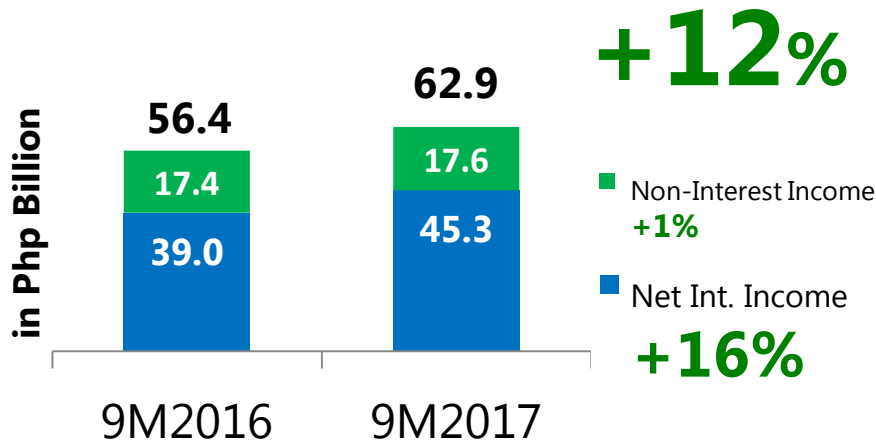
### Total Capital Adequacy Ratio and CET1 (%)



Source: 17-Q Report and SOC of Banks as of 30 September 2017 and BSP Report on Financial and Economic Indicators

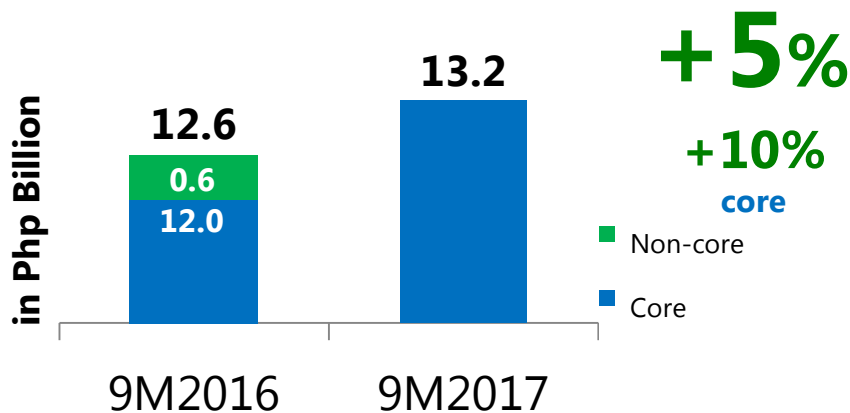
# Metrobank Financial Highlights

## Operating Income



- Sustained double-digit growth in loans and CASA
- Net Interest Income **+16%** (**Php45.3B or 72% of Operating Income from 69%**)
  - Continued improvement in NIMs from 3.65% to 3.80%
- Non-Interest income **+1%**
  - Service fees & bank charges **+6%** from **Php7.7B** to **Php8.1B**
  - Trading and FX gain normalized from **Php4.2B** to **Php4.0B**

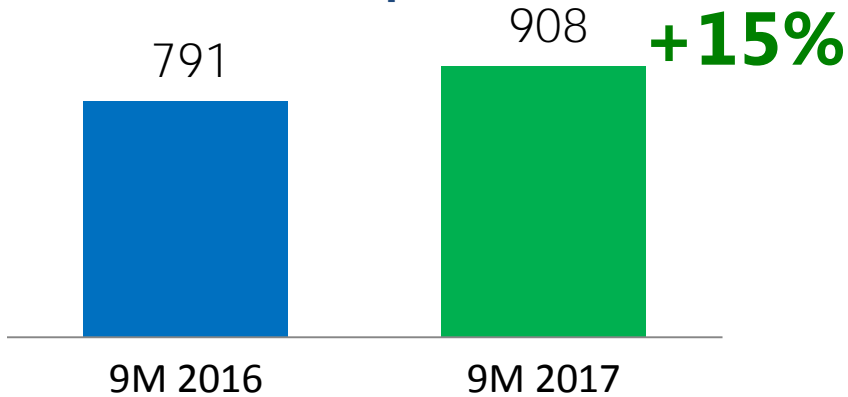
## Net Income



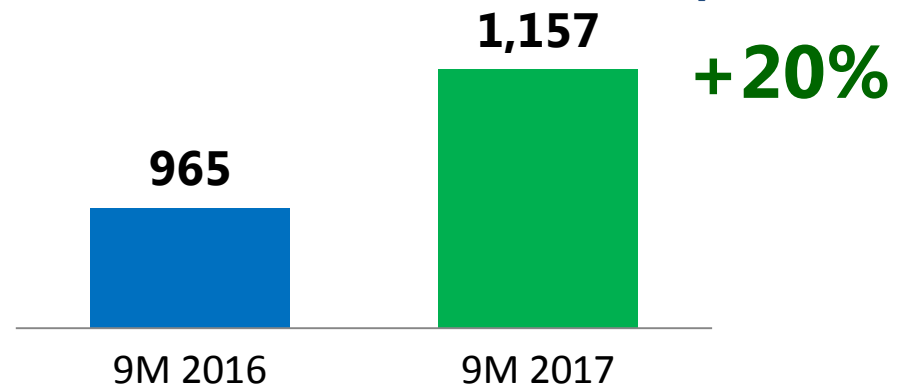
- Provisions for credit and impairment losses **+26%** from **Php4.7B** to **Php5.9B** (including one-offs)
- NPL ratio from 0.93% to 1.10%
- Manageable OPEX growth **+8%** from **Php33B** to **Php36B**
  - CIR from 59.3% to 56.8%

# Metrobank Financial Highlights

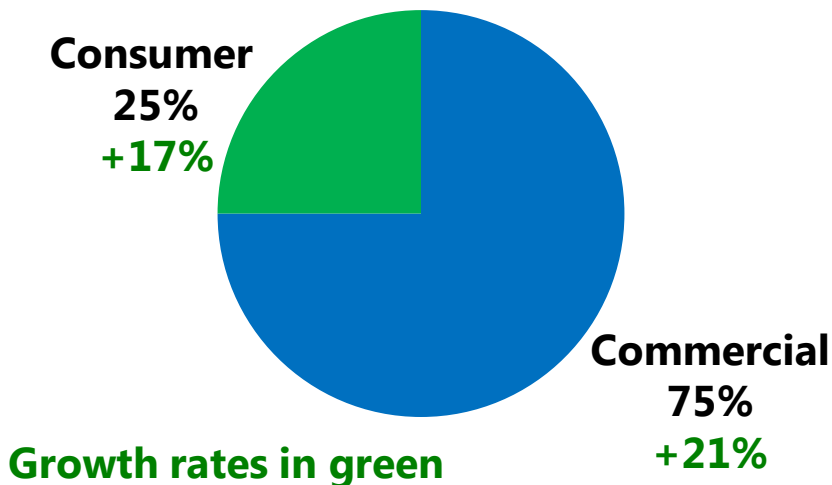
## CASA (Php Billion)



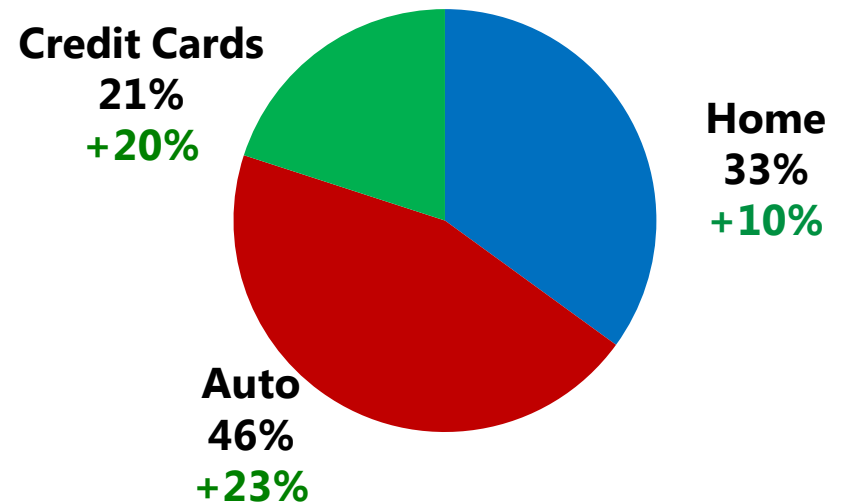
## Loans and Receivables (Php Billion)



## Total Loan Portfolio Breakdown



## Consumer Loan Portfolio Breakdown



Source: Bank data



## Metrobank to increase stake in Metrobank Card Corporation

October 2017

Prior to acquisition  
Metrobank **60%**  
ANZ Group **40%**

Post-acquisition  
Metrobank **100%**

Two tranches  
**20%** for Php7.4B within 2017  
**20%** remaining by 3Q 2018



**1,500,000**  
cards in force

**Number One**  
**credit card company**  
in the Philippines  
*Credit Card Association of the Philippines (CCAP)*

**32 years**  
of experience in the  
credit card business

Part of ANZ's global  
strategy of focusing on  
core banking  
operations in Australia  
and New Zealand



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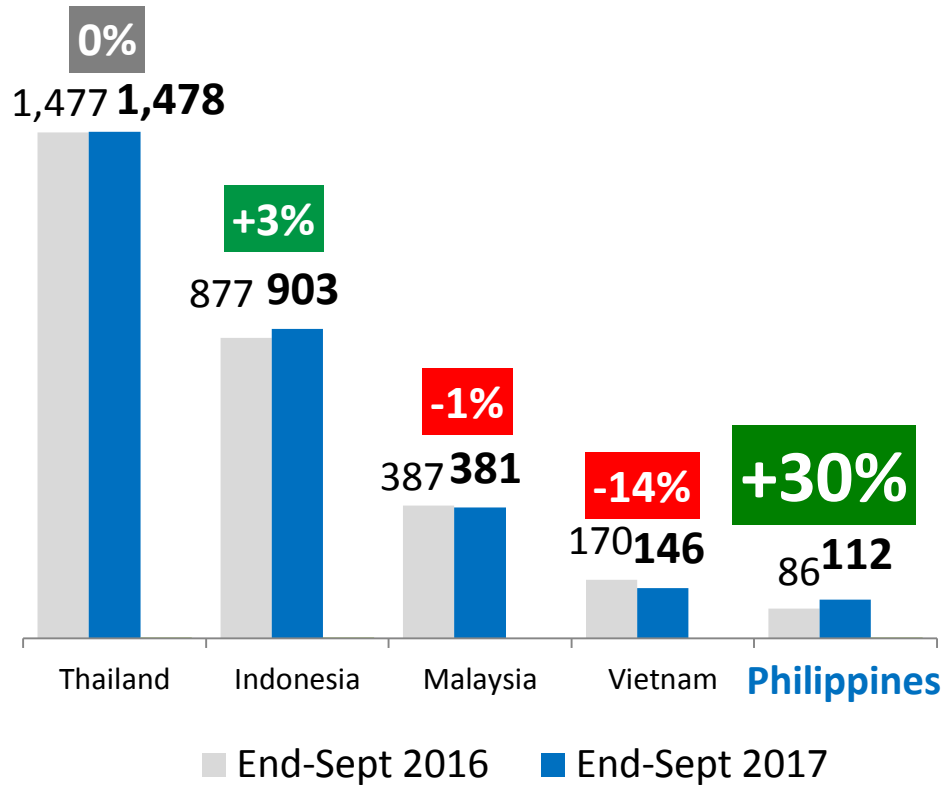


**TOYOTA**

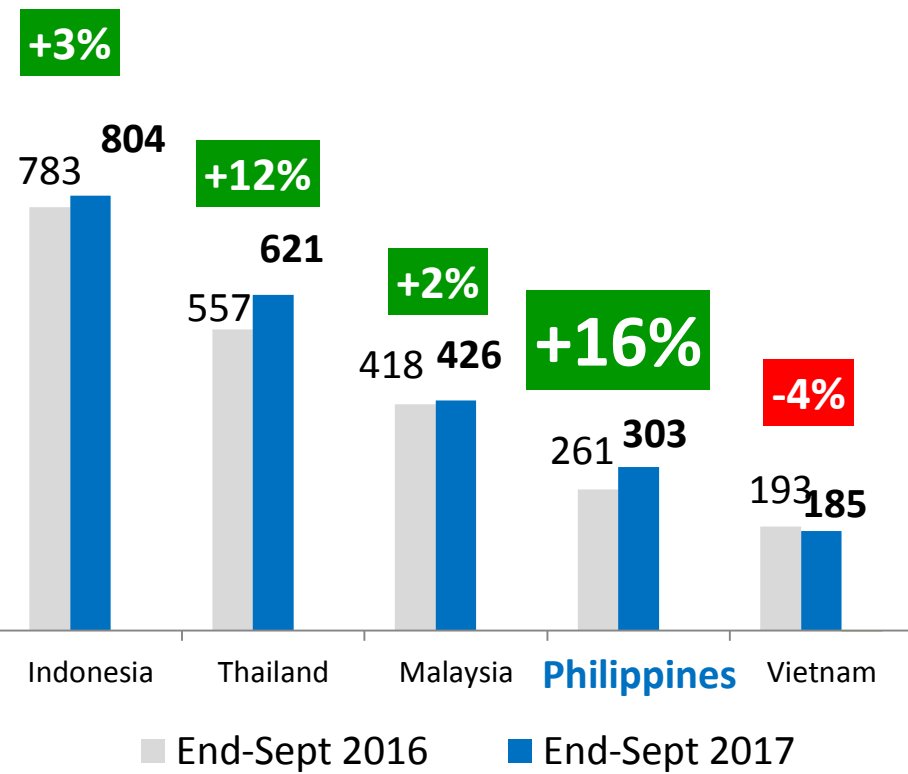
# Once again, the Philippine auto industry is the fastest-growing in ASEAN



## Car Production in Units ('000) End-Sept 2016 vs End-Sept 2017



## Domestic Sales in Units ('000) End-Sept 2016 vs End-Sept 2017



Source: ASEAN Automotive Federation



## Incentives



### Model Life Budget

Maximum amount of incentive given to each participant  
 In the form of tax incentive certificates

### Fixed Investment Support (FIS)

**40%**

			
Body Shell Assembly	Large Plastic Assemblies	Common Parts	Shared Testing Facility
<b>12.5% to 30%</b>		maximum <b>5%</b>	

### Production Volume Incentive (PVI)

Dependent on **three factors**:

			
<b>Volume</b> produced in excess of 200,000	<b>Actual annual production volume</b>	<b>Size of locally-made high tech parts</b>	



## 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)

# Updates on the CARS Program



**Php5.24B**  
Investment plan as of Sept 2017

Participating model  
**THE NEW VIOS**

Major investment in localizing  
**348 parts**

**60%**  
Localization as a result of CARS initiatives

**\$842mln**  
Export sales of Philippine subsidiaries of Toyota Group suppliers in 2016

## Participating Parts Makers Under CARS

Technol Eight Philippines Corp.

**TOYOTA BOSHOKU**  
Toyota Boshoku Philippines Corp.

**Valerie**  
Valerie Products Mfg. Inc.

**Manly PLASTICS, INC.**  
Manly Plastics, Inc.

**Ogihara**  
Ogihara (Thailand) Co., Ltd.

**TOYODA GOSEI**  
Toyota Gosei (Thailand) Co., Ltd.

**30**  
Confirmed direct suppliers of the Vios

**91** Members of the **Toyota Suppliers Club (TSC)**

## Production Technology & Technical Skills Transfer

TMP and its suppliers are expected to have significant new capabilities at par with Toyota Global Manufacturing standards in production under CARS:

- Localization of large press parts, including the Side Member, equivalent to 57% of body shell (by weight)
- Localization of large plastic parts with complex designs such as instrument panel console

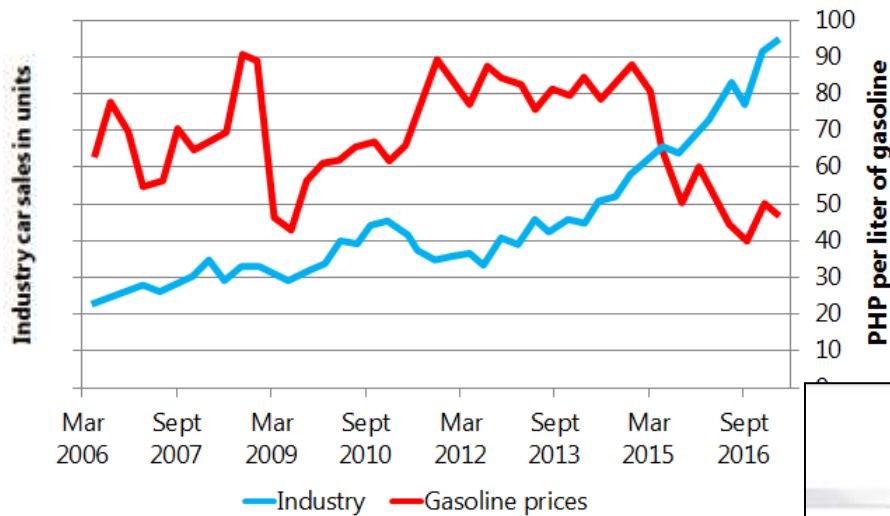
Through the **Toyota Suppliers Club (TSC)**, TMP continues to strengthen its local supplier network to achieve competitiveness and improve efficiency and productivity throughout the TMP value stream. Currently, 91 member-suppliers are engaged in the following activities:

- Toyota Production System (TPS) Activities
- Kaizen and QC Tools Seminars
- Cost and Quality Seminars
- Safety Seminars
- Learning Sessions on Human Resource Development and Industrial Relations

# Factors in relation to industry car sales



## Industry car sales vs. gasoline prices



Historically, gasoline prices have not had a significant correlation with Philippine industry car sales.

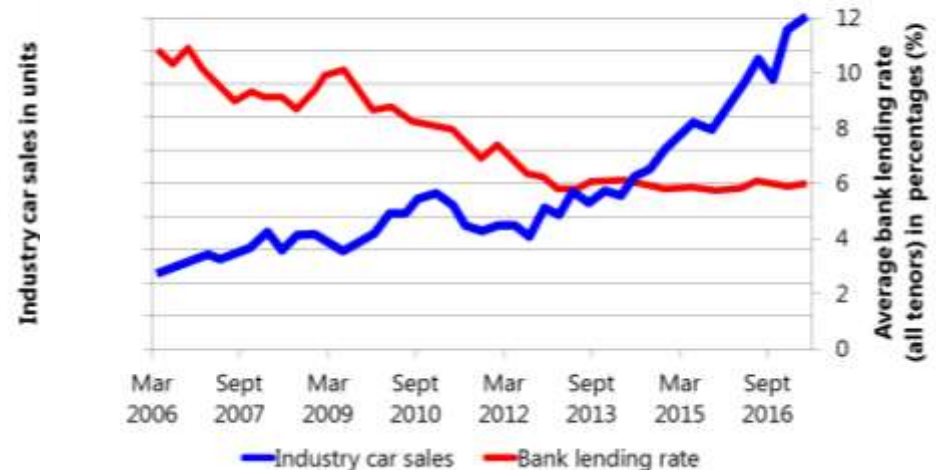


Source: PEP-BAML report, CAMPI, Bloomberg

More significant contributors to auto sales would be the affordability of car loan interest rates and the increase in Filipinos' disposable incomes.



## Industry car sales vs average bank lending rates

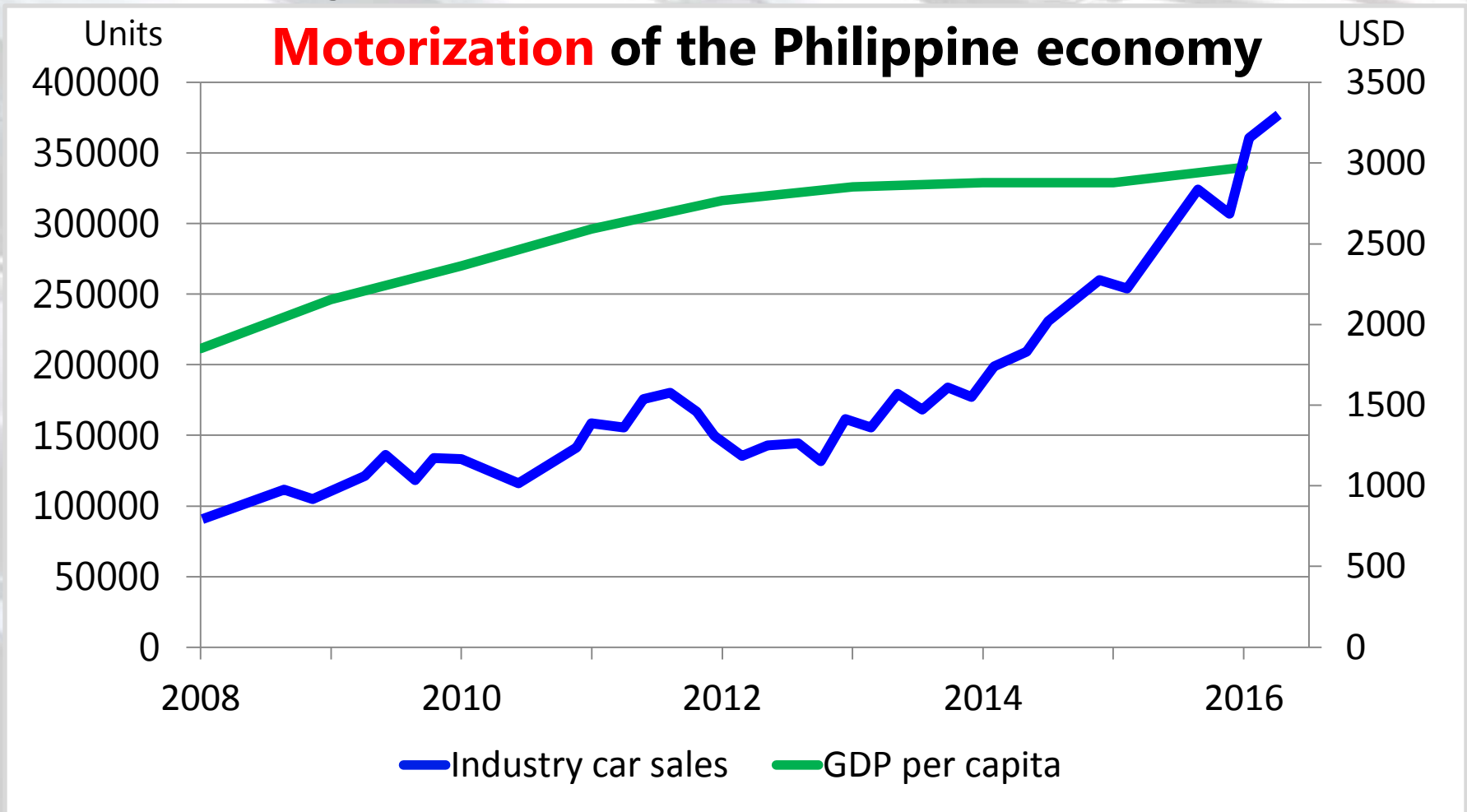


Source: CAMPI, PEP-BAML

The Philippines is now enjoying the benefits of economic "motorization"



## Industry car sales vs. PH GDP per capita



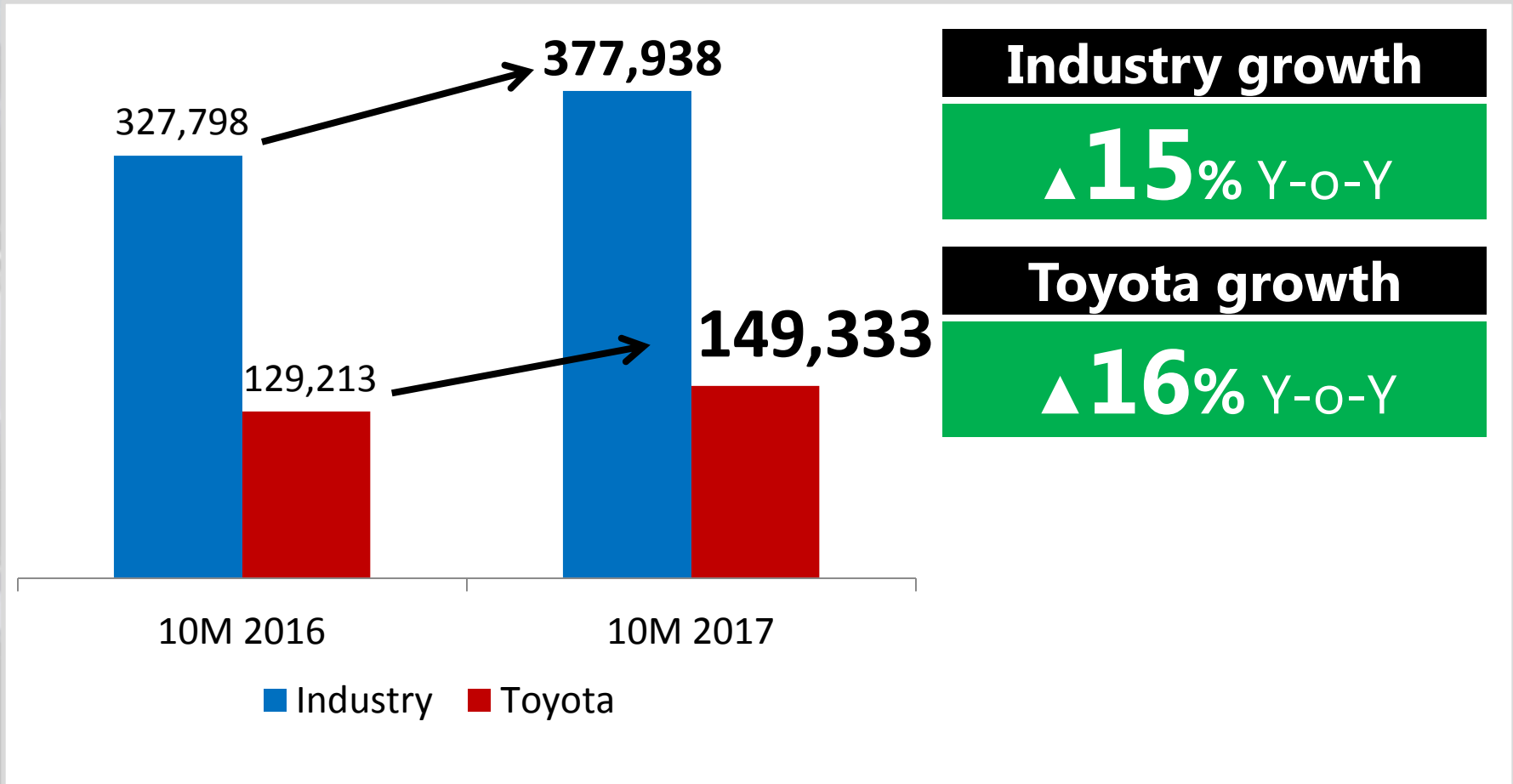
Source: CAMPI, PEP-BAML



# Toyota outperformed the industry in 10M 2017 unit sales growth



## Retail unit sales volume As of October 2017

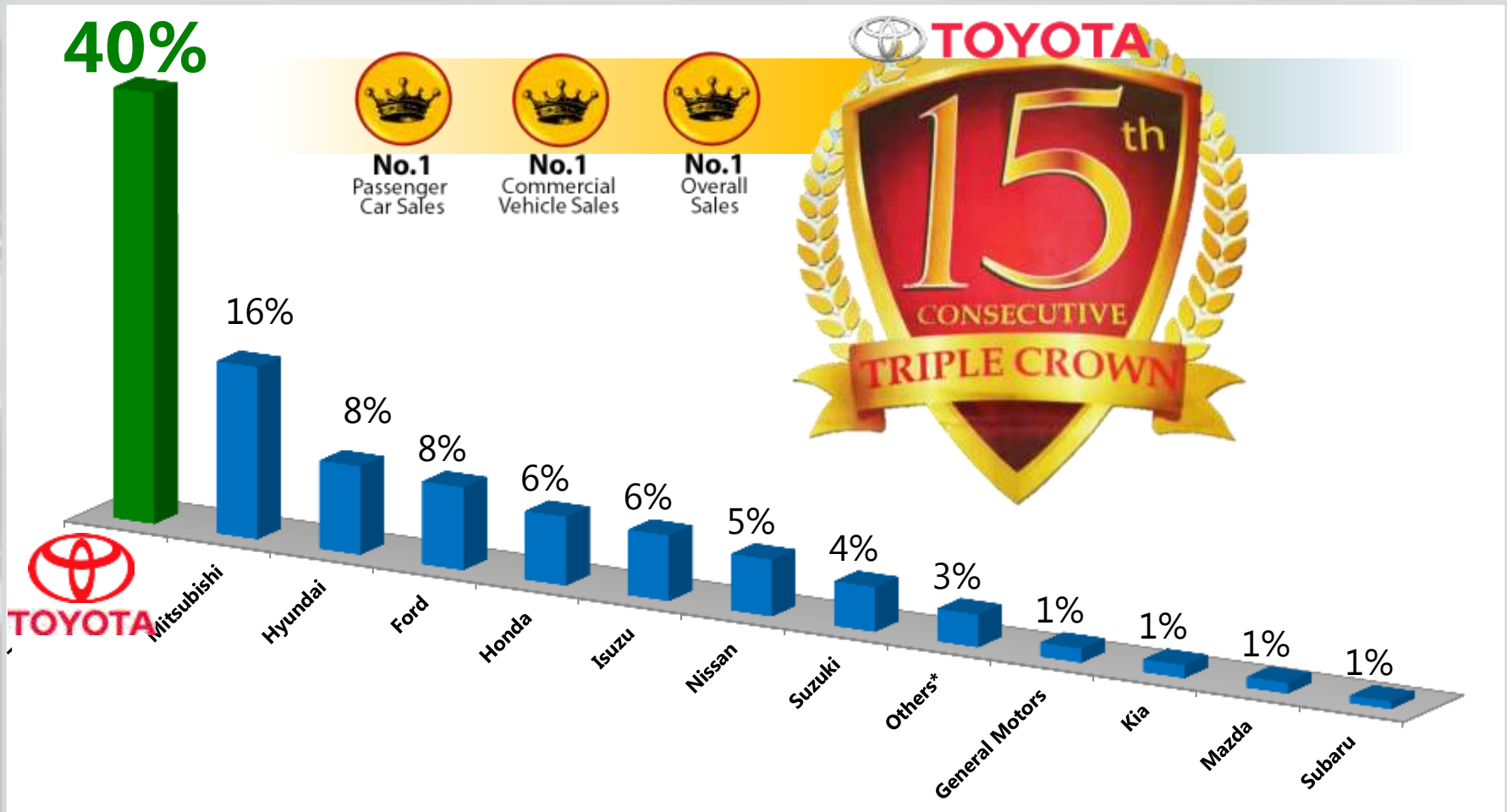


Source: Company data

# Toyota continues to be the Philippines' dominant auto company



## Overall Market Share As of October 2017

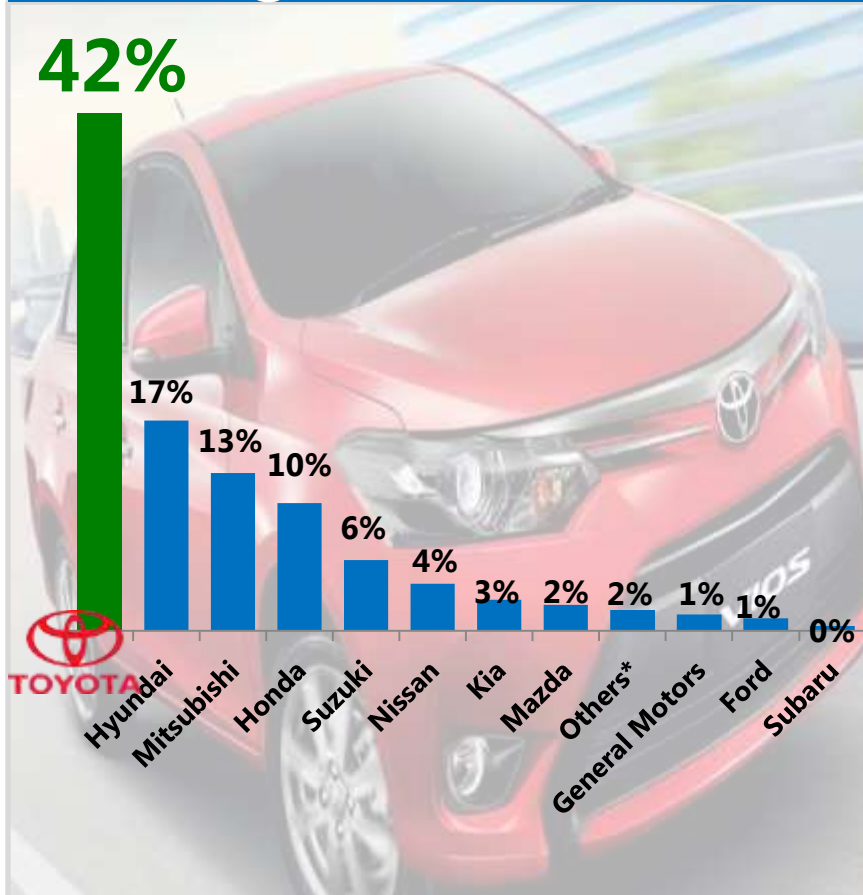


# Toyota continues to be the Philippines' dominant auto company

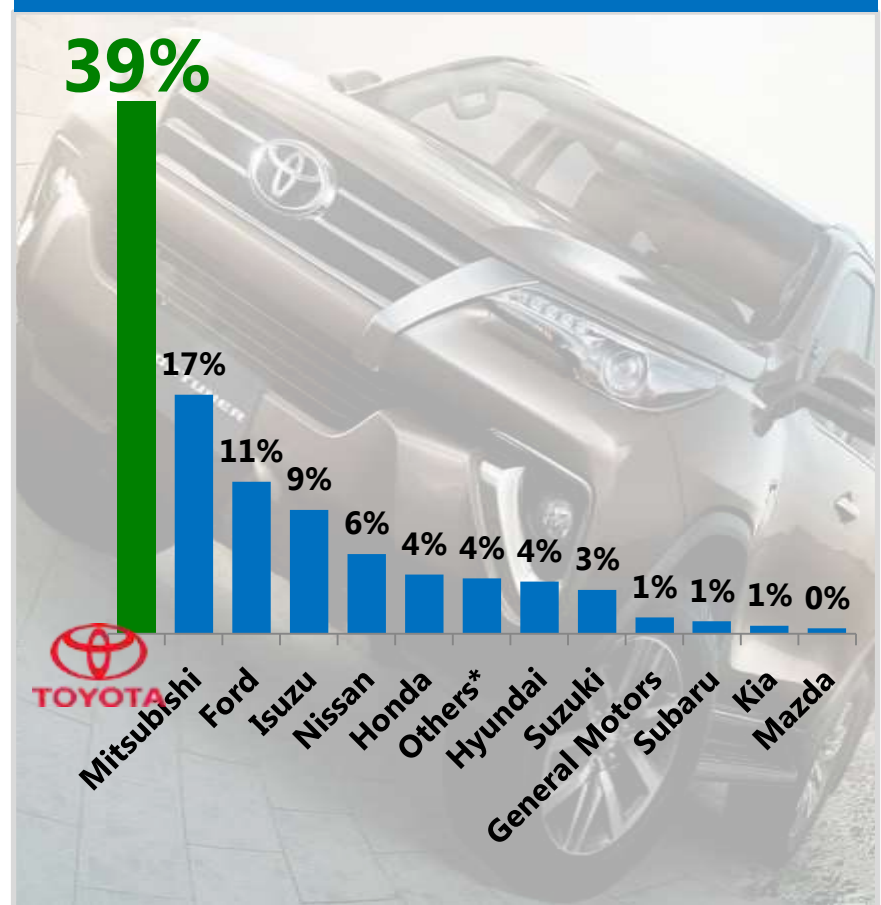


## Auto Industry Market Share As of October 2017

### Passenger Car



### Commercial Vehicle



Source: Company data

# Toyota practices continuous improvement, or *Kaizen* in its model offerings

## LAND CRUISER PRADO

Improvement **September 2017**



GRAND NEW  
**VELOZ**  
LET'S SHOW  
THE **WORLD**



## AVANZA VELOZ

Introduced in **October 2017**



**INNOVA**  
TOURING  
**SPORT**

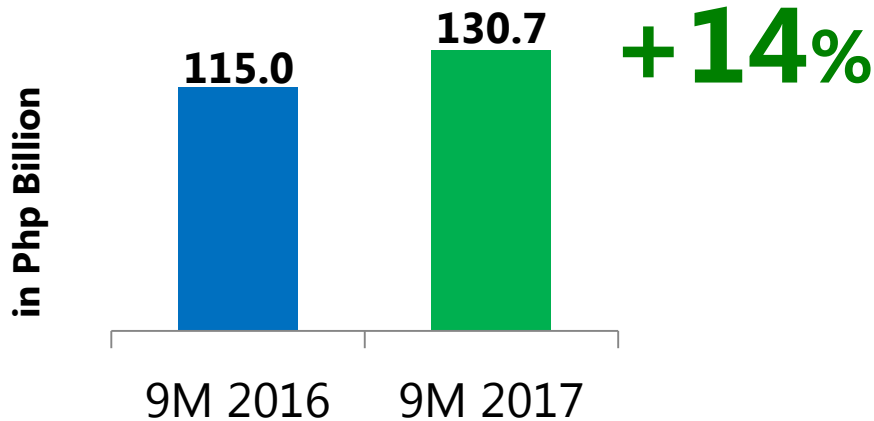
Introduced in  
**October 2017**



# Toyota Financial Highlights

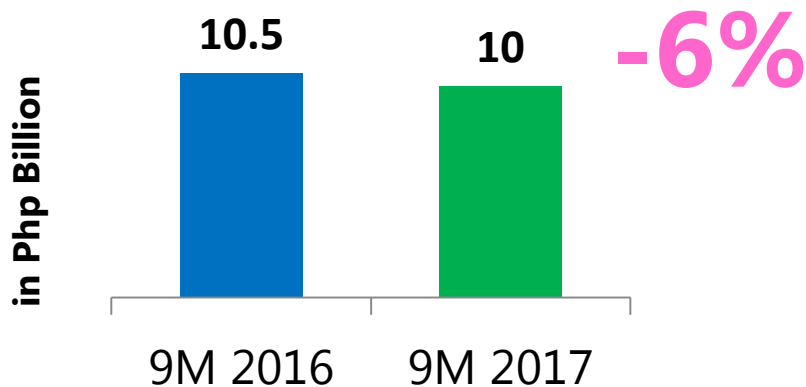


## Revenues



- Wholesale volume **+11%**  
**133,261** units; retail volume **+16%**  
(vs **+15%** industry growth)
- Strong retail sales volume:
  - PCs: Vios **+8%**
  - CVs: Fortuner **+42%**, Innova **+50%**  
& Avanza **+16%**
- Overall market share from **39.0%** to **39.4%**

## Net Income ATP



- Due to unfavorable F/X differential and higher OPEX & OH costs
- Implemented across-the-board 2% price increase (March & September 2017)



# Toyota Dealership Expansion



Target by end of year	2012	2013	2014	2015	2016	2017	2018E
Number of Dealerships	32	42	45	49	52	61	70

## 9 new branches in 2017 — all outside Metro Manila

**ANGELES, PAMPANGA**

February

**MATINA, DAVAO**

April

**TALISAY, CEBU; CALBAYOG, SAMAR; ILOCOS NORTE; AKLAN**

May



**SANTA ROSA, LAGUNA**

August



**KIDAPAWAN, COTABATO**

August

**\*61 Dealerships as of 27 December 2017**

**Upcoming:** Iligan (Lanao del Norte), Mabolo (Cebu), Calapan (Or. Mindoro), Tuguegarao (Isabela), Valencia (Negros Or.), Lapu-Lapu (Cebu)

**Subic Bay (owned by GT Capital Auto Dealership Holdings, Inc.)**



# TOYOTA MANILA BAY CORP. **New Building**

THE DEALER OF CHOICE



- Inaugurated 19 Oct 2017
- **The Philippines' largest car dealership of any brand**
- Toyota Manila Bay Corp (TMBC) ownership:
  - **58%** GT Capital
  - **42%** Mitsui & Co. of Japan
- TMBC owns 5 dealers: Manila Bay, Cubao, Marikina, Abad Santos, Dasmariñas
- 7-storey building, with full service bay



# 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 Comparable by Category in Million Philippine Peso (PHP)



In Million PHP	Toyota	Hyundai	Honda	Mitsubishi
<b>Model</b>	<b>Camry</b>	<b>Sonata</b>	<b>Accord</b>	
Price	<b>1.595 – 1.815</b>	0.896	1.809 – 2.329	
<b>Model</b>	<b>Altis</b>	<b>Elantra</b>	<b>Civic</b>	<b>Lancer</b>
Price	<b>0.896 – 1.335</b>	0.918 – 1.158	1.115 – 1.537	0.928 – 1.238
<b>Model</b>	<b>Vios</b>	<b>Accent</b>	<b>City</b>	<b>Mirage G4</b>
Price	<b>0.617 – 0.940</b>	0.678 – 0.928	0.770 – 1.010	0.573 – 0.805
<b>Model</b>	<b>Innova</b>			<b>Adventure</b>
Price	<b>0.954 – 1.511</b>			0.690 – 1.010
<b>Model</b>	<b>Fortuner</b>	<b>Santa Fe</b>	<b>CR-V</b>	<b>Montero Sport</b>
Price	<b>1.465 – 2.243</b>	1.748 – 2.533	1.539 – 2.049	1.415 – 2.118
<b>Model</b>	<b>Hiace</b>	<b>Starex</b>		
Price	<b>1.346 – 2.608</b>	1.378 – 1.988		
<b>Model</b>	<b>Wigo</b>	<b>Eon</b>	<b>Brio</b>	<b>Mirage</b>
Price	<b>0.526 – 0.599</b>	0.493 – 0.511	0.619 – 0.732	0.560 – 0.730

Source: Company websites; Retail prices as of 27 December 2017

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



	<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	<b>31,805 — 36,191</b>	37,448	36,072 — 46,441	
<b>Model</b>	<b>Altis</b>	<b>Elantra</b>	<b>Civic</b>	<b>Lancer</b>
Price	<b>17,866 — 26,620</b>	18,305 — 23,091	22,233 — 30,648	18,504 — 24,686
<b>Model</b>	<b>Vios</b>	<b>Accent</b>	<b>City</b>	<b>Mirage G4</b>
Price	<b>12,303 — 18,744</b>	13,519 — 18,504	15,354 — 20,140	11,426 — 16,052
<b>Model</b>	<b>Innova</b>			<b>Adventure</b>
Price	<b>19,023 — 30,130</b>			13,759 — 20,140
<b>Model</b>	<b>Fortuner</b>	<b>Santa Fe</b>	<b>CR-V</b>	<b>Montero Sport</b>
Price	<b>29,212 — 44,726</b>	34,855 — 50,508	30,688 — 40,857	28,215 — 42,233
<b>Model</b>	<b>Hiace</b>	<b>Starex</b>		
Price	<b>26,839 — 52,004</b>	27,478 — 39,641		
<b>Model</b>	<b>Wigo</b>	<b>Eon</b>	<b>Brio</b>	<b>Mirage</b>
Price	<b>10,489 — 11,944</b>	9,831 — 10,189	12,343 — 14,596	11,167 — 14,556

Source: Company websites; Retail prices based on average Peso-Dollar rate of Php50.14/USD1.00





**GT CAPITAL**  
HOLDINGS INCORPORATED



 **FEDERAL LAND**<sup>®</sup>  
GT Capital Holdings

KEEPING YOU IN MIND

# Strong office demand continues

## Vacancy rates, office space (%)

**654,579** square meters  
taken up as of 9M 2017  
vs. 630,000 sq.m. in FY 2016 **(+39%)**

Bay Area **1%**

Alabang **2%**

Quezon City **13%**

Ortigas **2%**

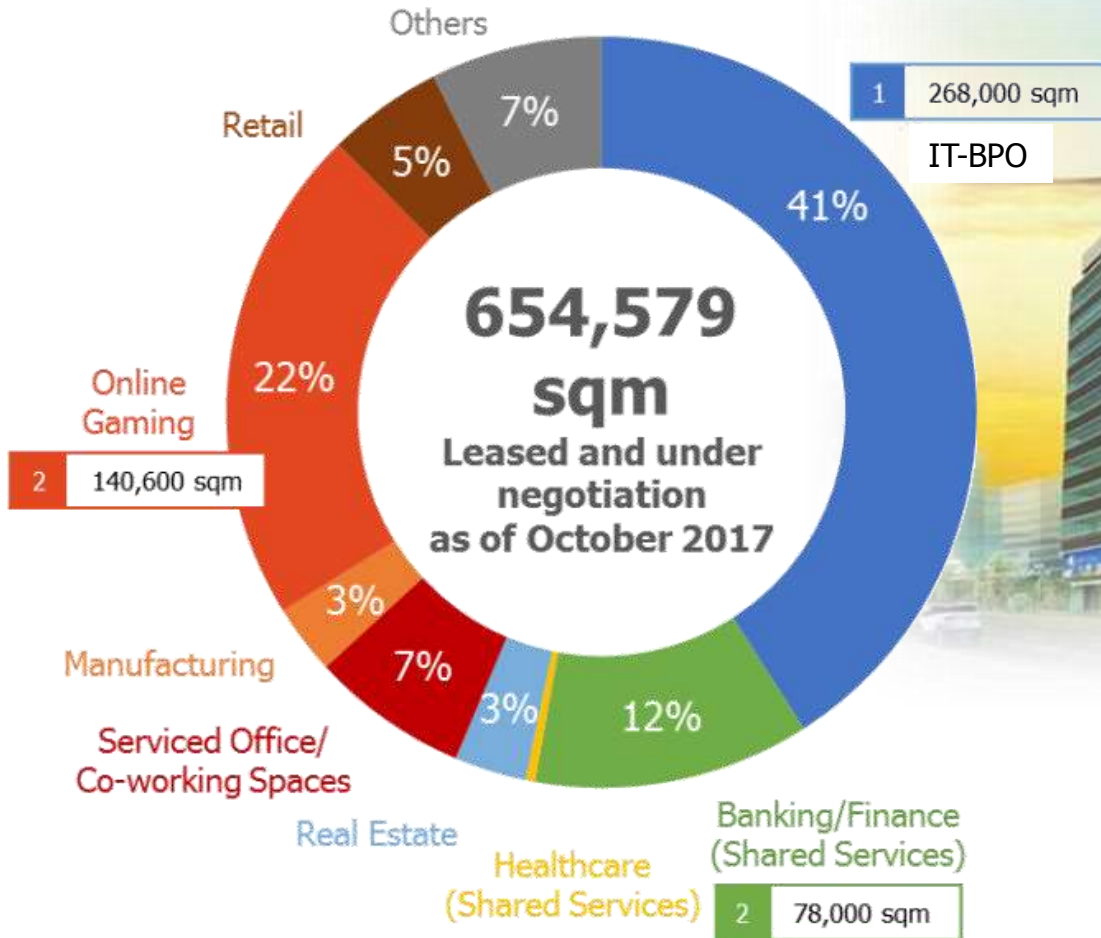
Makati **1%**

Bonifacio **3%**



# Strong office take-up in YTD 2017, still driven by the IT-BPO industry

## Industry Office Rental Take-Up Metro Manila, YTD October 2017

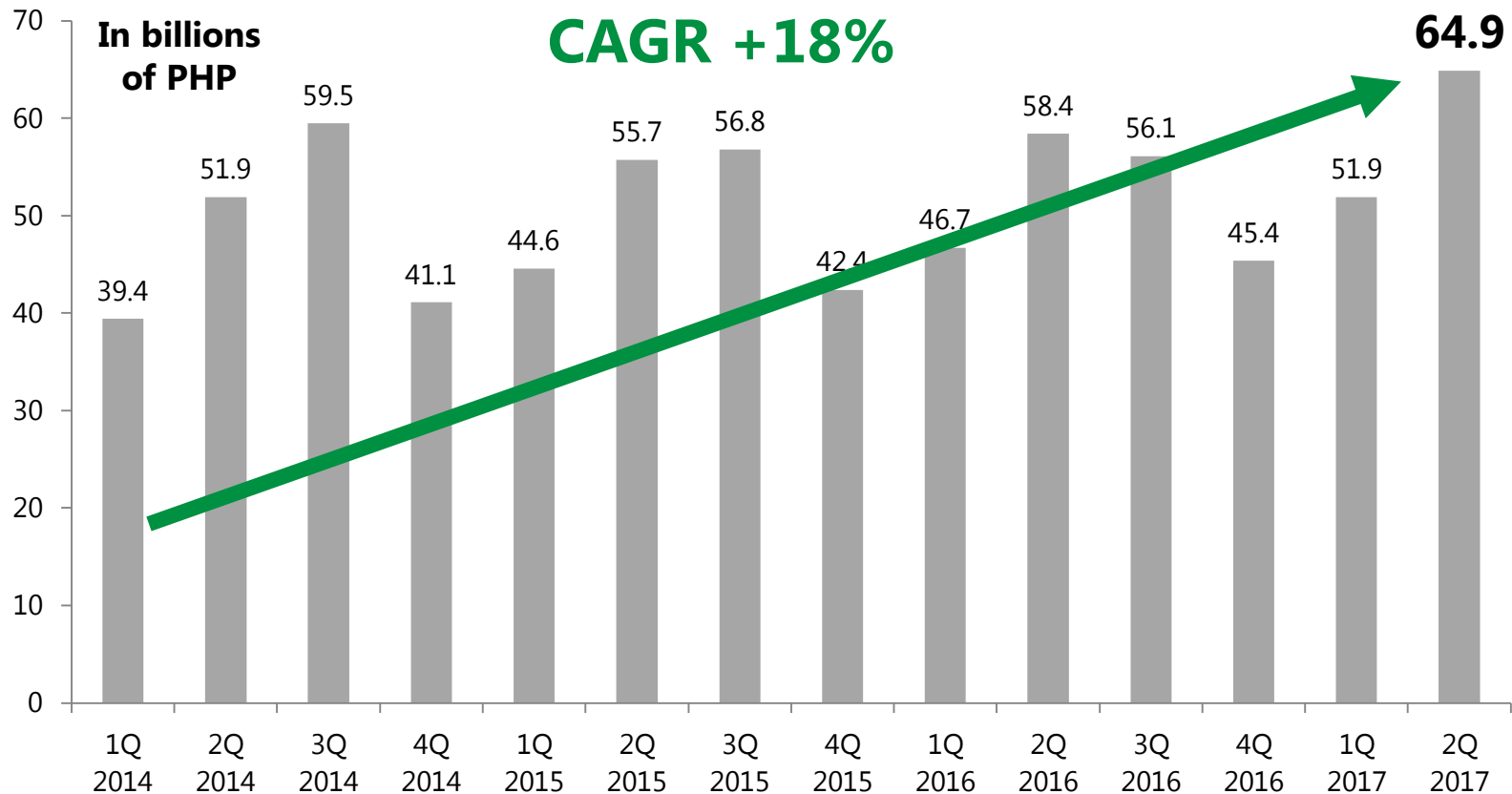


**Federal Land's i-Met**  
 4-tower PEZA accredited  
 BPO complex,  
 Bay Area, Pasay

# Industry reservation sales in Metro Manila remain healthy

## Industry-wide reservation sales

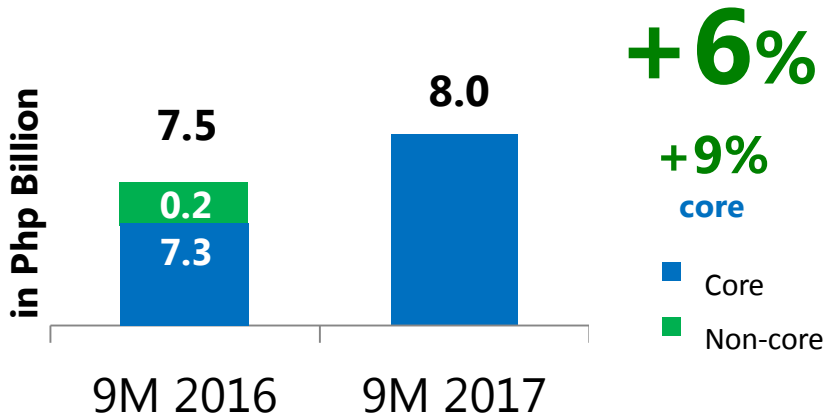
Residential condominiums, Metro Manila, YTD 2017



# Federal Land Financial Highlights

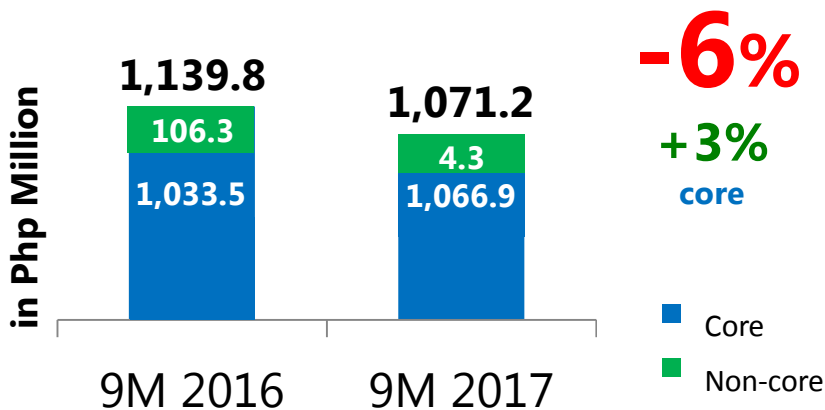


## Revenues



- Reservation sales **+38%** from **Php9.3B** to **Php12.9B**
  - Launched 4 projects:
    - Park Avenue in Jan. 2017 (BGC)
    - Sunshine Fort in July 2017, JV with NRE
    - Sienna Towers in August 2017 (Marikina)
    - Palm Beach West – Siargao in August 2017 (Macapagal)
  - Inventory **-19%** from 1,824 to 1,470 units (7 mos.)
- Real estate sales **+9%** from **Php5.9B** to **Php6.4B**

## Net Income



- GPM maintained at **36%**
- OPEX **+6%** from **Php1,513M** to **Php1,609M** due to increase in salaries (**Php104M**), taxes and licenses (**Php41M**)



# Federal Land Current Projects

## Over 30 On-going Projects

- **7** launched in 2011
- **11** launched in 2012
- **5** launched in 2013
- **4** launched in 2014
- **3** launched in 2015
- **4** launched in 2016

**7** planned launches in 2017

**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 **9%** of total revenue

## New Launches in 2017



**PARK**  
AVENUE

Grand Central Park  
Bonifacio  
February 2017

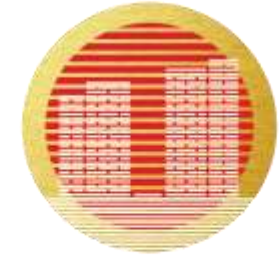


**SUNSHINE FORT**  
BONIFACIO NORTH

JV with Isetan Mitsukoshi  
and Nomura Real Estate  
August 2017

# Sunshine Fort

at the Grand Central Park, Bonifacio North



## SUNSHINE FORT

BONIFACIO NORTH

- Total project cost: USD400 million
- Located within 10-hectare Grand Central Park
- JV between Federal Land, Nomura Real Estate
- Isetan Mitsukoshi as anchor tenant and O&M partner



# New Project Launches by Federal Land



◀ Palm Beach West-Siargao  
BAY AREA, PASAY  
Launched August 2017



▶ Siena Residences  
MARIKINA  
Launched August 2017



# Land Bank Location



Location	Land Bank (in hectares)
1. Metro Manila	
(a) Macapagal	29.5
(b) Fort Bonifacio	6.6
(c) Marikina	15.6
(d) Mandaluyong	3.5
(e) Manila	0.5
(f) Makati City	0.1
(g) San Juan	0.4
2. Laguna	53.5
3. Cavite	18.0
4. Iloilo	0.3
<b>TOTAL</b>	<b>118.7</b>

Source: **Company data as of latest 17-A report**



# FIABCI Philippines 2017 Gold Award FOR OUTSTANDING DEVELOPER



- **Gold Award for Outstanding Developer** in the Residential High Rise category during the 2017 FIABCI Real Estate Awards for the Grand Midori Makati
- FIABCI is the *Federation Internationale des Administrateurs de Biens et Conseils Immobiliers* (FIABCI) [English: The International Real Estate Federation]







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**PRO • FRIENDS**

PROPERTY COMPANY OF FRIENDS, INC.

*Creating communities, transforming lives.*

# New developments in Cavite



## LRT1 Extension

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



## C5 South Link to Cavite

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



## CALA Expressway (CALAX)

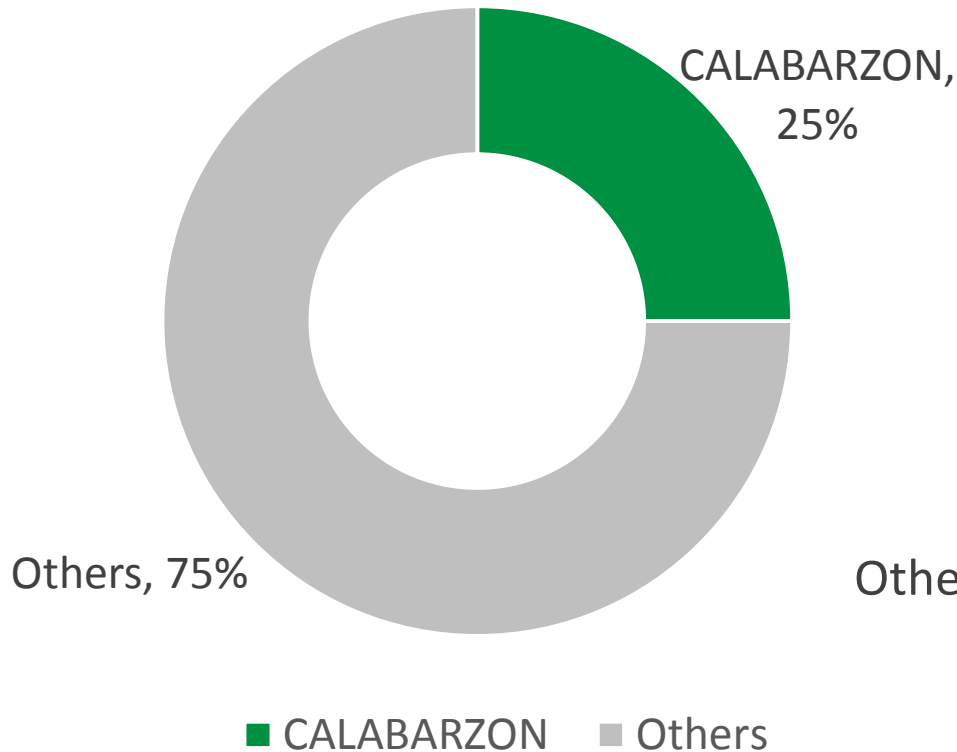
- Ongoing preparation of detailed engineering design
- Right-of-way acquisition 50% accomplished
- Target completion 2020
  - Start 1H 2017 for Laguna portion
  - Start 2H 2017 for Cavite portion

# No. 1 destination for OFW residential developments is still CALABARZON

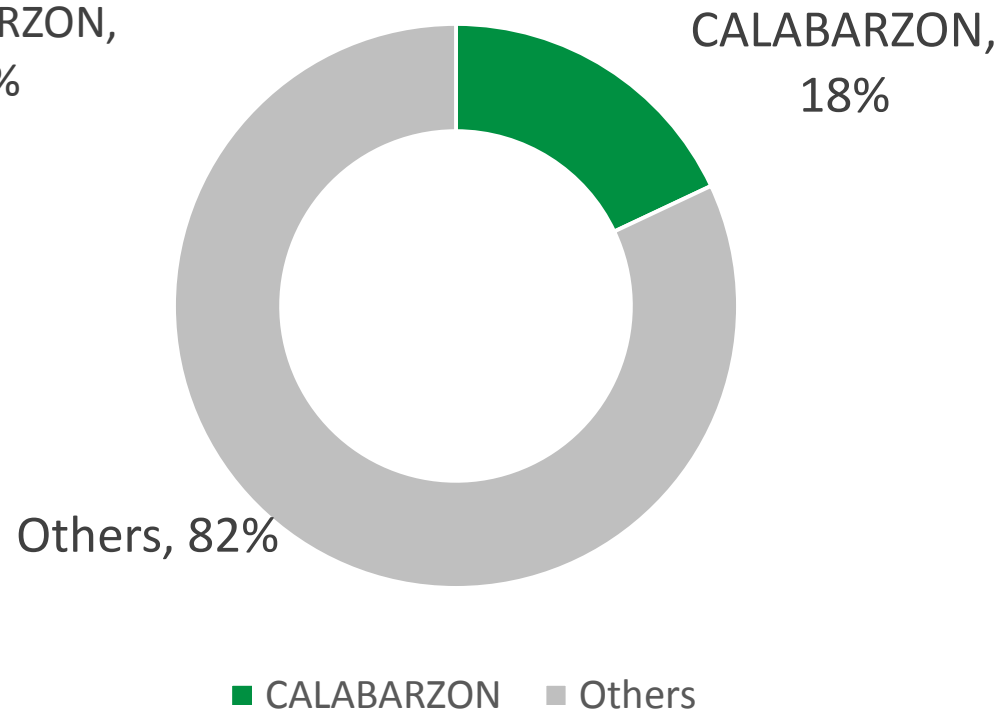


## Residential Constructions vs OFW Source by Region

Residential Constructions



OFW Source by Region



**Approx. 50% of LNC buyers are OFWs**

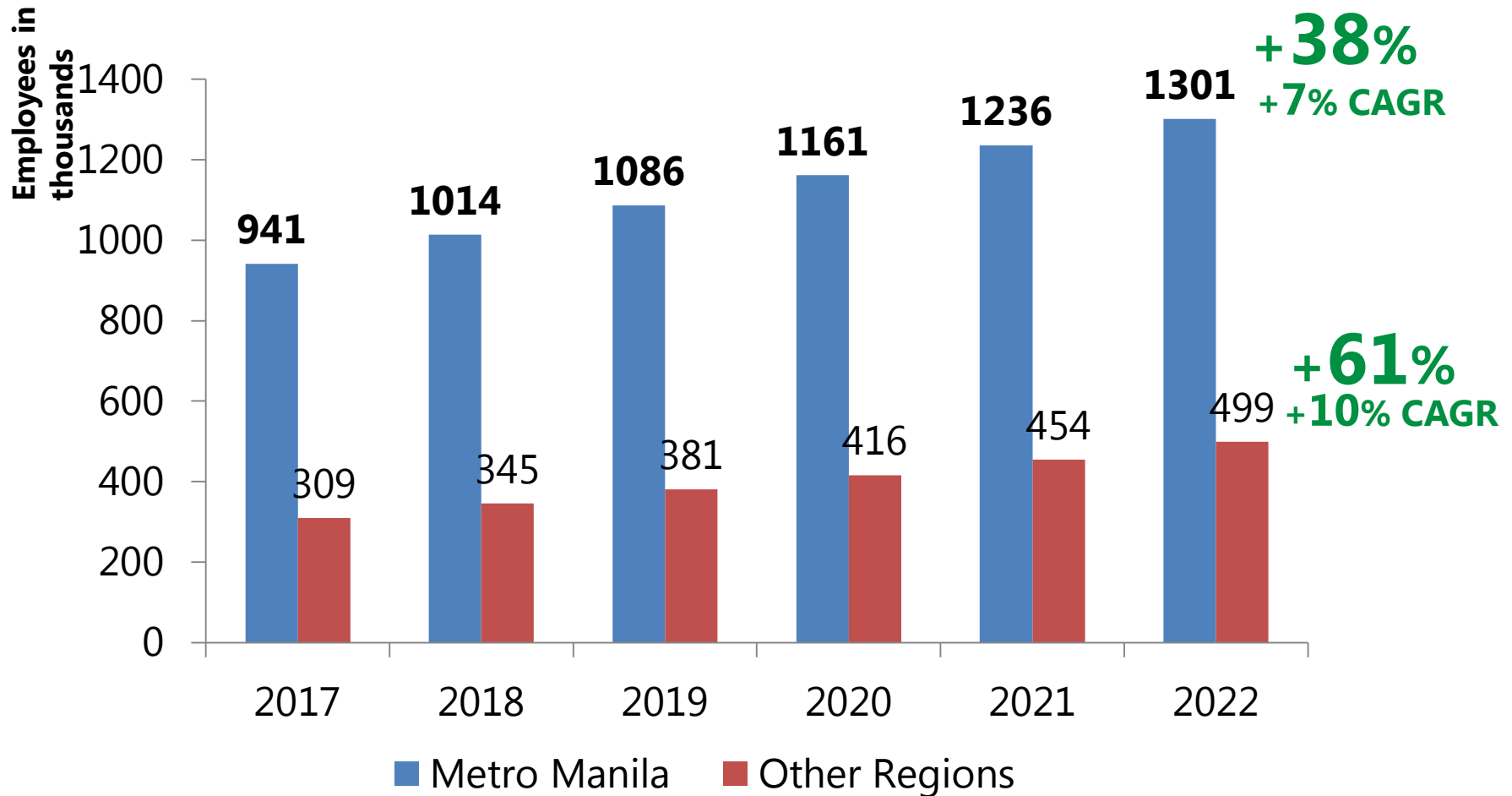


# IT-BPO labor force outside Metro Manila is estimated to grow by 61% in 2022



## Number of full-time BPO employees

IT-BPAP estimates, 2017-2022



# Caviteño Talent

## Cavite: Ideal for BPO growth

Large entry-level graduate talent pool



**145,000**  
total annual graduates

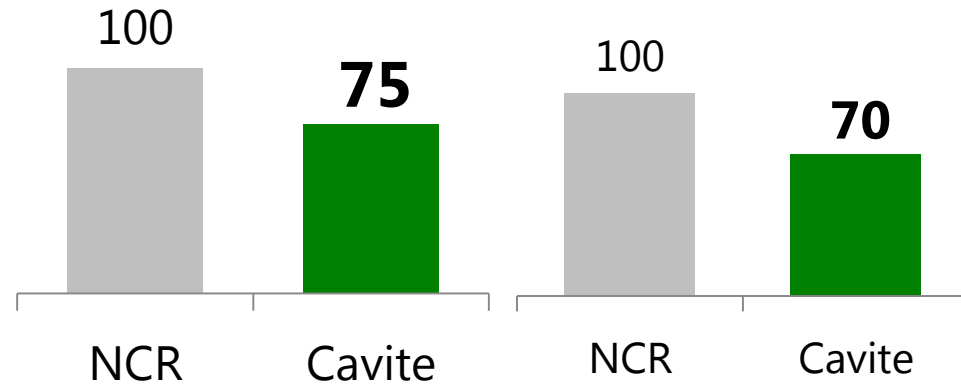


**20,000**  
annual college graduates



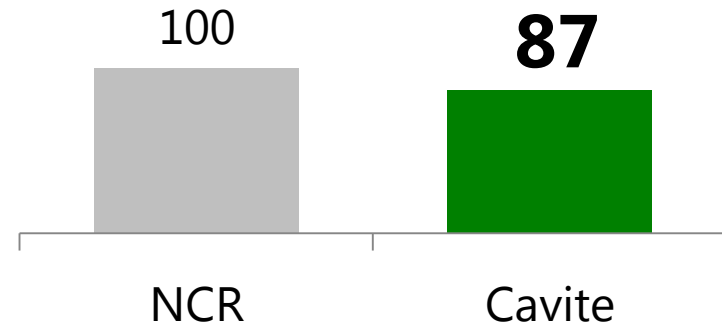
**70,000**  
annual technical school graduates

Cost of living index



Rental price index

Wage index





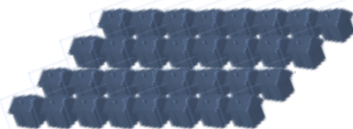
# The Low-Cost Property Sector



## Property Development Sweet Spot

Segment	Demand	Supply	Surplus/ (Deficit)	Segment	Price Range		% to Total Households
					PHP	USD	
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**





**6 NLEX-SLEX Connector Road**

NAIA Expressway

Skyway Extension

**2 METRO PACIFIC INVESTMENTS**

**Cavitex**

**4 METRO PACIFIC INVESTMENTS**  
**C-5 South Link**

**1 METRO PACIFIC INVESTMENTS**

**CALAX**

**3 METRO PACIFIC INVESTMENTS**  
**LRT-1 Extension**

**1,600 hectares**



**MCX**

EPZA

CALAX Exit

**5 METRO PACIFIC INVESTMENTS**  
**LRT-6**

**SLEX**

Naic

Trece Martires City

Das City

**Aveia Federal Land/ Alveo**

Binan Santa Rosa City

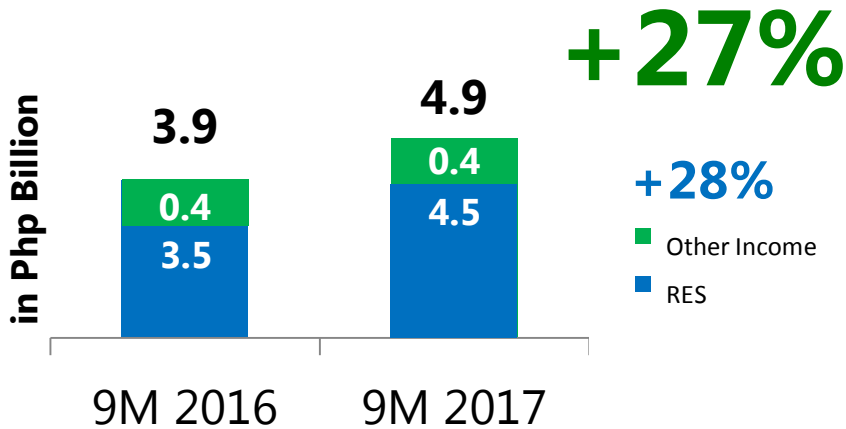
EPZA

Silang

# PRO-FRIENDS Financial Highlights

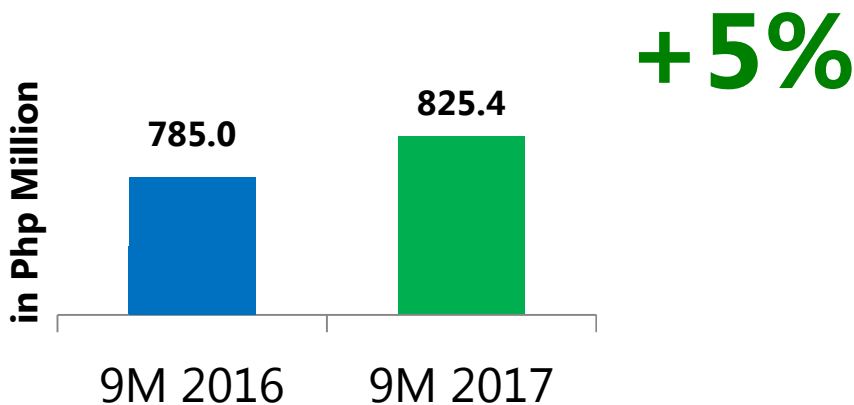


## Revenues



- Gross reservation sales **+58%** from **Php10.5B** to **Php16.7B** (**Php1.9B** per month)
- YTD houses built **3,973 units** (average of 440 units/month); units delivered qualified for bank take-out
- Aggregate YTD bank take-out **Php5.9B** (average of Php650M/month)
- Real estate sales **+28%** from **Php3.5B** to **Php4.5B**

## Net Income



- Interest income from in-house financing **-2%** from **Php337M** to **Php330M** due to increased bank takeout
- OPEX **+35%** from **Php766M** to **Php1,032M** due to higher salaries and outside services
- Higher interest expense due to increased in-house financing operations

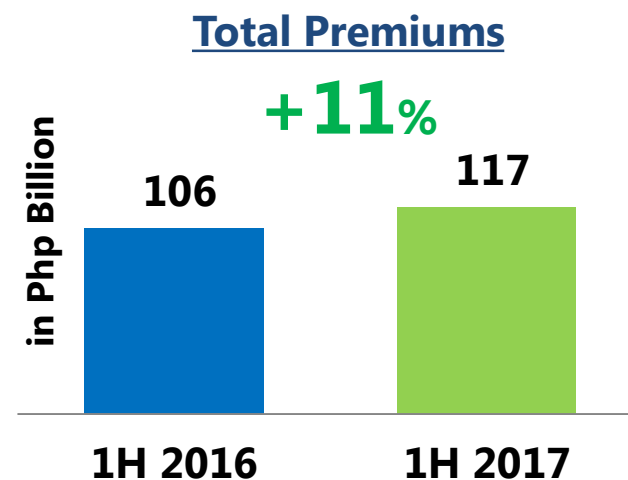
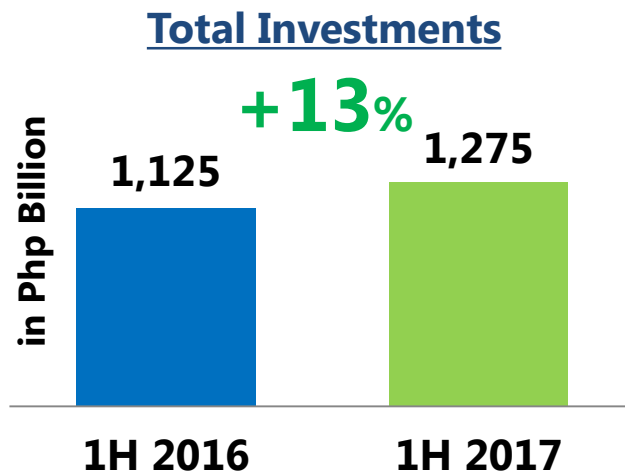
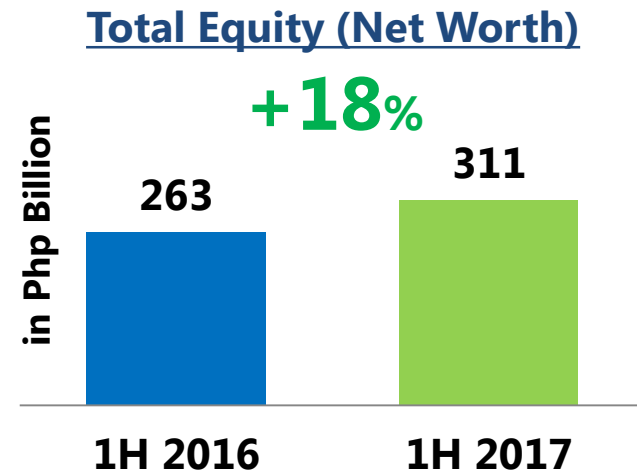
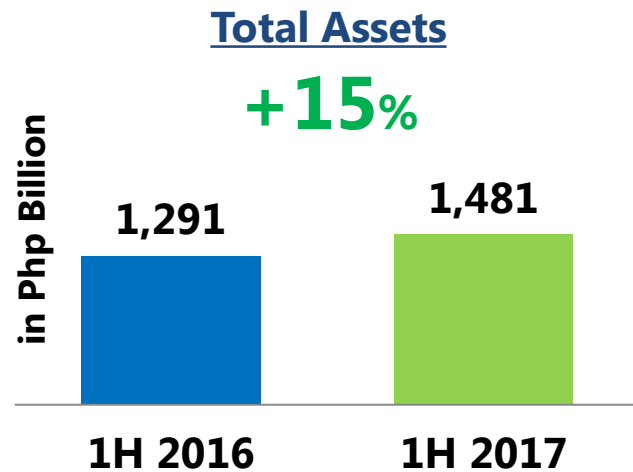


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# Total Insurance (Life and Non-Life) Sector Updates 1H 2017

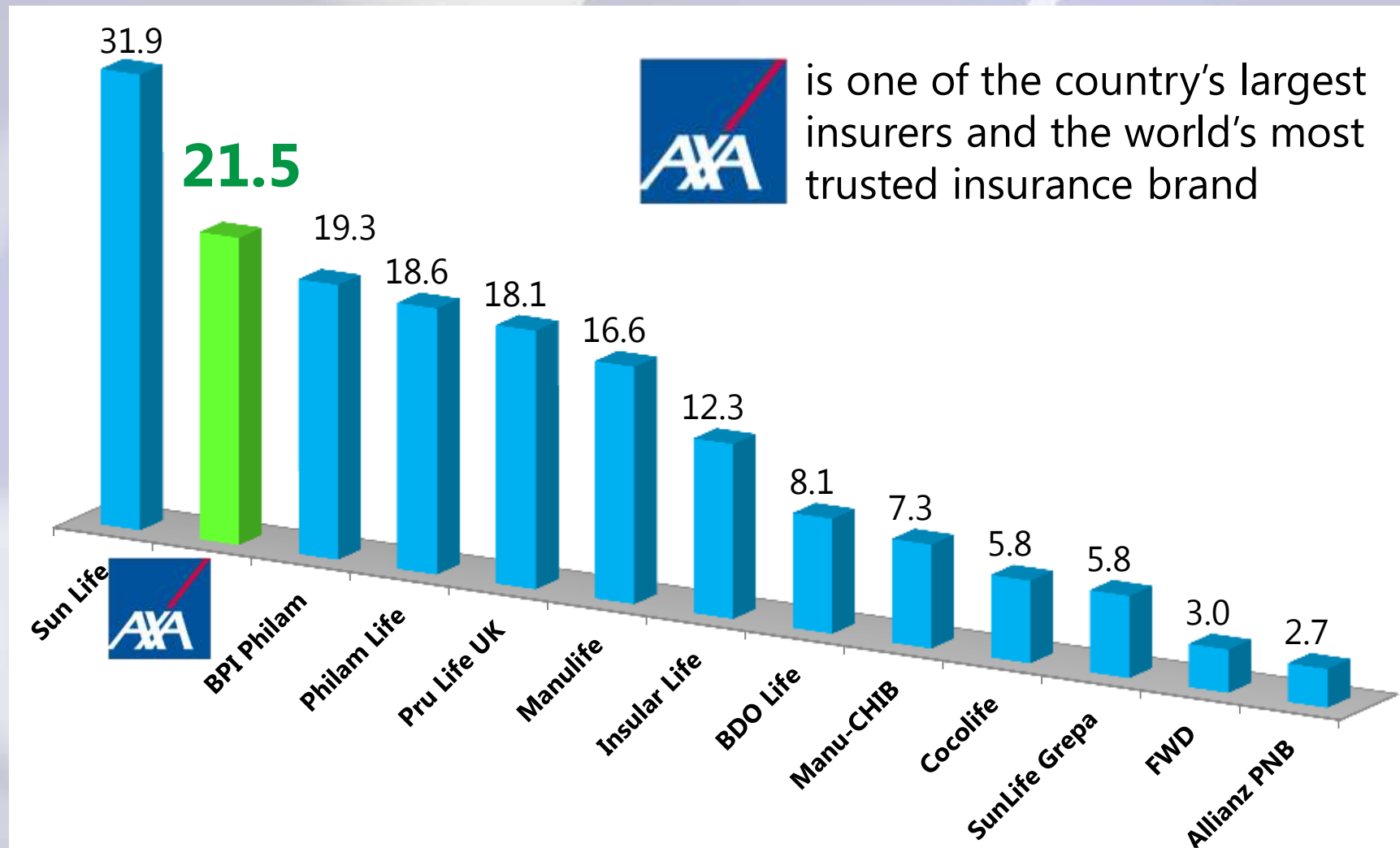




# Life Insurance Industry Rankings based on FY 2016 Premium Income



## Premium Income in billion Php



Source: Insurance Commission, May 2017

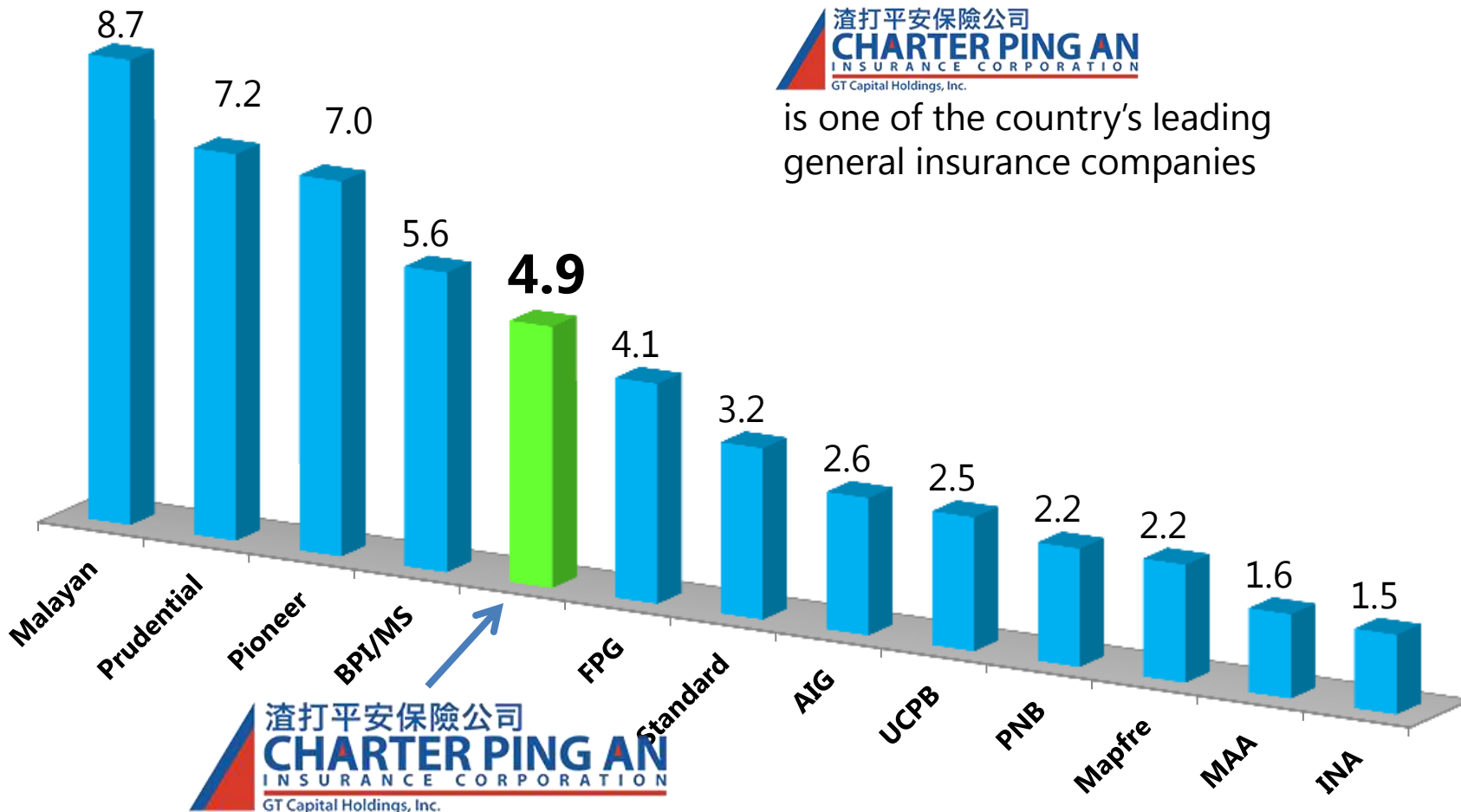
# Non-Life Insurance Industry Rankings based on FY 2016 Premium Income



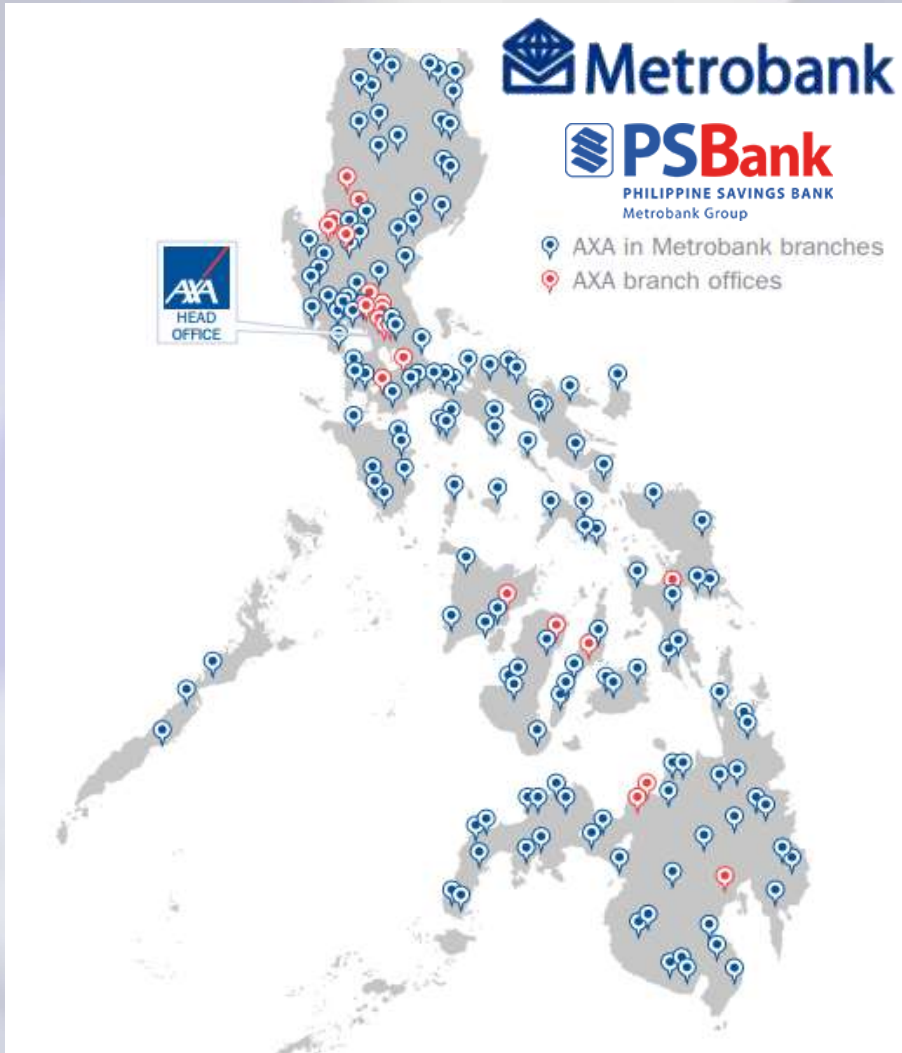
## Premium Income in billion Php



is one of the country's leading  
general insurance companies



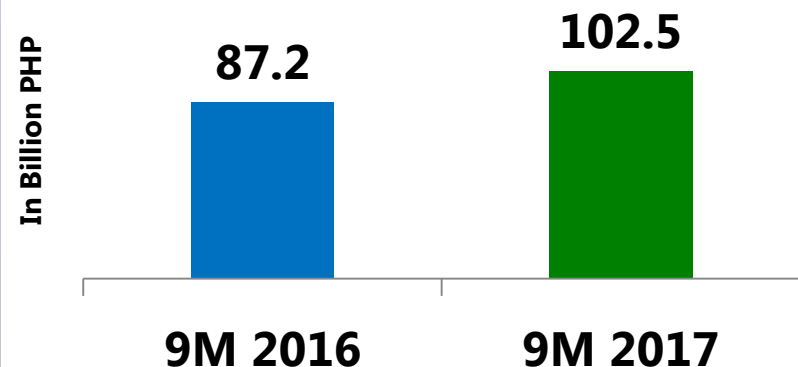
# Strong synergy and growth nationwide



- Persistency Ratio: **84%** from **83%** in 9M2016
- Agency Sales Force: **3,431**
- Total bancassurance (Metrobank and PSBank) branches: **925**  
out of 959 branches

## Assets Under Management

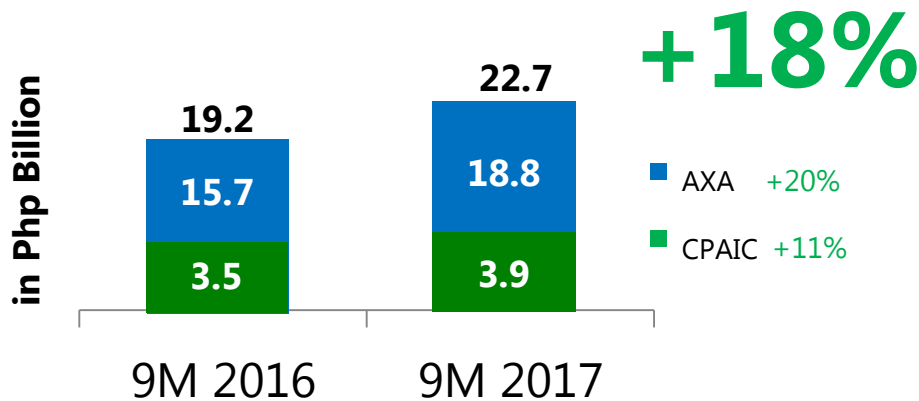
**+18%**



# AXA Philippines Financial Highlights

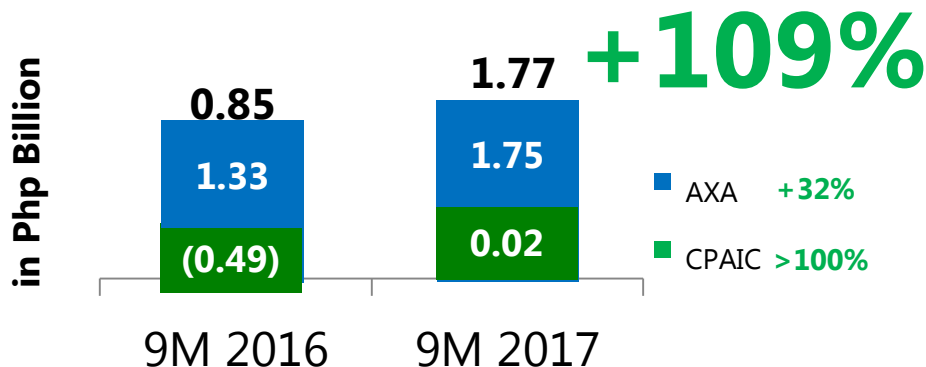


## Gross Premium



- New Business (APE) **+26%** from **Php3.7B** to **Php4.7B**
  - Regular Premium (RP) **+29%**
  - Single Premium (SP) **+17%**
- SP/RP Premium Income mix – from **54:46** to **53:47**
- CPAIC Gross written premium **+15%**  
**Php3.7B** to **Php4.2B**
  - Motor **+32%**
  - Property **+13%**
- Premium margins **Php3.3B** to **Php4.4B** **+34%** due to RP (35% GPM)
- AUM-Linked **Php75B** to **Php89B** **+20%**; Asset management fees **+20%**
- Gain from restatement of reserves **Php273M** post-tax (RBC 2 framework)
- CPAIC net income **Php21M** due to turnaround in financial performance

## Net Income







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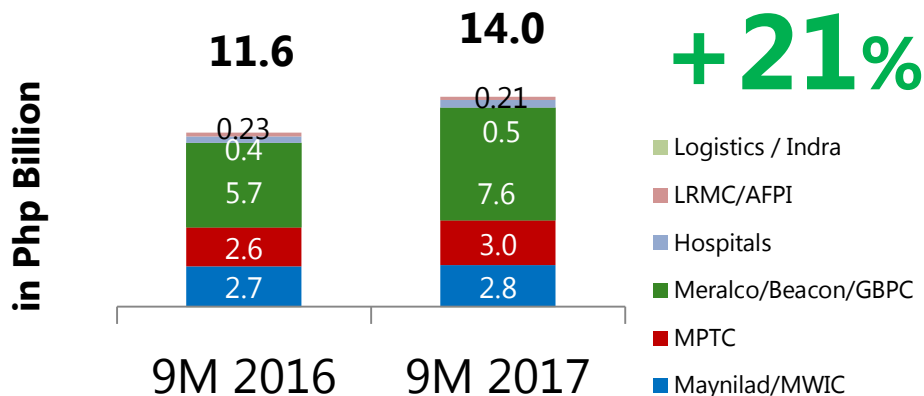
**METRO  
PACIFIC**  
INVESTMENTS

# Metro Pacific Financial Highlights

**METRO  
PACIFIC**  
INVESTMENTS

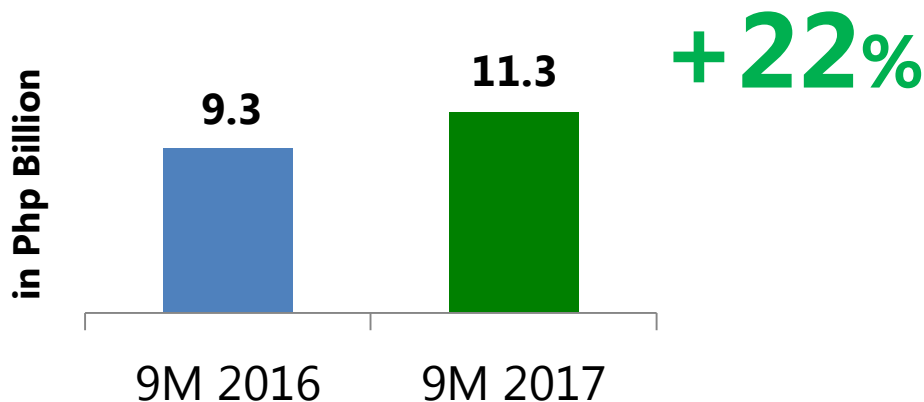


## Share in Operating Net Income (Core)



- Meralco
  - Energy sales **+4%** from **30,103** GWh to **31,402** GWh; NI\* **+2%**
  - Increased effective shareholding from **41.2%** (June 2016) to **45.5%** (July 2017)
  - Higher dividend income from Beacon from **Php1.2B** to **Php2.5B**
- Toll Roads
  - High traffic growth: NLEX **+7%**, Cavitec **+8%**, SCTEX **+22%**, DMT **+2%** & CII **+8%**
  - Core NI **+28%**; NI **+107%**
- Water
  - Billed volume **+2%**; Ave. effective tariff **+0.1%**
  - NI **+6%**
- Hospitals
  - Outpatient **+14%**; Inpatient **+5%**
  - NI **+14%**
- Equity accounting net income for GT Capital at **Php1.73B**

## Core Net Income





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

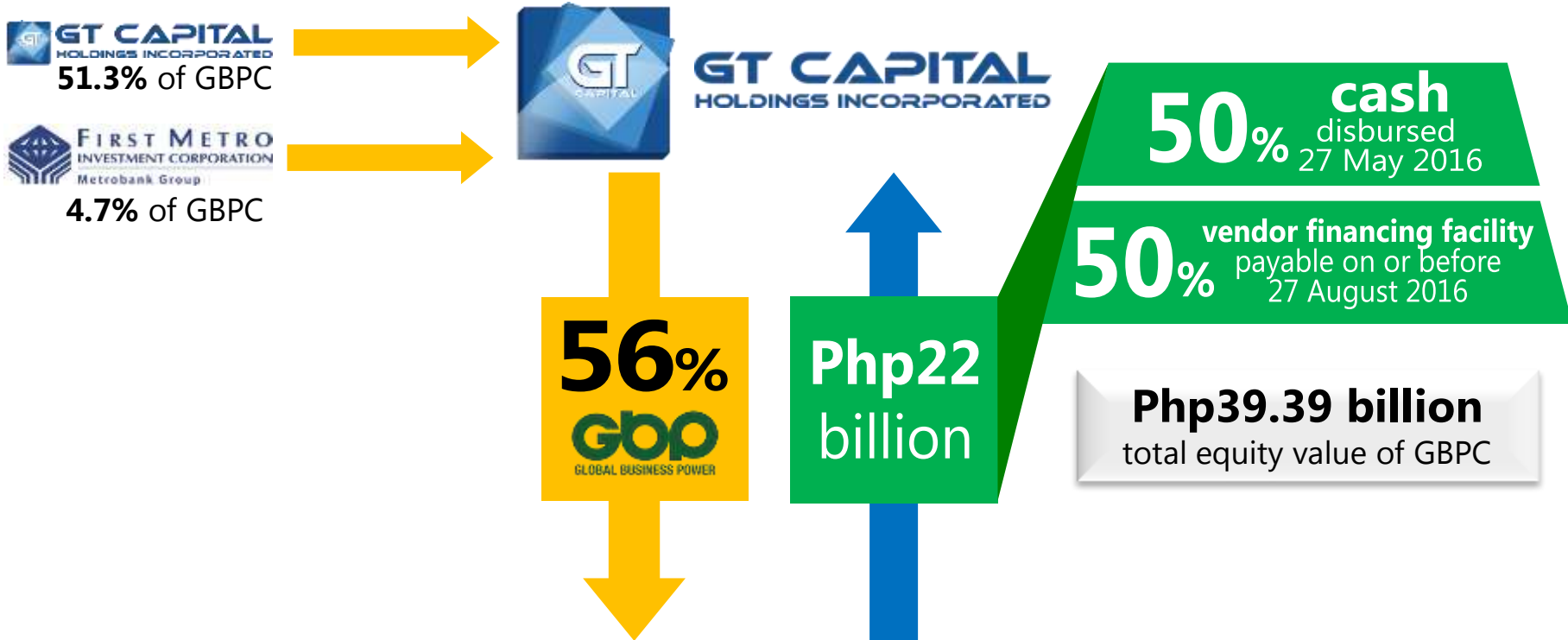
**Two transactions signed on 27 May 2016**

- 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

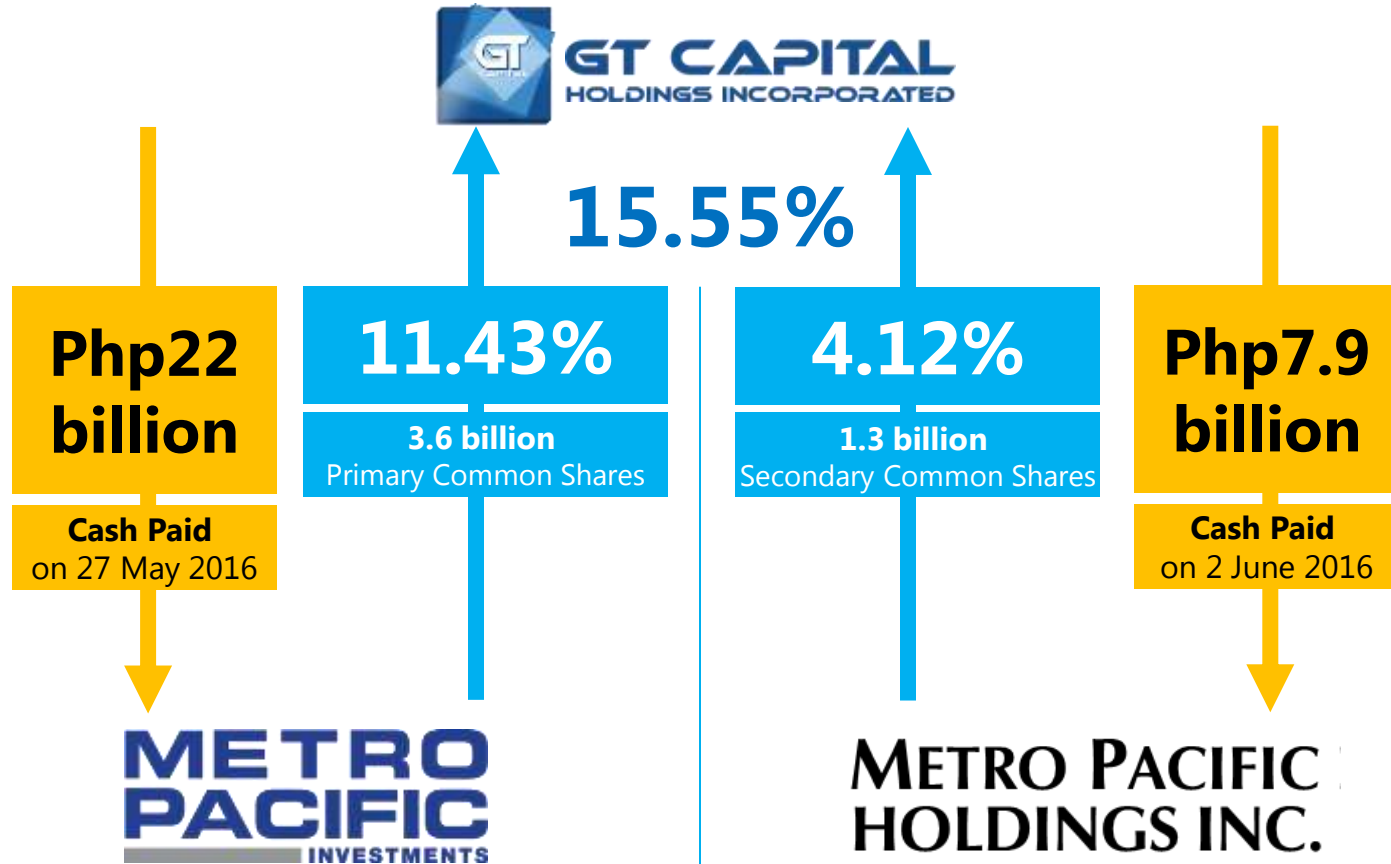






# GTCAP-MPIC Strategic Partnership

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



**4.9 billion shares at Php 6.10 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 METRO PACIFIC INVESTMENTS**

**Cavitex**

**4 METRO PACIFIC INVESTMENTS**  
**C-5 South Link**

**1 METRO PACIFIC INVESTMENTS**

**CALAX**

**3 METRO PACIFIC INVESTMENTS**  
**LRT-1 Extension**

**1,600 hectares**



EPZA

CALAX Exit

**5 METRO PACIFIC INVESTMENTS**  
**LRT-6**

**MCX**

**SLEX**

**Aveia Federal Land/ Alveo**

EPZA





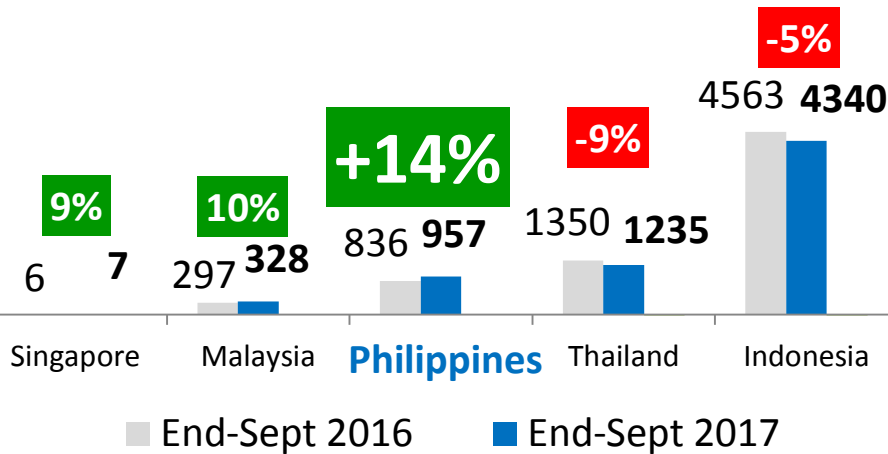
**GT CAPITAL**  
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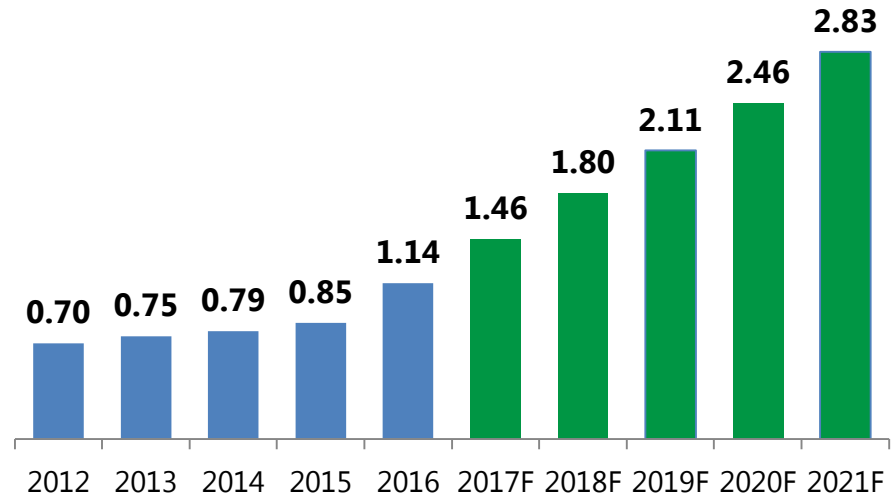
**Sumisho**  
Motor Finance Corporation  
An affiliate of PSBank and Sumitomo Corporation

# The Philippines is ASEAN's fastest-growing motorcycle sales and manufacturing market

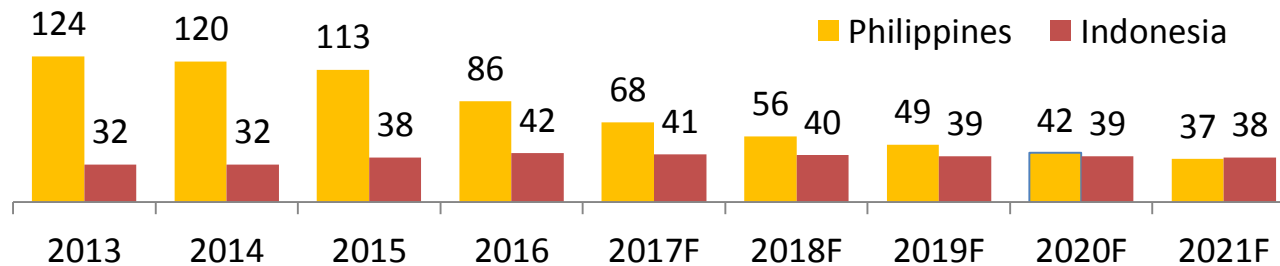
## Domestic Sales in Units ('000) End-Sept 2016 vs End-Sept 2017



## Philippine Motorcycle Sales In Millions of Units



## Population to Motorcycles Ratio Number of people per one motorcycle



Source: ASEAN Automotive Federation, PriceWaterhouseCoopers

# GT Capital enters motorcycle financing through acquisition of Sumisho



acquired

20% of



from  **PSBank**

for **Php379.9 million**

## Evolution of motorization



As GDP per capita expands,

- ✓ More people want to own their own vehicle
- ✓ More motorcycle owners shift from two-wheelers to four wheelers

Sumisho acquisition is a **customer acquisition strategy** that will allow us to expand to a much broader population



# Philippine 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 **9%** of GDP by 2022



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



Benign inflation  
**3.2%**  
 as of October 2017



Foreign direct investments  
**USD5.1 billion** Jan-Aug 2017



Population  
**104.9 million**



Gross international reserves  
**USD80.6 billion**  
 end-October 2017



**11 million OFWs**  
 remitting  
**USD23.1Bln**  
 ▲ 5% YoY Jan-Sept 2017



External Debt-to-GDP  
**23.5%** as of end-June 2017  
 (latest as of November)



Thriving BPO sector  
**1.2 million** employees  
**USD22.9 billion** revenues  
 ▲ 12% year-on-year



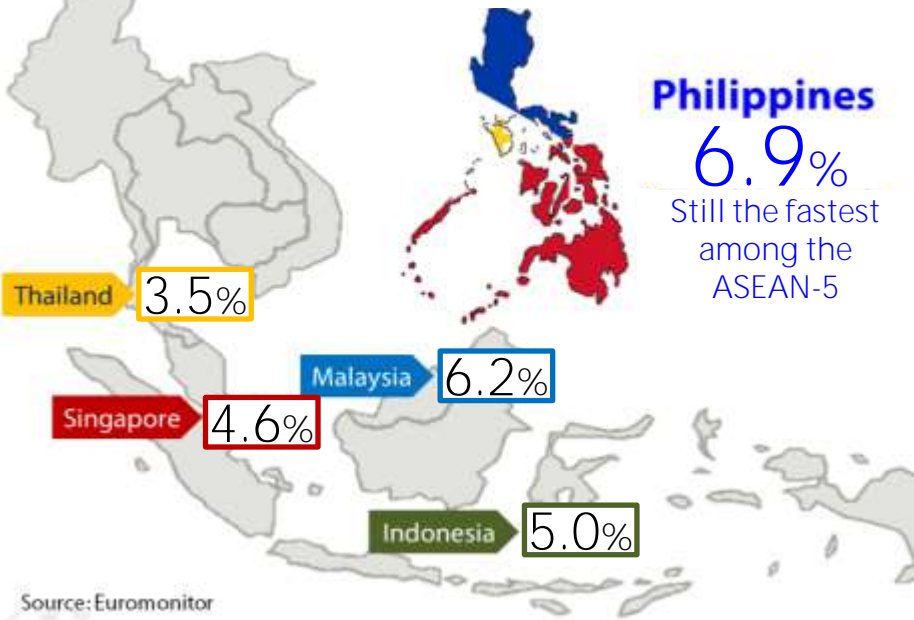
Domestic liquidity, end-September 2017  
**PHP10.1 trillion**  
 ▲ 15% from 8.9 trillion in end-Sept 2017



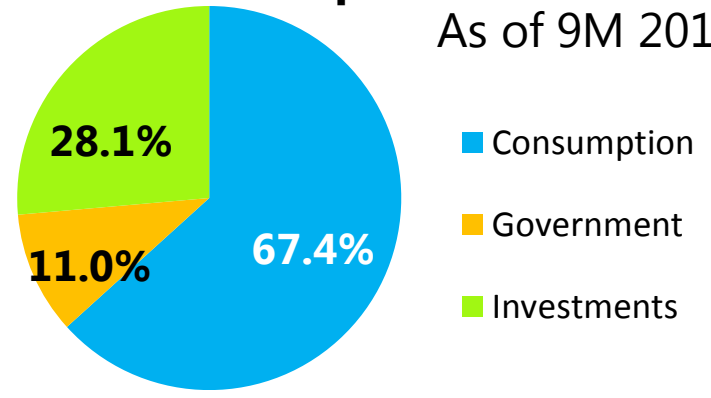
**53% of Filipinos are below 25 years old**

# Macroeconomic Indicators

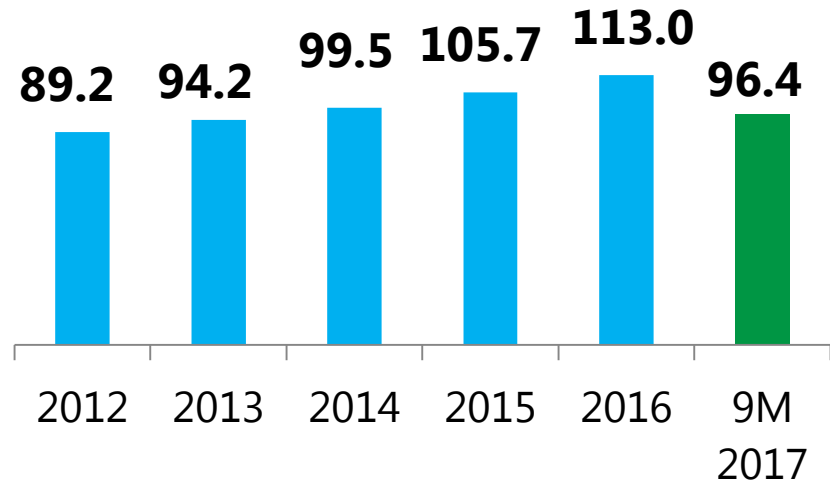
## Third Quarter 2017 GDP Growth



## Household Consumption as % of GDP As of 9M 2017

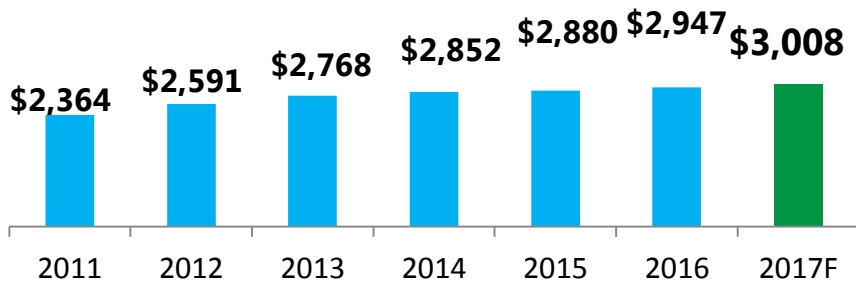


## Household Consumption **+14%** In USD Billion Annualized YoY



## GDP Per Capita

5-year CAGR: **+4%**; PH now in motorization (\$3,000<)



Source: Bangko Sentral ng Pilipinas



# CONGRATULATIONS TO DR. GEORGE S.K. TY ON RECEIVING THE

## ORDER OF THE RISING SUN GOLD AND SILVER STAR



CONFERRED BY

HIS MAJESTY AKIHITO,  
EMPEROR OF JAPAN

7 NOVEMBER 2017  
TOKYO, JAPAN



**GT CAPITAL**  
HOLDINGS INCORPORATED

