



**GT CAPITAL**  
HOLDINGS INCORPORATED

[gtcapital.com.ph](http://gtcapital.com.ph)

# First Quarter 2018

## Financial & Operating Results



 **Metrobank**



 **FEDERAL LAND**  
Business from the World



**METRO  
PACIFIC**  
INVESTMENTS



DEFINED BY EXCELLENCE, REFINED THROUGH PARTNERSHIP

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# Strategic Direction



## *Synergy*

- Toyota unit sales through MBT/PSBank auto loans/TFS lease-to-own package
- Federal 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
- PPP projects
- Infrastructure
- Logistics

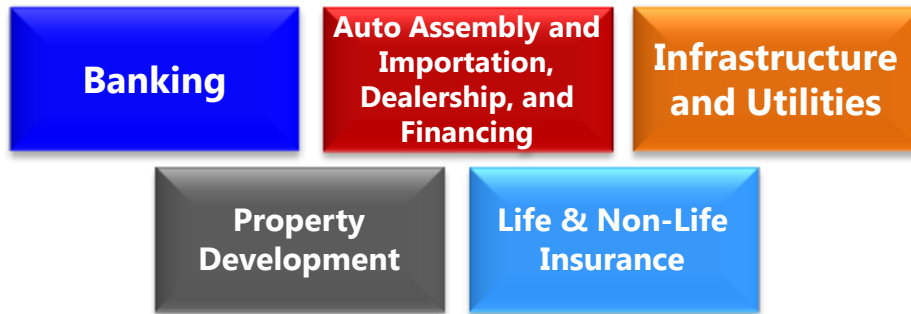
## *Expansion in Existing Sectors*

- ✓ 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-March 2018
- 2** Second **largest Philippine bank** by assets as of end-March 2018
- 1** **Strongest bank** in the Philippines for 2011, 2013, 2015, and 2016 according to *The Asian Banker*



- ❖ Over **40 years experience** in vertical, residential property development
- ❖ Track record of **landmark developments** in Metro Manila
- ❖ Over 80 hectares of land bank in prime locations



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



- 1** **Largest automotive company** in the Philippines, with 36% market share as of end-March 2018
- 1** **Highest** passenger car, commercial vehicle, and overall sales annually since 2002
- 1** **Triple Crown** winner for 16 consecutive years 2002 – 2017



- ❖ 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)



- ❖ Combined penetration rate of 11% among Toyota dealers as of end-March 2018
- ❖ Network of 5 dealer outlets
- ❖ Strategic partnership with Mitsui & Co. of Japan



- 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

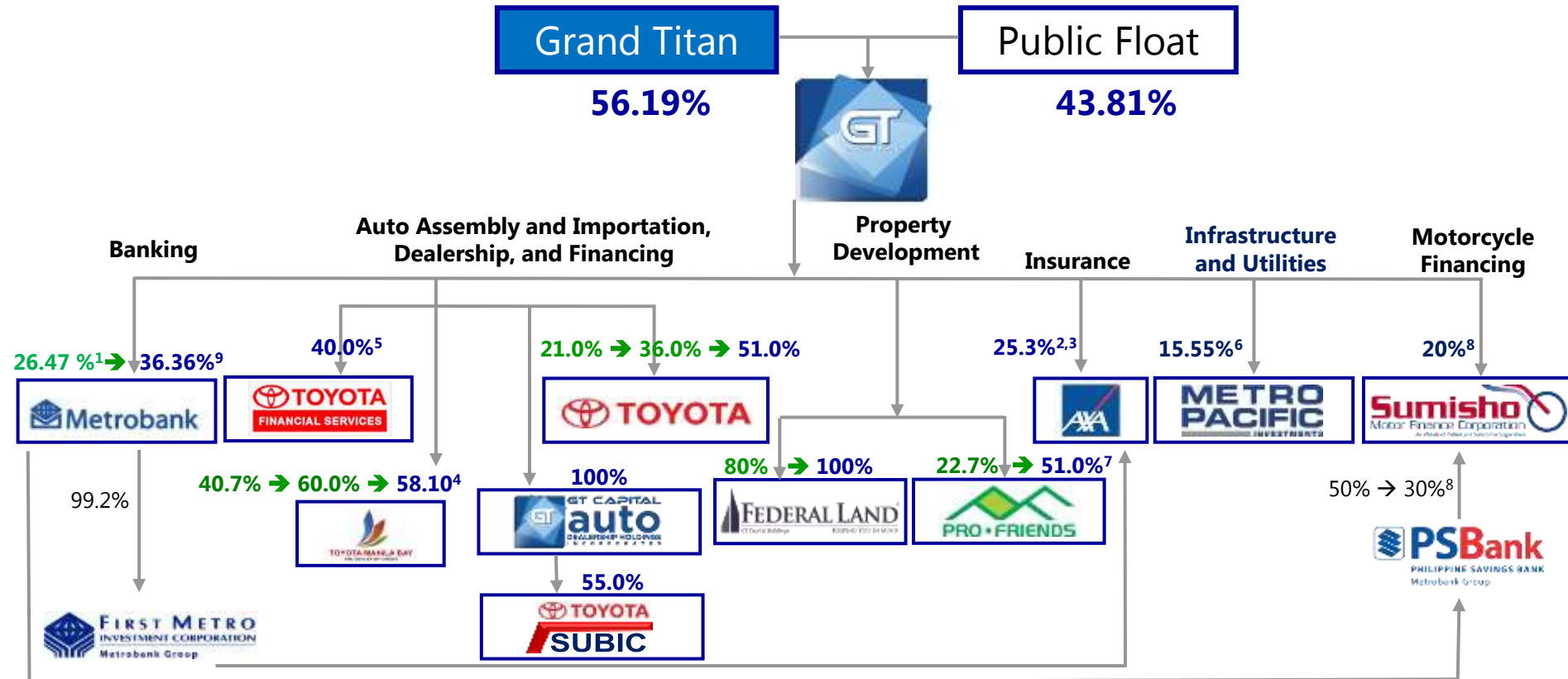


- 2** Second largest life insurance company in terms of gross premiums as of end-2017
- 1** Pioneer in bancassurance
- 1** Pioneer in Health and Protection products
- ❖ Strong bancassurance synergies with Metrobank and PSBank involving all 953 branches



- ❖ 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).

<sup>9</sup> In April 2017, GT Capital increased its stake in Metrobank to 36.09%. GTCAP further added to its stake in Metrobank as a result of the Bank's 2018 stock rights offering.

# Financial Highlights 1Q 2018

## Consolidated Net Income

(PPA adjustments for PCFI, MPI, TMBC, TMP)

**+21%**

**Php3.74 billion**

Php3.1 billion 1Q 2017

## Core Net Income

**+18%**

**Php3.75 billion**

Php3.2 billion 1Q 2017

## Revenues

**-7%**

**Php45.5 billion**

Php48.8 billion 1Q 2017

TMP & TMBC - Auto Sales (TMP – Php33.7B)

**Php 37.9 billion -12%**

Equity in net income of associates  
(MBT Php2.1B, MPIC Php0.6B, & AXA Php0.1B)

**Php 2.9 billion +37%\*\***

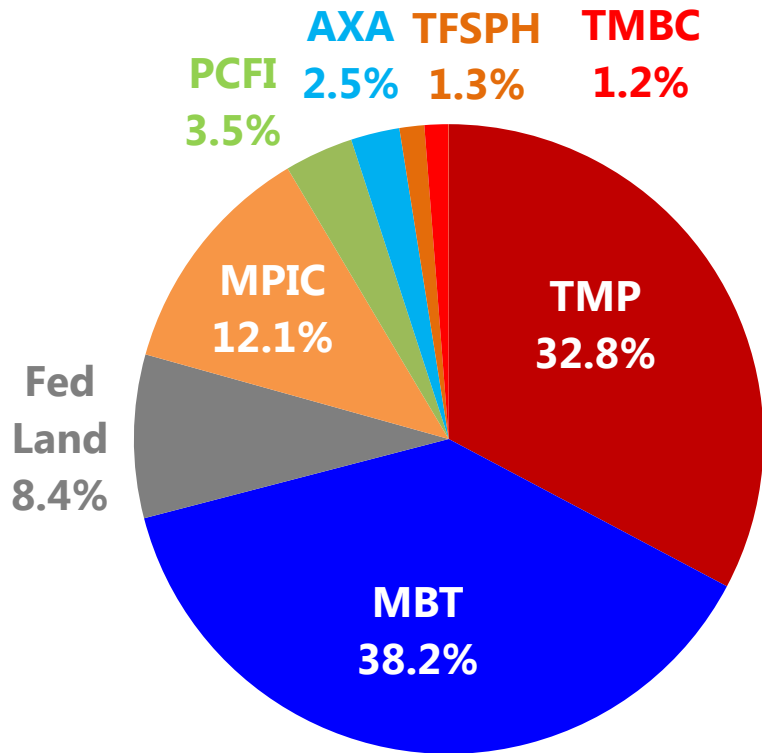
FLI & PCFI - Real Estate Sales and Interest income on Real Estate  
Sales (PCFI revenue contribution Php1.7B or 45% of total)

**Php 3.6 billion +25%**

\*\* Excluding increase in stake in MBT (Php2.3B) **+10%**

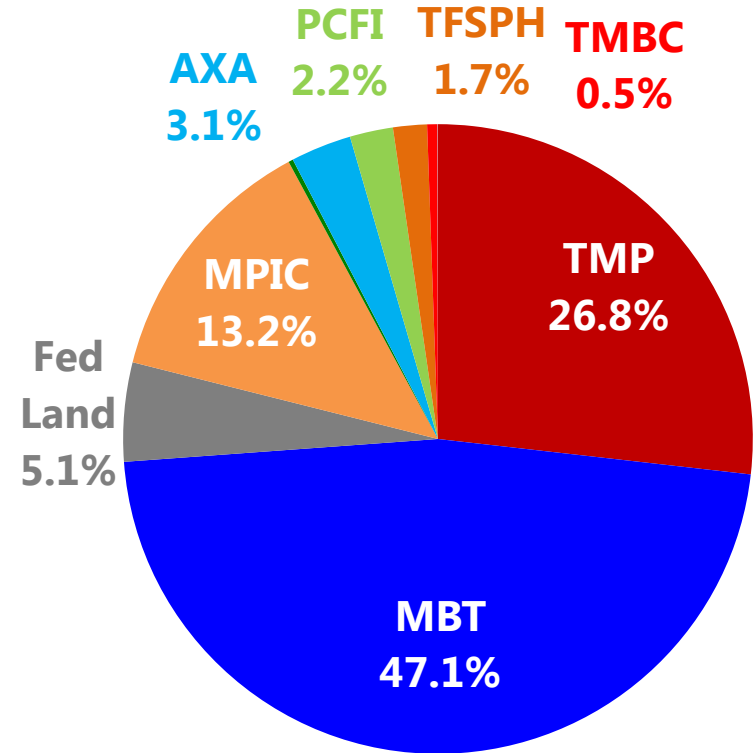


# GT Capital Net Income Contribution



**MBT + TMP = 71.0%**

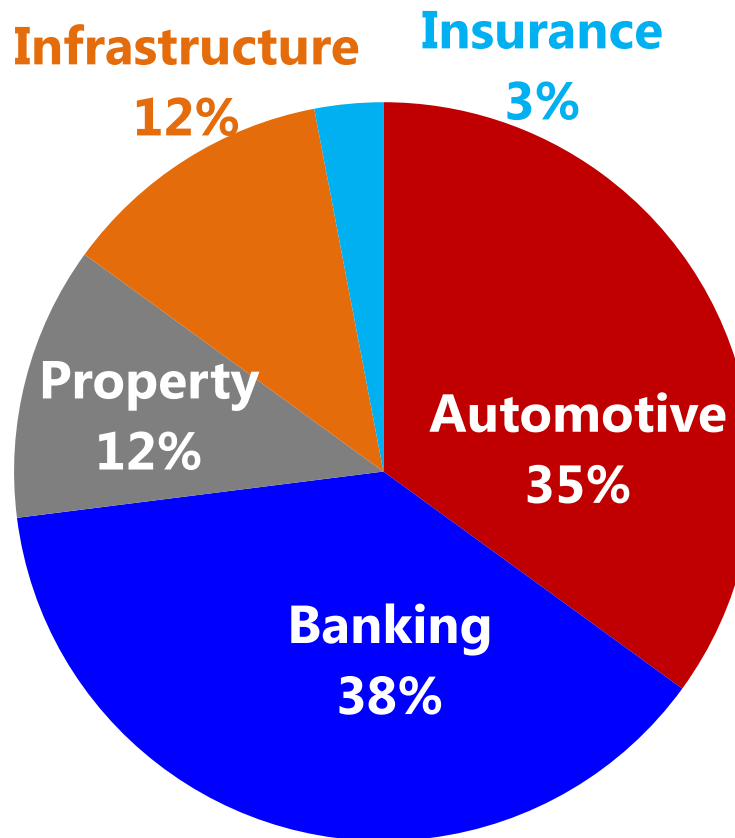
**1Q 2017**



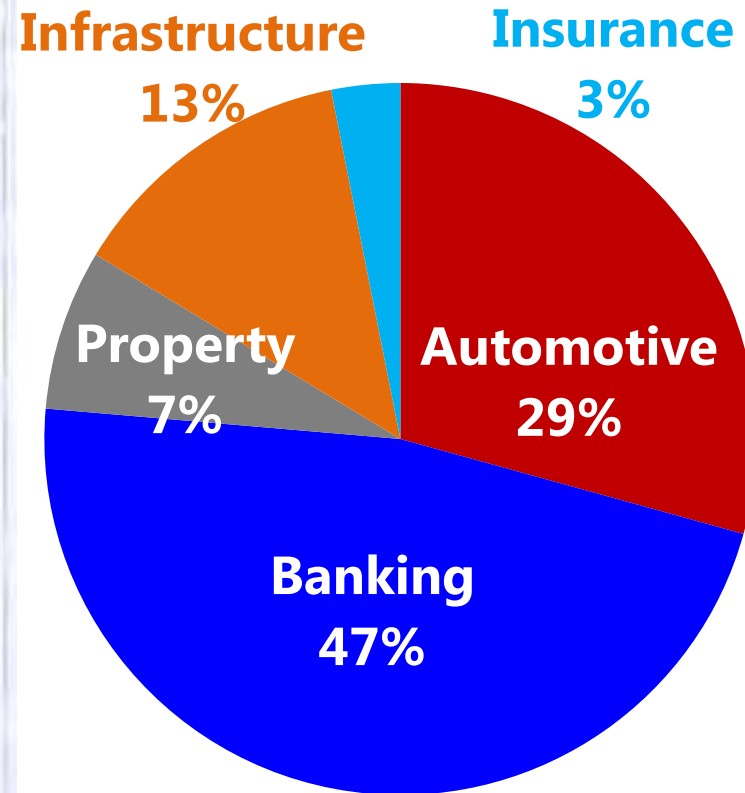
**MBT + TMP = 73.9%**

**1Q 2018**

# GT Capital Net Income Contribution



**1Q 2017**



**1Q 2018**



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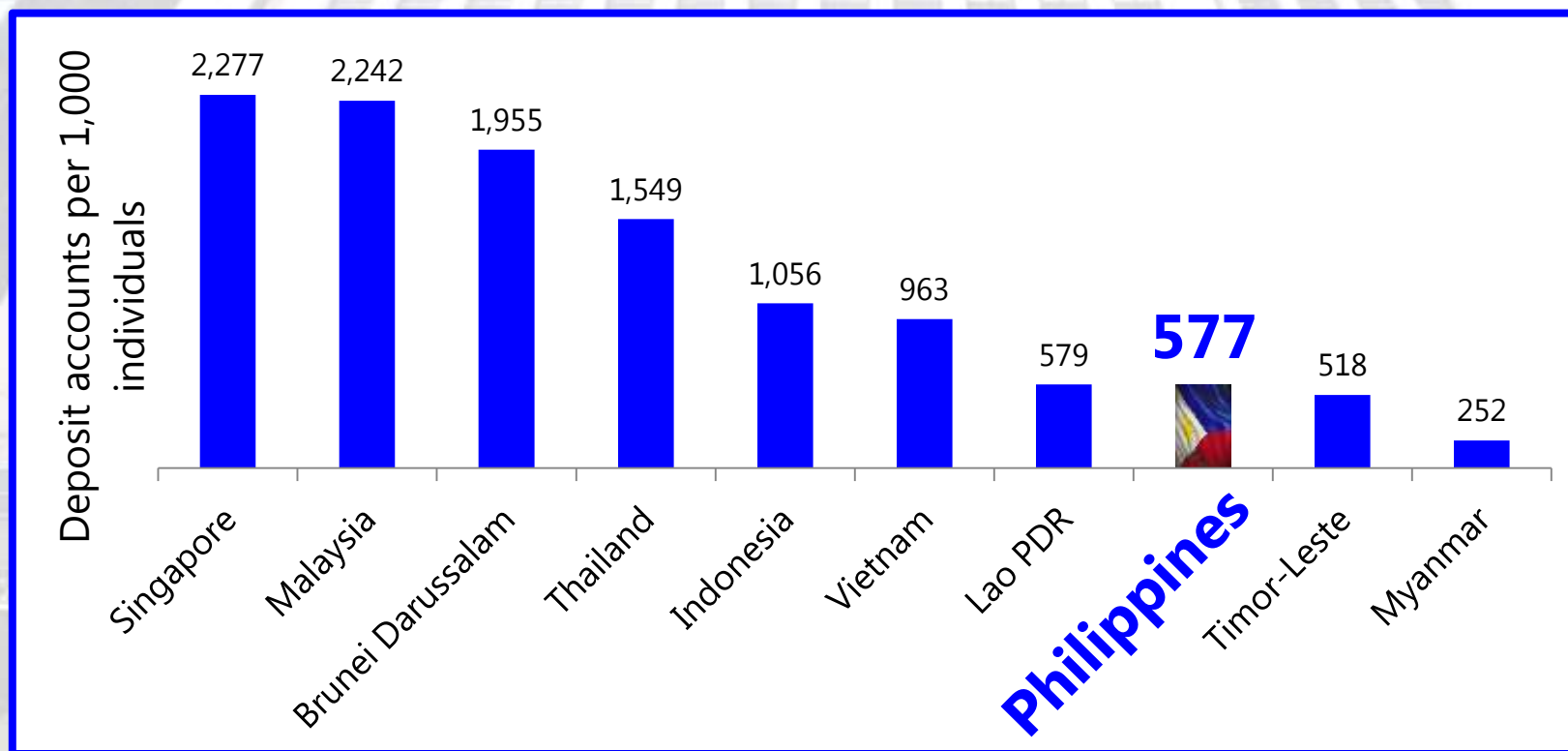
**Metrobank**



## Banking still an underpenetrated sector

### Deposit accounts per 1,000 individuals

ASEAN Members and Observers, 2017

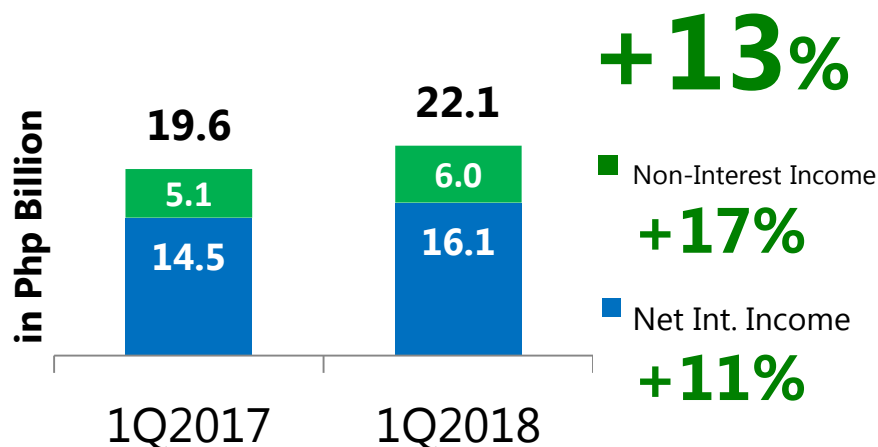


Source: International Monetary Fund Financial Access Survey, Tracking Access to Financial Services, 2017

# Metrobank Financial Highlights



## Operating Income



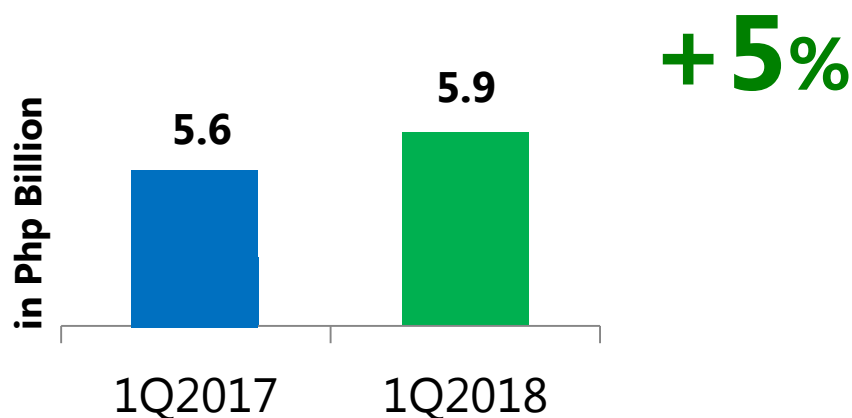
- Net Interest Income **+11%** (Php16.1B or **73% of Operating Income**)

- NIMs from 3.68% to 3.75%
- Loan portfolio **+14%** from **Php1.1T** to **Php1.3T** vs. Industry **+18%**
  - Commercial **+14%**
  - Consumer **+17%**

- Non-Interest income **+17%**

- Service fees & bank charges **+9%** from **Php2.6B** to **Php2.9B**
- Miscellaneous income **+49%** from **Php1.6B** to **Php2.4B** (Php0.6B ROPA Sales)

## Net Income



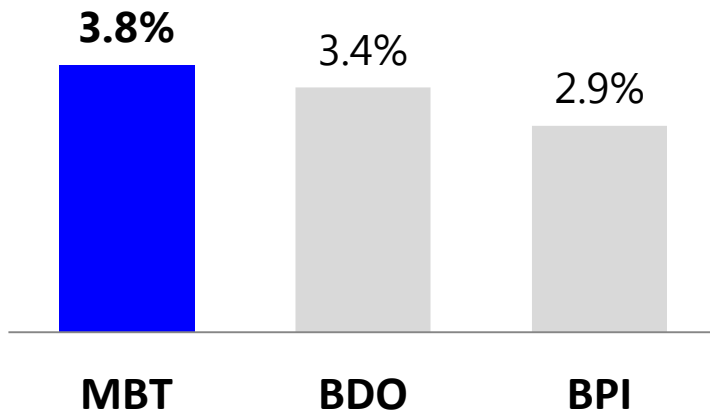
- PFRS 9 adjustments - Provisions for credit and impairment losses **+70%** from **Php1.1B** to **Php1.9B**

- NPL ratio from 0.91% to 1.08%
- Credit cost from 0.50% to 0.59%
- Increase in OPEX **+13%** from **Php10.9B** to **Php12.3B**
  - Higher taxes and licenses (DST)

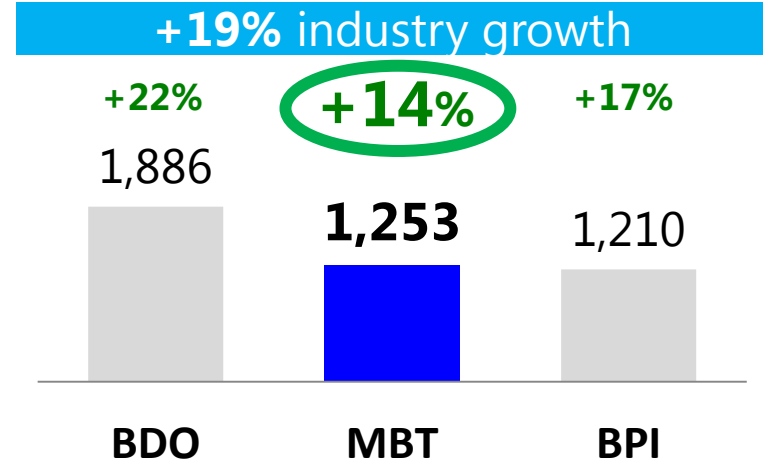


# Peer Banks Highlights

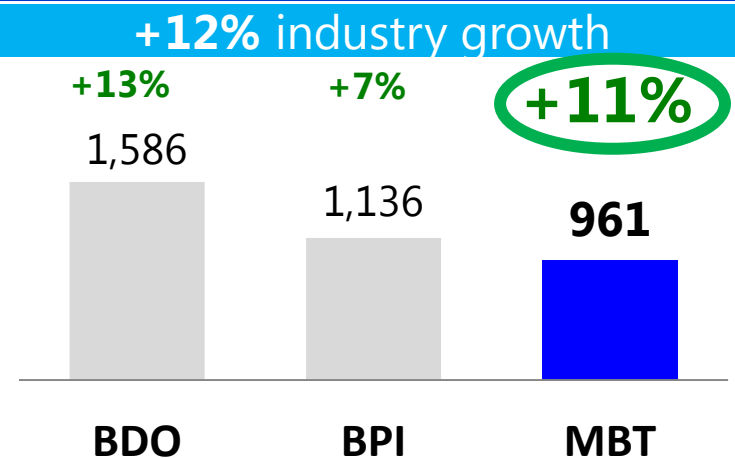
## Net Interest Margin – NIMs (%)



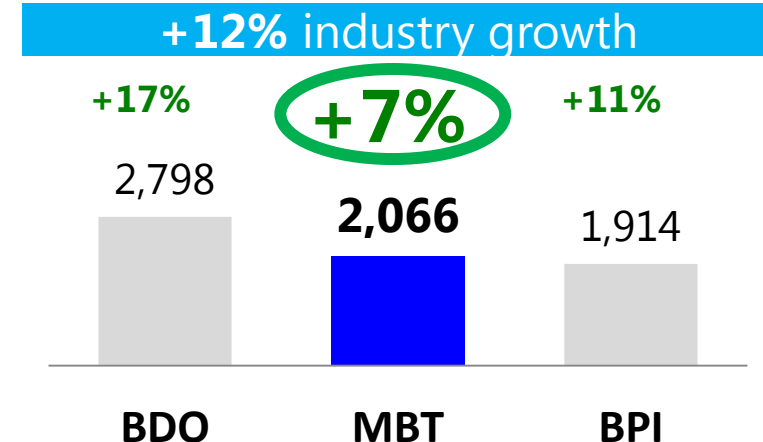
## Total Loans (Php Billion)



## CASA Deposits (Php Billion)



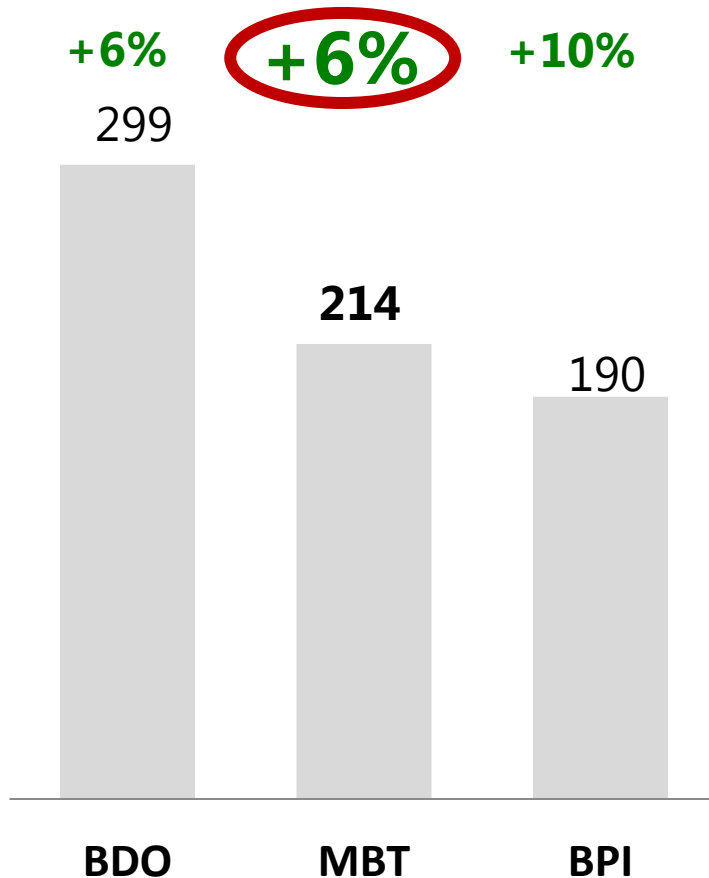
## Total Assets (Php Billion)



# Peer Banks Highlights

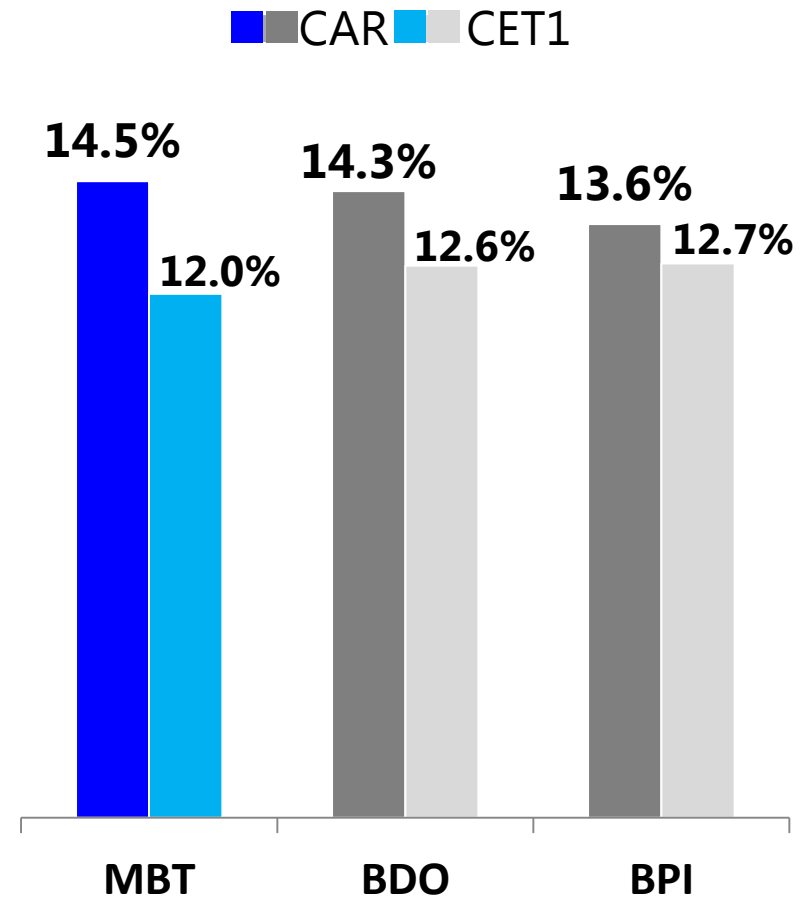
## Total Equity (Php Billion)

+10% industry growth



## Total Capital Adequacy Ratio and CET1 (%)

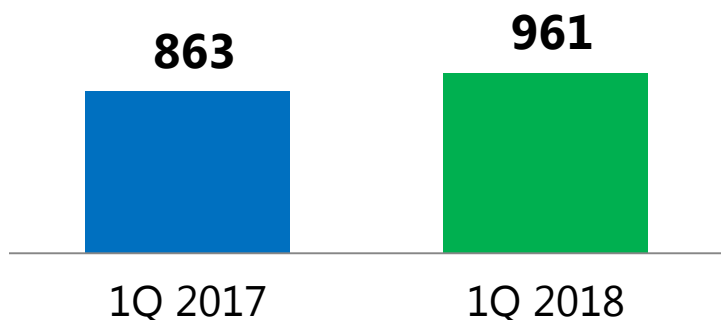
11.5% industry CAR



# Metrobank Financial Highlights

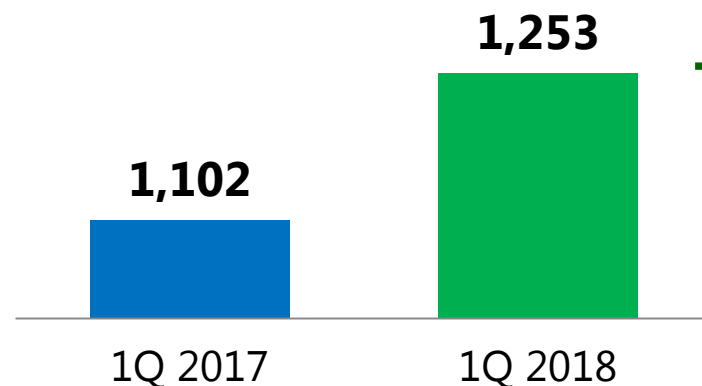
## CASA Deposits (Php Billion)

**+11%**

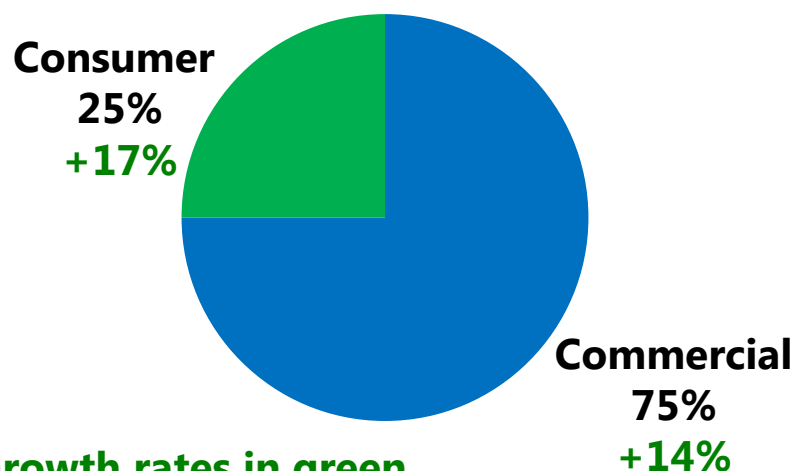


## Loans and Receivables (Php Billion)

**+14%**



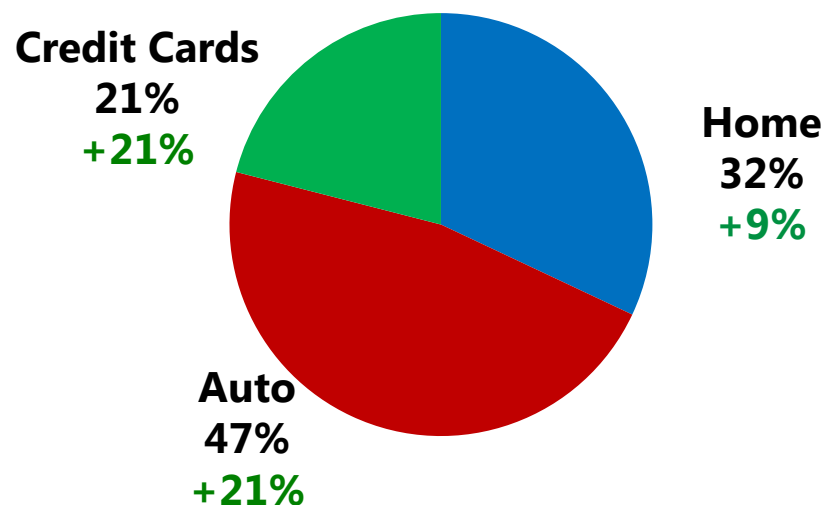
## Total Loan Portfolio Breakdown



**Growth rates in green**

Source: Bank data

## Consumer Loan Portfolio Breakdown



## Metrobank increases stake in Metrobank Card Corporation

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

Post-acquisition  
Metrobank **100%**

**Two tranches**  
**20%** for Php7.4B Dec 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



**GT CAPITAL**  
HOLDINGS INCORPORATED



**30**  
YEARS

ALWAYS BETTER CARS. ALWAYS BETTER LIVES.



**TOYOTA**



# Comprehensive Auto Resurgence Strategy (CARS)

## Implementing Rules and Regulations – 23 December 2015

## Incentives



### Model Life Budget

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



### 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**



## 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)

# CARS Program Updates

## Comprehensive Automotive Resurgence Strategy



**Php1.03  
billion**

Vehicle  
production

Participating model  
**THE NEW VIOS**

**348 parts**

Confirmed as of July 2017

**Php5.24  
billion**

Total Toyota CARS  
Project Investment  
Plan as of Sept 2017

**Php4.21  
billion**

Parts localization  
projects

**91** Toyota suppliers

**30** Confirmed direct  
suppliers for the  
new Vios

**60%** Large press parts  
localization

# CARS Program Updates

## Out-house parts projects



### BOI-registered auto parts partners

**Php495.9  
million**



**Php520.0  
million**



**Php94.5  
million**



**Php167.2  
million**



TOYOTA BOSHOKU



OGIHARA (THAILAND)  
CO., LTD.



TOYODA GOSEI

**Php1.3  
billion**

Aggregate Investments



## Press parts (Body shell)



Stamping die storage expansion at Press Shop

- Machine installation/ trial **1H 2018**
- Investment plan **Php1.29 billion**

## New in-house manufacturing capabilities

- |                                  |   |
|----------------------------------|---|
| • 3000T Plastic Injection System | • Stamping Dies                           |
| • 1600T AO Servo Press Machine   | • Roller Hemming System                   |
|                                  | • Major equipment for press & resin parts |

## Large plastic parts manufacturing



### 24 Nov 2017 – Inauguration of TMP's new plastic molding facility

*From left to right:* TMP EVP for Manufacturing Tomohiro Iwamoto; TMP SEVP and GT Capital Director Dr. David Go, TMP President Satoru Suzuki, DTI Secretary Ramon Lopez, BoI Governor Henry Co, CARS Program Management Office Director Romulo Manlapig

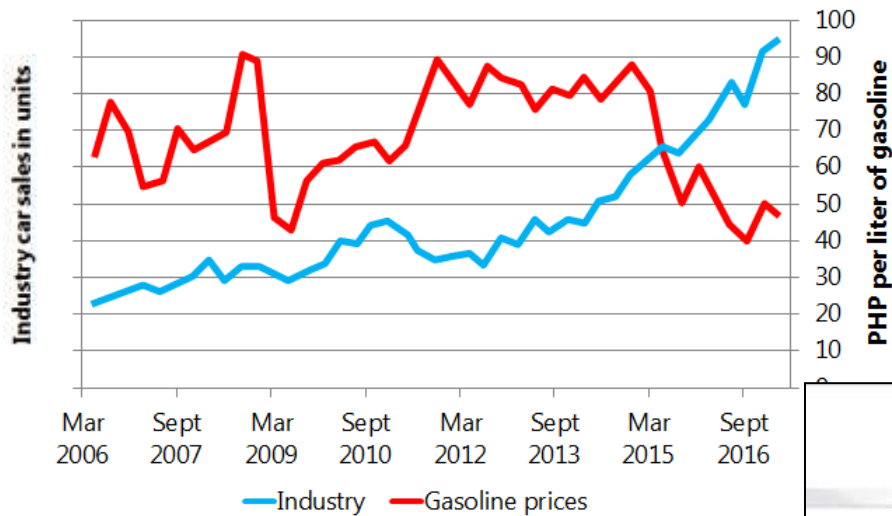
- Machine installation/ trial **3Q 2017**
- Investment plan **Php0.9 billion**



# Factors in relation to industry car sales



## Industry car sales vs. gasoline prices



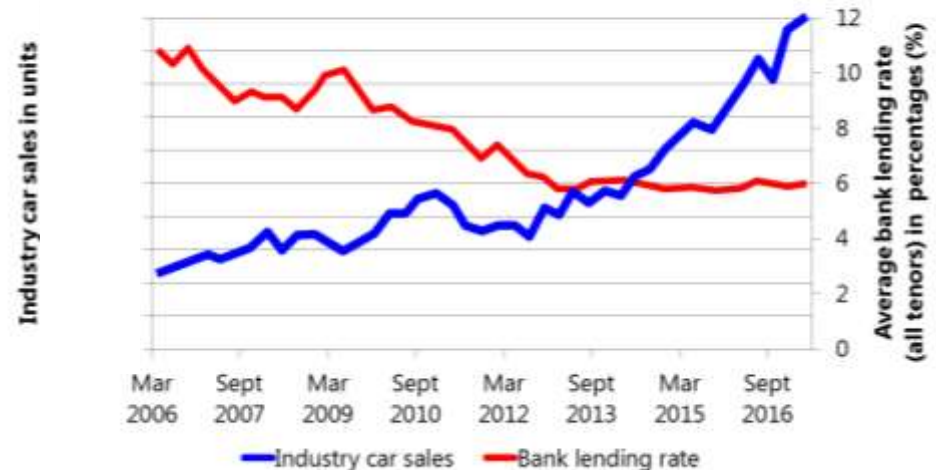
Source: PEP-BAML report, CAMPI, Bloomberg

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

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



## Industry car sales vs average bank lending rates

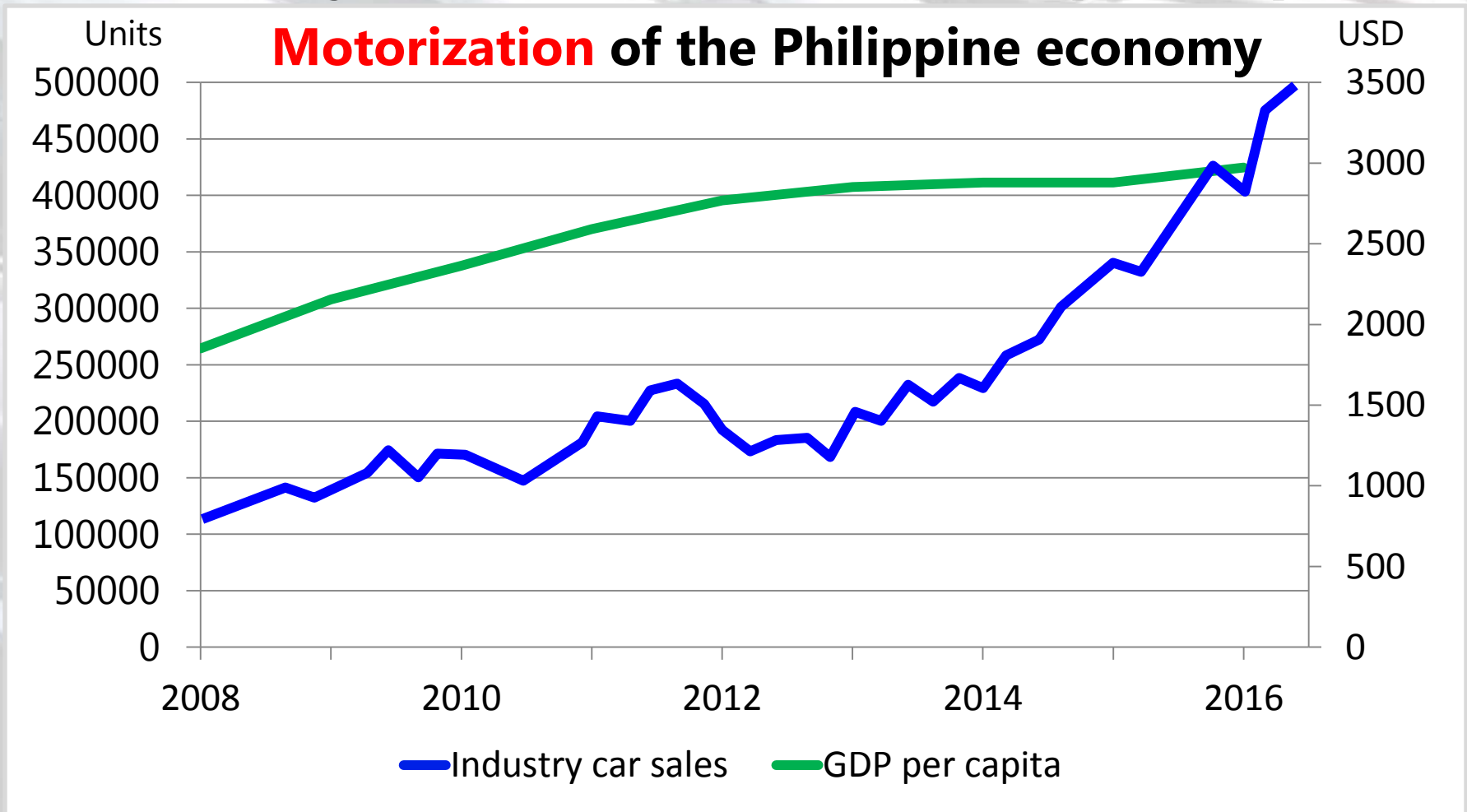


Source: CAMPI, PEP-BAML

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



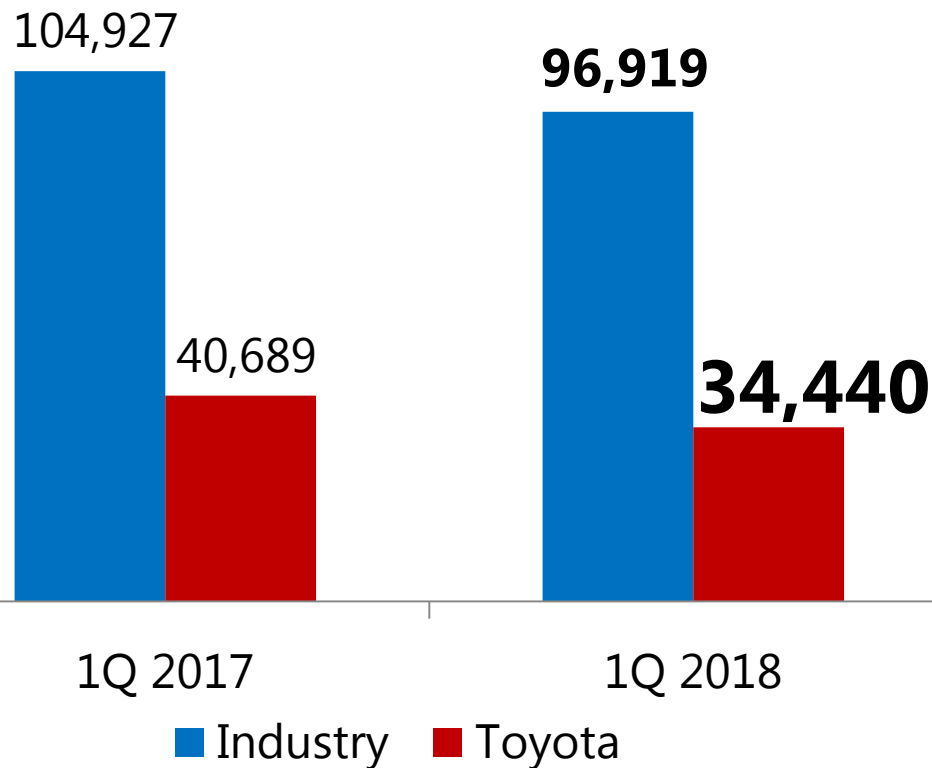
## Industry car sales vs. PH GDP per capita



Source: CAMPI, PEP-BAML

# Retail auto unit sales volume

As of March 2018



## Industry growth

▼8% Y-o-Y

## Toyota growth

▼15% Y-o-Y

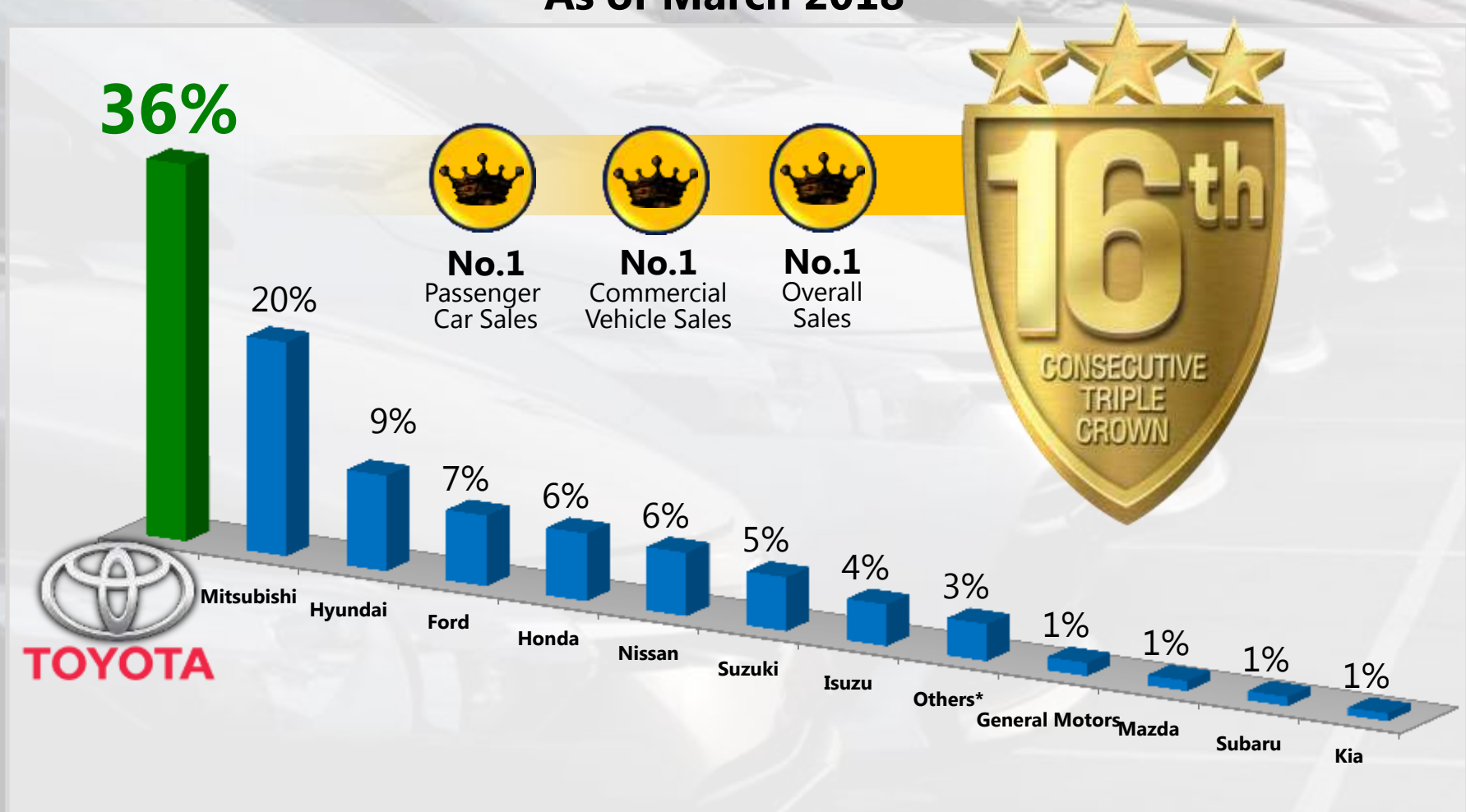
- Front loading in 2017
- TNVS suspension August 2017
- CV supply issues in 2018

Source: Company data, CAMPI, AVID

# Toyota continues to be the Philippines' dominant auto company



## Overall Market Share As of March 2018

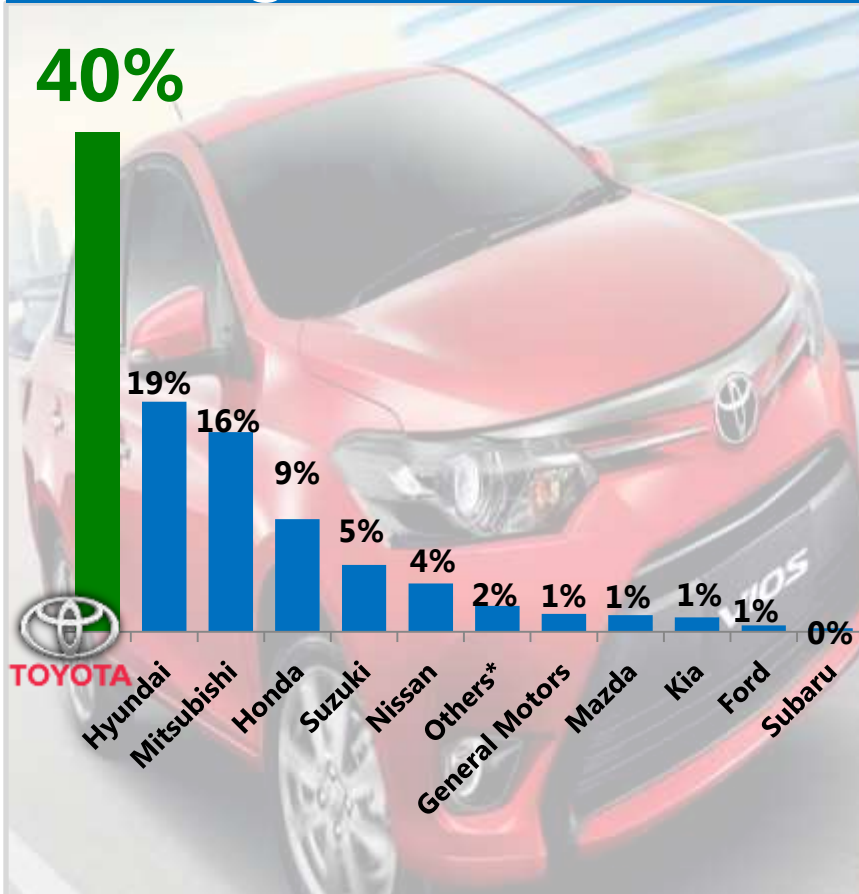


Source: Company data, CAMPI, AVID

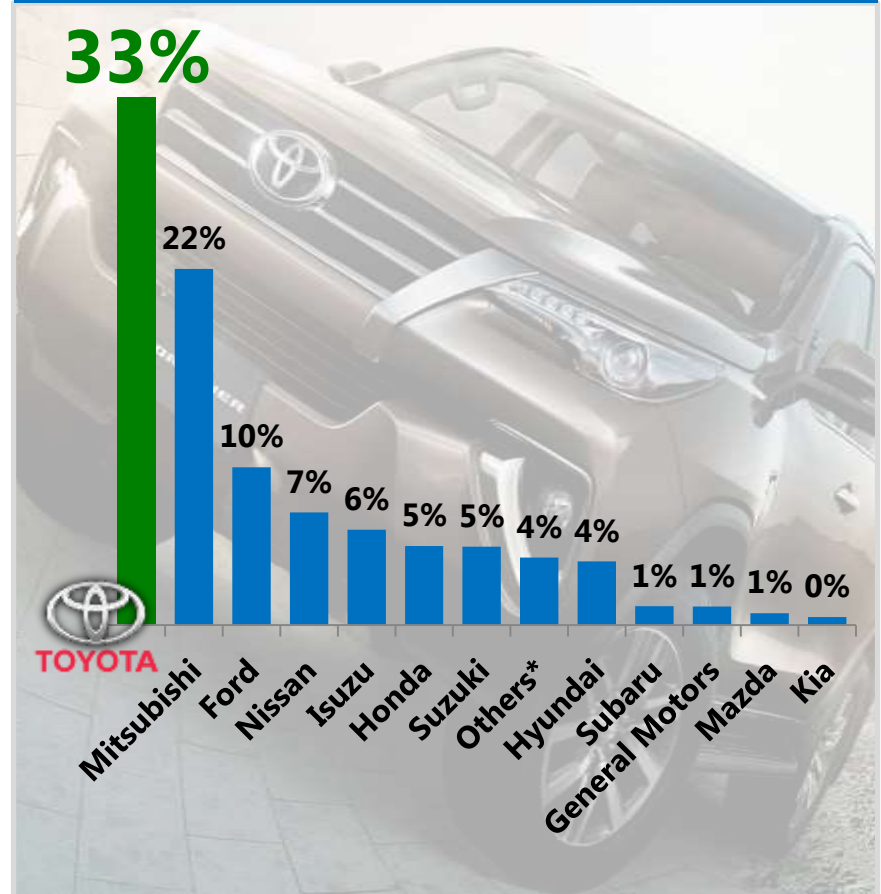
# Toyota continues to be the Philippines' dominant auto company

## Auto Industry Market Share As of March 2018

### Passenger Car



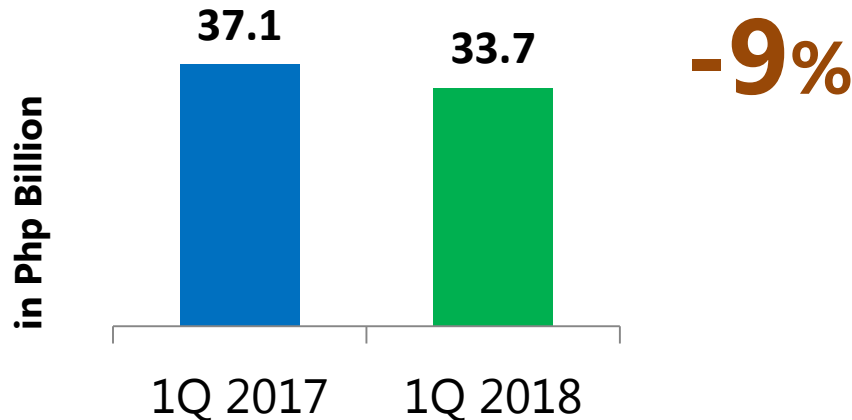
### Commercial Vehicle





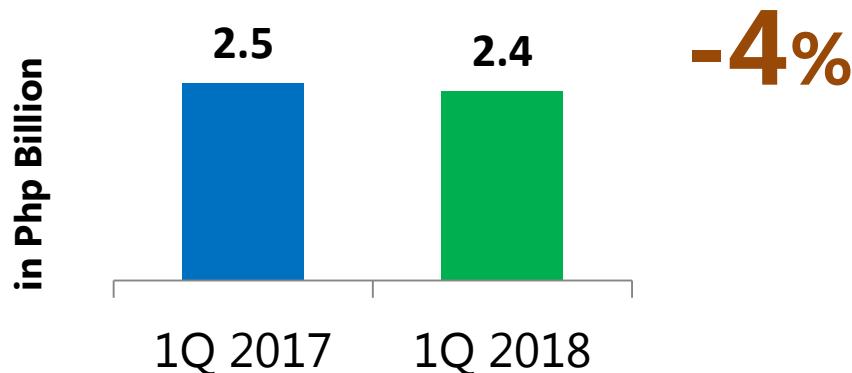
# Toyota Financial Highlights

## Revenues



- Wholesale volume **-12%** **33,877** units; retail volume **-15%** (vs **-8%** industry growth)
- Sales volume:
  - Wigo **+25%** Avanza **+8%**
- Vios affected by LTFRB's suspension of issuance of new franchise to TNVS effective August 2017
- Low supply for CV models; supply to normalize by 2Q 2018
- Overall market share from **39% to 36%**

## Net Income ATP



- Due to lower sales volume, increase in OPEX and OH costs, higher income tax provision and models mix effect.

# Toyota Dealership Expansion



Target by end of year	2013	2014	2015	2016	2017	Current	2018E
Number of Dealerships	42	45	49	52	61	66	70

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



**Calapan**  
ORIENTAL MINDORO

Mar 2018



**Tuguegarao**  
ISABELA

May 2018

## 66 Dealerships as of 15 May 2018

**Upcoming:** Valencia (Negros Or.), Albay, San Jose (Bulacan), Subic (Zambales), Valenzuela City  
Subic Bay (owned by GT Capital Auto Dealership Holdings, Inc.)

# 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>Accord</b>	
Price	1.705 — 1.896		1.884 — 1.904	
<b>Model</b>	<b>Altis</b>	<b>Elantra</b>	<b>Civic</b>	<b>Lancer</b>
Price	0.941 — 1.466	0.970 — 1.183	1.138 — 1.663	0.928 — 1.238
<b>Model</b>	<b>Vios</b>	<b>Accent</b>	<b>City</b>	<b>Mirage G4</b>
Price	0.629 — 0.968	0.695 — 0.930	0.820 — 1.041	0.584 — 0.867
<b>Model</b>	<b>Innova</b>			
Price	0.990 — 1.639			
<b>Model</b>	<b>Fortuner</b>	<b>Santa Fe</b>	<b>CR-V</b>	<b>Montero Sport</b>
Price	1.592 — 2.260	1.840	1.648 — 2.086	1.565 — 2.164
<b>Model</b>	<b>Hiace</b>	<b>Starex</b>		
Price	1.373 — 2.177	1.395 — 2.060		
<b>Model</b>	<b>Wigo</b>	<b>Eon</b>	<b>Brio</b>	<b>Mirage</b>
Price	0.537 — 0.611	0.508 — 0.526	0.631 — 0.791	0.630 — 0.790

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



In US Dollars	Toyota	Hyundai	Honda	Mitsubishi
<b>Model</b>	<b>Camry</b>		<b>Accord</b>	
Price	32,476 – 36,114		35,886 – 36,267	
<b>Model</b>	<b>Altis</b>	<b>Elantra</b>	<b>Civic</b>	<b>Lancer</b>
Price	17,924 – 27,924	18,476 – 22,533	21,676 – 31,676	17,676 – 23,581
<b>Model</b>	<b>Vios</b>	<b>Accent</b>	<b>City</b>	<b>Mirage G4</b>
Price	11,981 – 18,438	13,238 – 17,714	15,619 – 19,829	11,124 – 16,514
<b>Model</b>	<b>Innova</b>			
Price	18,857 – 31,219			
<b>Model</b>	<b>Fortuner</b>	<b>Santa Fe</b>	<b>CR-V</b>	<b>Montero Sport</b>
Price	30,324 – 43,048	35,048	31,390 – 39,733	29,810 – 41,219
<b>Model</b>	<b>Hiace</b>	<b>Starex</b>		
Price	26,152 – 41,467	26,571 – 39,238		
<b>Model</b>	<b>Wigo</b>	<b>Eon</b>	<b>Brio</b>	<b>Mirage</b>
Price	10,229 – 11,638	9,676 – 10,019	12,019 – 15,067	12,000 – 15,048





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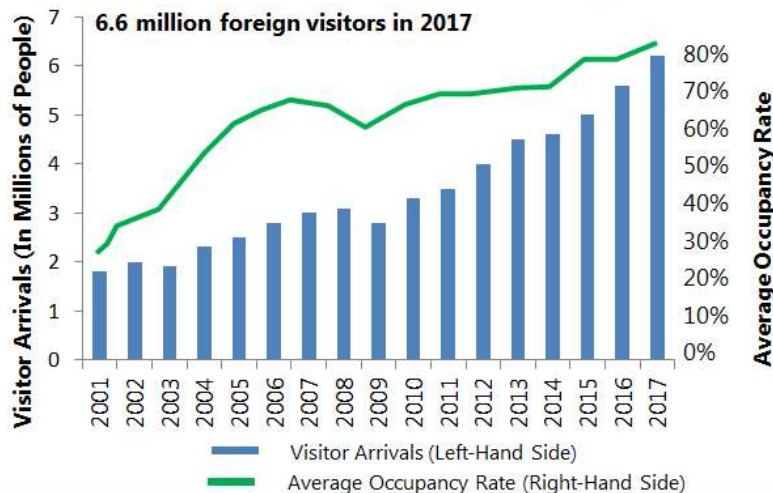
**FEDERAL LAND<sup>®</sup>**

GT Capital Holdings

KEEPING YOU IN MIND



## Foreign Visitor Arrivals to the Philippines



Source: Colliers International Philippines Research;  
Department of Tourism (DOT)

18

## Metro Manila Residential Condominium Launches and Reservation Sales (thousands of units)



Source: Colliers International Philippines

19

In the locations where Federal Land is  
present, land values continue to rise

## Comparative Luxury 3BR Residential Land Values (PHP / sq m)



Source: Colliers International Philippines

20

Strong office take-up in full-year 2017, still  
driven by the IT-BPO industry

## Industry Office Rental Take-Up Metro Manila, Full-Year 2017



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

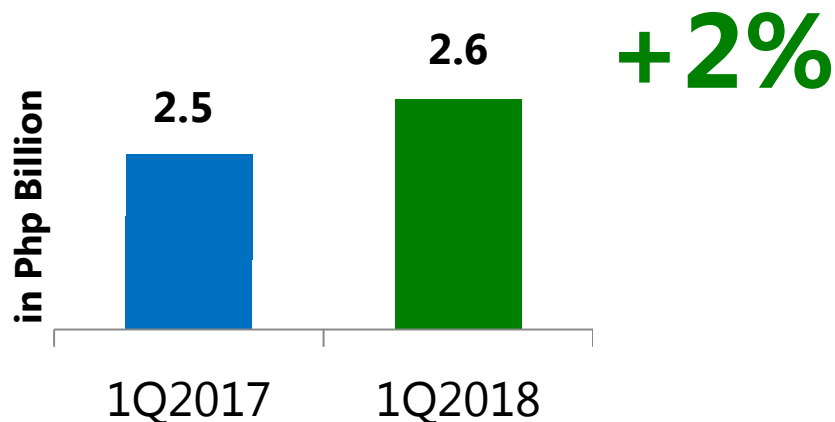
Source: Leechiu Property Consultants, as of February 2018

22

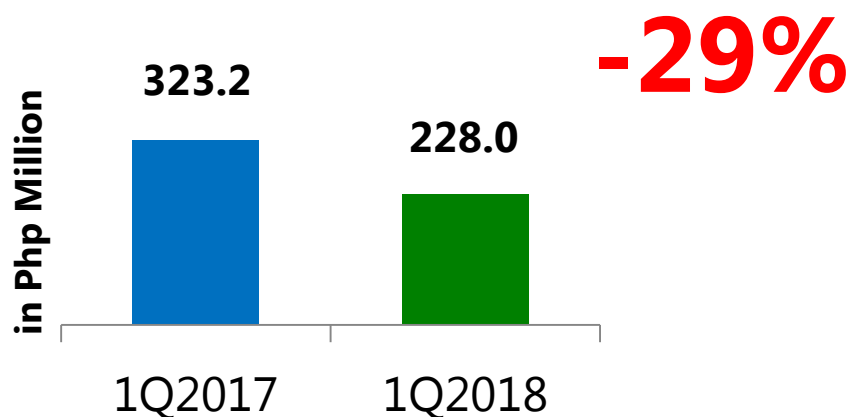
# Federal Land Financial Highlights



## Revenues



## Net Income



- Reservation Sales **+17%** from **Php3.1B** to **Php3.6B**
  - Inventory **-58%** from 1,866 units to 786 units (7 mos. of sales) due to delays in securing HLURB permits and licenses for new projects
- Real estate sales at **Php2.0B**
- GP margin **-5%** from **39%** to **34%** due to cost adjustments/variations (**Php158M**) from ongoing projects and projects to be completed within the year
- Interest Expense **+176%** from **Php27M** to **Php75M** due to increase in debt from **Php22B** in 1Q2017 to **Php26B** in 1Q2018

# Federal Land Current Projects

## 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
- **5** launched in 2017

**6 to 12** planned launches in 2018

**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

Project	Location
<b>Park Avenue</b>	Bonifacio
<b>Siena</b>	Marikina
<b>Palm Beach West - Siargao</b>	Bay Area, Pasay
<b>Palm Beach West - Coron</b>	Bay Area, Pasay
<b>Sunshine Fort township</b>	Bonifacio



# Land Bank Location



Location	Land Bank (in hectares)
<b>Metro Manila</b>	
Bay Area, Pasay	12.85
Marikina	8.63
Mandaluyong	4.34
Fort Bonifacio	1.36
Kalaw, Manila	0.56
Paranaque	0.28
<b>Outside Metro Manila</b>	
Iloilo	0.29
Binan, Laguna	43.49
General Trias, Cavite	2.98
Santa Rosa, Laguna	7.92
<b>Total nationwide land bank (MM+Prov)</b>	<b>82.70</b>

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





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# 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 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**



## CALA Expressway (CALAX)

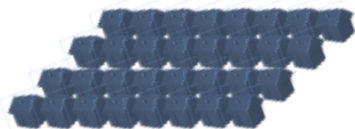
- Ongoing preparation of detailed engineering design
- Right-of-way acquisition 50% accomplished
- Target completion 2020
  - Start 1H 2017 for Laguna portion
  - Start 2H 2018 for Cavite portion

# The Low-Cost Property Sector

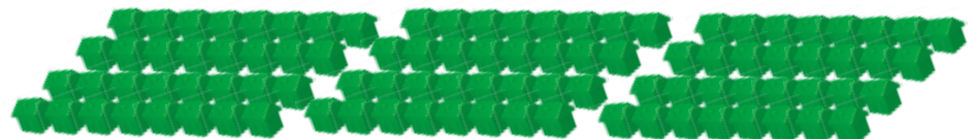
## Property Development Sweet Spot

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**



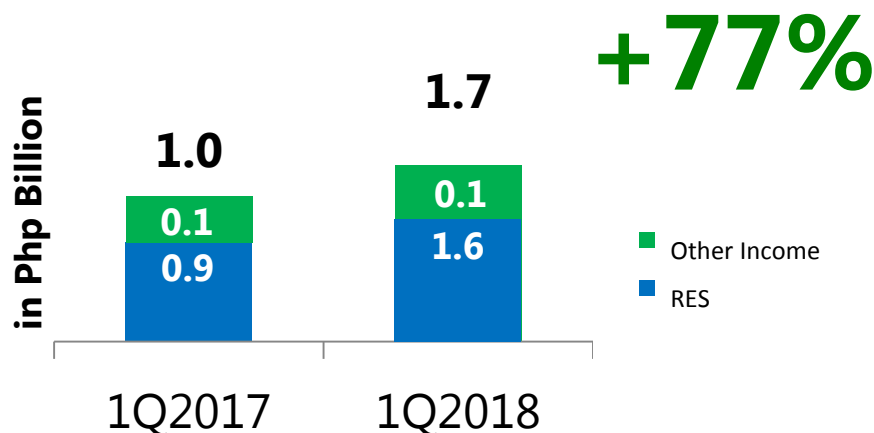




# PRO-FRIENDS Financial Highlights

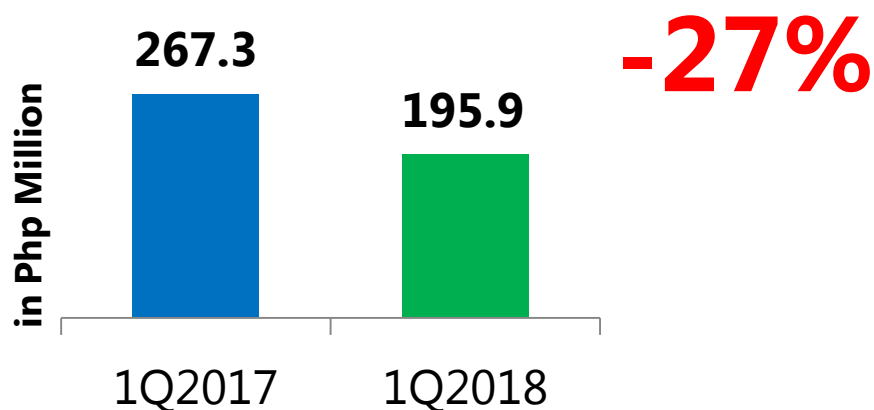


## Revenues



- Reservation sales **+23%** from **Php6.2B** to **Php7.6B** (**Php2.5B** per month)
- Real estate sales **+83%** from **Php0.9B** to **Php1.6B**
- Rental income **+161%** from **Php5.0M** to **Php13.1M**
- YTD bank takeout **Php2.0B**
- YTD houses built **907 units**
- 44,000** household population
- 53** retail/commercial outlets

## Net Income



- GP margin **-6%** from **52%** to **46%** due to cost adjustments/variations
- Net Reversal of **Php245M** income tax provision from receipt of BOI approval in 1Q2017



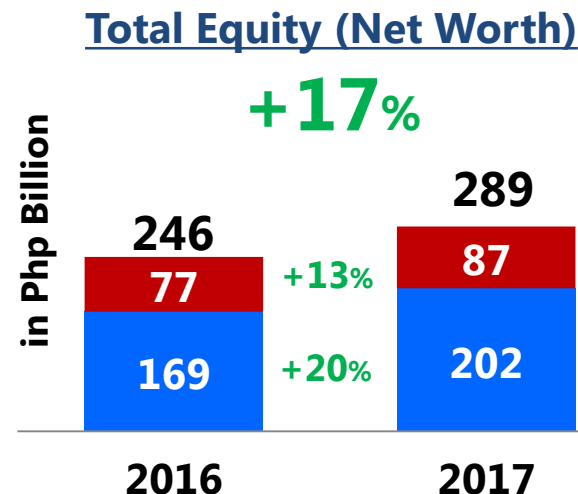
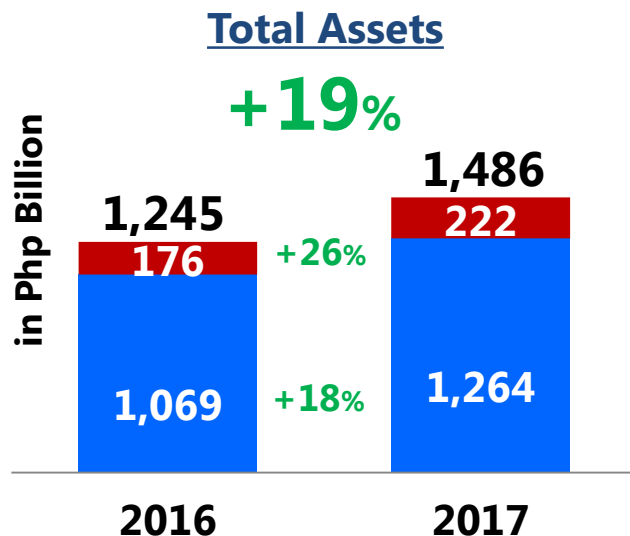


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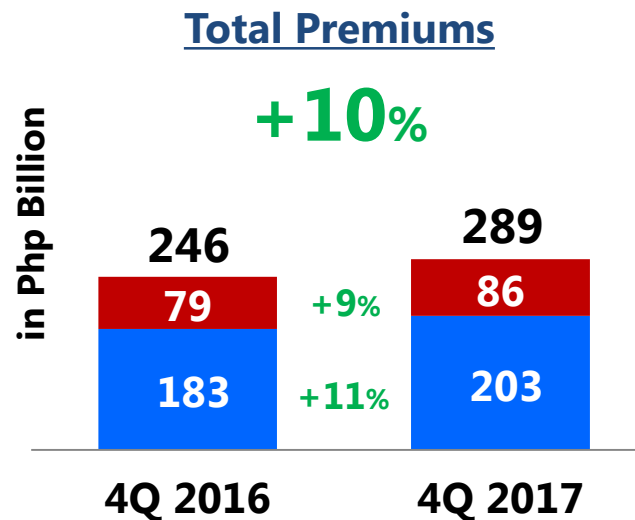
# Insurance Industry Updates

As of December 2017



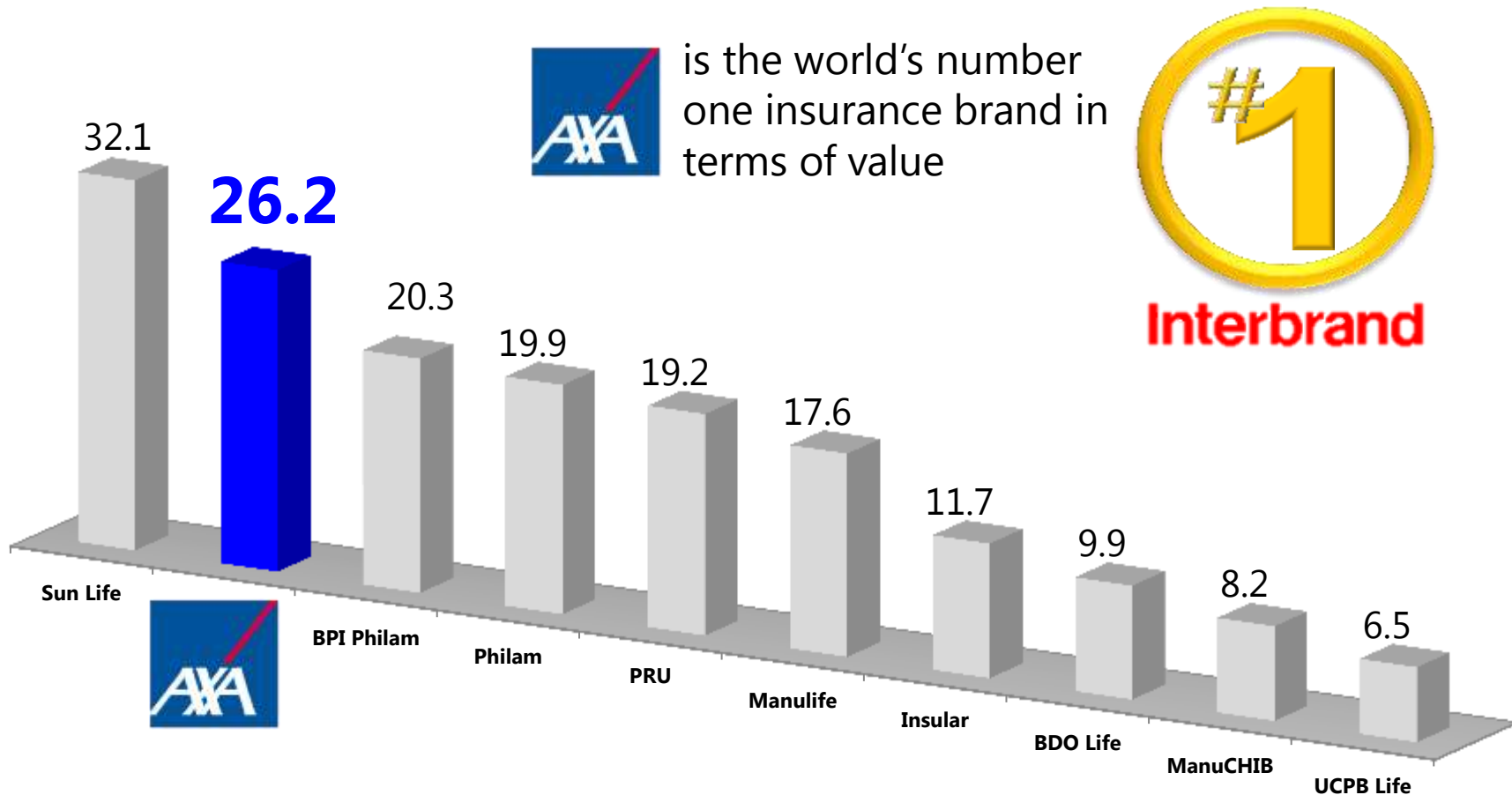
## Legend

-  Life insurance sector
-  General/Non-Life insurance sector



# FY 2017 Insurance Industry Rankings

## Net Premium Income, in billion Php

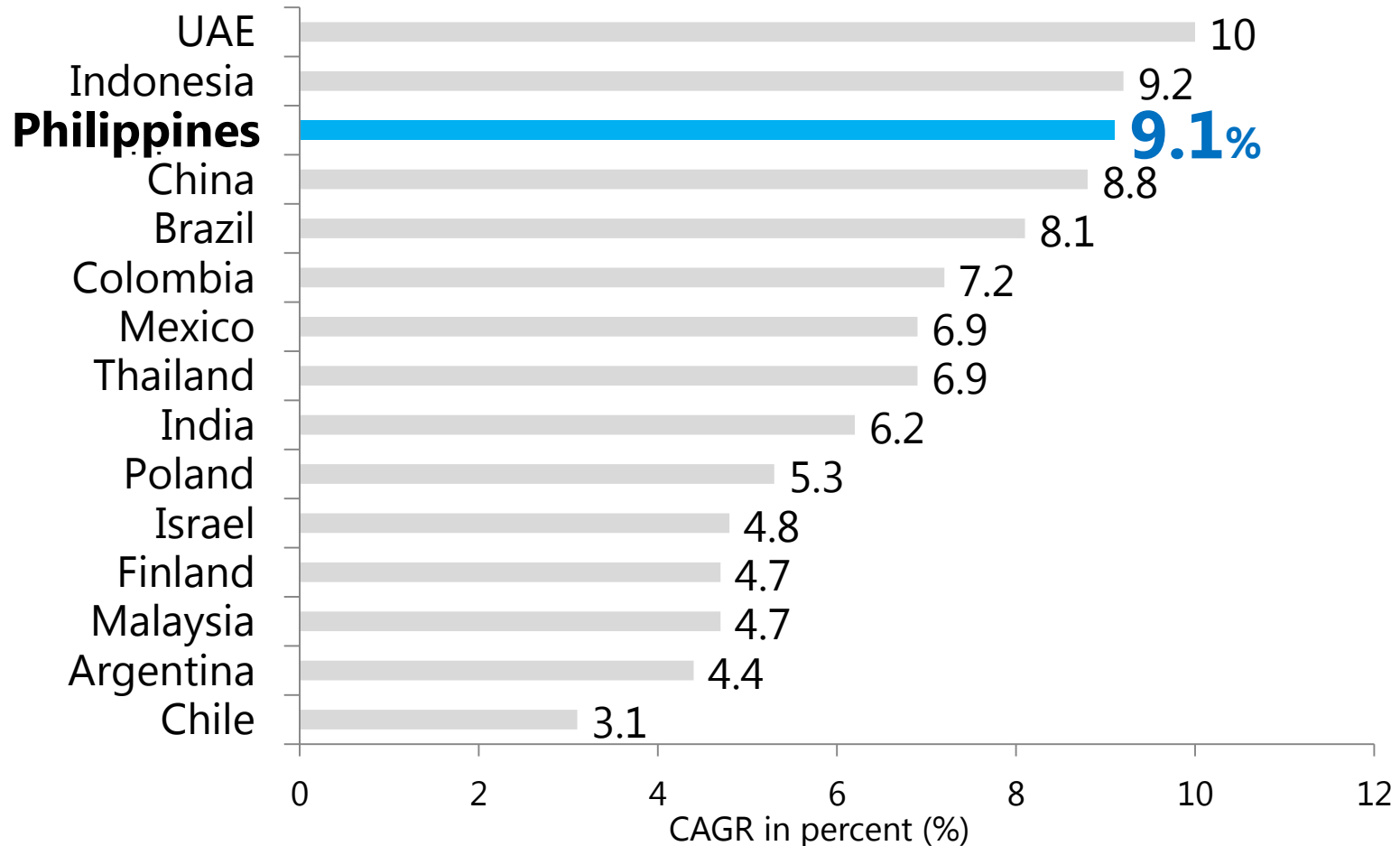


# The Philippines is one of the fastest-growing insurance markets in the world

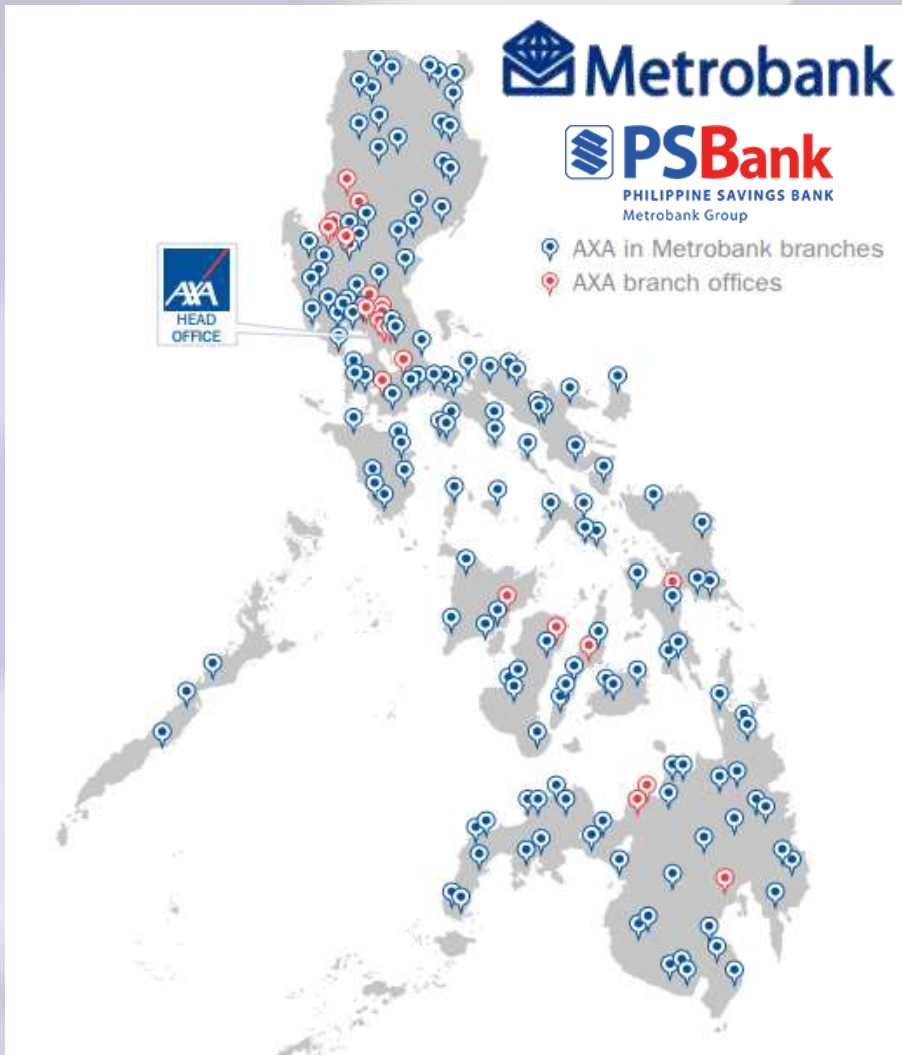


## Projected 10-year CAGRs of industry-wide life insurance premiums by country

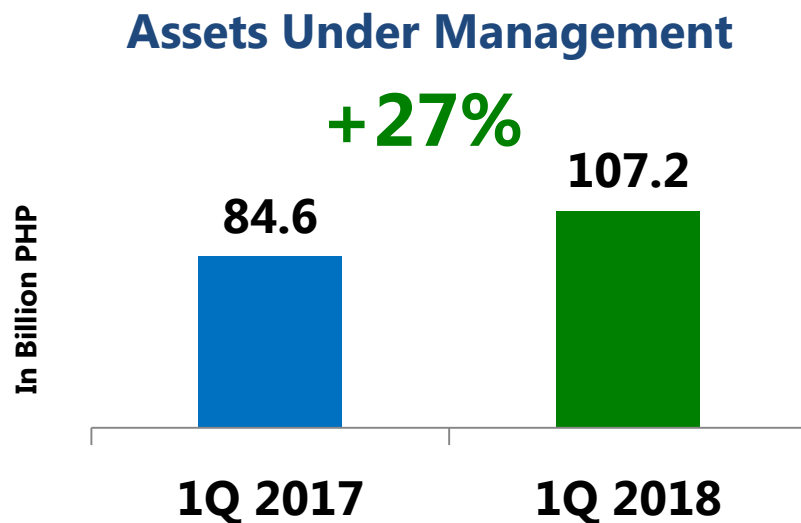
Top 15 fastest growing markets, 2017-2025 % CAGR



# Strong synergy and growth



- Persistency Ratio: **84.2%** from **82.7%** in 2016
- Exclusive financial advisors: **3,665**
- Total bancassurance (Metrobank and PSBank) branches: **953**

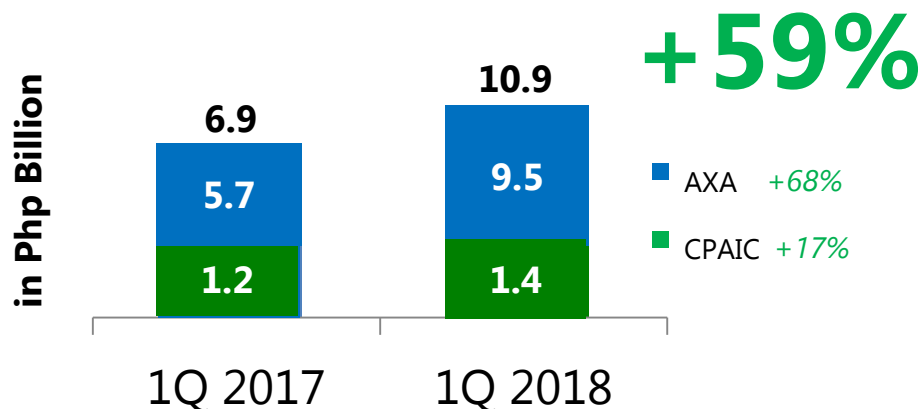




# AXA Philippines Financial Highlights

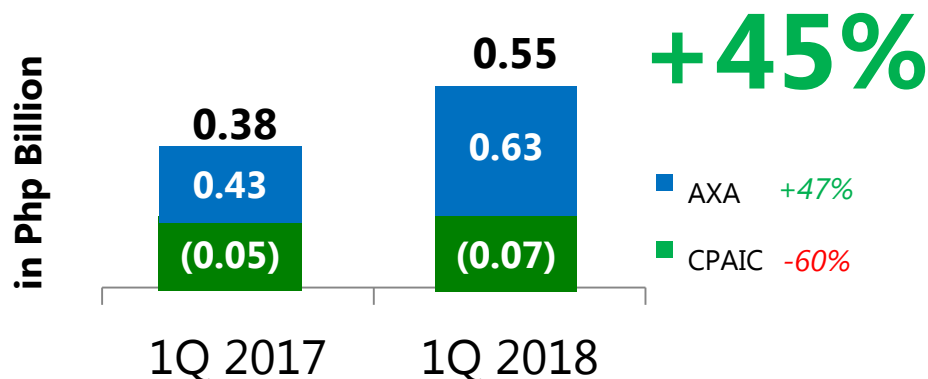


## Gross Earned Premium



- New Business (APE) **+37%** from **Php1.5B** to **Php2.0B**
  - Regular Premium (RP) **+20%**
  - Single Premium (SP) **+106%**
- SP/RP Premium Income mix – from **51:49** to **64:36**
- CPAIC Gross written premium **+9%**  
**Php1.2B** to **Php1.3B**
  - Motor **+22%**
  - Property **+12%**

## Net Income



- Premium margins **Php1.2B** to **Php1.9B** **+52%** due to SP-APE growth
- AUM-Linked **Php78B** to **Php94B** **+20%**; Asset management fees **+27%**
- CPAIC net loss **(Php75M)** driven by:
  - Five major fire losses (Php129M) and early recognition of NAT CAT reserves (Php45M)



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**METRO  
PACIFIC**  
INVESTMENTS



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

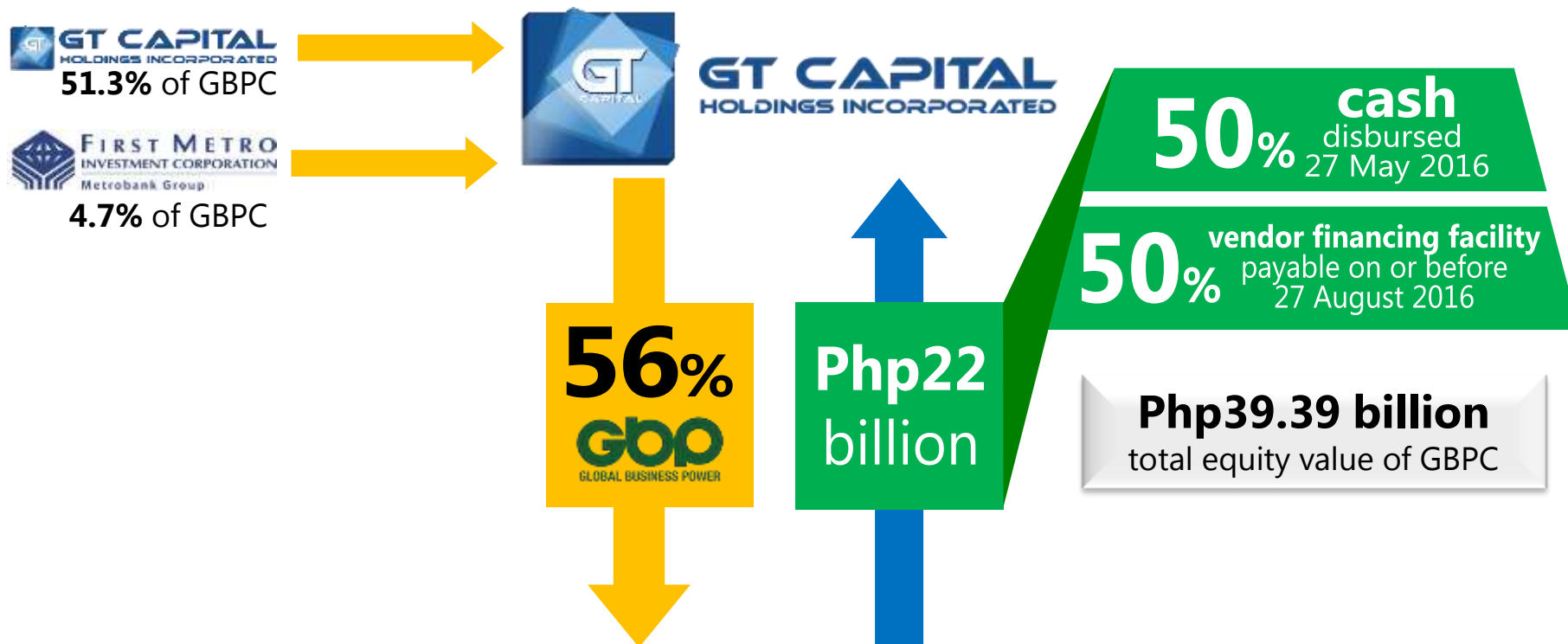
**Two transactions signed on  
27 May 2016**

- 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*



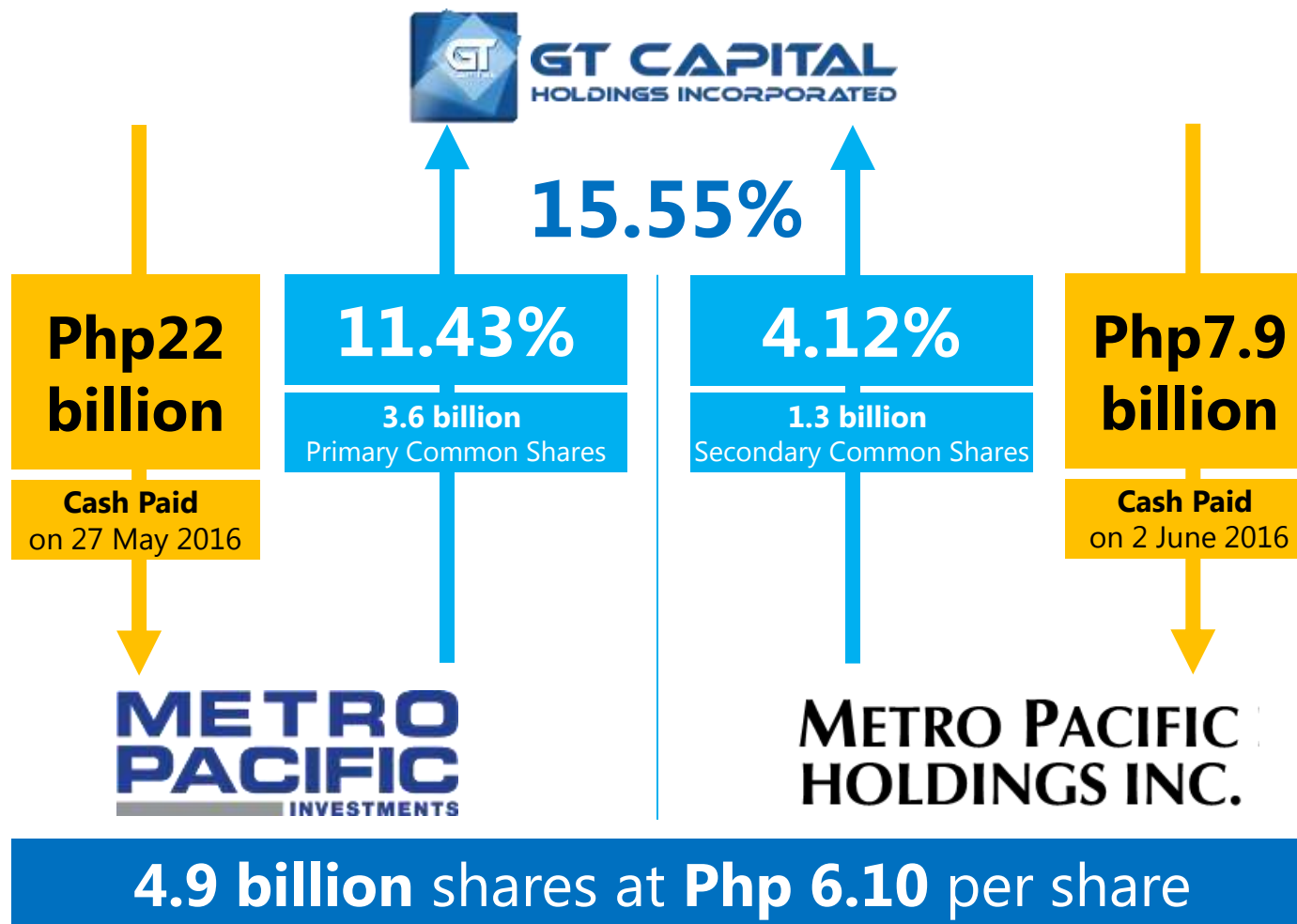
**Beacon PowerGen Holdings, Inc.,**  
a subsidiary of Beacon Electric Asset  
Holdings, Inc., an associate of





# GTCAP-MPIC Strategic Partnership

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





# 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

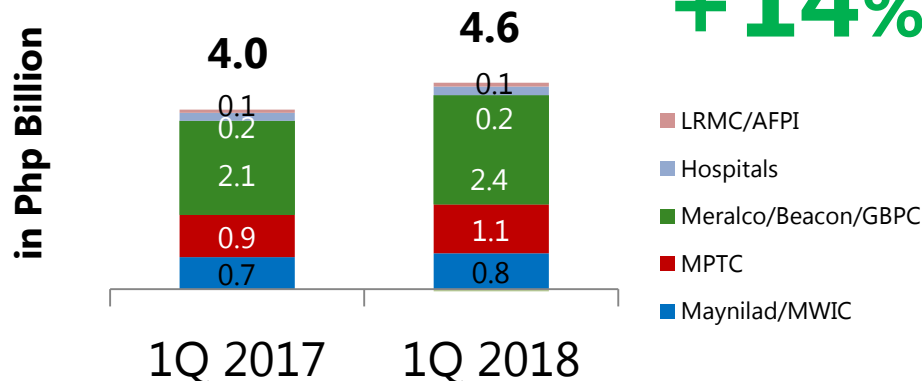
- 
- Diversification of power investments in the Visayas into the high-growth **infrastructure and utilities sectors**
  - Many of MPIC's ongoing PPP projects **are in Cavite**, home to Pro-Friends' **Lancaster New City**
  - Set up of Logistics subsidiary (MetroPac Movers, Inc.) will create opportunities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

# Metro Pacific Financial Highlights

**METRO  
PACIFIC**  
INVESTMENTS



## Share in Operating Net Income (Core)

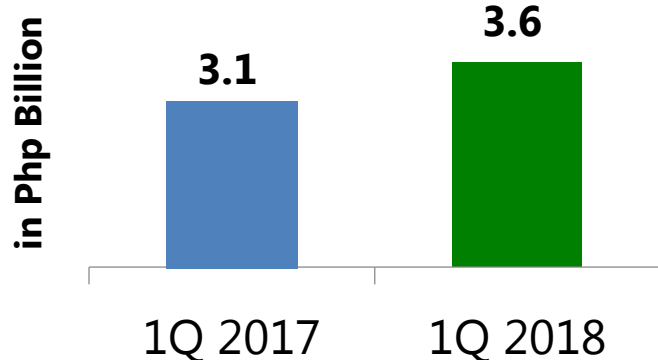


**+14%**

MPIC share:

- Power **+16%** Php2.4B
- Water **+12%** Php0.8B
- Tollways **+16%** Php1.1B
- Hospitals **+4%** Php0.2B
- Railways **+32%** Php90M

## Core Net Income



**+16%**

Equity accounting net income for GTCAP **Php0.6B**

# 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



Inflation  
**4.6%**  
as of April 2018



Population  
**105.8 million**



**11 million OFWs**  
remitting  
**USD28.1Bln**  
▲ 4% YoY Jan-Dec 2017



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



Foreign direct investments  
**USD10.0 billion** FY 2017  
▲ 21% from 8.3 billion Y-o-Y



Gross international reserves  
**USD80.1 billion**  
end-April 2018



External Debt-to-GDP  
**23.3%** as of end-2017



Domestic liquidity, end-March 2018  
**PHP10.9 trillion**  
▲ 14% from 9.5 trillion in March 2017

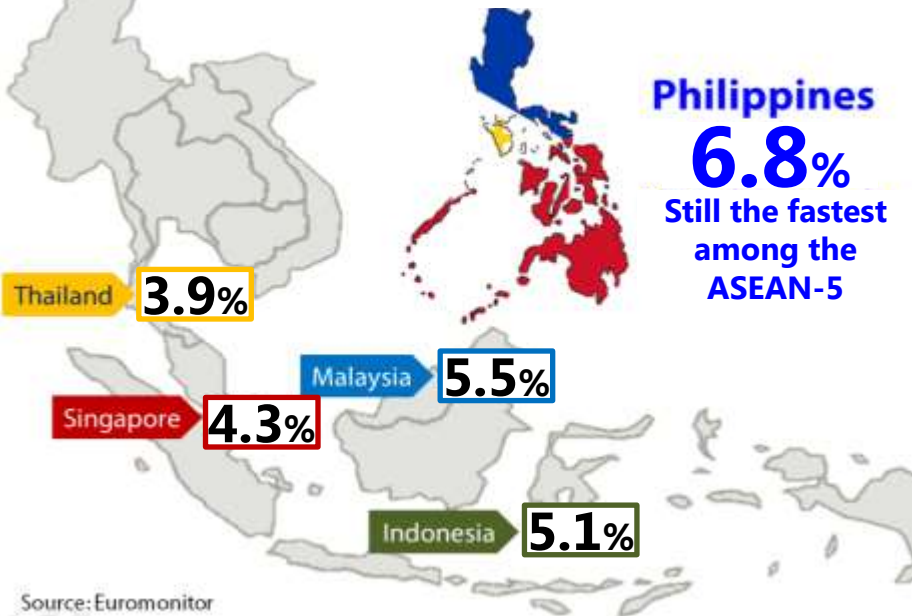


**66% of Filipinos are**  
**below 25 years old**

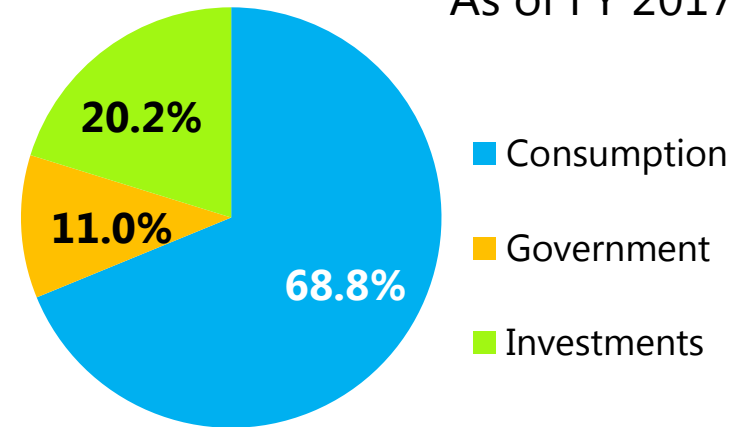


# Macroeconomic Indicators

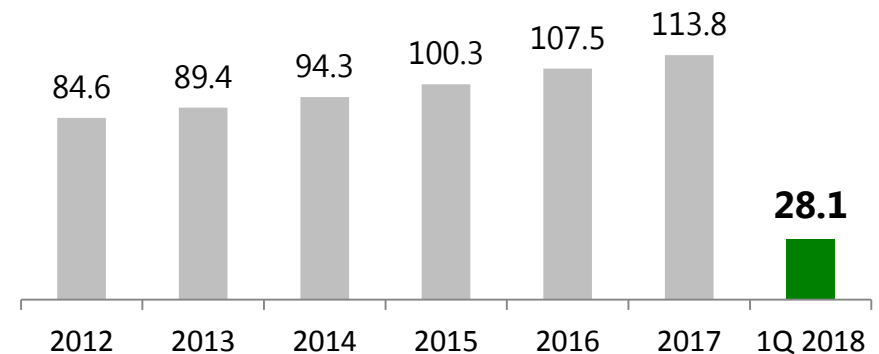
## First Quarter 2018 GDP Growth



## Household Consumption as % of GDP As of FY 2017

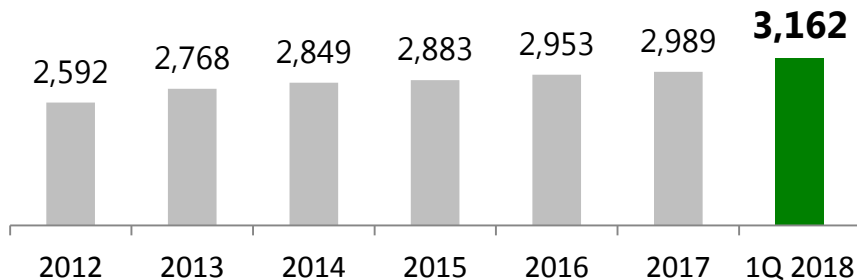


## Household Consumption +6% In USD Billion Year-on-Year



## GDP Per Capita in USD, nominal

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



Source: Bangko Sentral ng Pilipinas