



**GT CAPITAL**  
HOLDINGS INCORPORATED



**Metrobank**

**Jan to Sept 2018**

Nine Months

Financial & Operating Results

Joint Analyst & Media Briefing

*Defined by Excellence,  
Refined through Partnership*

**15 Nov 2018**

**GRAND  
HYATT**  
MANILA





 **Metrobank**

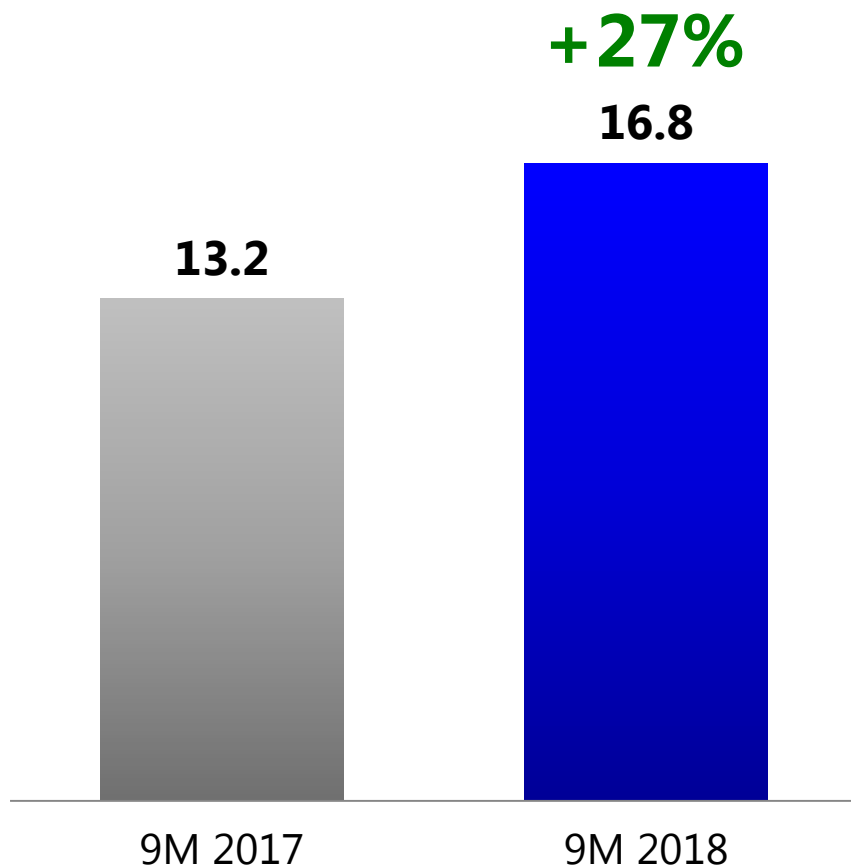
# Nine Months 2018 Financial Highlights

# Metrobank Financial Highlights



## Solid net income growth

### Net Income (Php Billion)



### Well-within expectations

- Php16.8B net income for 9M 2018, **+27%** YoY
- Php5.7B net income for 3Q 2018, **+55%** YoY
- **+66bps** ROE improvement to 9.3%

### Positive results for all growth drivers

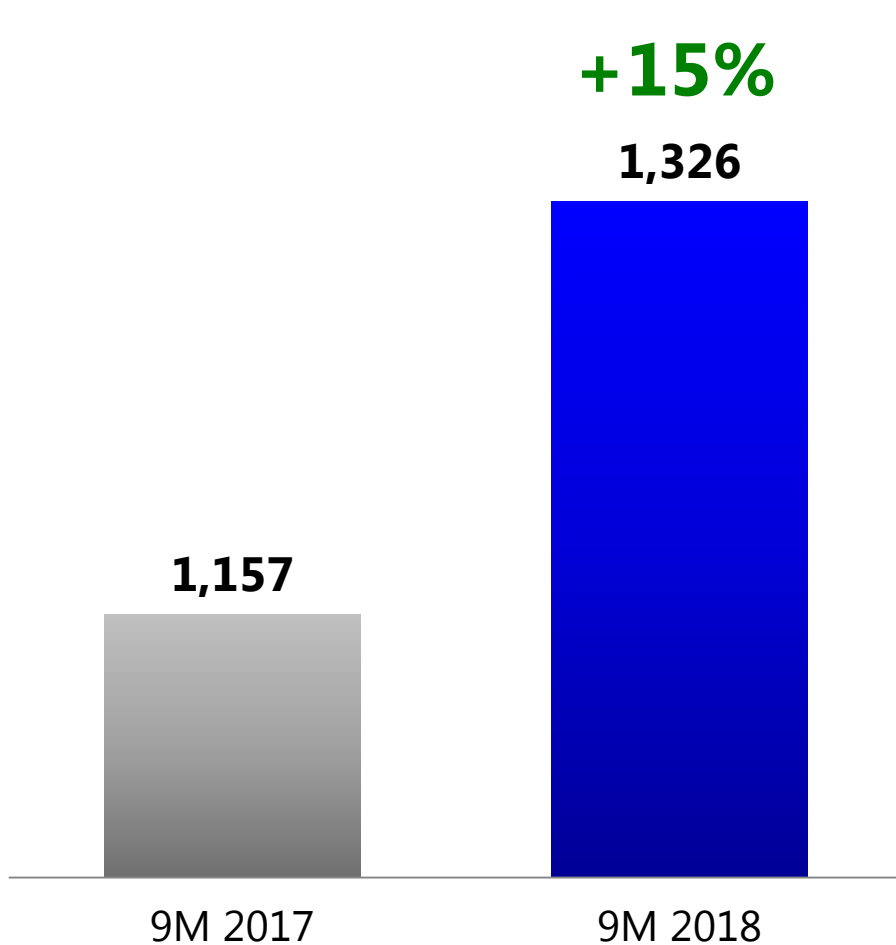
- Sustained double-digit growth in loans (**+15%**) from Php1.2T to **Php1.3T**
- Deposits growth at **5%** to **Php1.5T**
  - CASA Ratio maintained at 62%
- Non-Interest income **+4%**
  - Service fees & bank charges **+11%** from Php9.1B to **Php10.2B**
  - Trading and FX gain at **Php2.1B**

# Key Performance Drivers



## Loan growth remains healthy

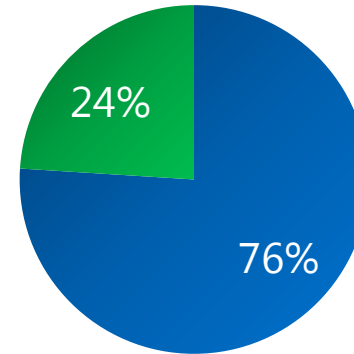
### Loans and Receivables (Php Billion)



Source: SEC 17Q, Bank data

### Total Loan Portfolio Breakdown

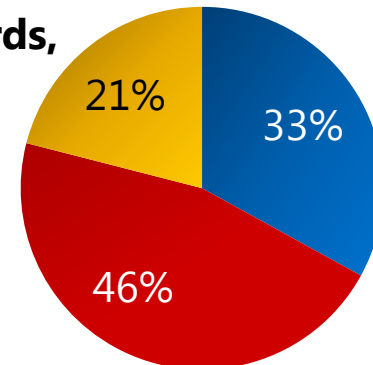
Consumer  
+10%



Commercial  
+17%

### Consumer Loan Portfolio Breakdown

Credit Cards,  
others



Home

Auto

# Key Performance Drivers

## Sustained NIM expansion

### Net Interest Margin

+9 bps

3.88%

3.79%

3.75%

3.75%

3.77%

9M 2017

FY 2017

1Q 2018

1H 2018

9M 2018

### Superior NIMs in the industry

- 9M 2018 at **3.88%**
  - +9bps vs. 9M 2017
  - +11bps vs. 1H 2018

### NIM drivers

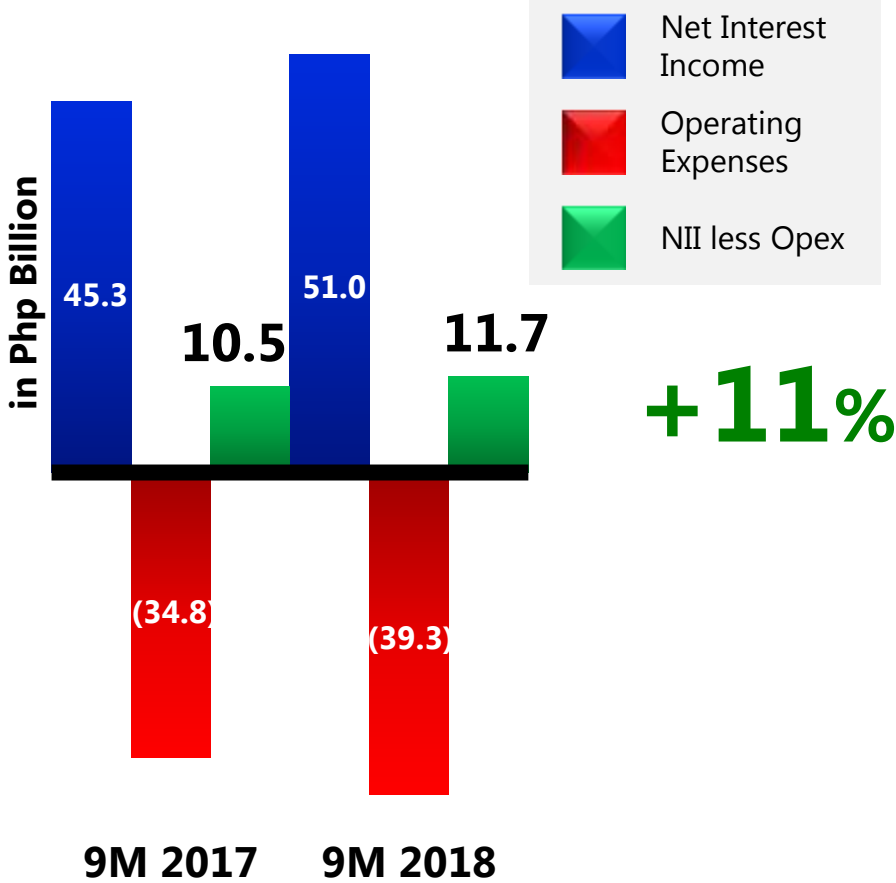
- Improving loan yields
- CASA ratio maintained at **62%**

### Pricing strategy anchored on profitability

# Key Performance Drivers

## Expanding recurring revenue base

### NII less Opex

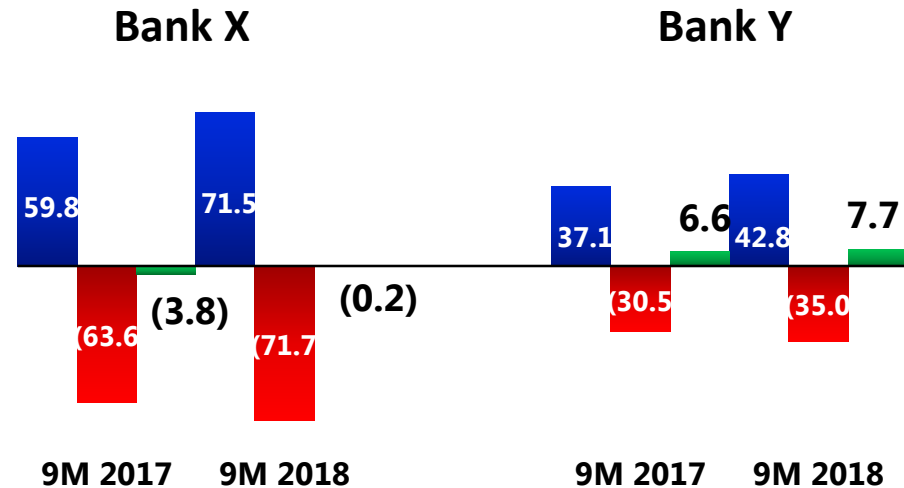


### NII vs OPEX consistently positive

- **Highest** NII less OPEX metric among peers

### OPEX growth of 10%

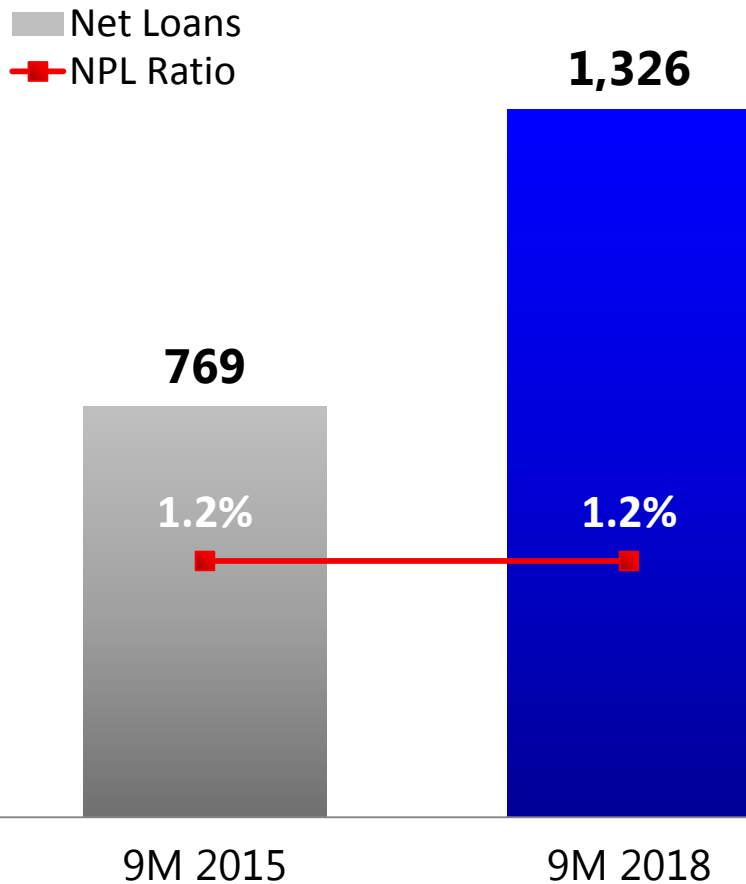
- From Php29.8B to **Php33.0B** (Net of taxes and licenses)



# Key Performance Drivers

## Stable asset quality

### Loan Growth vs. NPL



**Better-than-industry NPL ratio at 1.2%**

**NPL cover at 110%**

**Provisions for credit and impairment losses at Php5.2B**

- Est. credit cost at 0.5%, well within guidance

**Prudent balance sheet buildup**

- Portfolio growth achieved not at the expense of asset quality

# Summary



- ✔ **Solid net income growth, consistent across quarters**
  - ✔ **Loan growth remains healthy**
  - ✔ **Sustained NIM expansion**
  - ✔ **Expanding recurring revenue base**
  - ✔ **Stable asset quality**
-





**Thank You!**





# GT Capital Holdings Nine Months 2018 Financial Highlights



**GT CAPITAL**  
HOLDINGS INCORPORATED

# Financial Highlights 9M 2018



## Consolidated Net Income

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

**+1%**

**Php10.9 billion**

Php10.8 billion 9M 2017

## Core Net Income

**unch**

**Php11.0 billion**

Php11.0 billion 9M 2017

## Revenues

**-5%**

**Php161.3 billion**

Php169.5 billion 9M 2017

TMP [-13%] - Auto Sales (TMP – Php119.3B)

Php **132.9 B** **-11%**

Equity in net income of associates  
(MBT Php6.1B, MPIC Php1.9B, AXA Php0.5B, TFS Php0.3B)

Php **9.1 B** **+39%**

FLI & PCFI - Real Estate Sales and Interest income on Real Estate  
Sales (PCFI revenue contribution Php7.3B or 46% of total)

Php **15.7 B** **+45%\***

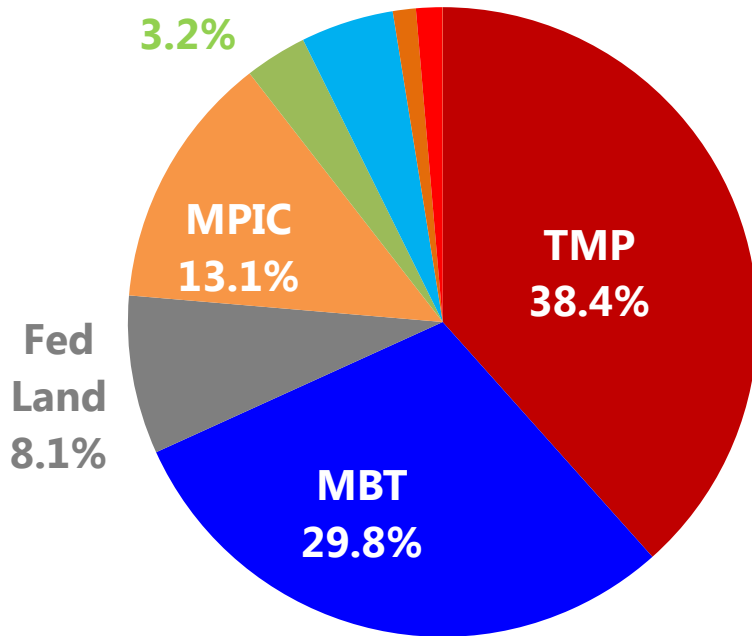
\*Including lot sales to Sunshine Fort & GH2 (Php2.69B) and MMI (Php0.86B)

# GT Capital Net Income Contribution



GT CAPITAL  
HOLDINGS INCORPORATED

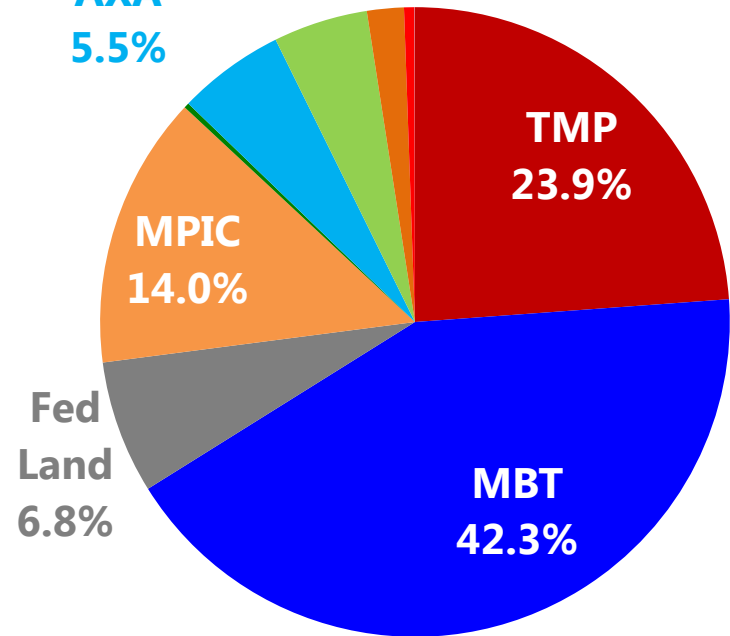
**AXA** 4.8%    **TFSPH** 1.2%    **TMBC** 1.3%  
**PCFI** 3.2%



**MBT + TMP = 69.6%**

**9M 2017**

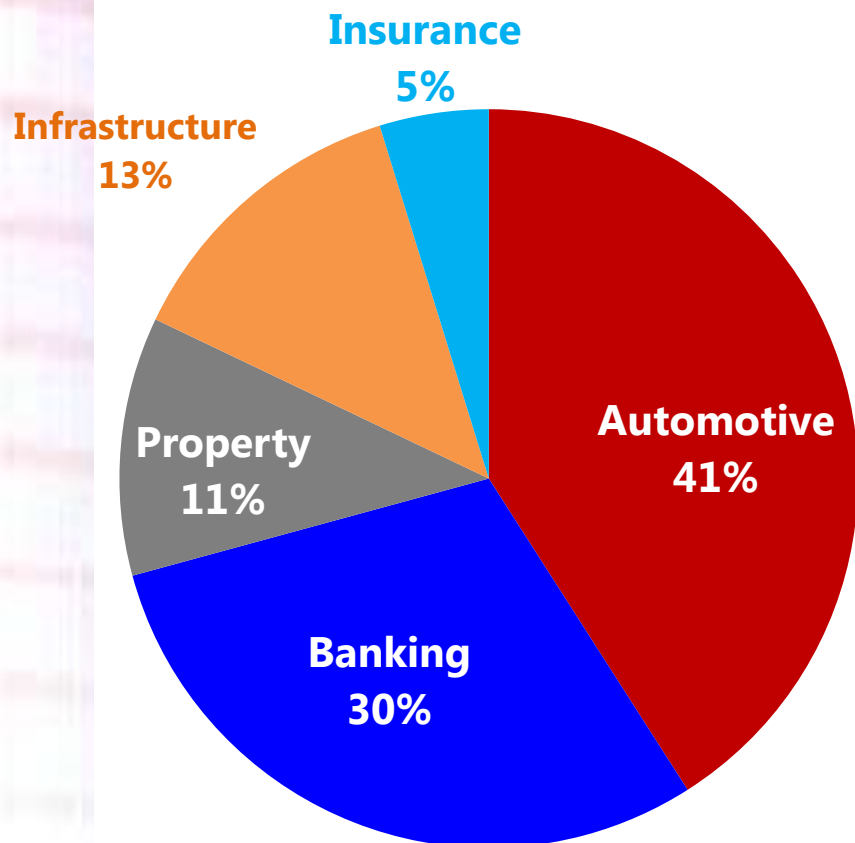
**AXA** 5.5%    **PCFI** 4.9%    **TFSPH** 1.9%    **TMBC** 0.5%



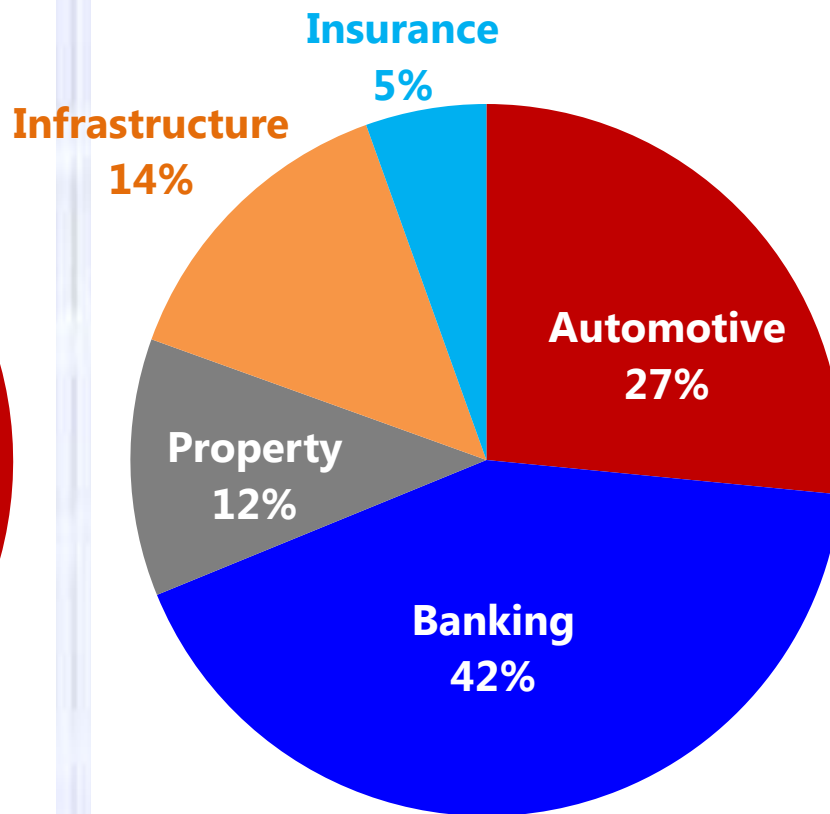
**MBT + TMP = 67.7%**

**9M 2018**

# GT Capital Net Income Contribution by Sector



**9M 2017**



**9M 2018**



# Automotive

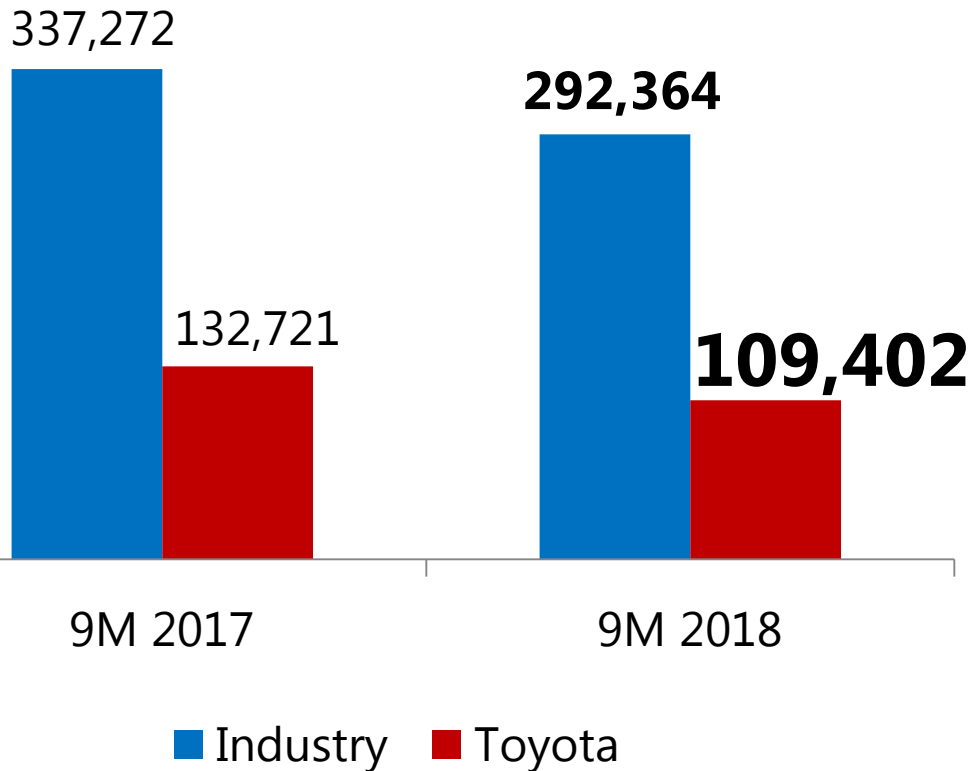


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# Retail auto unit sales volume



As of September 2018



Industry
▼13% Y-o-Y
Toyota
▼17% Y-o-Y

- Front loading in 2017
- TNVS suspension August 2017; 80% of TNVS are Vios
- Vios run-out in anticipation of FMC in (1H 2018)
- Limited units from IND, THA CV supply issues (1Q 2018)
- Inflation concerns

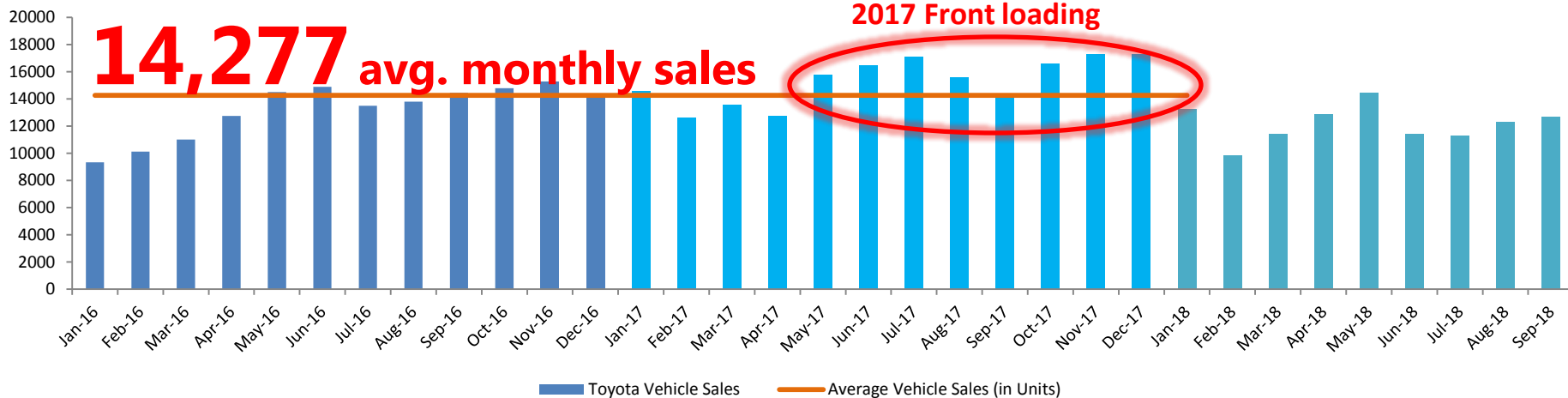
Source: Company data, CAMPI, AVID

# 9M18 Recap

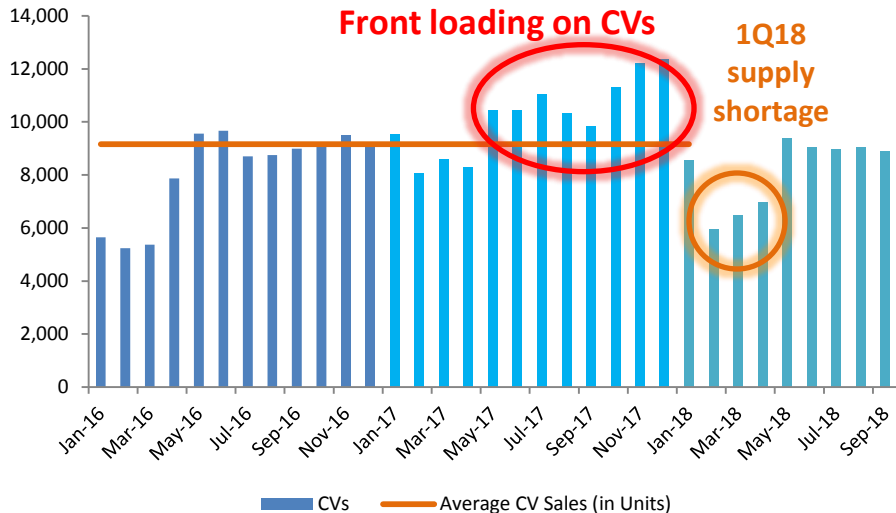
## 2017 Front-loading 2018 Toyota specific factors



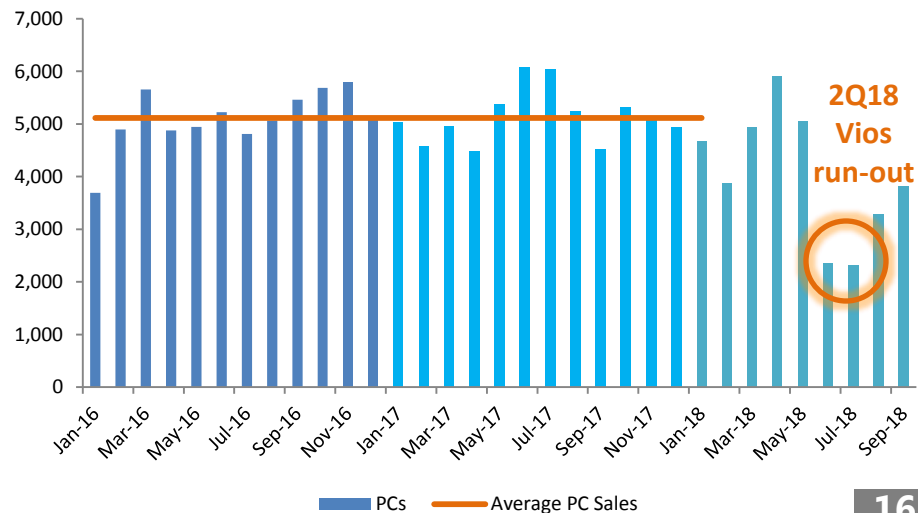
### Toyota Vehicle Sales (In Units)



### Commercial Vehicle Sales (In Units)



### Passenger Car Sales (In Units)

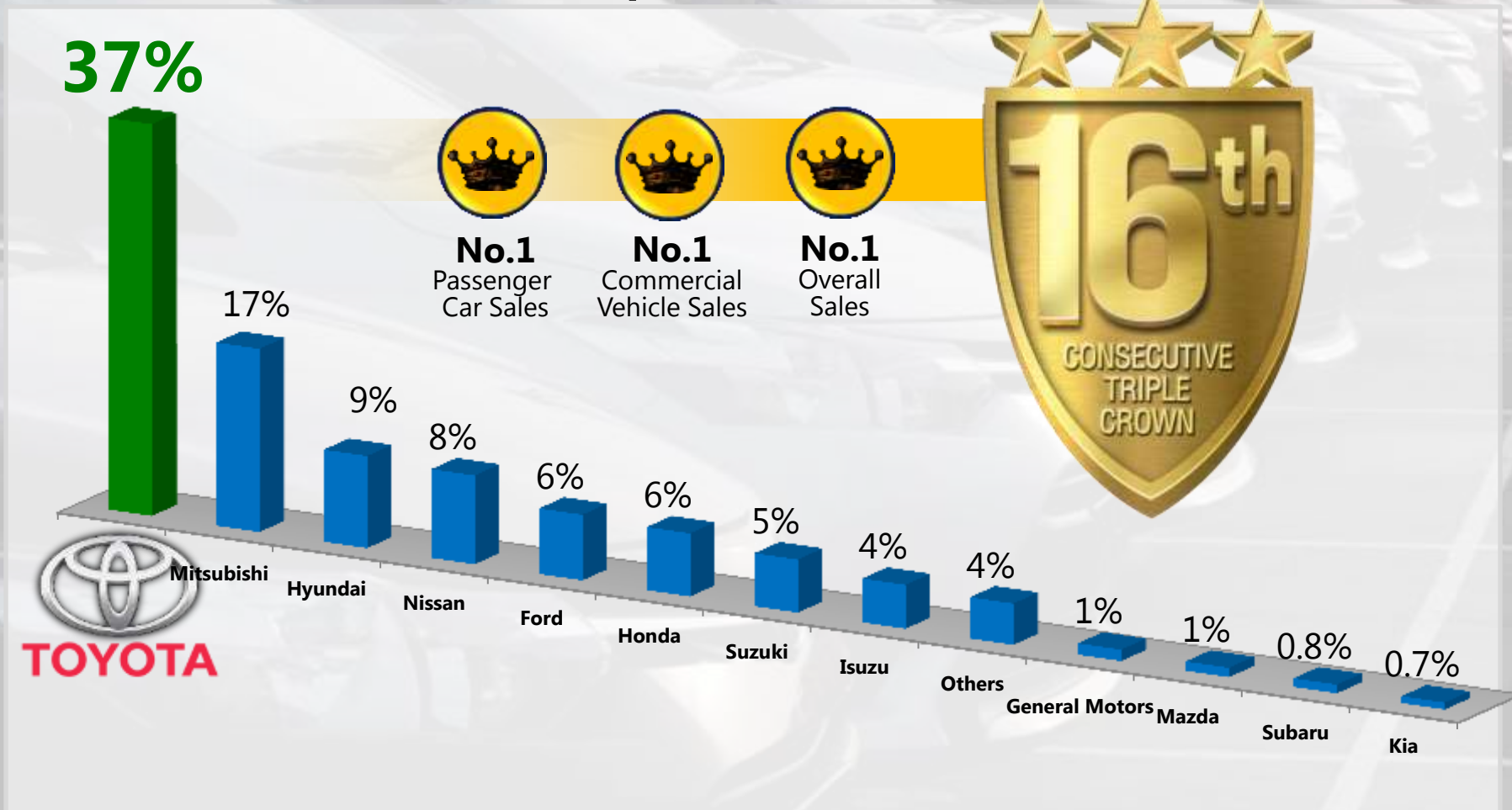




# Toyota continues to be the Philippines' dominant auto company



## Overall Market Share As of September 2018 YTD

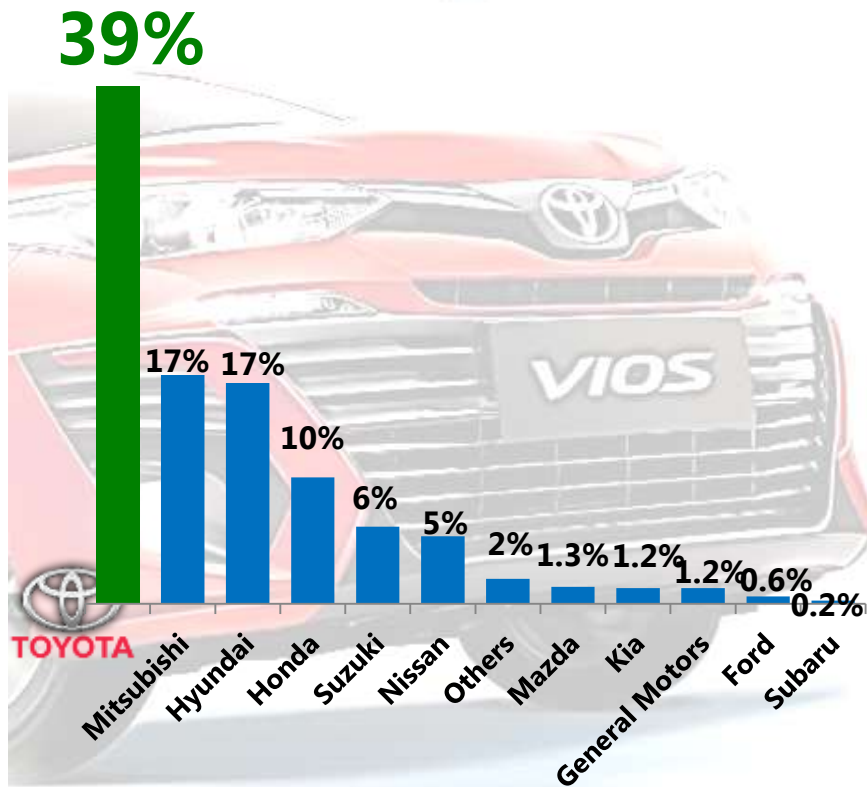


Source: Company data, CAMPI, AVID

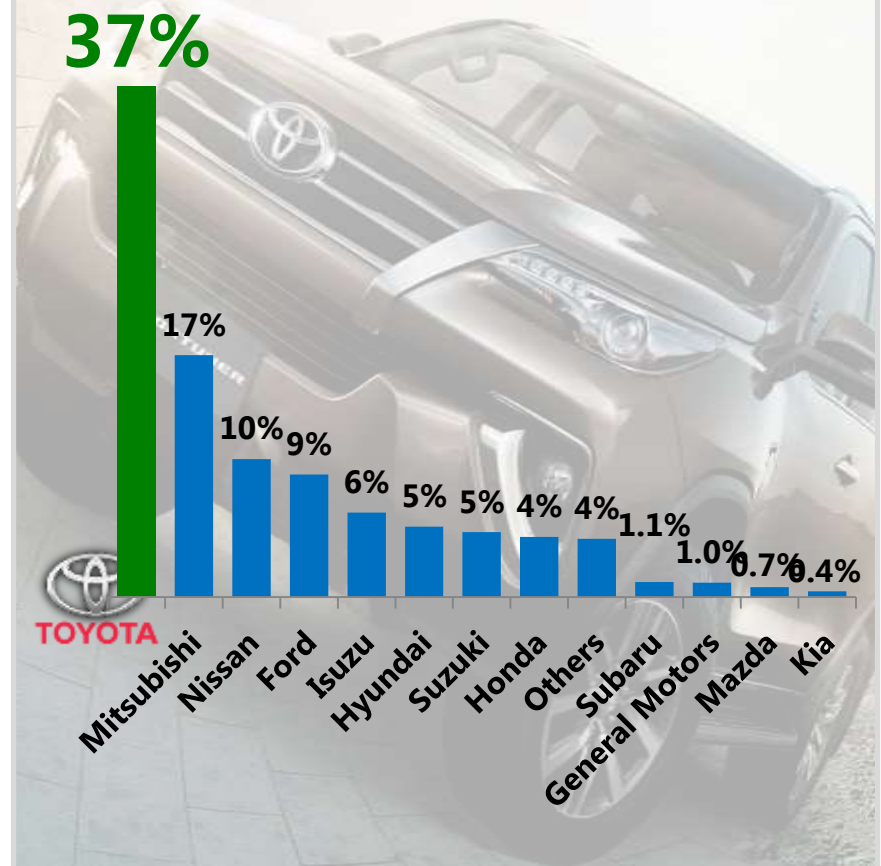
# Toyota continues to be the Philippines' dominant auto company

## Auto Industry Market Share As of September 2018 YTD

### Passenger Car



### Commercial Vehicle



Source: Company data, CAMPI, AVID



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 **TOYOTA**



**YEARS**

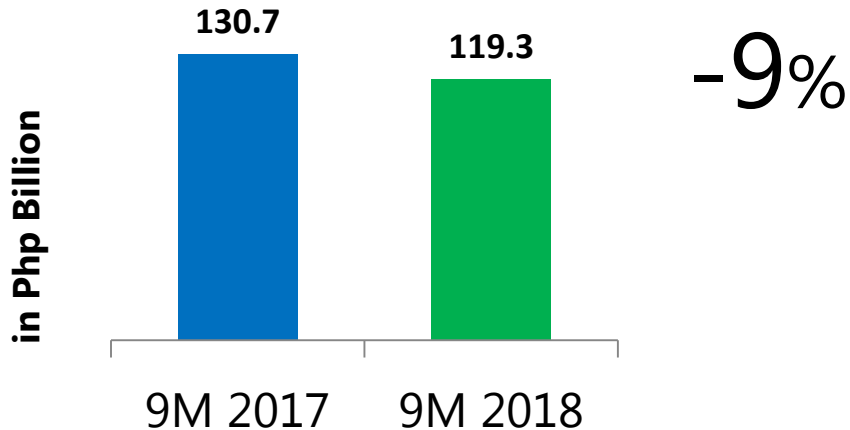
ALWAYS BETTER CARS. ALWAYS BETTER LIVES.



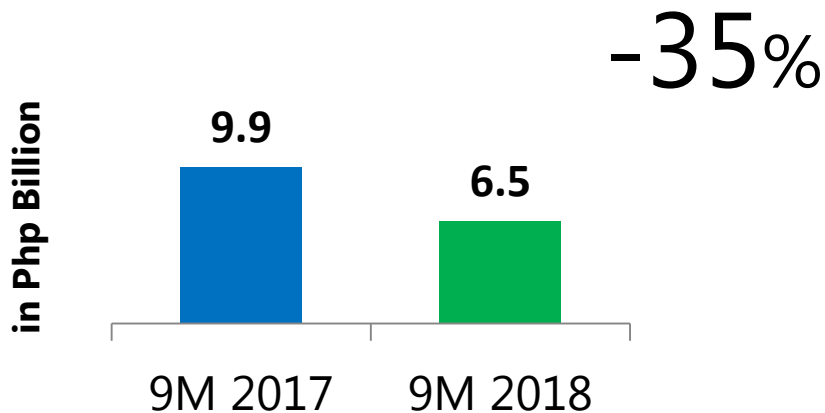
 **TOYOTA**

# TMP Financial Highlights

## Revenues



## Net Income ATP

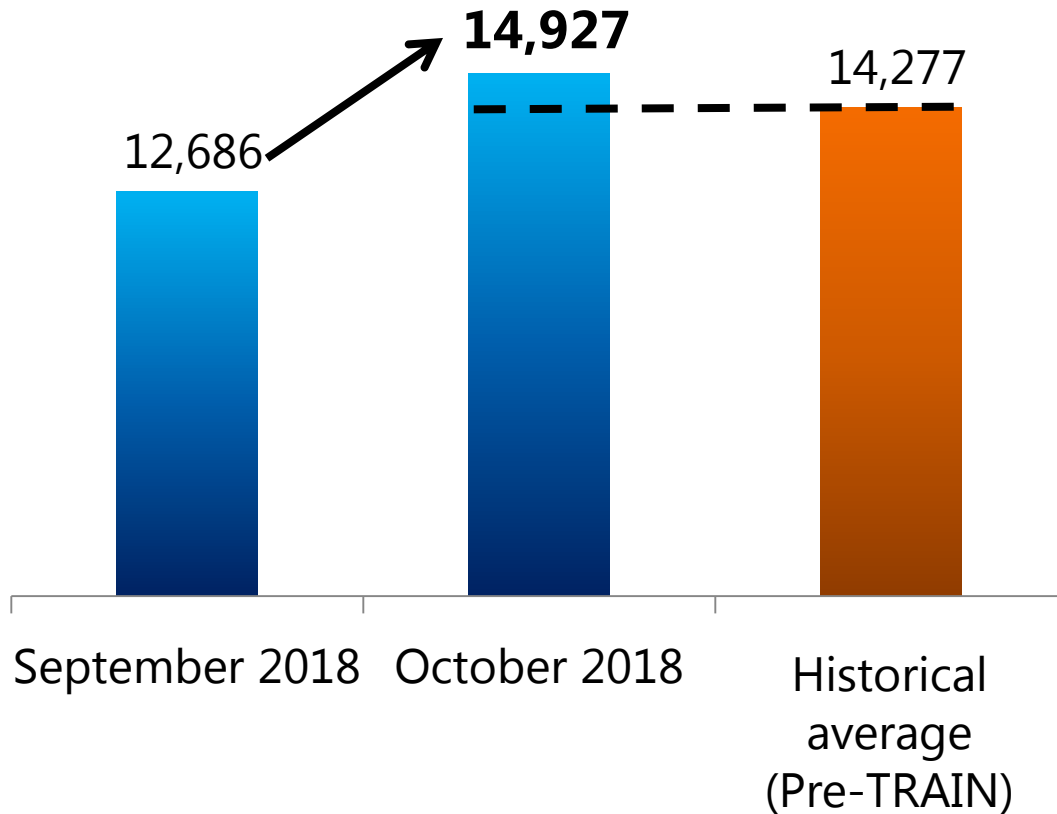


- Wholesale volume **-12%**  
**117,080** units; retail volume **-17%**
  - Vios sales decline: 10,323 units
  - Out of 23,319 total unit decline, **44%** due to Vios alone
- Retail sales volume:
  - PCs: Vios **-37%**, Wigo **+17%**
  - CVs: Rush **+100%**, Fortuner **-38%**, Innova **-30%**, Avanza **-27%**, Hiace **-15%**, & Hilux **+30%**
- Selected price adjustments unable to make up for lower sales volume, F/X differential and models mix effect

# Monthly retail auto unit sales volume starting to normalize



## For the month of October 2018



**Toyota**

**▲ 18% M-o-M**

Highest unit sales volume for 2018\*

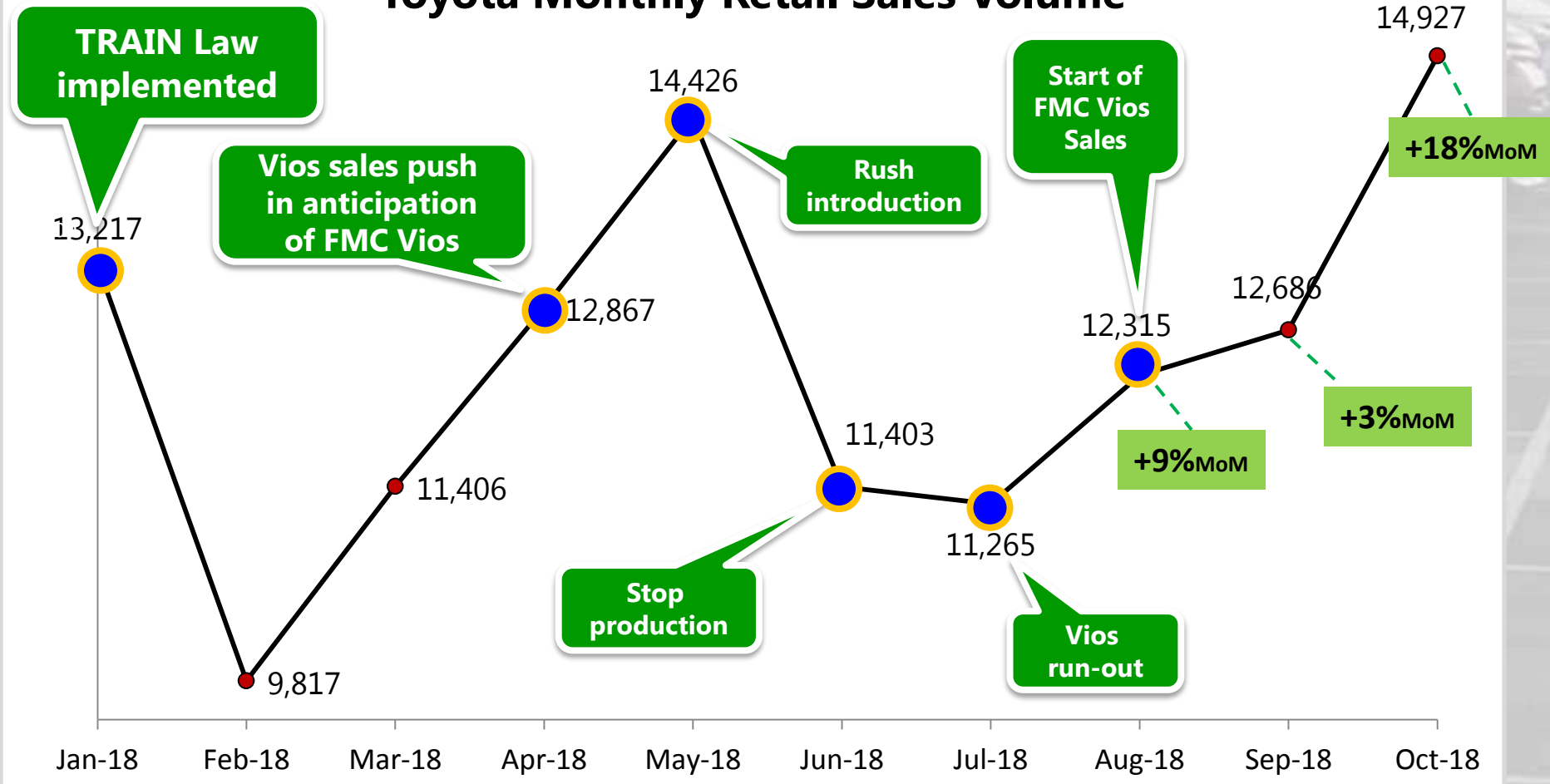
Source: Company data, CAMPI, AVID

# Monthly retail auto unit sales volume starting to normalize



For the month of October 2018

## Toyota Monthly Retail Sales Volume



Source: Company data, CAMPI, AVID

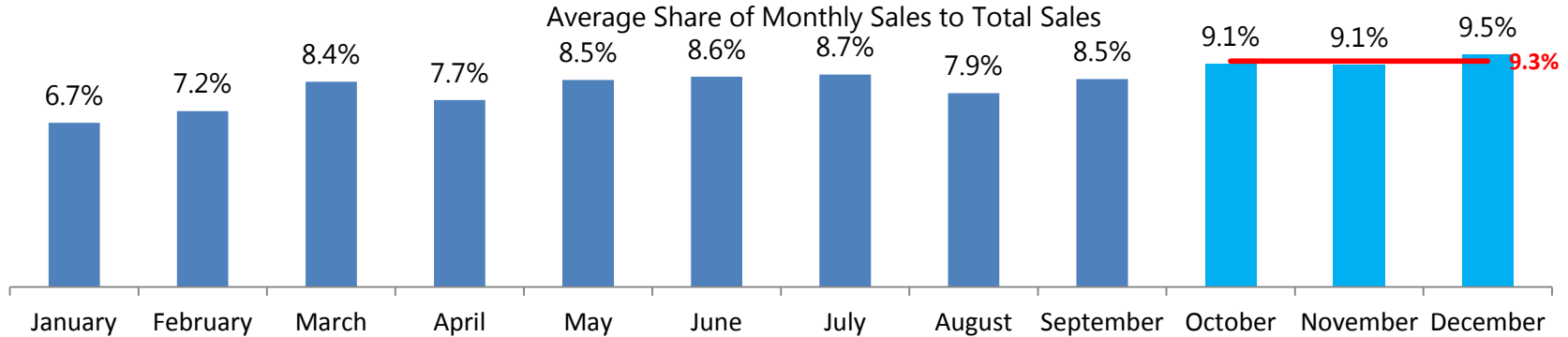
# Seasonality (Five-Year Historical)

4Q accounts for highest % of sales to total



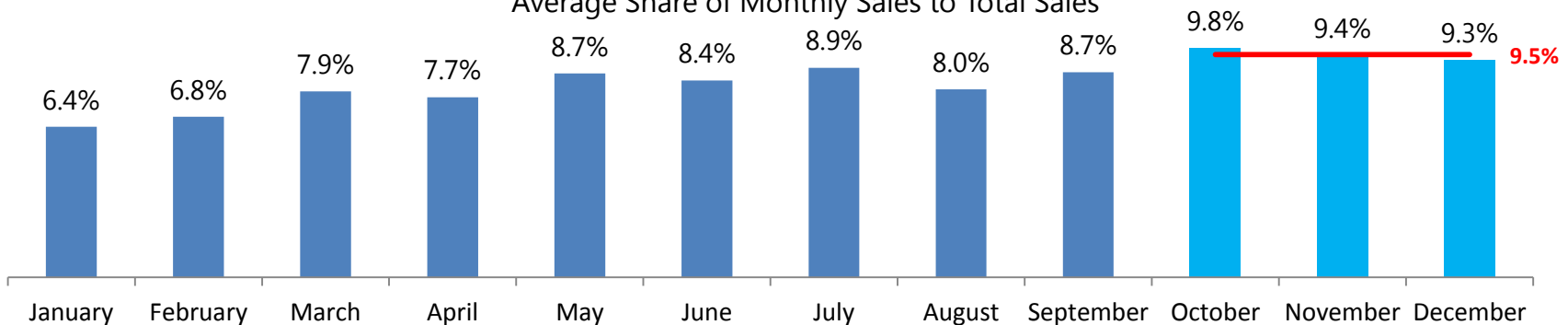
## Industry Retail Sales - 2012 to 2017

Average Share of Monthly Sales to Total Sales



## TMP Retail Sales - 2012 to 2017

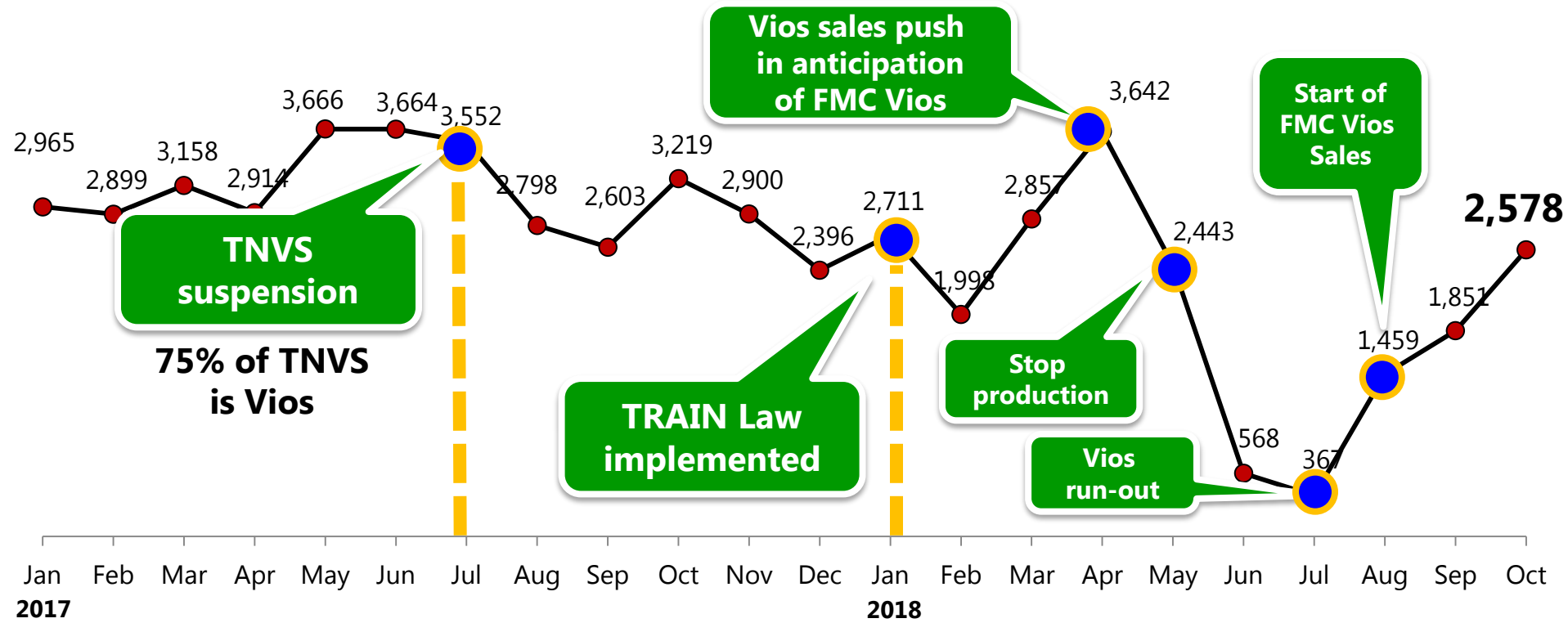
Average Share of Monthly Sales to Total Sales



— Sept. to Dec. Average

Source: Company data, CAMPI, AVID

## Vios monthly unit sales



**2,578 units for October**

Highest for FMC **VIOS**



# TMP's road to unit sales recovery

## Issues impacting sales

- Front loading in 2017
- TNVS suspension August 2017; 80% of TNVS are Vios
- Vios run-out in anticipation of FMC in (1H 2018)
- Limited units from Indo, Thai CV supply issues (1Q 2018)
- Inflation concerns



## Current situation

- No additional taxes/higher discretionary income
- LTFRB 10,000 new licenses for Grab; accredited five new TNVS players
- Full production of Vios and strong Rush sales
- Normalization of CV supply
- Initial signs of inflation tapering



**BREAKAWAY FROM THE EVERYDAY**



***Rush*** Updates



# Breaking away from the competition Rush performance vs. competitor models



Market before Rush

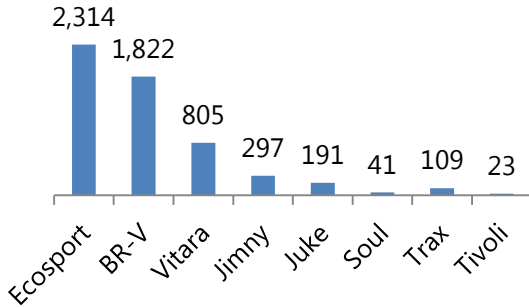


First month of Rush

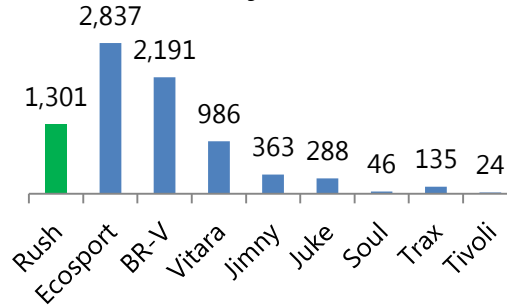


Ranked #1 after 3 months

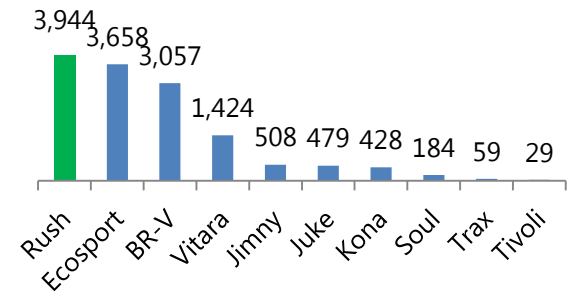
Segment Unit Sales  
April YTD



Segment Unit Sales  
May YTD

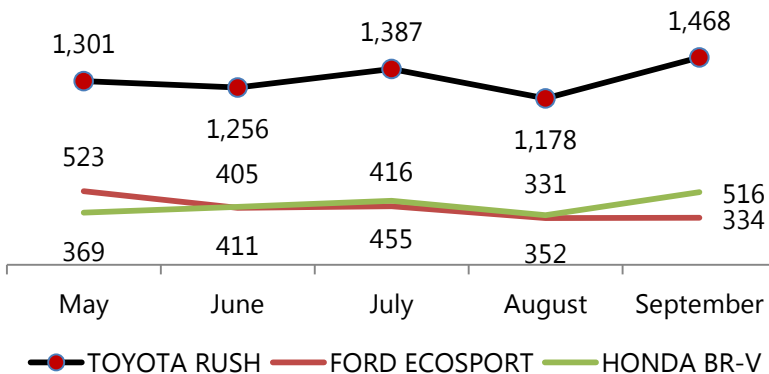


Segment Unit Sales  
July YTD

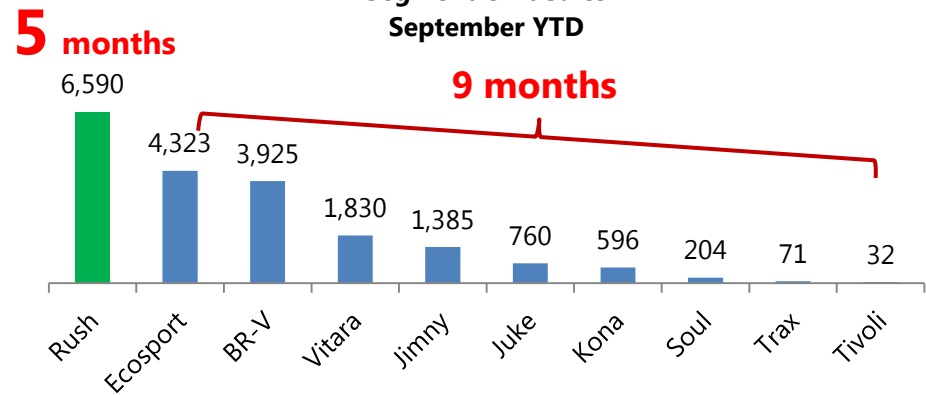


**Consistent monthly sales of more than 1,000 units**

Top Three Segment  
Monthly Performance



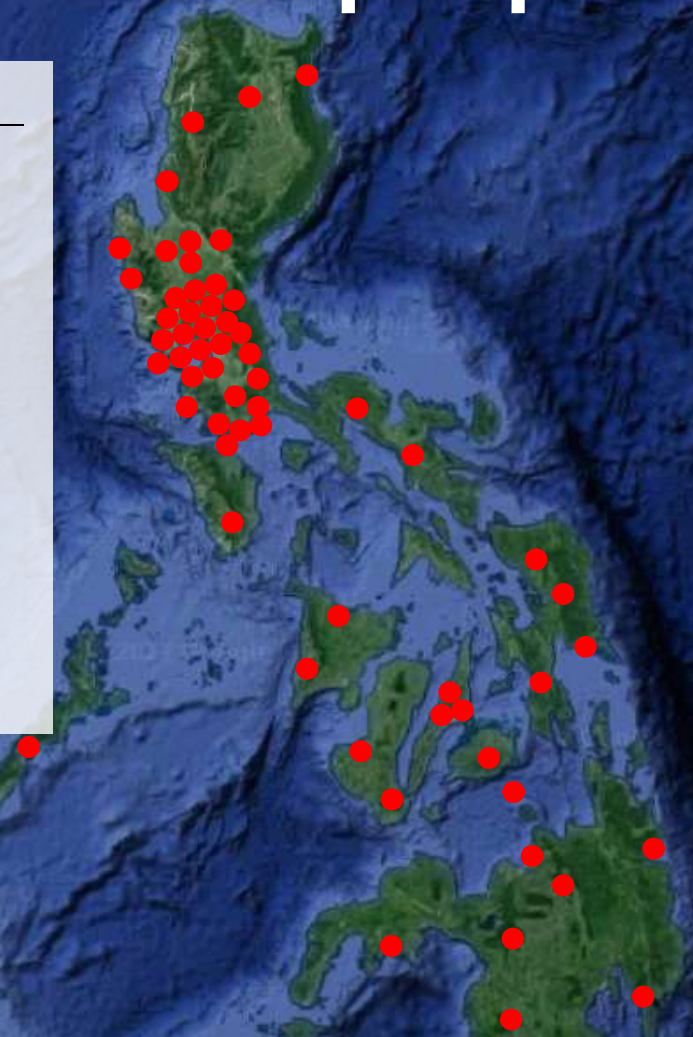
Segment Unit Sales  
September YTD



## Dealership Expansion

### New dealers in

- Angeles (Pampanga)
- Matina (Davao)
- 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**



2013	42
2014	45
2015	49
2016	52
2017	61
<b>2018</b>	<b>69</b>

# Toyota Dealership Expansion



Target by end of year	2013	2014	2015	2016	2017	Current	2018E
Number of Dealerships	42	45	49	52	61	69	69

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



**Subic**  
**ZAMBALES**  
 November 2018

## 69 Dealerships as of 15 November 2018

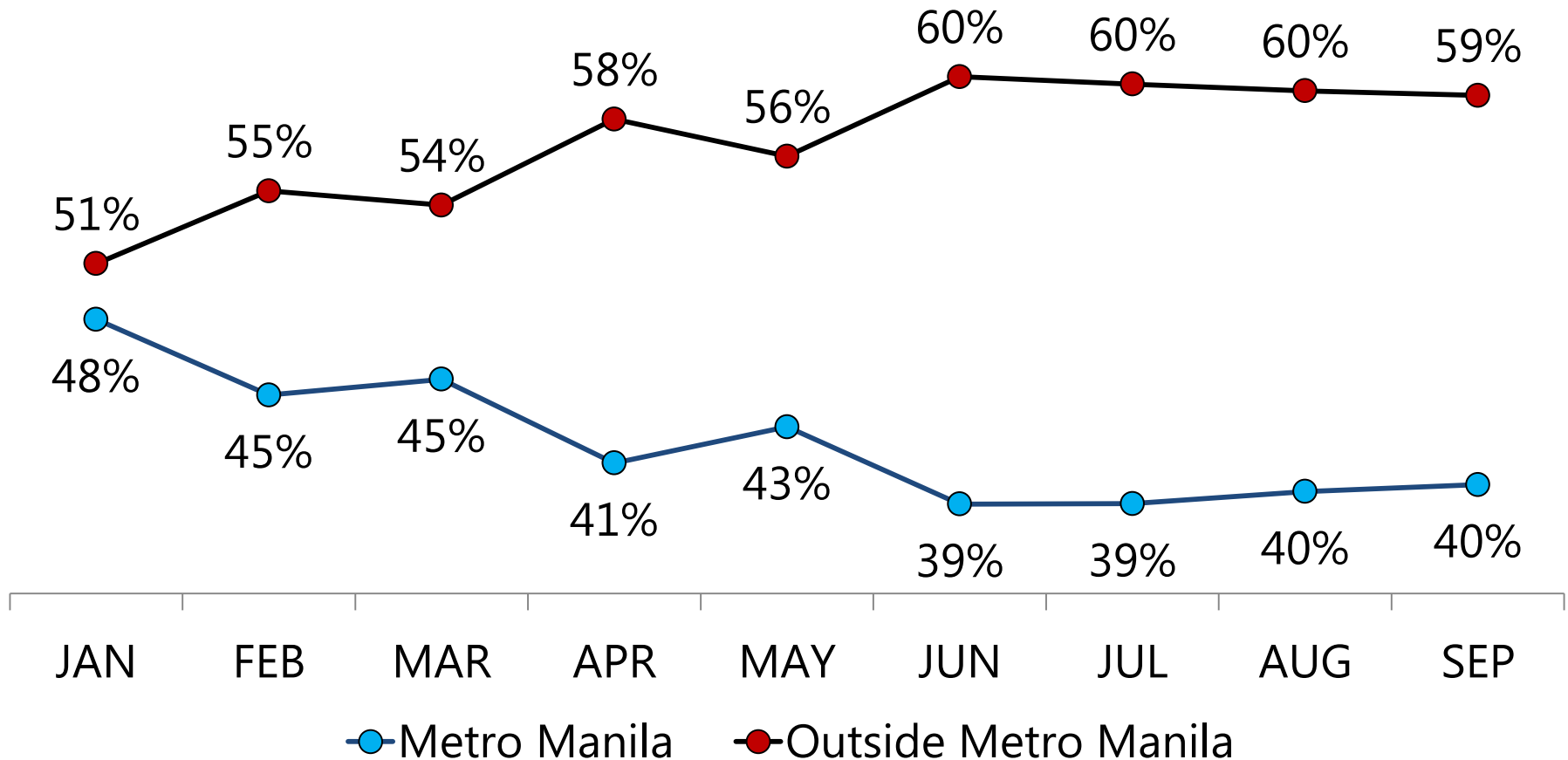
**Upcoming:** Albay, San Jose del Monte (Bulacan), Valenzuela City

# The rise of the countryside

Unit sales are now driven by areas outside Metro Manila



## TMP Sales Per Region, 2018 (% of total)





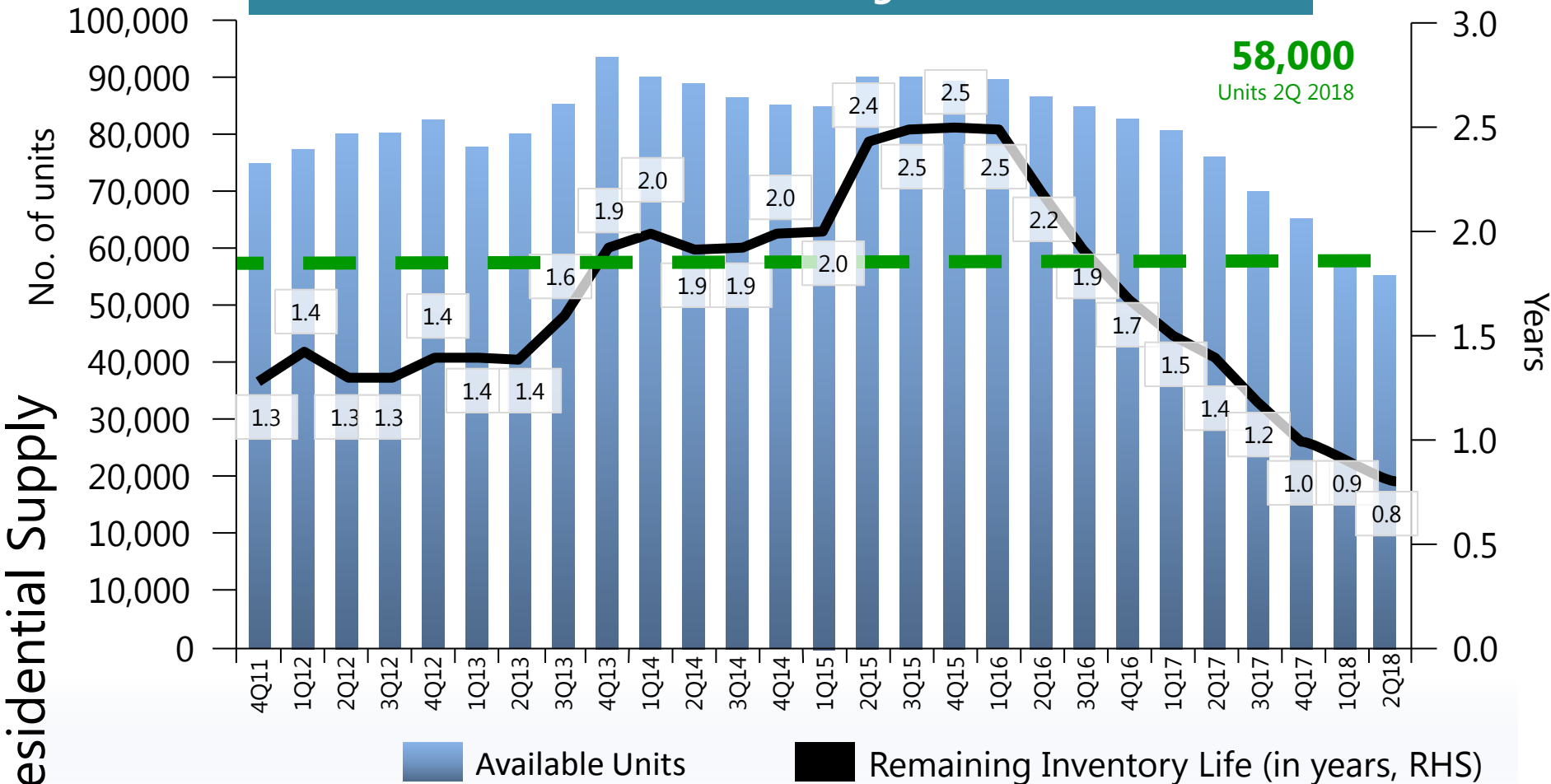
# Property Development



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# Managed growth in residential condominium inventory

**Inventory** in units (LHS) and years (RHS)  
Residential condominiums, all segments, Metro Manila

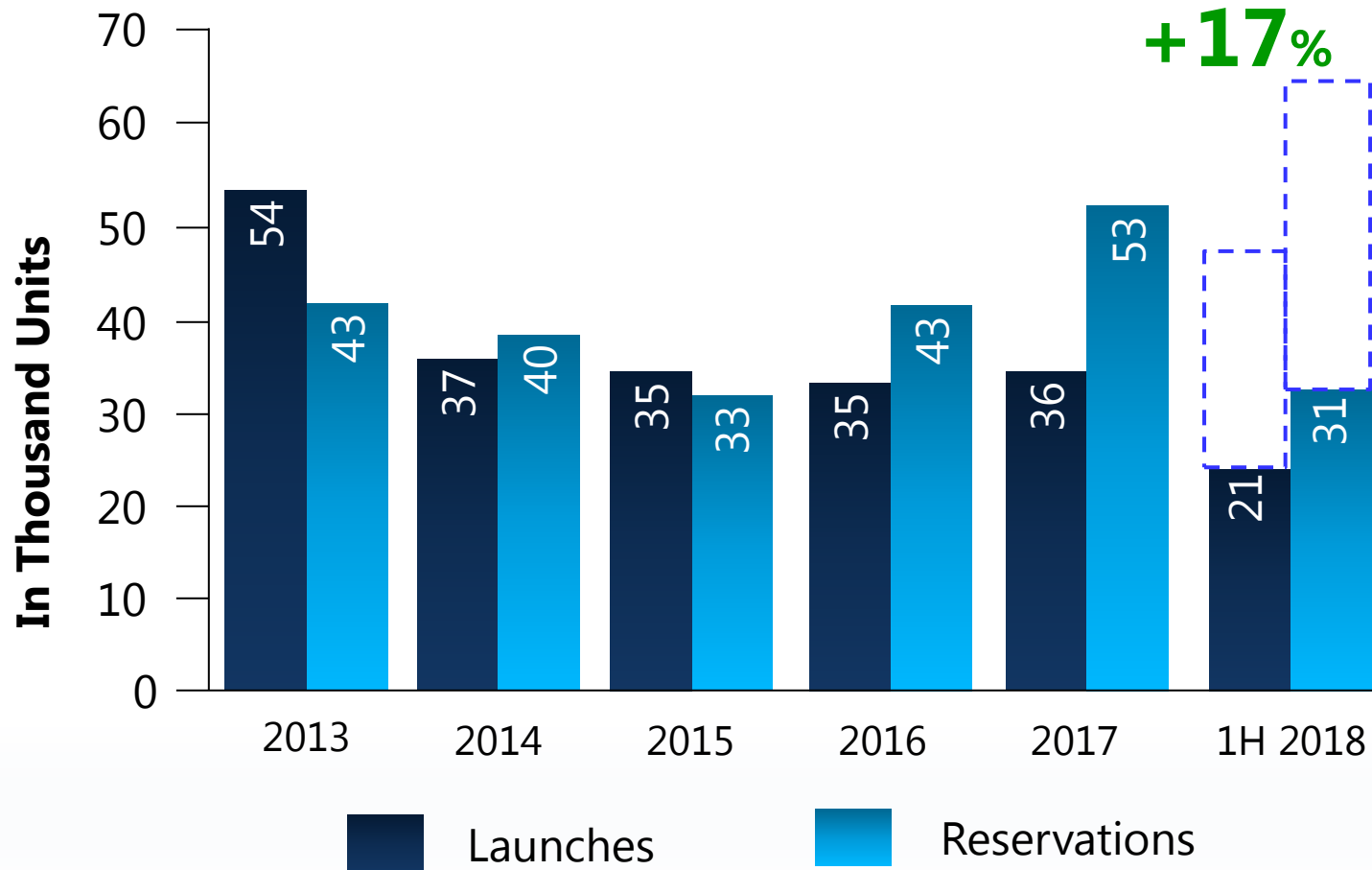


Source: Macquarie Capital Securities Philippines, September 2018



# Demand for residential condominiums remains strong in Metro Manila

## Metro Manila Residential Condominium Launches and Reservation Sales (in '000 units)



Residential Demand

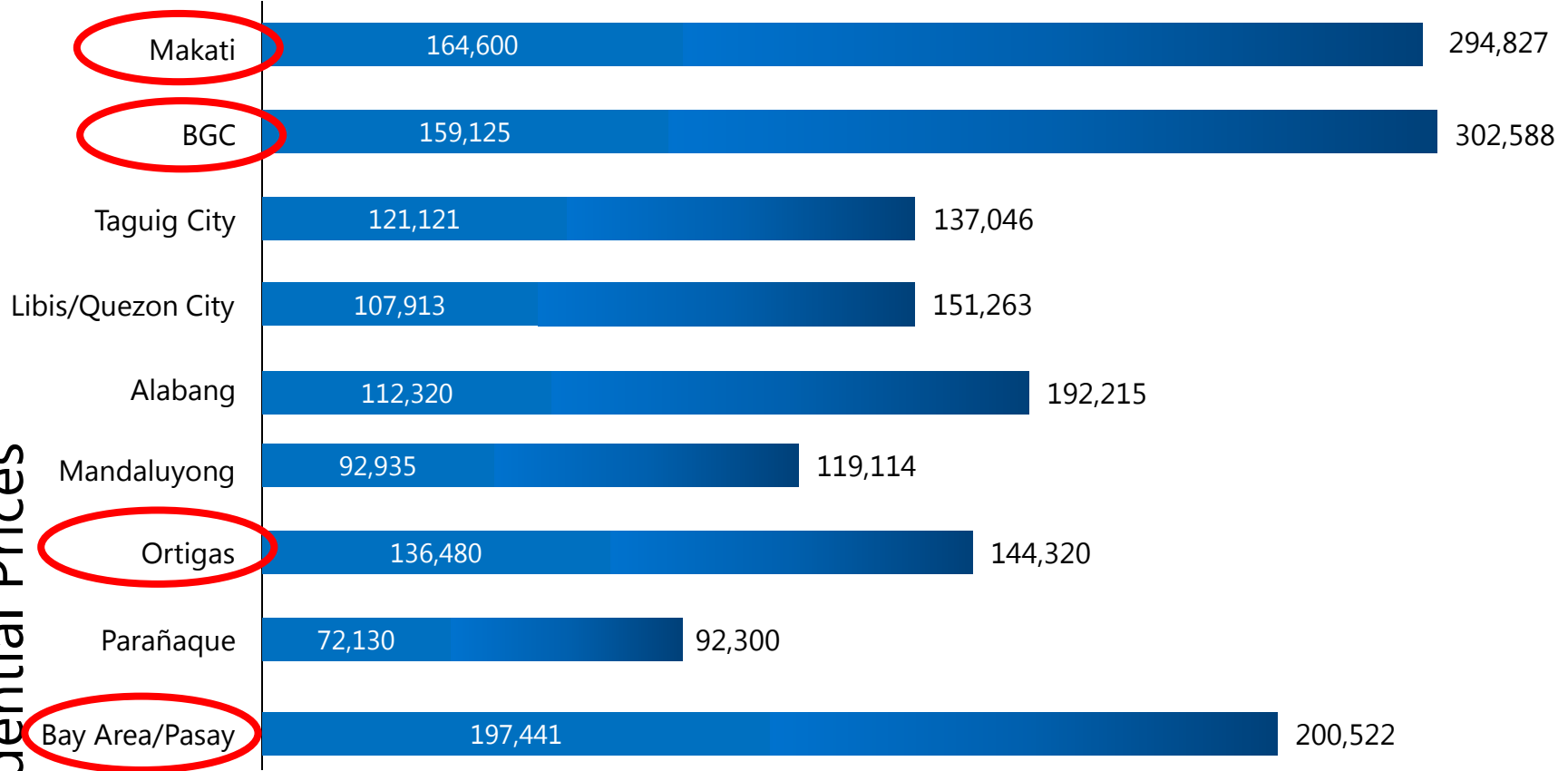
# Metro Manila Condominium Prices

PhP per sqm



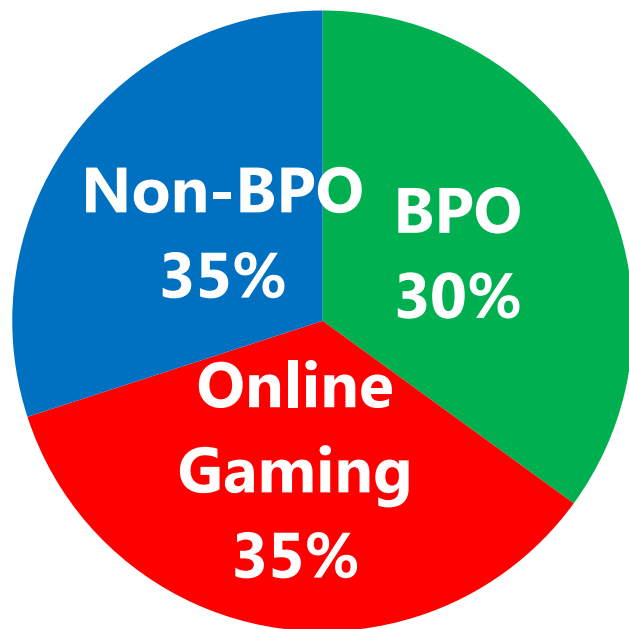
**High-end condominium units** in Makati City and BGC pushed prices to an **all-time high**, peaking at a little over **Php300,000** per sqm.

Residential Prices



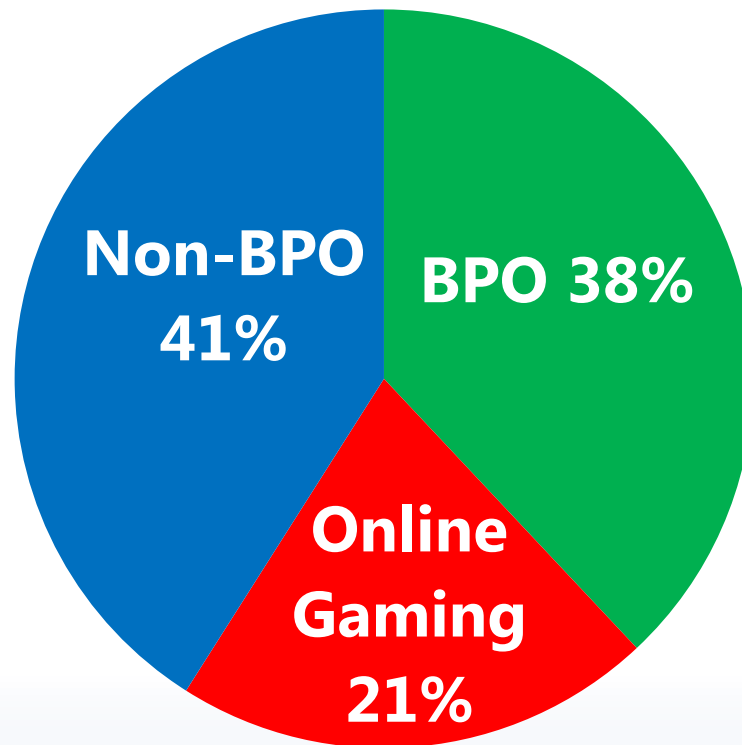
# BPOs are mounting a comeback in office demand

## FY17 office demand mix



Total office space:  
**774k sq m**

## 9M18 office demand mix



Total office space:  
**1.1M sq m** (annualized)

**+13%**

Office



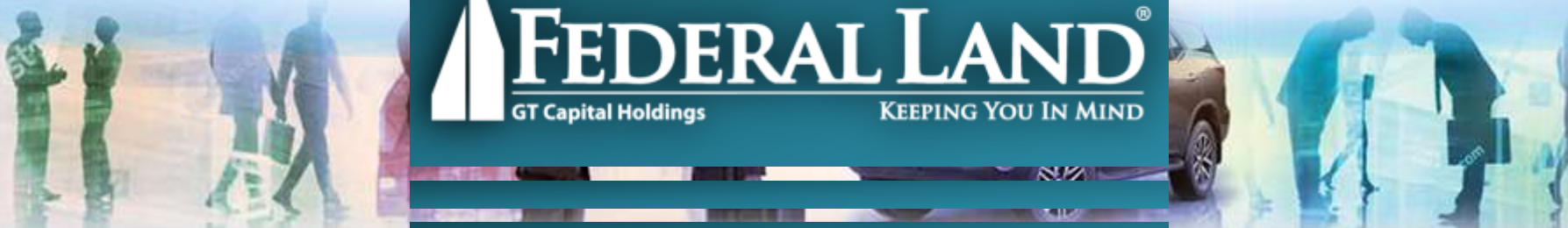
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**FEDERAL LAND**<sup>®</sup>

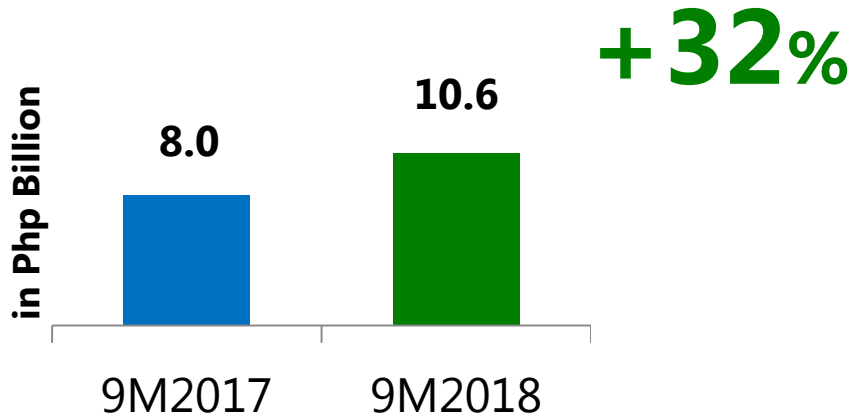
GT Capital Holdings

KEEPING YOU IN MIND



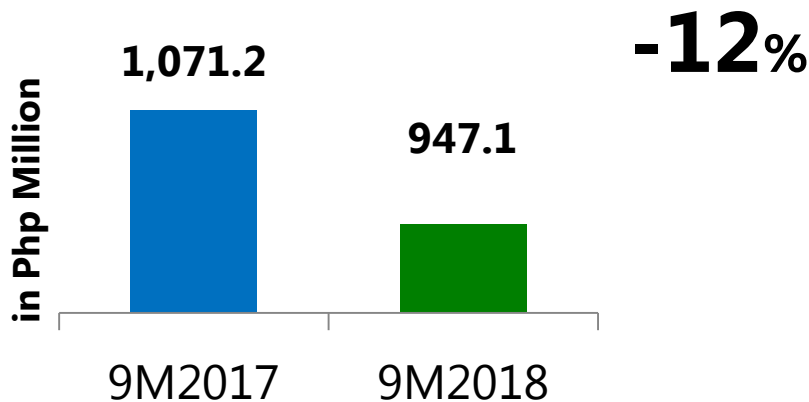
# Federal Land Financial Highlights

## Revenues



- Real estate sales **+37%** from **Php6.4B** to **Php8.8B**
  - Lot sales to Sunshine Fort (Php2.24B) and GHR2 (Php0.45B)
  - Deferred revenue of **Php4.4B** to be realized upon sale of units (Estimated NIAT equivalent is **Php770M**)
- Reservation Sales maintained at **Php1B/mo** to **Php9B YTD**
  - 5 projects launched YTD**, 3 new projects for launching w/in 4Q
- Rent **+23%** from **Php684M** to **Php840M** due to rate escalation and higher occupancy
- GP margins impacted by cost adjustments/ variations from ongoing projects (conversion of common areas to commercial/retail)
- GP margins to normalize due to deferred revenue in the coming period from lot sales
- Higher Interest Expense of **Php172M** due to additional debt

## Net Income



2018

# Project Launches





Florida Sun  
Estates-Orlando  
GENERAL TRIAS, CAVITE  
February 2018

LTS No. 033109





# Mimosa Tower Peninsula Garden Midtown Homes

PACO, MANILA  
April 2018 LTS No. 032466



►  
**Baler Tower**  
**Palm Beach West**  
METRO PARK, BAY AREA  
May 2018

LTS No. 033410





## Quantum Residences

TAFT AVENUE, PASAY

August 2018

TLTS No. ENCRFO-18-07-005



Four Season Riviera  
Peony Tower  
BINONDO, MANILA

September 2018  
LTS No. 33327



▶  
**Valencia Hills  
Tower E**  
GILMORE, QUEZON CITY

October 2018  
LTS No. 33332





## Grand Hyatt Manila Residences South Tower

GRAND CENTRAL PARK, BONIFACIO

October 2018

LTS No. 33452



Sunshine Fort  
NORTH BONIFACIO  
Soon to launch



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**PRO • FRIENDS**

2

# CAVITEX

**Target completion:** 2021  
**ROW progress:** 85%  
**Status:** Ongoing pre-construction activities

1

# CALAX

**Target completion:** 2021  
**ROW progress:** 40% (from 21% in 1H18)  
**Status:** Ongoing construction for Laguna segment

3

# C-5 South Link

**Target completion:** 2021  
**ROW progress:** 75% (from 48% in 1H18)  
**Status:** Ongoing construction for Seg. 3A Ph. 1

MCX

SLEX

EPZA



CALAX Exit

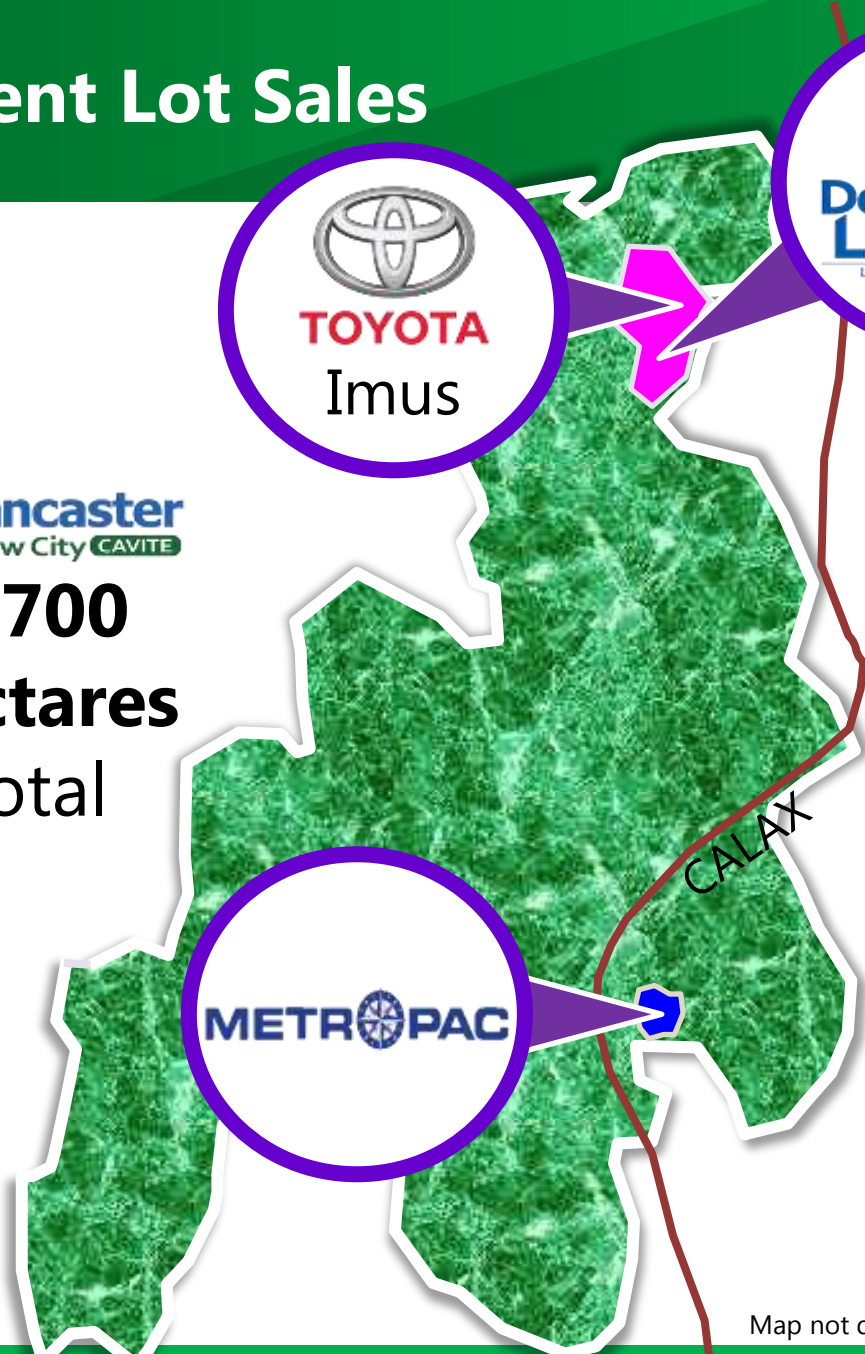
EPZA



# Recent Lot Sales



**1,700**  
**hectares**  
total



**TOYOTA**  
Imus



**Downtown Lancaster**  
LANCASTER NEW CITY CAVITE

**Sale to Toyota Manila Bay Group to build Toyota Imus dealership**

Php223.8 million  
13,429 sq. m @

**Php16,667/sq. m**

June 2018

**Sale to MetroPac Movers, Inc.**

Php1.1 billion  
202,110 sq. m @

**Php5,628/sq. m**

July 2018

Map not drawn to scale



66

Retail and commercial locators

1,700

Hectares of land

57,000

Residents

Now Open

Soon

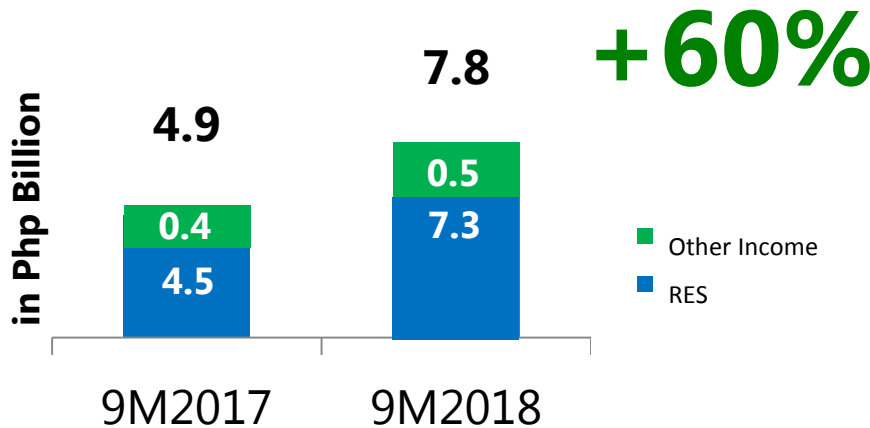


Actual drone shot of Lancaster New City in Cavite

# PRO-FRIENDS Financial Highlights

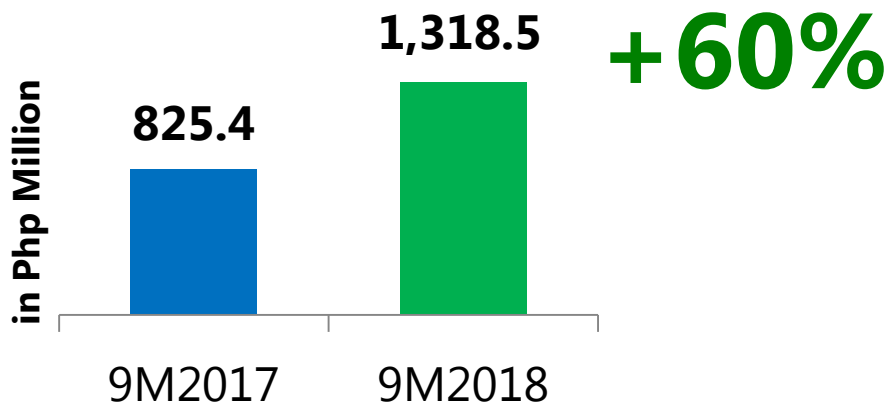


## Revenues



- Real estate sales from **Php4.5B** to **Php7.3B**
  - Inclusive of lot sales to TMBC and MMI (Php1.22B) **+63%**
  - Affordable housing **+36%**

## Net Income



- Reservation Sales **Php17.5B** (**Php1.9B**/mo.)
- YTD Houses Built 3,715 units (Ave. of 413 units/mo.)
- YTD Bank Takeout **Php6.3B** (Ave. of **Php702M**/mo.)
- Rental income **+152%** from **Php22M** to **Php56M** due to increase in leasable area
- GP margin maintained at **50%**
- Interest Expense **+14%** from **Php304M** to **Php347M** due to lower capitalized interest

# Insurance



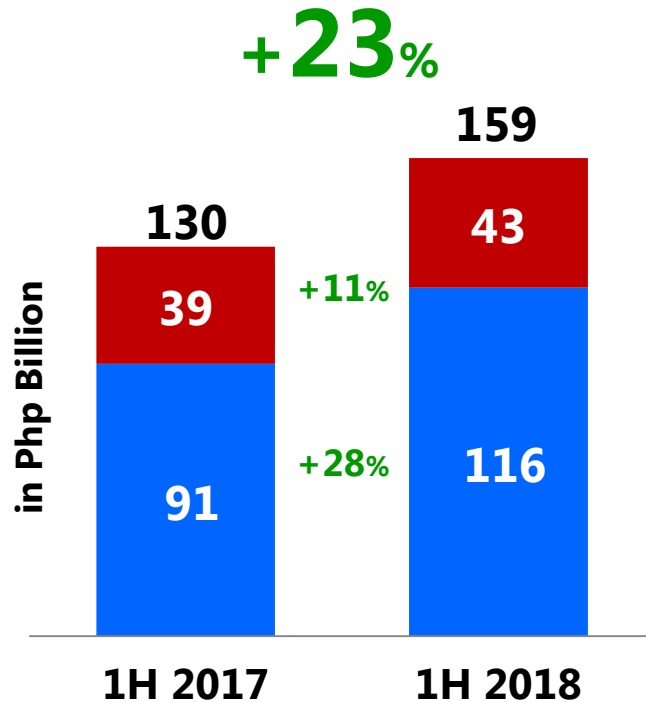
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# Insurance Industry Updates

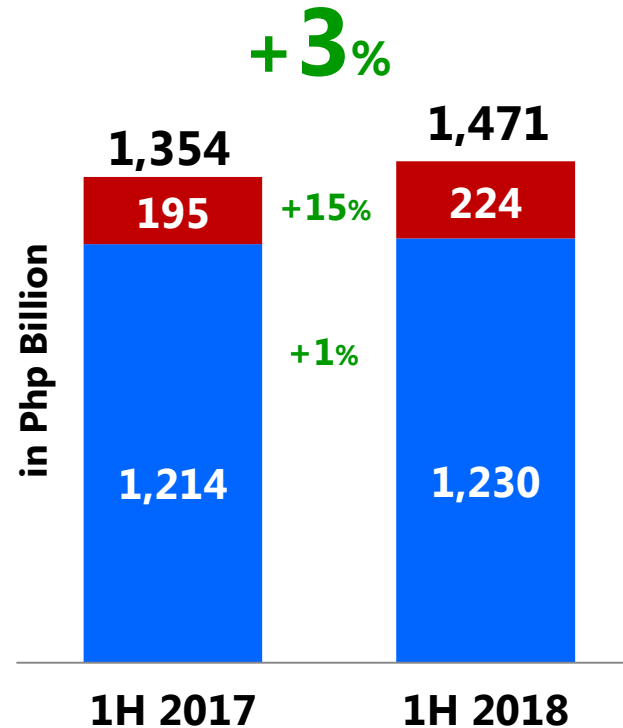
As of June 2018



## Total Premiums



## Total Assets



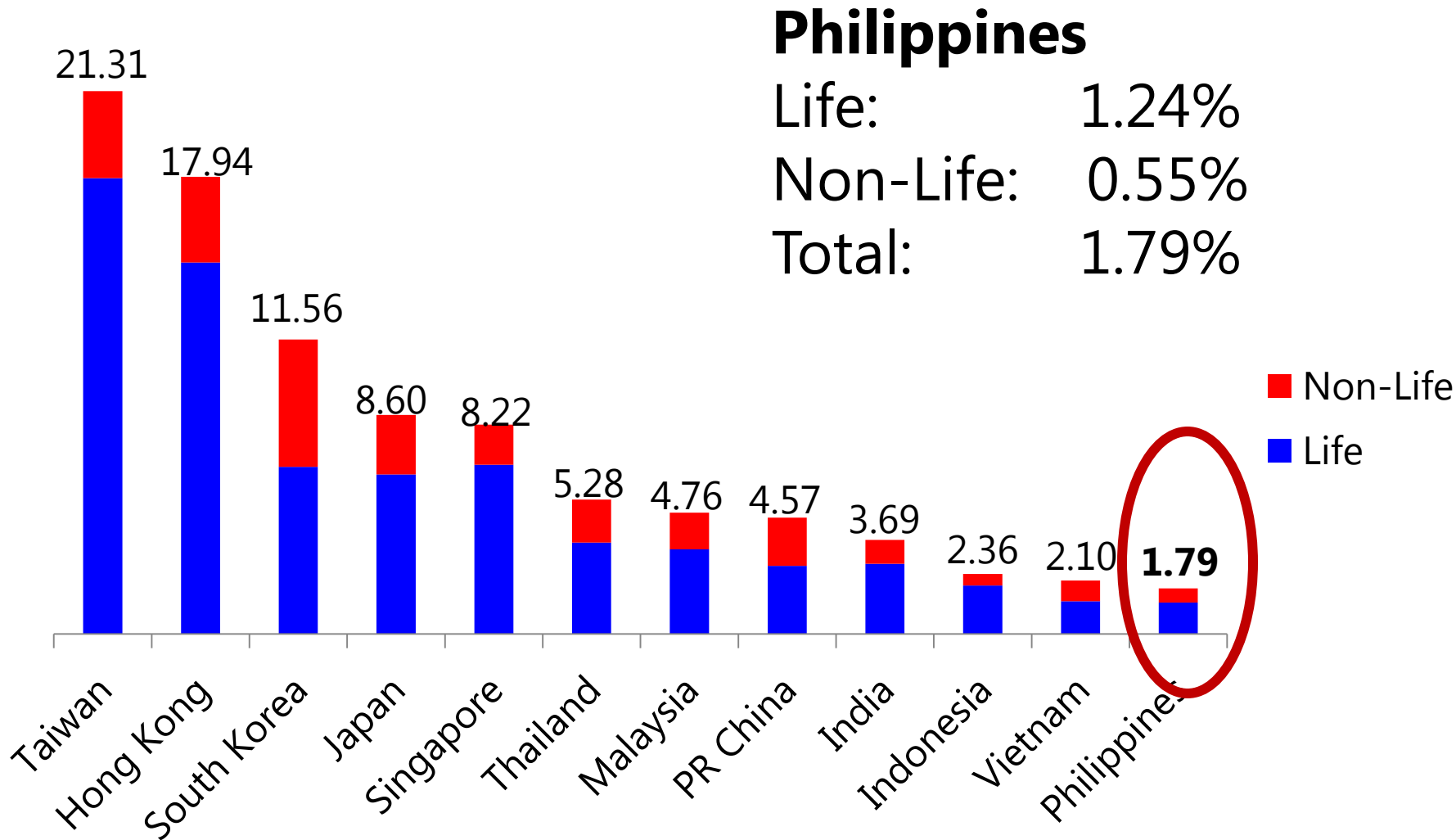
### Legend

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

Source: Insurance Commission, October 2018

# Still an underpenetrated sector

## Insurance Penetration as a % of GDP, 2017



Source: SwissRe global reinsurance company, **October 2018**



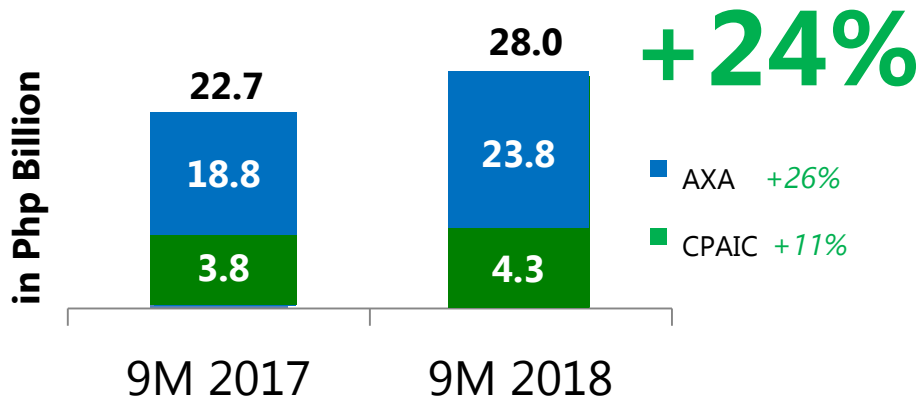
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# AXA-Conso Financial Highlights

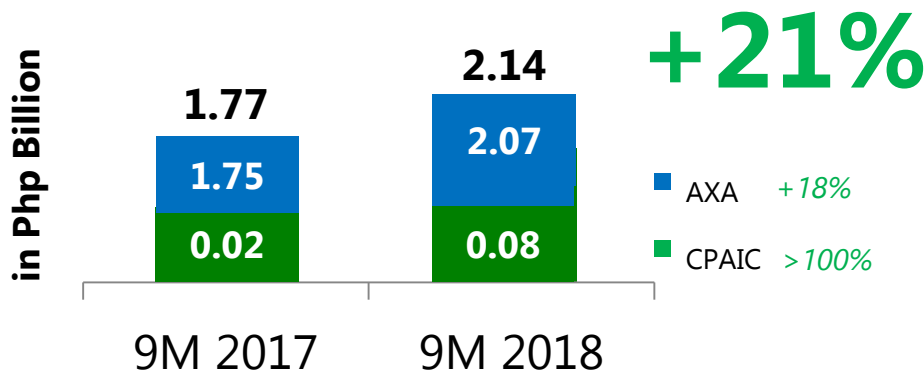


## Gross Premium



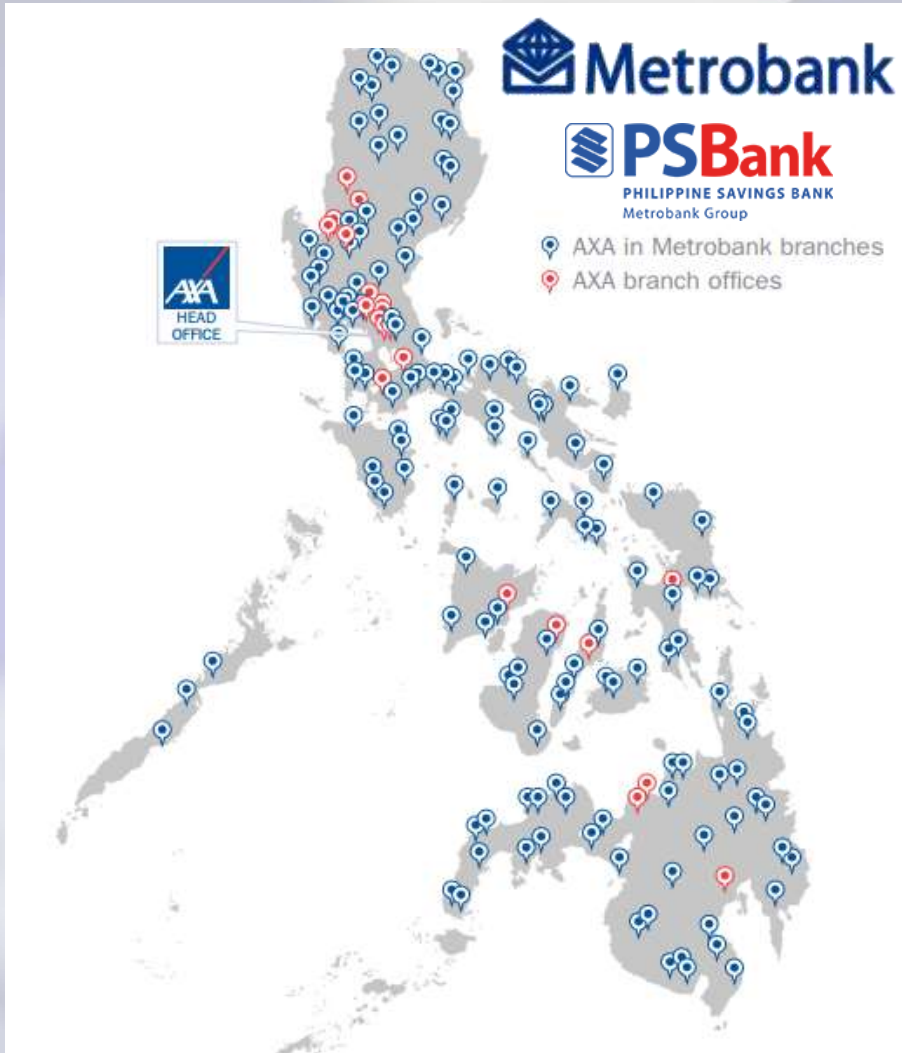
- New Business (APE) **+21%** from **Php4.7B** to **Php5.6B** growth in Protection & Health line
  - Regular Premium (RP) **+19%**
    - Traditional **+47%**
    - Unit-linked **+14%**
  - Single Premium (SP) **+29%**
- SP/RP Premium Income mix – from **55:45** to **56:44**
- Non-life GWP flat at **Php4.2B** due to stricter underwriting
- Premium margins **Php4.4B** to **Php5.9B** **+33%** due to growth in premium income and lower claims & withdrawals
- AUM-Linked **Php89B** to **Php97B** **+8%**; Asset management fees **Php1.3B** **+19%**
- Non-life net income **Php75M** driven by
  - Higher earned premiums from 2017 production **Php395M**
  - Higher manpower/IT costs

## Net Income



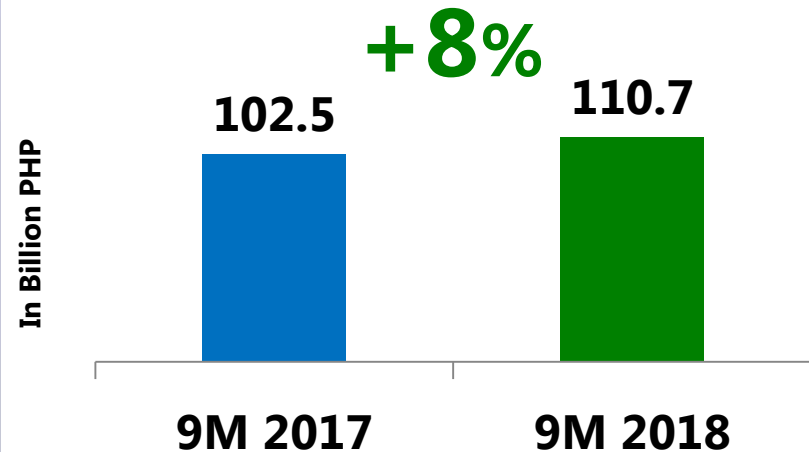


# Strong synergy and growth



- Persistency Ratio: **85.2%**  
▲ from **83.7%** in 9M 2017
- Exclusive financial advisors: **4,470**
- Total bancassurance (Metrobank and PSBank) branches: **953**
- AXA branches nationwide **38**

## Assets Under Management





# Infrastructure & Utilities



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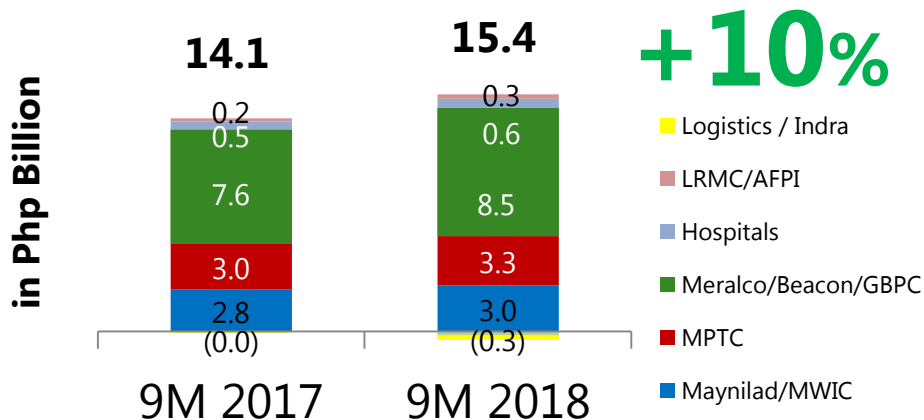
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**METRO  
PACIFIC**  
INVESTMENTS

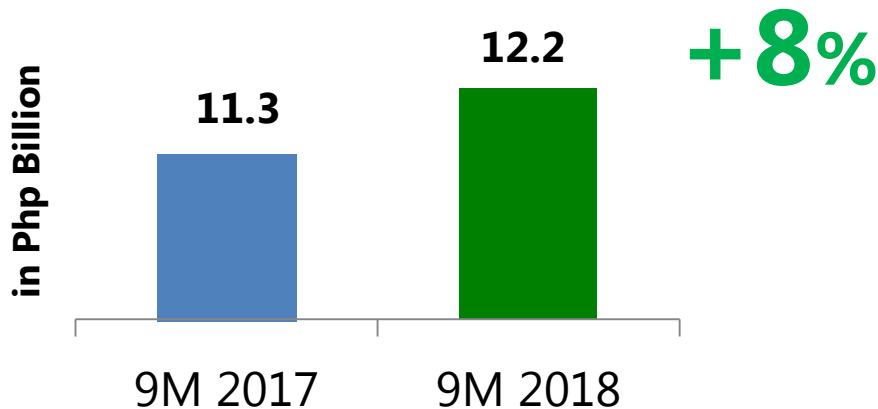
# Metro Pacific Financial Highlights

## Share in Operating Net Income (Core)



- Power
  - Meralco - Core NI **Php16.7B +9%**
  - GBPC - Core NI **Php1.9B**
    - Energy sales **+12%**
- Toll Roads - Core NI **Php3.3B +8%**
- Water - Core NI **Php6.1B +10%**
- Hospitals - Core NI **Php1.8B +17%**
- Rail - Core NI **Php0.5B +43%**
- Logistics - Core net loss **Php0.3B** (build-up of operating costs)
- Equity accounting net income for GT Capital at **Php1.9B +12%**

## Core Net Income





# Recent Developments



**GT CAPITAL**  
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GT CAPITAL AUTO DEALERSHIP HOLDINGS, INC.  
A **GT CAPITAL** COMPONENT COMPANY



Toyota Subic  
opened 08 Nov 2018

# Grab drivers are now in better hands with Toyota



## Deal signed among TMP, TFS, Grab PH

### *For existing Grab partners*

- Special loan packages
  - Maintenance Packages
  - Trade-in discounts
  - Fuel rebates
  - Free dash cam
- 
- Available in all Toyota dealerships w/in NCR

Signed **24 Oct 2018**  
Effective **05 Nov 2018**



**Dr. George S. K. Ty**  
MVP Lifetime Achievement Award  
27 October 2018  
for his excellence in entrepreneurship





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**Thank You!**

