



**GT CAPITAL**  
HOLDINGS INCORPORATED

# Investor Presentation

November 2019

## Nine Months 2019

### FINANCIAL AND OPERATING RESULTS



BUILDING ON  
NEW OPPORTUNITIES

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# Strong Group-wide Footprint



**₱2.4T** Trillion total resources  
**3.8M** Million individual depositors  
**over 10,000** institutional and SME clients  
**953** branches nationwide  
**52** remittance centers  
**20,000** employees Group-wide



**60,000** vehicles built annually at the TMP eco-zone  
**over 1.6M** Toyota units sold in PH from 1987-2018  
**69** dealerships nationwide  
**80%** Pay via financing  
**3,108** regular employees



**30** ongoing projects  
**108** hectares of prime land bank  
**10,547** registered homeowners  
**90%** Pay via loan financing  
**244** external brokers  
**452** in-house brokers  
**421** full-time employees



**₱84B** Billion AUM  
**over 1M** lives insured (incl. group life)  
**532k** individual client accounts  
**783** institutions insured  
**39** standalone branches  
**4,700** exclusive agents  
**1,200** full-time employees



**850k** vehicle entries on toll roads  
**3.2M** patient visits to MPI hospitals  
**1.4M** Million serviced with water  
**16M** Customers group-wide  
**'000s** Group-wide employees





**31,572**  
group-wide employees  
including contractual & agency

**12**  
global strategic partners

**24.3**  
Million customers

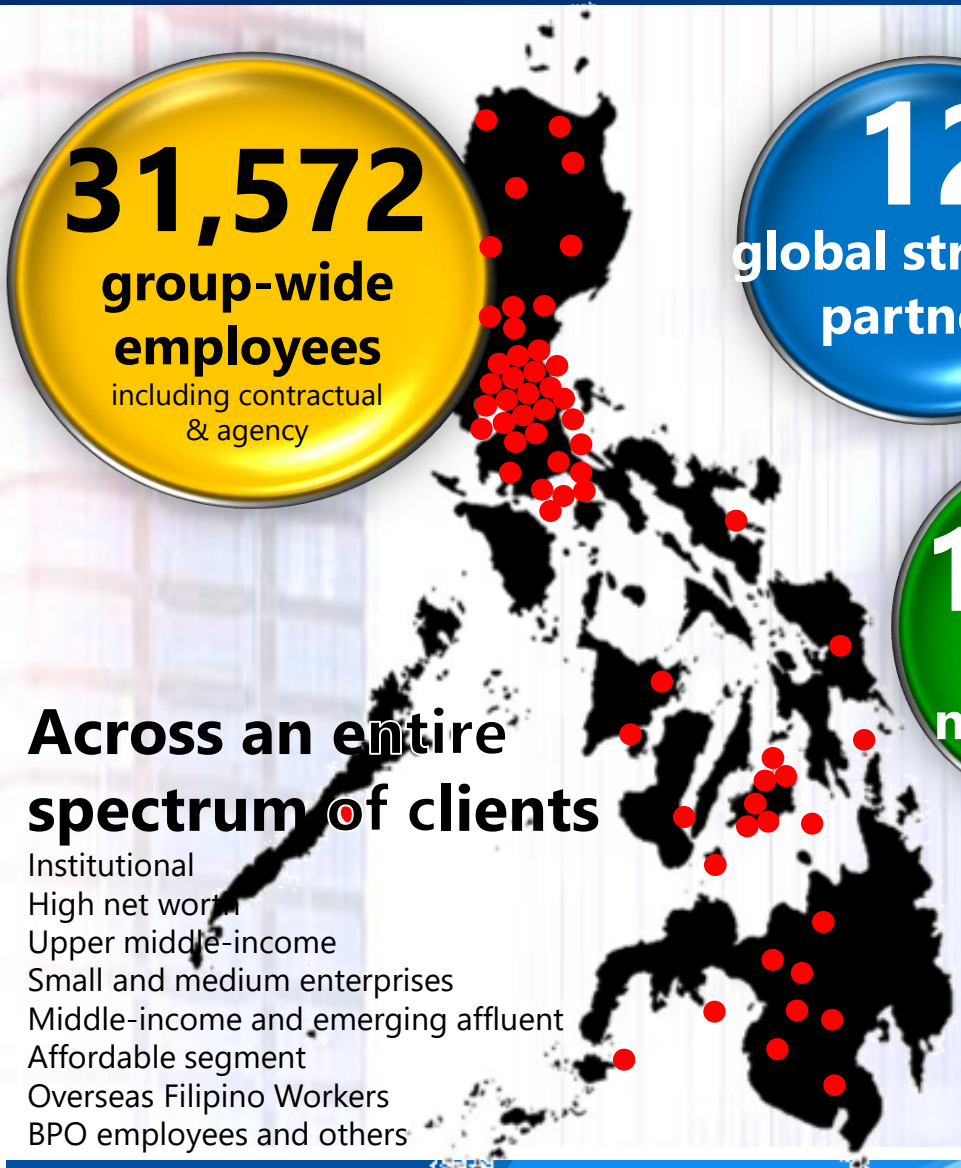
**1,525**  
Branches nationwide

Present in  
**68**  
Provinces

**9,893**  
active salespersons

## Across an entire spectrum of clients

- Institutional
- High net worth
- Upper middle-income
- Small and medium enterprises
- Middle-income and emerging affluent
- Affordable segment
- Overseas Filipino Workers
- BPO employees and others



## *Synergy*

Cross-selling  
within the  
GT Capital Group



## *New Sectors*

Exploring  
underpenetrated  
sectors with new  
strategic partners

## *Expansion in Existing Sectors*

Extending the value  
chain of existing  
businesses

# Strategic Direction

## New Sectors

**Exploring underpenetrated sectors with new strategic partners**

- New strategic partners
- Infrastructure (MPIC)
- Medical diagnostics
- Retail (e.g. Isetan Mitsukoshi/Nomura RE)



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## Expansion in Existing Sectors

**Extending the value chain of existing businesses**

- ✓ TMP/MBT expansion in Next Wave Cities
- ✓ Entry into used car market through JBA Philippines
- ✓ Wider property sector product offerings
- ✓ Master-planned communities
  - Retail spaces
  - BPO/Commercial space

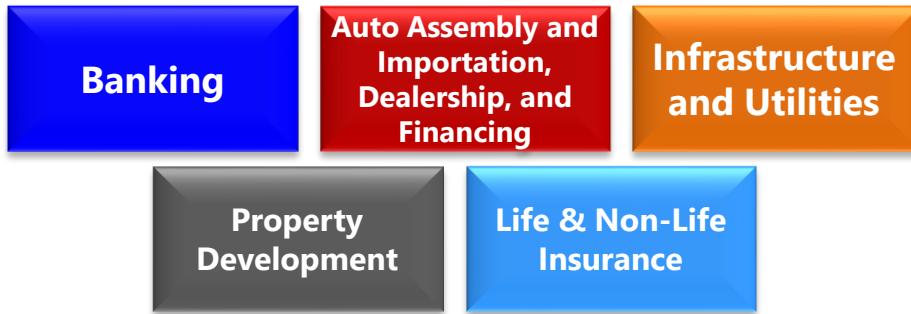
**Cross-selling within the GT Capital Group**

## Synergy

- Toyota unit sales through MBT/PSBank auto loans/TFS lease-to-own package
- Federal Land home mortgages by MBT/PSBank
- AXA bancassurance through MBT/PSBank branch network
- Motor vehicle insurance
- Cross-selling of GT Capital products into MPIC subsidiaries

# 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

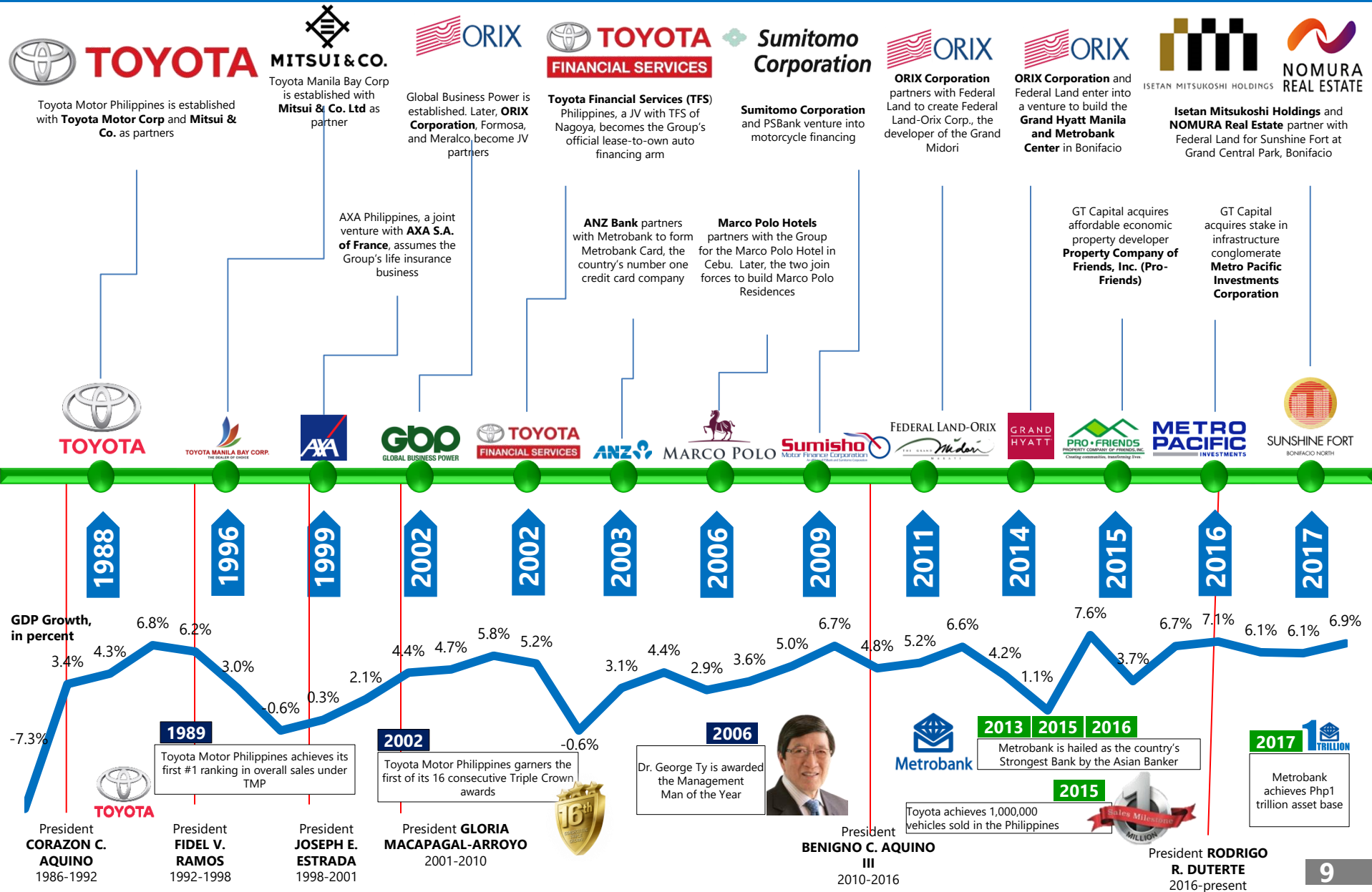
Included in MSCI Philippine Index 29 May 2015

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

## Strategic Partnerships with Best-of-Class Brands







# GT Capital Component Companies



- 1** **Best Managed Bank in the Philippines** for 2018 according to *The Asian Banker*
- 2** Second **largest Philippine bank** by assets as of end-June 2019
- 1** **Strongest Bank** in the Philippines for 2011, 2013, 2015, and 2016 according to *The Asian Banker*



- ❖ Over **45 years of experience** in vertical, residential property development
- ❖ Track record of **landmark developments** in Metro Manila
- ❖ Over 100 hectares of land bank in prime locations



- ❖ Combined penetration rate of 11% among Toyota dealers as of end-June 2019
- ❖ Network of 5 dealer outlets
- ❖ Strategic partnership with Mitsui & Co. of Japan, another leading conglomerate



- 1** **Most dominant automotive company** in the Philippines, maintaining 35% to 40% market share from 2015-2019
- 1** **Highest** passenger car, commercial vehicle, and overall sales annually since 2002
- 1** **Triple Crown** winner for 17 consecutive years 2002 – 2018



- 2** Second largest life insurance company in terms of gross premiums as of end-2018
- 1** Pioneer in bancassurance
- 2** Second largest non-life insurer in terms of net premiums written as of end-2018
- ❖ Strong bancassurance synergies with Metrobank and PSBank



- ❖ 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



- 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



- 1** Market leader in auto financing for Toyota vehicles; Market penetration rate of 22% as of June 2019
- ❖ Nearly two decades-long track record in auto lease financing
- ❖ Strategic partnership with Toyota Financial Services of Japan



- ❖ Joint venture with **Japan Bike Auction Co., Ltd.**, a subsidiary of USS Co., Ltd.
- 1** Market leader in Indonesia car and motorcycle auction market; 30% market share as of December 2018
- 1** Market leader in Japan motorcycle auction market; 25% market share as of December 2018

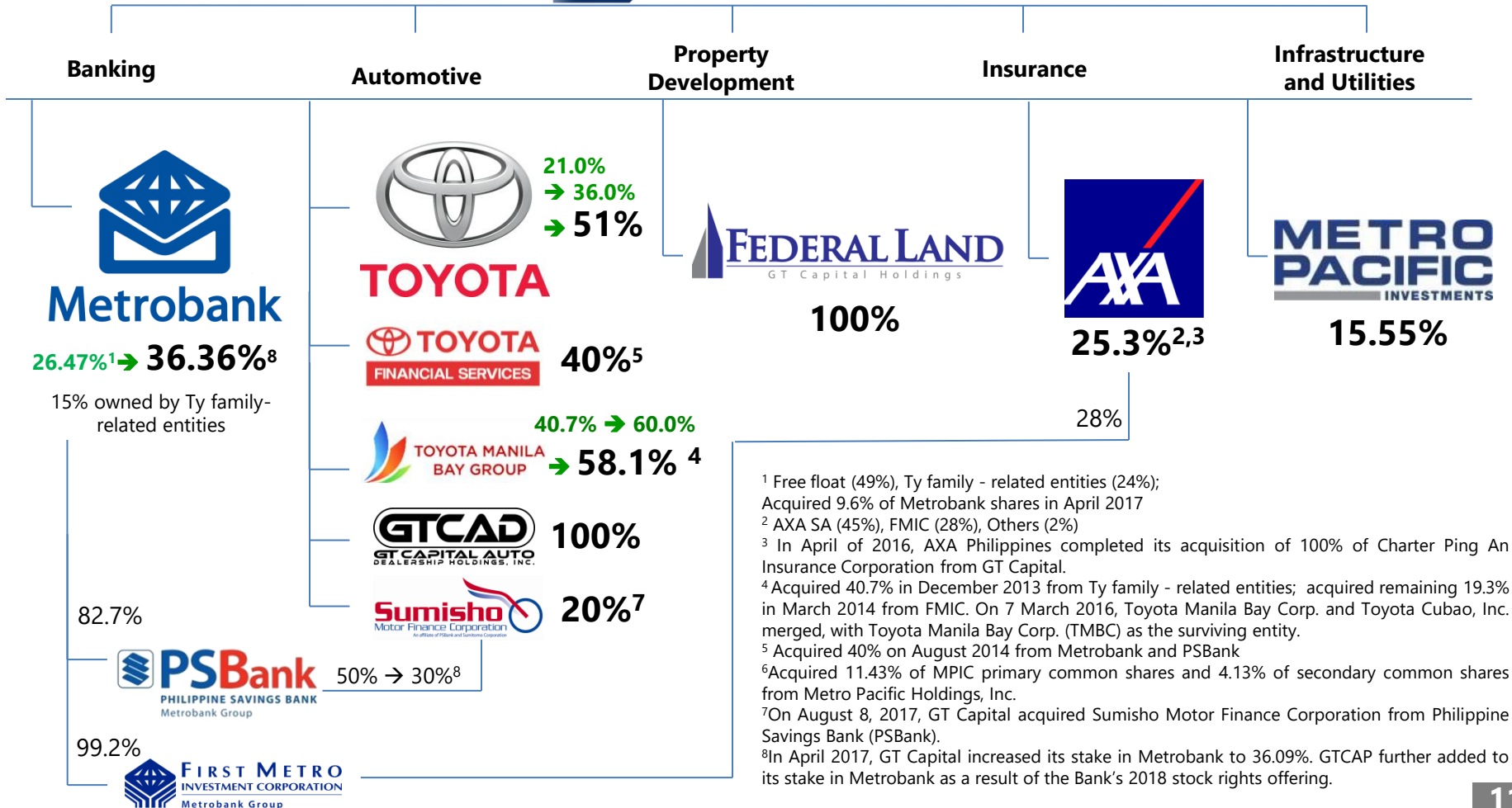
# Current Corporate Ownership Structure

55.93%

Grand Titan

Public Float

44.07%



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

<sup>8</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.

# GT Capital Group

## Financial Highlights 9M 2019



### Consolidated Net Income

(MBT +29%, FLI +10%, TMP +13%, TMBC +30%)

**+40%**

**Php15.3 billion\***

Php10.9 billion 9M 2018

### Core Net Income

(FV adjustments for MBT, MPI, PCFI, TMP, TMBC,  
Gain on disposal PCFI)

**+20%**

**Php12.4 billion**

Php10.3 billion 9M 2018

### Revenues

**+3%**

**Php159.1 billion**

Php153.9 billion 9M 2018

Auto Sales (TMP – Php121.4B)

**Php 138.2 billion +4%**

Equity in net income of associates  
(MBT Php7.6B, MPIC Php1.8B, AXA Php0.5B, TFS Php0.3B)

**Php 10.1 billion +11%**

Real Estate Sales and Interest income on Real Estate Sales (RES)\*\*

**Php 7.0 billion -20%\*\***

\*On July 4, 2019, the PCC approved the redemption of PCFI shares in exchange for selected assets. Realized net gain on redemption is Php3.4B.

\*\*2018 includes gain on sale of land worth Php2.7B to JV partners. Excluding gain, RES **+15%** due to Bay area projects.



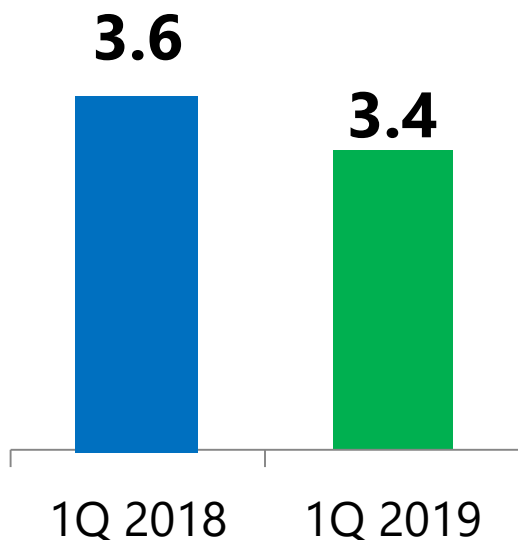
# GT Capital Consolidated Core Net Income Comparative

## 1Q 2018 vs. 1Q 2019

FLI -23%  
 TMP -24%  
 MBT +15%  
 TMBC -22%  
 MPIC +0.3%  
 AXA Life +50%  
 GI >100%

**-6%**

in Php Billion

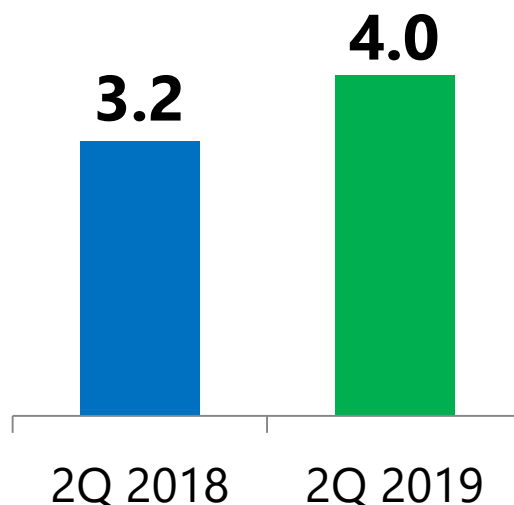


## 2Q 2018 vs. 2Q 2019

FLI +39%  
 TMP +22%  
 MBT +22%  
 TMBC +17%  
 MPIC +1%  
 AXA Life -6%  
 GI >100%

**+24%**

in Php Billion

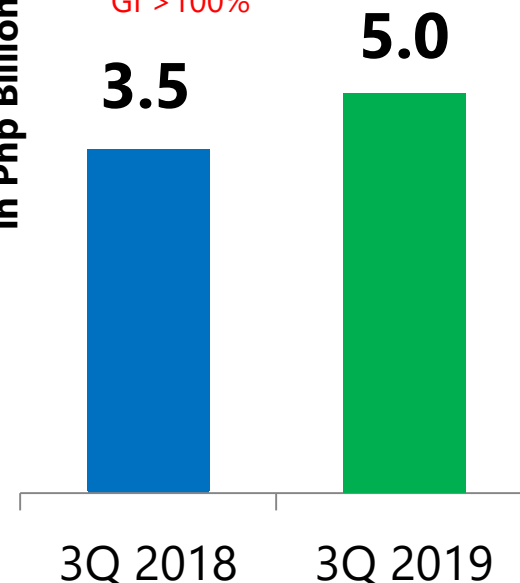


## 3Q 2018 vs. 3Q 2019

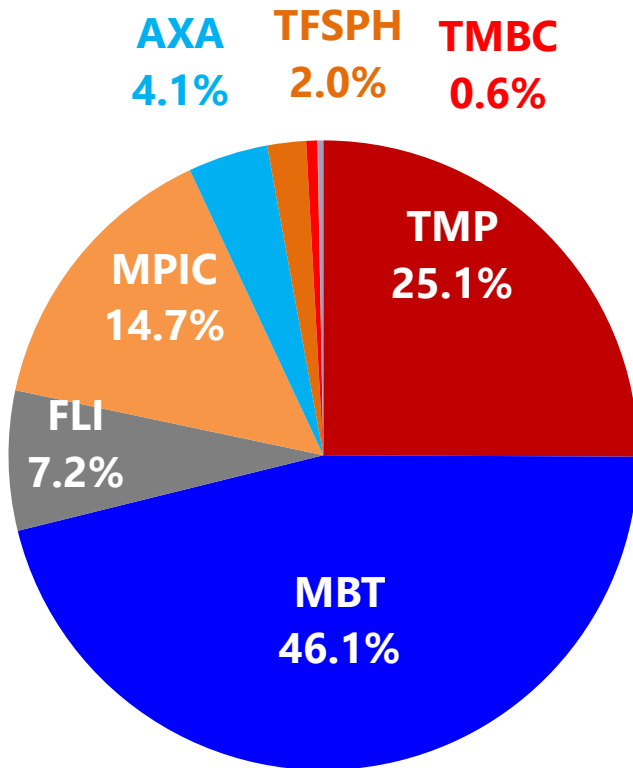
FLI +7%  
 TMP +48%  
 MBT +49%  
 TMBC +114%  
 MPIC +7%  
 AXA Life +27%  
 GI >100%

**+43%**

in Php Billion

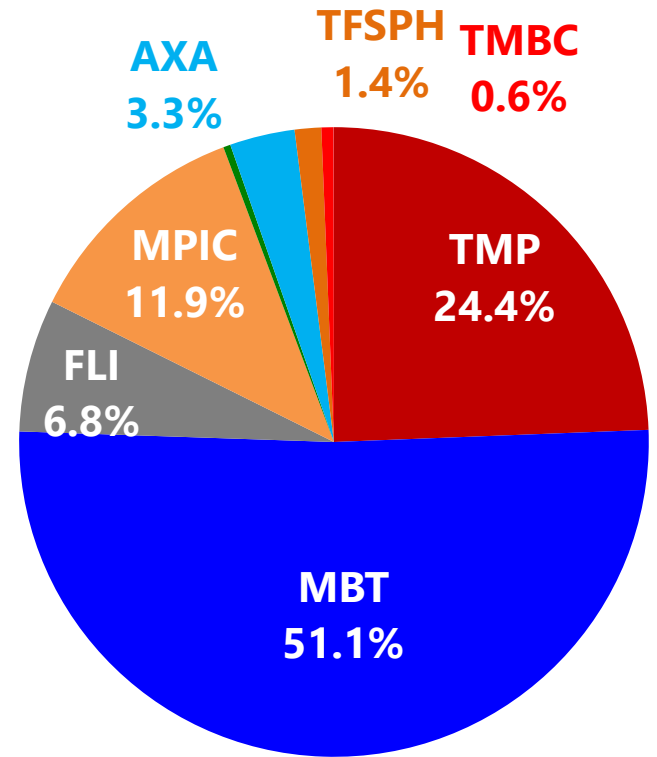


# GT Capital Net Income Contribution 9M 2019



**MBT + TMP = 71.2%**

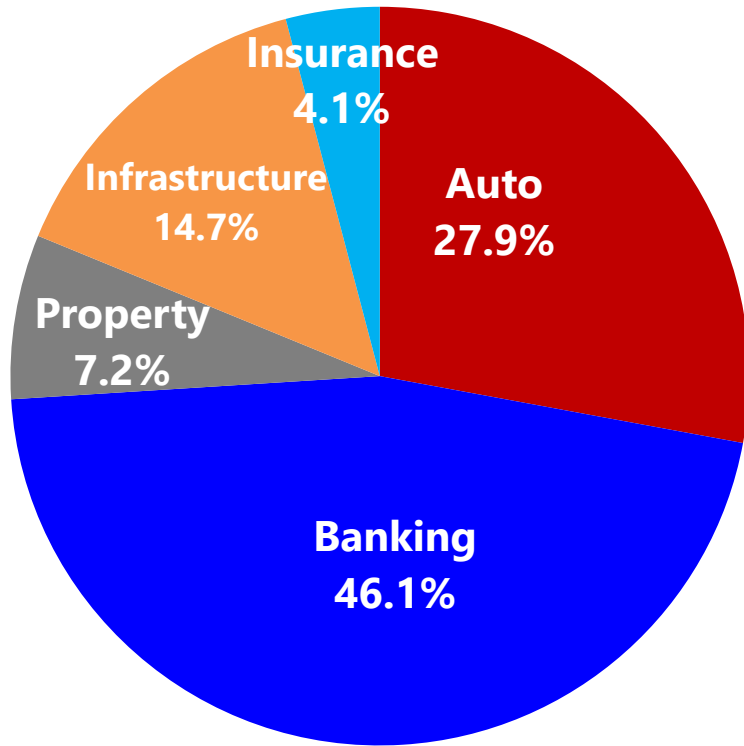
**9M 2018**



**MBT + TMP = 75.5%**

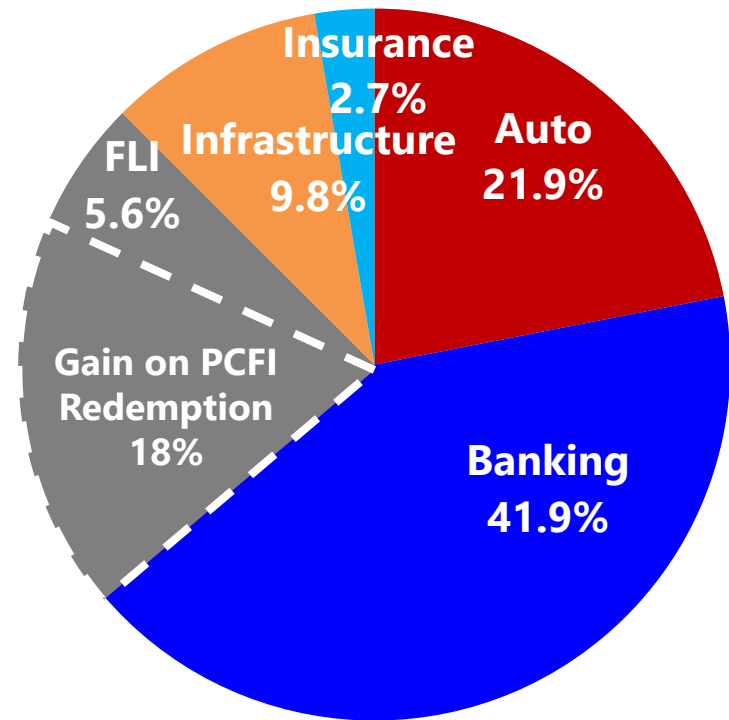
**9M 2019**

# GT Capital Net Income Contribution by Sector



**Banking + Auto = 74.0%**

**9M 2018**



**Banking + Auto = 63.8%**

**9M 2019**

\*Property includes gain on redemption of PCFI shares

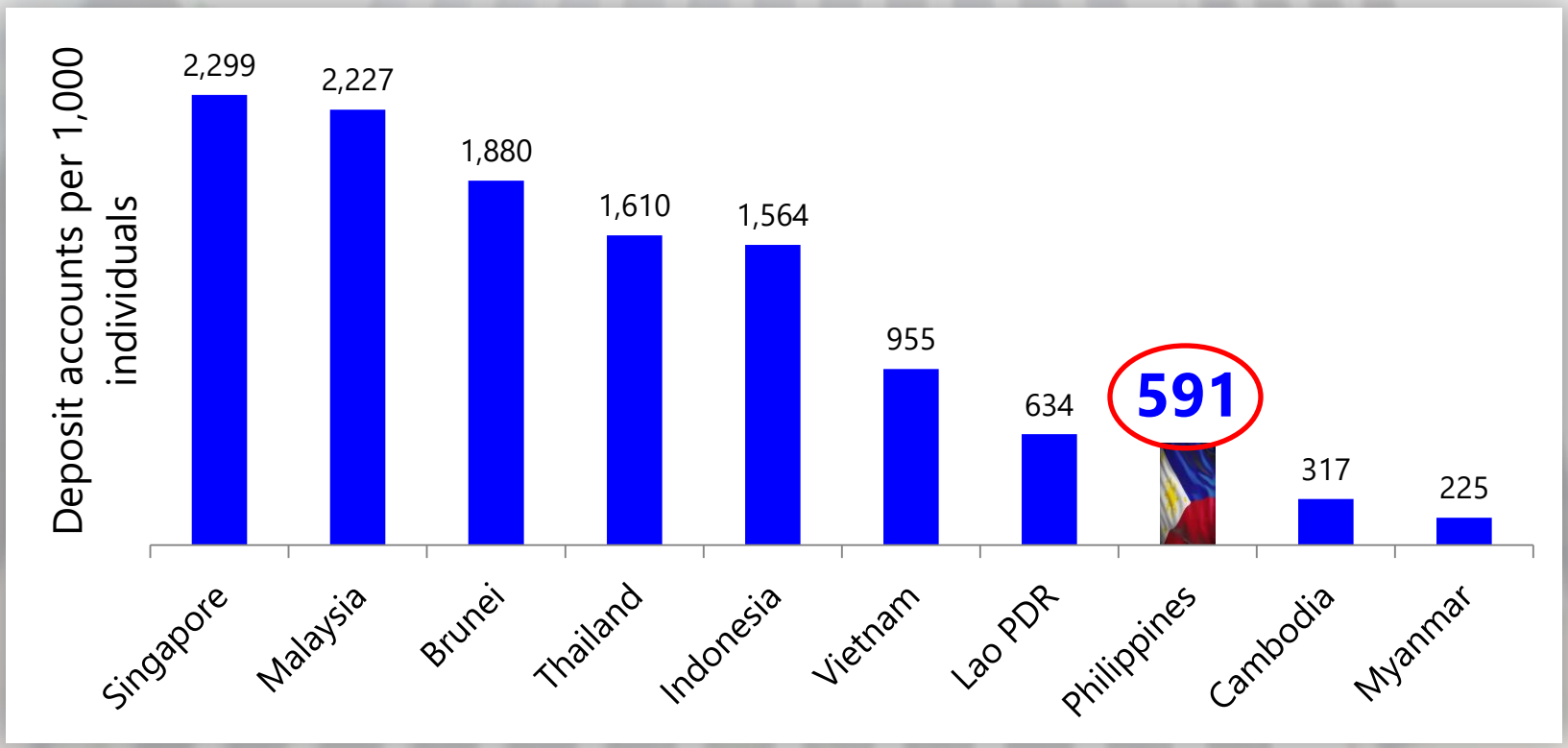




## Banking Sector Highlights

# Deposit accounts per 1,000 individuals

ASEAN Members and Observers, 2018



Source: International Monetary Fund Access to Financial Services Survey

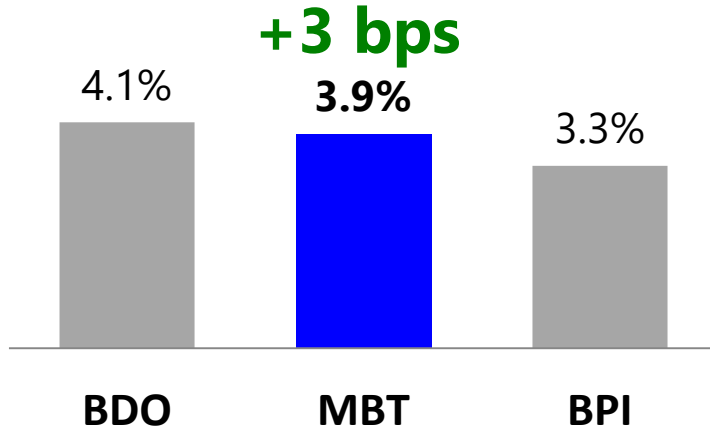
# Peer Banks Highlights



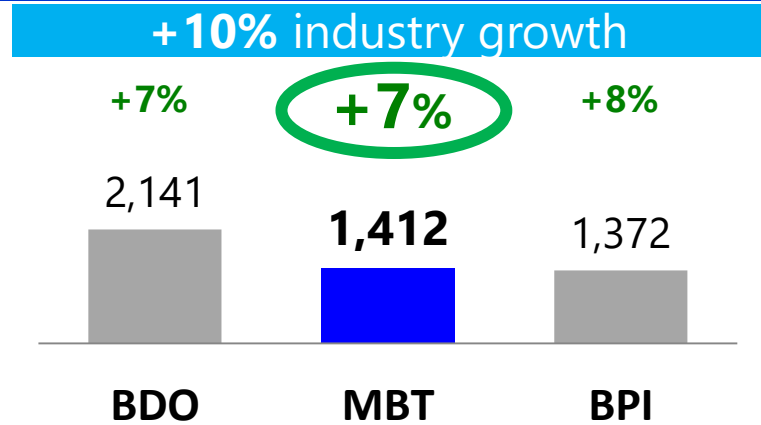
**Metrobank**  
You're in good hands



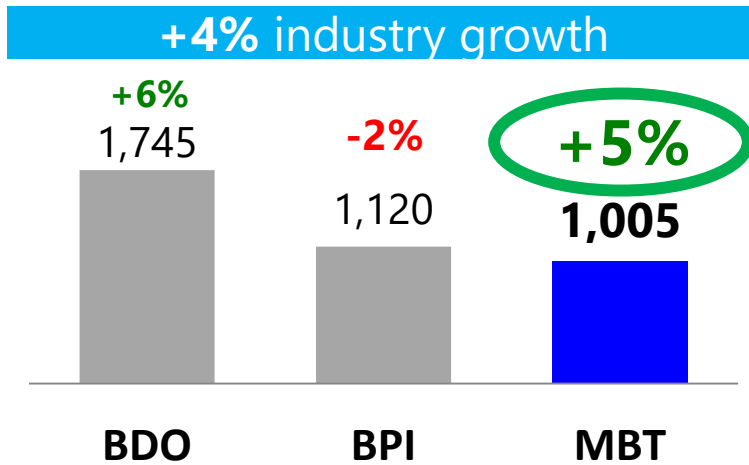
## Net Interest Margin – NIMs (%)



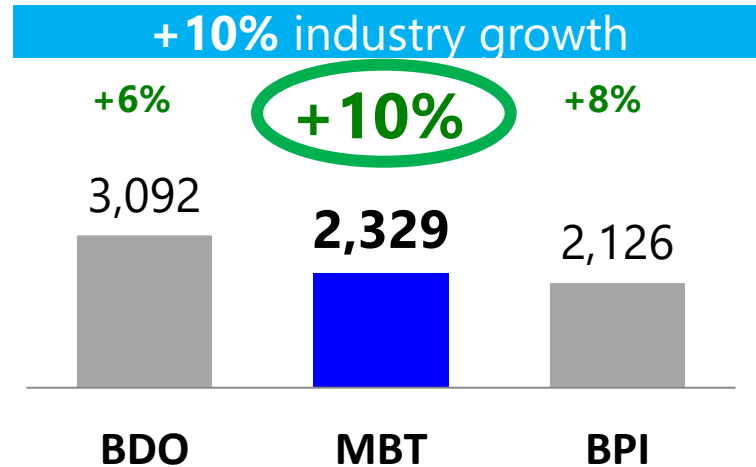
## Total Loans (Php Billion)



## CASA Deposits (Php Billion)



## Total Assets (Php Billion)



Source: 17-Q Report of Banks as of 30 September 2019

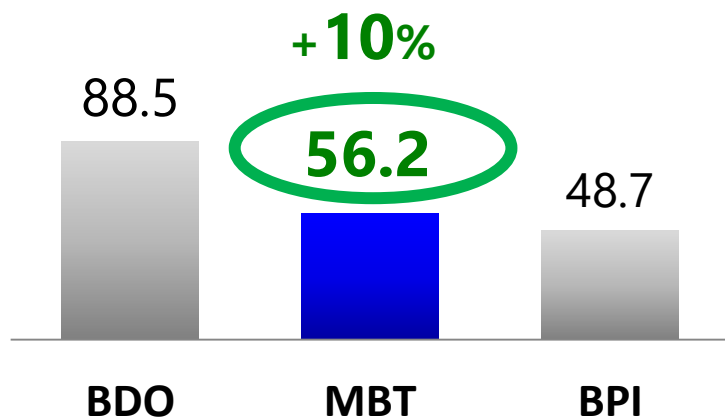
# 9M 2019 Peer Banks Highlights



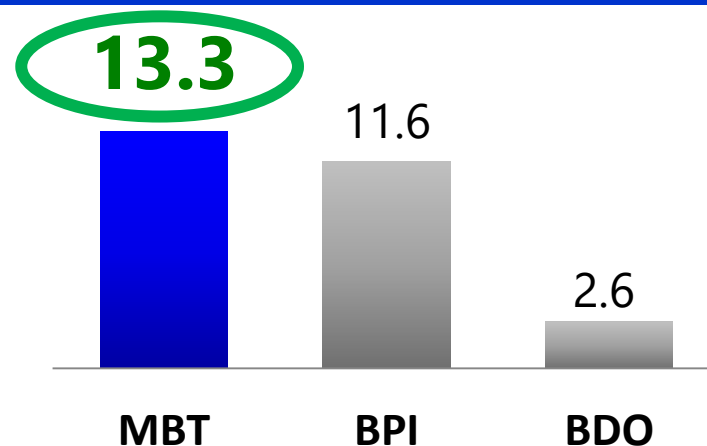
**Metrobank**  
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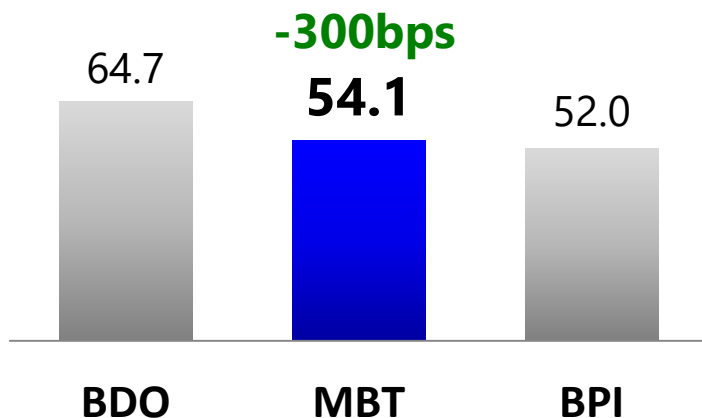
## Net Interest Income (Php Billion)



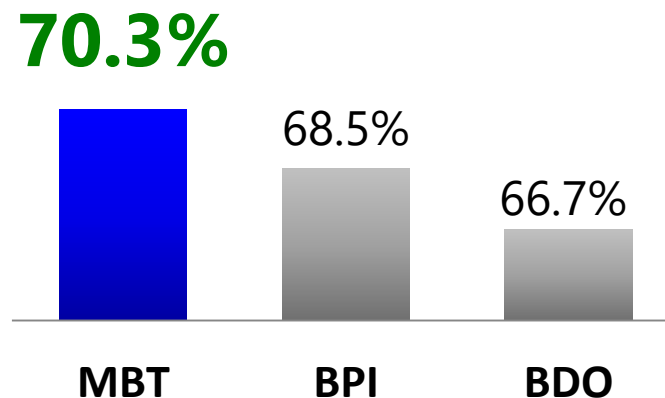
## NII less Opex (Php Billion)



## Cost-to-Income Ratio (In %)



## NII to Total Revenue (%)



Source: 17Q Report, Investor Presentations, and Press Releases of Banks as of 30 September 2019

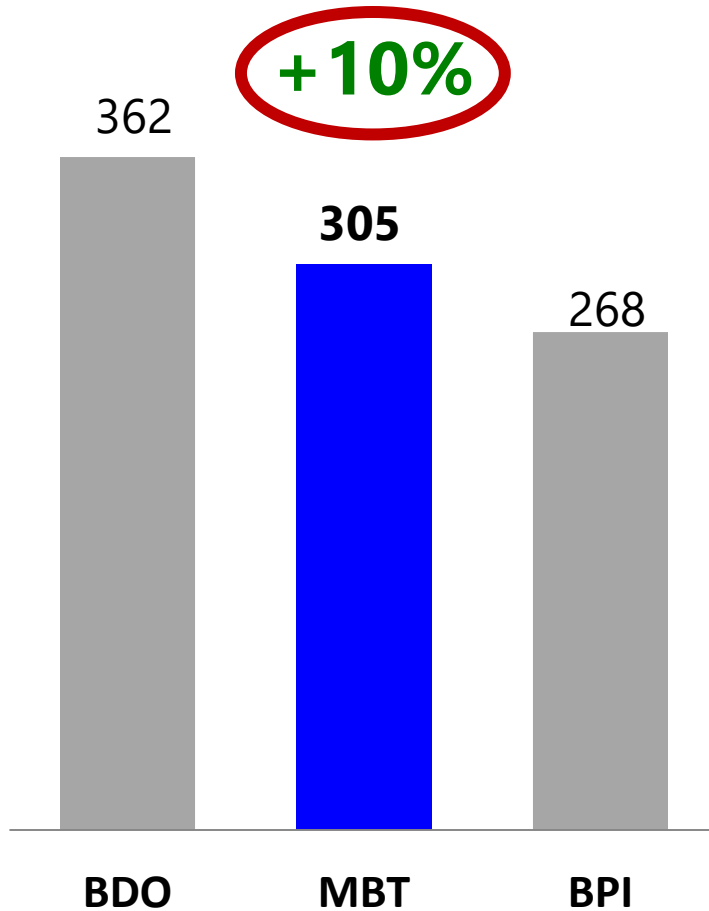
# Peer Banks Highlights



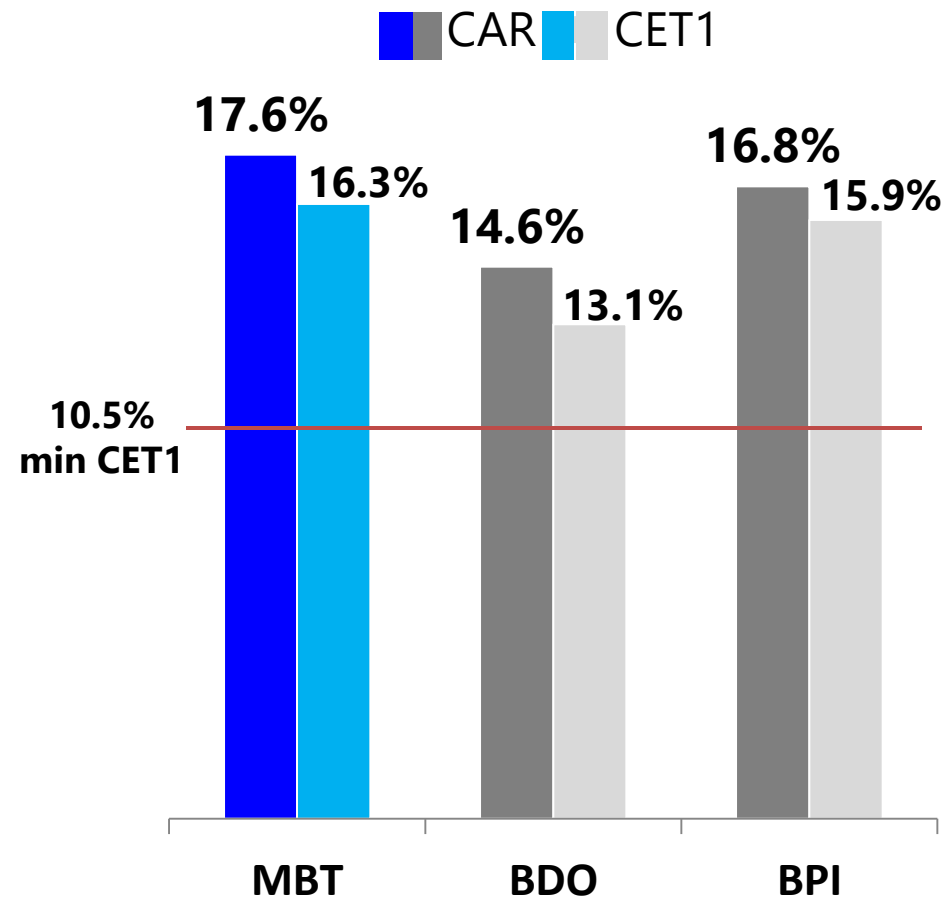
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## Total Equity (Php Billion)



## Total Capital Adequacy Ratio and CET1 (%)





# Credit demand driven by solid economic growth



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## Loan Portfolio (PHP Billion)

**+7%**

1,412

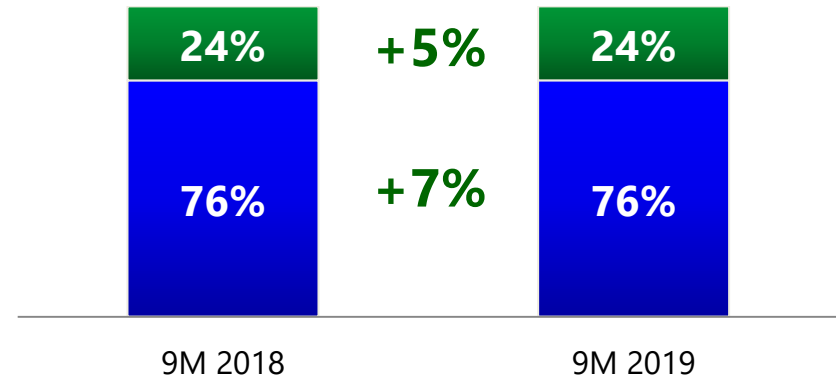
1,326

9M 2018

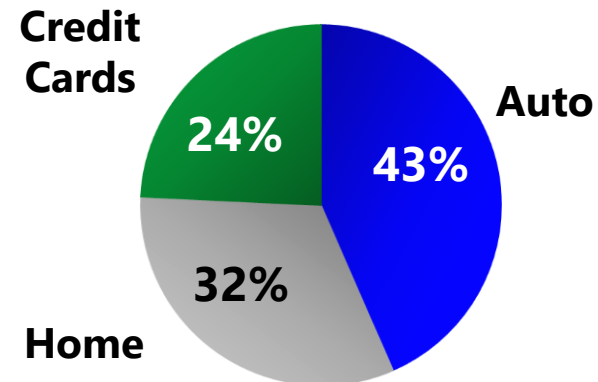
9M 2019

## Total Loan Portfolio Breakdown

■ Commercial ■ Consumer



## Consumer Loan Portfolio Breakdown



# Consistent earnings growth



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## 9M 2019 Operating Highlights

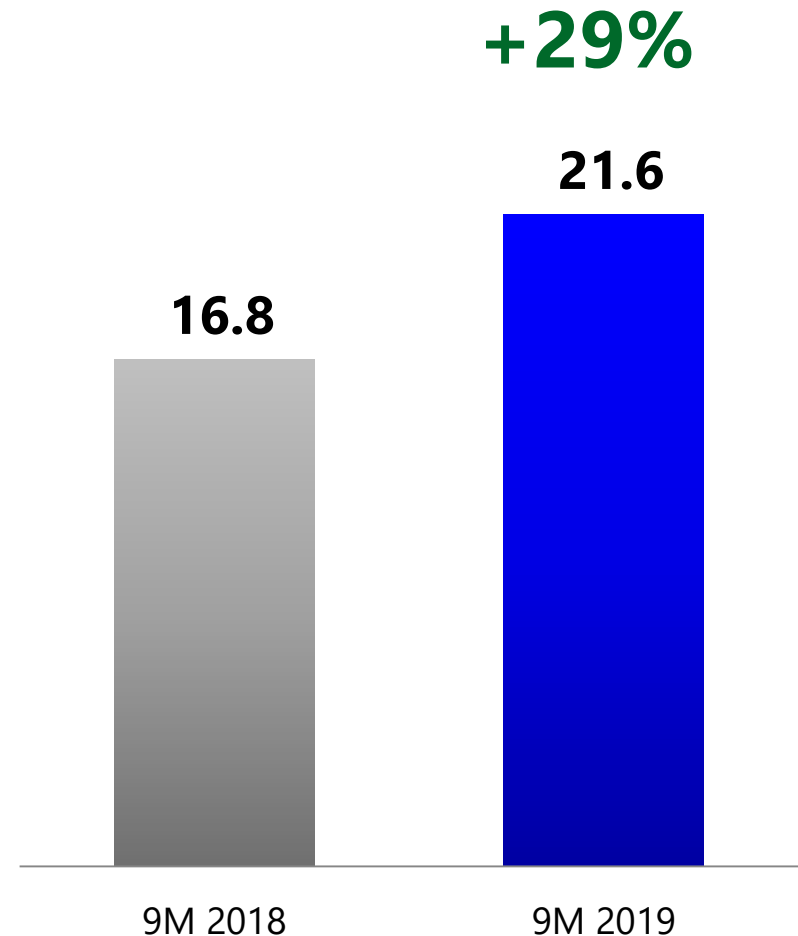
### Results are well-within expectations

- Php21.6 bn net income, **+29%** YoY
  - Sustained earnings growth on the back of quality performance drivers

### Positive results for all growth drivers

- Loan growth **+7%** from Php1.3 tn to Php1.4 tn
- Deposit growth at **+2%** to Php1.6 tn
- NIM expansion **+3 bps** to 3.91%
- Non-Interest income **+16%**
- CIR improved to **36.5%**
  - OPEX grew 9%, from Php39.3 bn to Php42.9 bn

## 9M 2019 Net Income (Php bn)



# Healthy deposit growth while CASA maintained above 60%



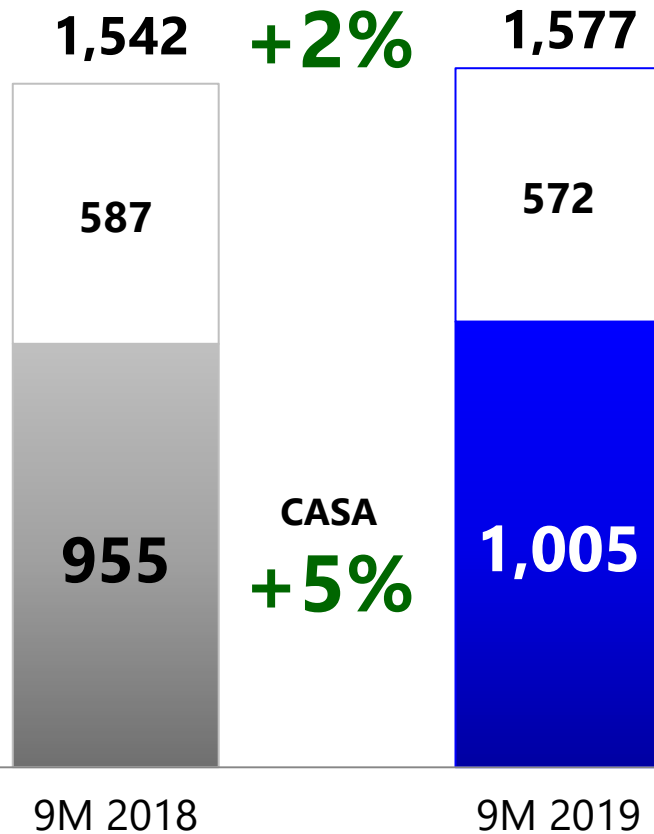
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## Deposit Base

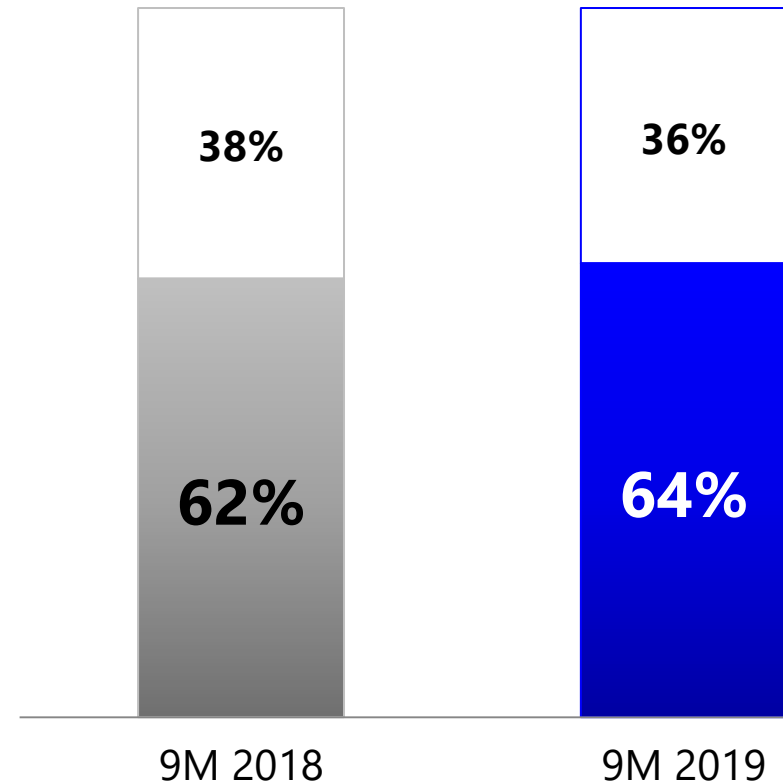
■ CASA □ Deposit Balance

**Total Deposit**



## CASA Ratio

■ CASA □ TD



# Sustained NIM expansion

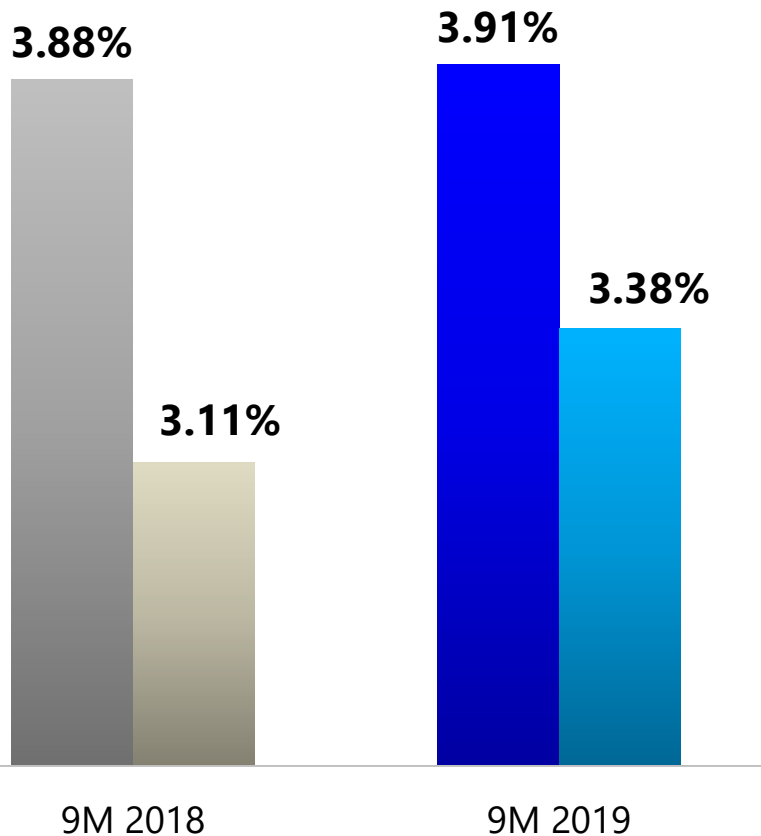


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## Net Interest Margin (NIM)

■ MBT ■ UKB



**Pricing strategy anchored on profitability**

**NIMs consistently above industry and sustained at same level**

- **+3 bps** vs. 9M 2018

**NIM drivers**

- Reduction in funding cost faster than drop in loan yields
- CASA ratio improved to 64%

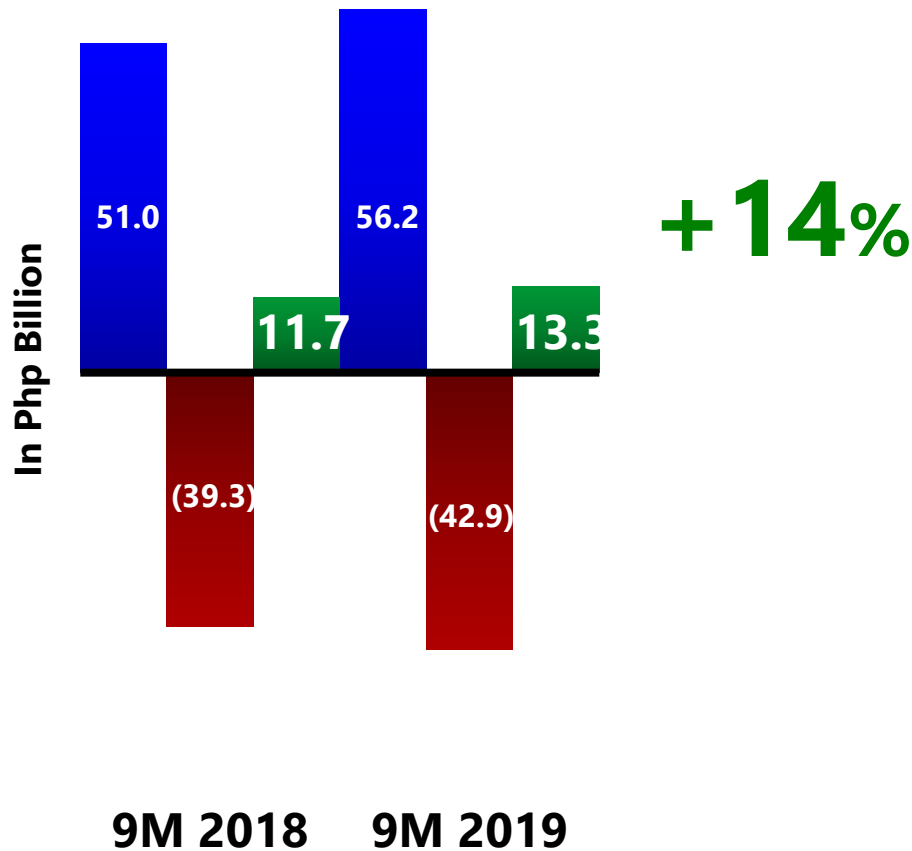
# Recurring revenue growth outpacing costs



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## NII Less OPEX

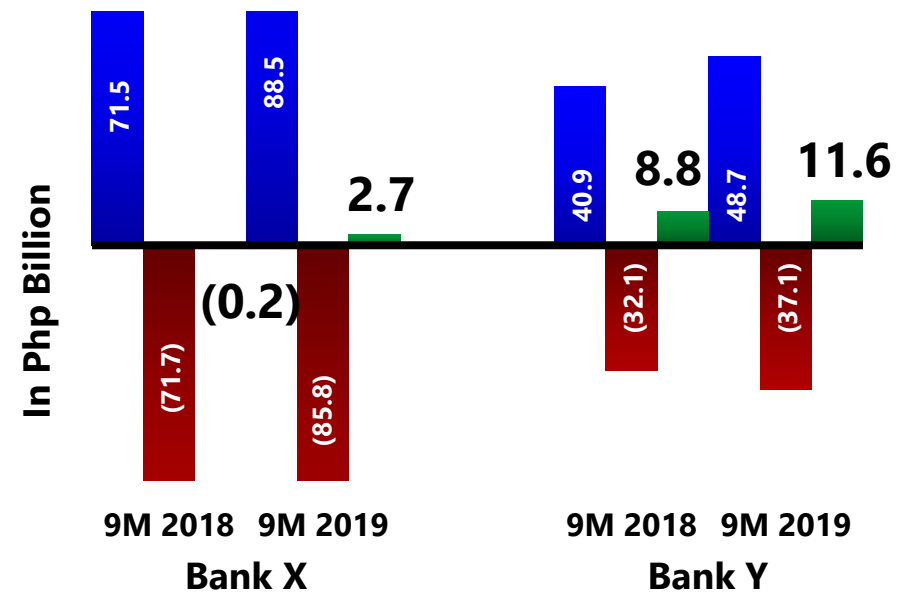


## NII growth outpacing costs

- NII growth 10% vs. 9% OPEX growth

## NII less OPEX metric most favorable vs peers

- Traditional banking revenues more than cover for operating expenses





# Improving efficiency ratios

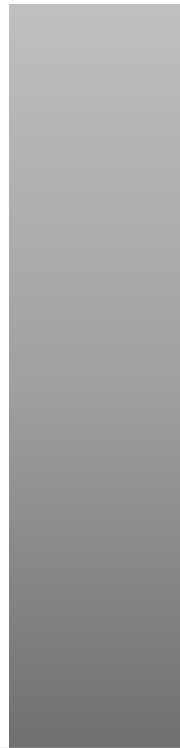


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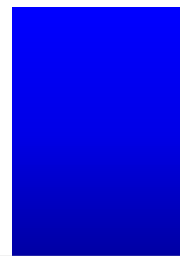
## Cost Income Ratio (CIR)

58%



9M 2018

54%



9M 2019

## Realizing efficiency gains

- CIR dropped from 58% to **54%**

## Cost growth slowest vs peers

- Branch network relatively flat at 957
- Lower cost-to-serve and push for use of online channels

## Total OPEX (PHP bn)

39.3



9M 2018

42.9



9M 2019

# Asset quality better than industry

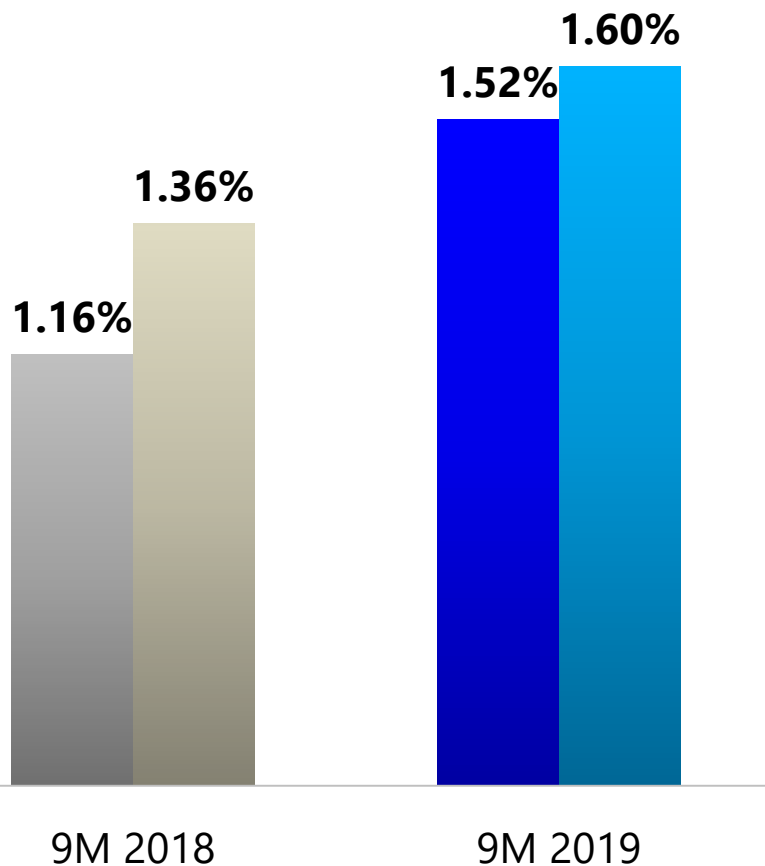


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## NPL Ratio

■ MBT ■ UKB



### Prudent balance sheet buildup

- Modest portfolio growth without compromising credit standards and asset quality

### Better-than-industry NPL ratio

### Provisions for credit and impairment losses at Php7.8 bn

- Estimated credit cost 73 bps
- NPL cover increased to 96% from 87% in 1H 2019

# Summary



**Metrobank**  
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- ✔ **Credit demand driven by solid economic growth**
- ✔ **Healthy deposit growth, with a CASA ratio above 60%**
- ✔ **Downward interest rates support NIM expansion**
- ✔ **Recurring revenue growth outpacing costs**
- ✔ **Improving Operating Ratios**
- ✔ **Asset quality better than industry**



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## Incentives



### Model Life Budget

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

### Fixed Investment Support (FIS)



### 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**

- 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



**Php5.38 B**  
Total Toyota CARS Project  
Investment Plan as of July 2019



**348 parts** Confirmed as of July 2017

Participating model **THE NEW VIOS**

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

**Php1.3 billion**  Aggregate Investments

### Out-house parts projects

**BOI-registered auto parts partners**

 **Manly** PLASTICS, INC.\* **Php520.0 million**

 **Valerie** VALERIE PRODUCTS MANUFACTURING, INC. **Php495.9 million**

 **TE** TECHNOL EIGHT PHILIPPINES CORP. **Php94.5 million**

 **TB** TOYOTA BOSHOKU **Php167.2 million**

with technical partners

 **Ogihara**  
OGIHARA (THAILAND) CO., LTD.

 **TOYODA GOSEI**  
(THAILAND) CO., LTD

Includes a 1600-ton servo-type press machine with automated sheet feeder and unloader robot

Marks the start of local production for side member panels - TMP's single largest localization project under the CARS Program

**Side member panels are the largest body shell parts** and require high accuracy and quality because of their many contact points with other parts of the vehicle body

Investments in servo press technology were necessary to enable localization of side member panels

Compared to current mechanical presses, servo-type press offers high level of accuracy, better formability and improved repeatability

TMP is the first to utilize this kind of press technology in the local automotive industry





# CARS Unit Sales Progress

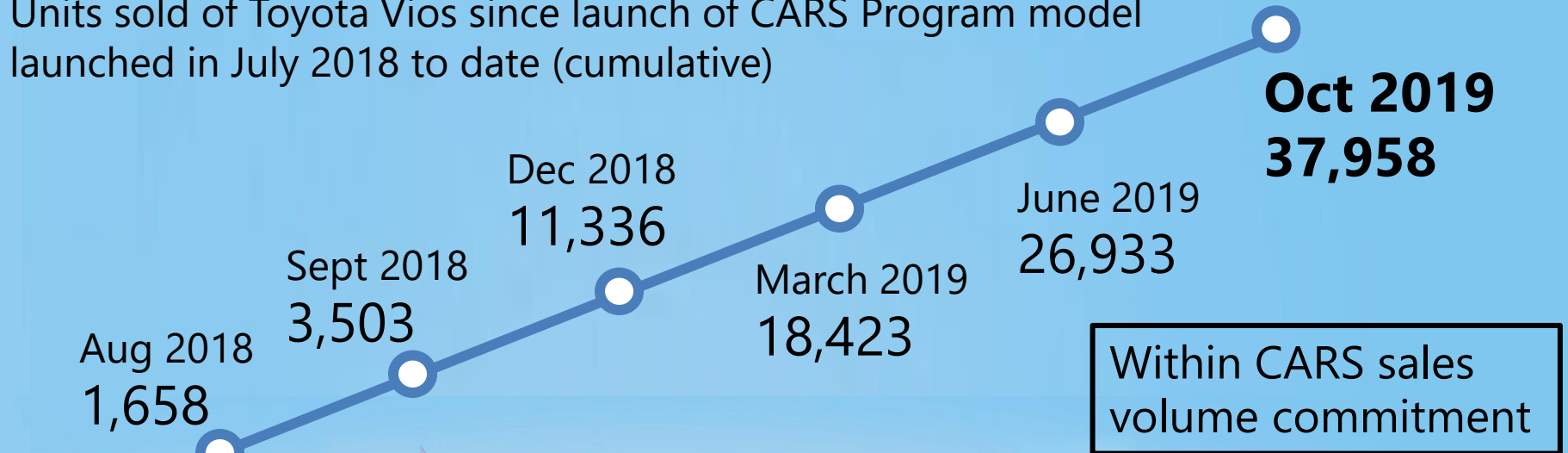


**TOYOTA**



**GT CAPITAL**  
HOLDINGS INCORPORATED

Units sold of Toyota Vios since launch of CARS Program model launched in July 2018 to date (cumulative)



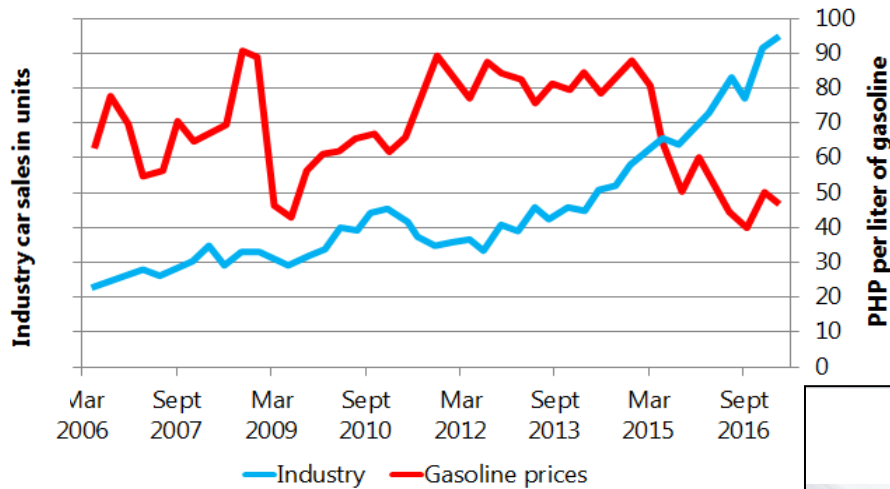
**Introduction  
of FMC Vios  
July 2018  
222**



# 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.

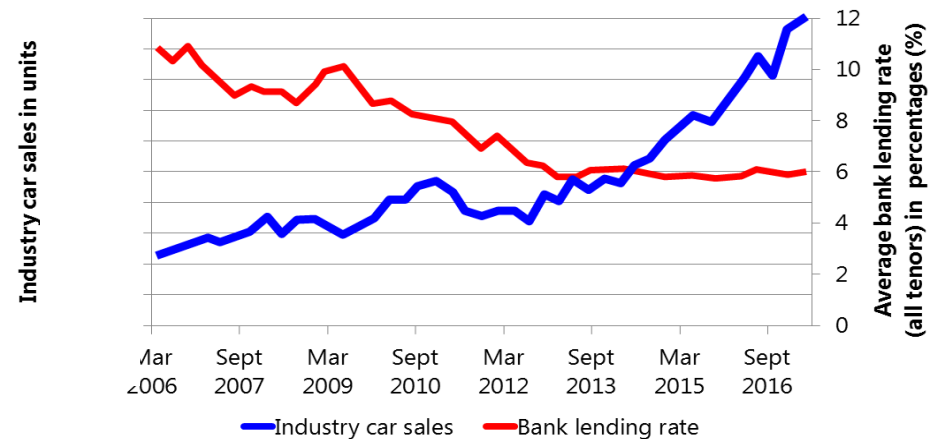


Source: PEP-BAML report, CAMPI, Bloomberg

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



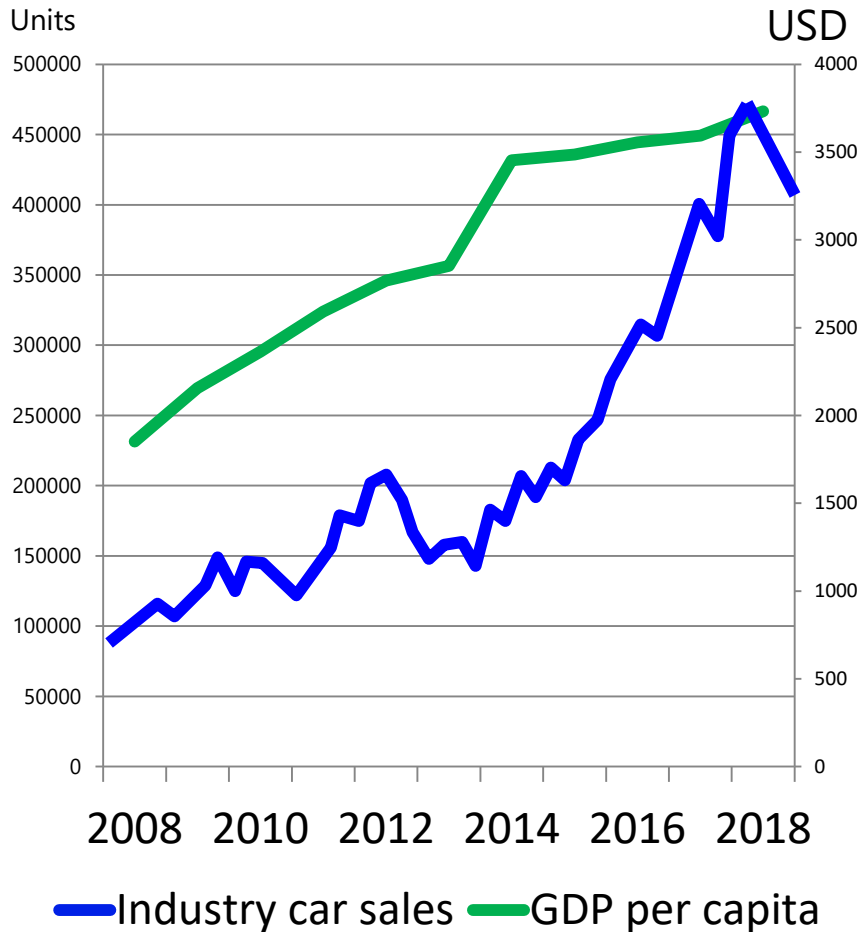
Source: CAMPI, PEP-BAML



# The Philippines is now enjoying the benefits of economic "motorization" amid low vehicle penetration



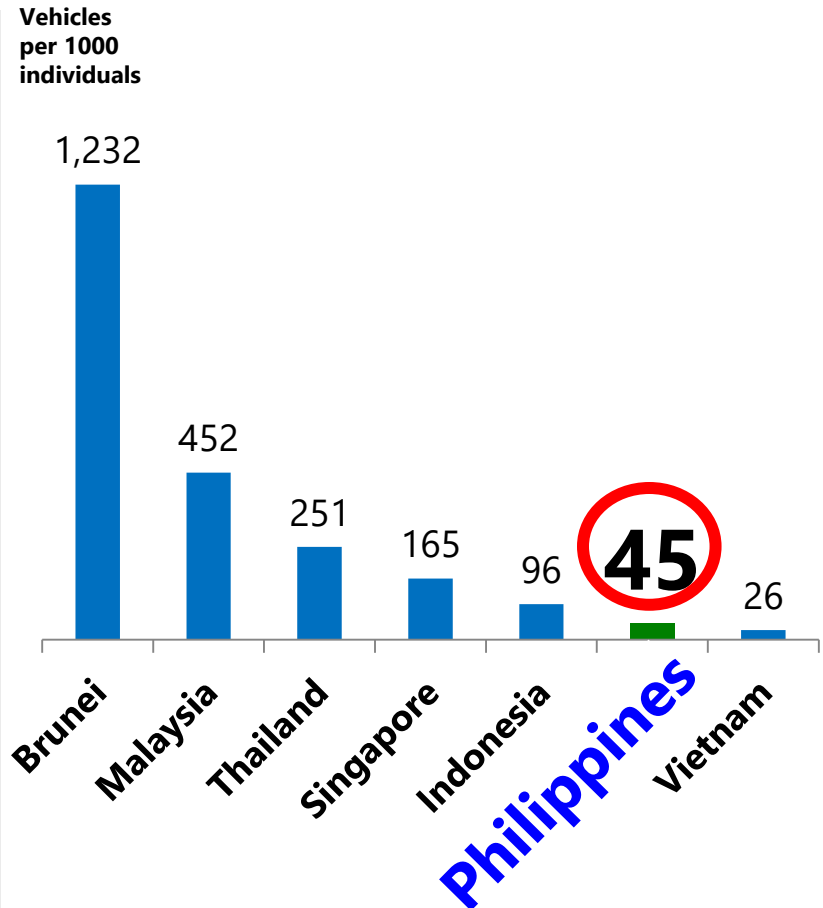
## Industry car sales vs. PH GDP per capita



Source: CAMPI, PEP-BAML

## Motor vehicle penetration in ASEAN

### Vehicles per 1,000 individuals, 2017



Source: Organisation Internationale des Constructeurs d'Automobiles (OICA)/International Organization of Motor Vehicle Manufacturers

# 2018 Global Toyota Sales Performance Rankings



**2018**

**Still Top 9**

**Despite sales compression**

**2017**

**Top 9**

**2016**

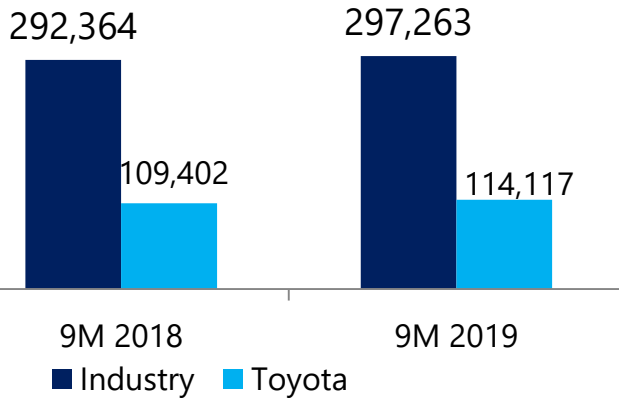
**Top 10**

|          | Market             | Total          |
|----------|--------------------|----------------|
| 1        | United States      | 2,426,795      |
| 2        | Japan              | 1,564,309      |
| 3        | P.R. China         | 1,474,543      |
| 4        | Indonesia          | 357,390        |
| 5        | Thailand           | 315,113        |
| 6        | Canada             | 231,646        |
| 7        | Australia          | 225,880        |
| 8        | Brazil             | 202,843        |
| <b>9</b> | <b>Philippines</b> | <b>153,004</b> |
| 10       | India              | 150,289        |
| 11       | Saudi Arabia       | 137,804        |
| 12       | Russia             | 133,777        |
| 13       | South Africa       | 130,397        |
| 14       | United Kingdom     | 124,843        |
| 15       | Taiwan (R.O.C.)    | 123,675        |
| 16       | Mexico             | 108,761        |
| 17       | France             | 106,136        |
| 18       | Argentina          | 94,110         |
| 19       | Italy              | 90,517         |
| 20       | Germany            | 85,850         |

# Retail auto unit sales volume

As of September 2019 YTD

## In Units



### Industry

▲ 2%  
Y-o-Y

### Toyota

▲ 4%  
Y-o-Y

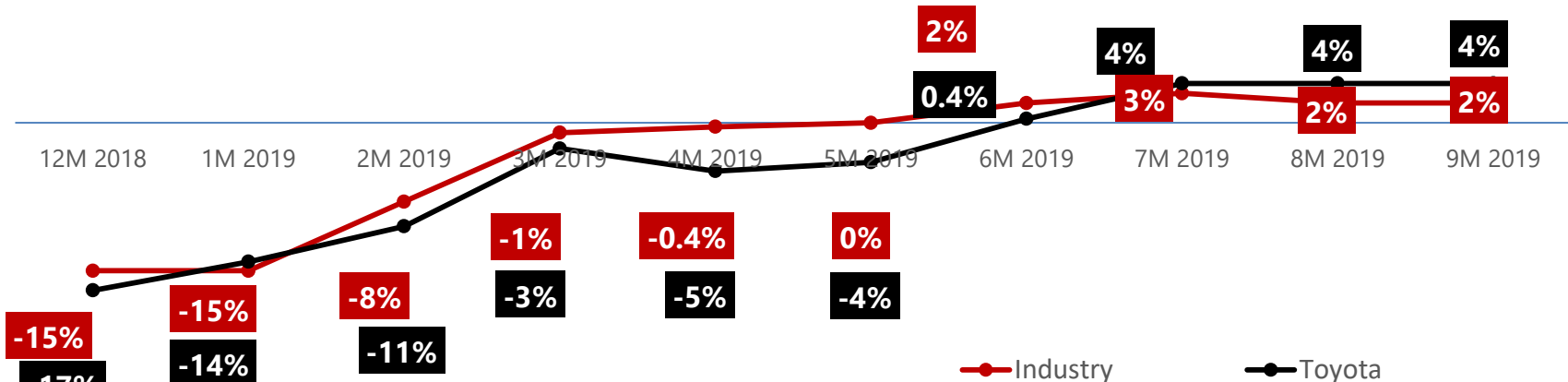
## Industry factors:

- Signs of recovery due to easing inflation, declining interest rates, and rebound in consumer confidence

## 9M 2019 results:

- Driven by Vios and Innova sales growth
- Introduction of the FMC Hiace

## In Percent Year-on-year (%YoY)

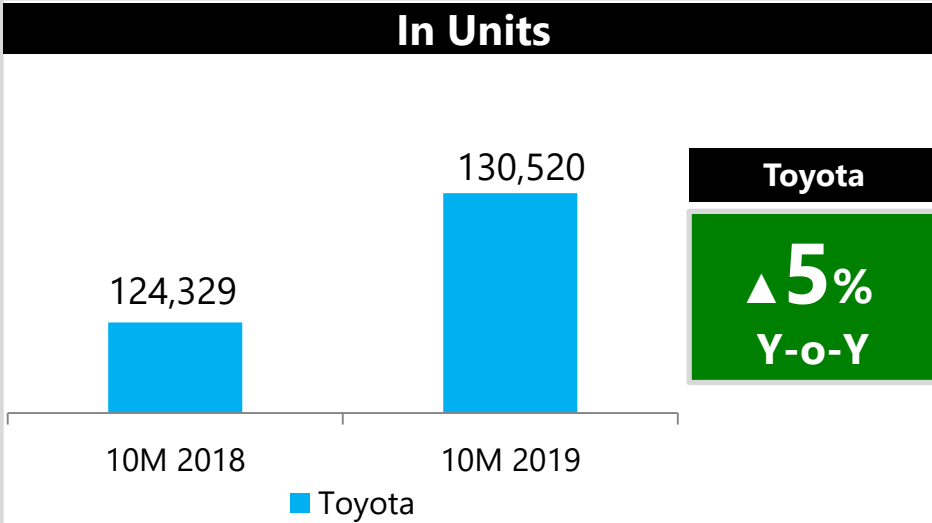


Source: Company data, CAMPI, AVID

# Retail auto unit sales volume

As of October 2019 YTD

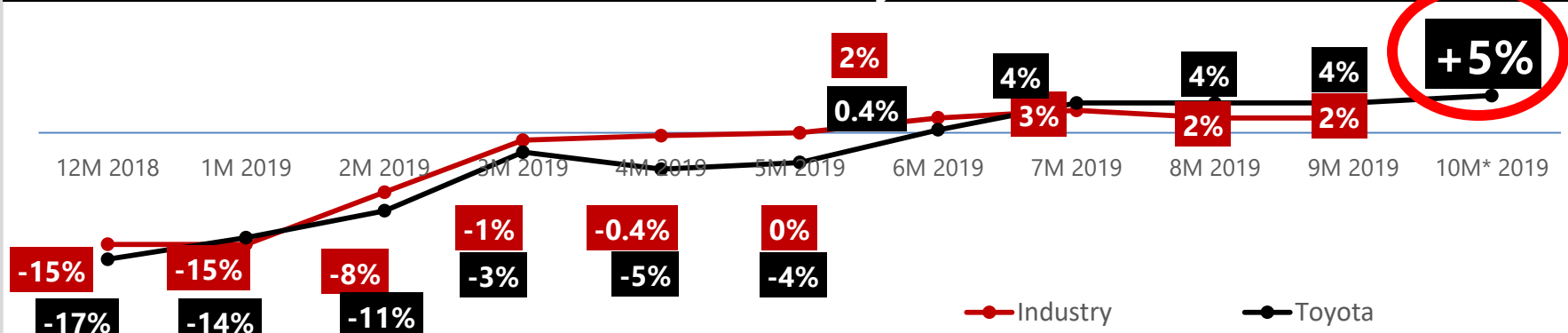
## In Units



## 10M 2019 results:

- Reduced the backlog on Alphard and Land Cruiser
- Highest unit sales for the year in October 2019 (16,403 units)
- Record-high Vios monthly unit sales **3,238**
- Successful ramp-up of new model launches: Avanza, Altis, Hiace, RAV4

## In Percent Year-on-year (%YoY)

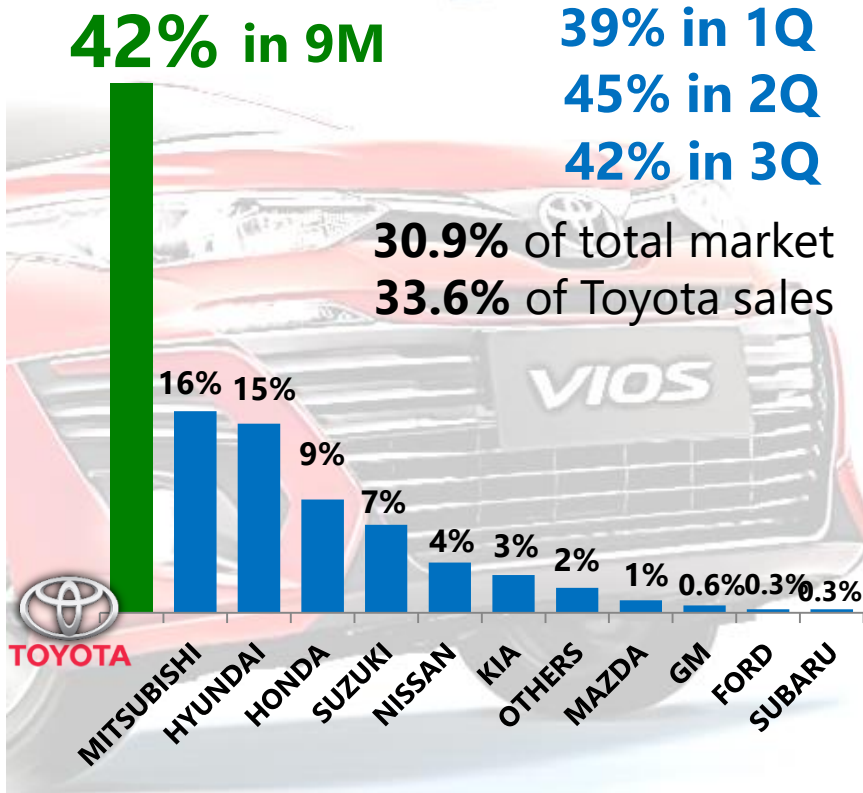


\*Industry numbers reflect CAMPI only (No AVID figures for October 2019 yet)  
Source: Company data

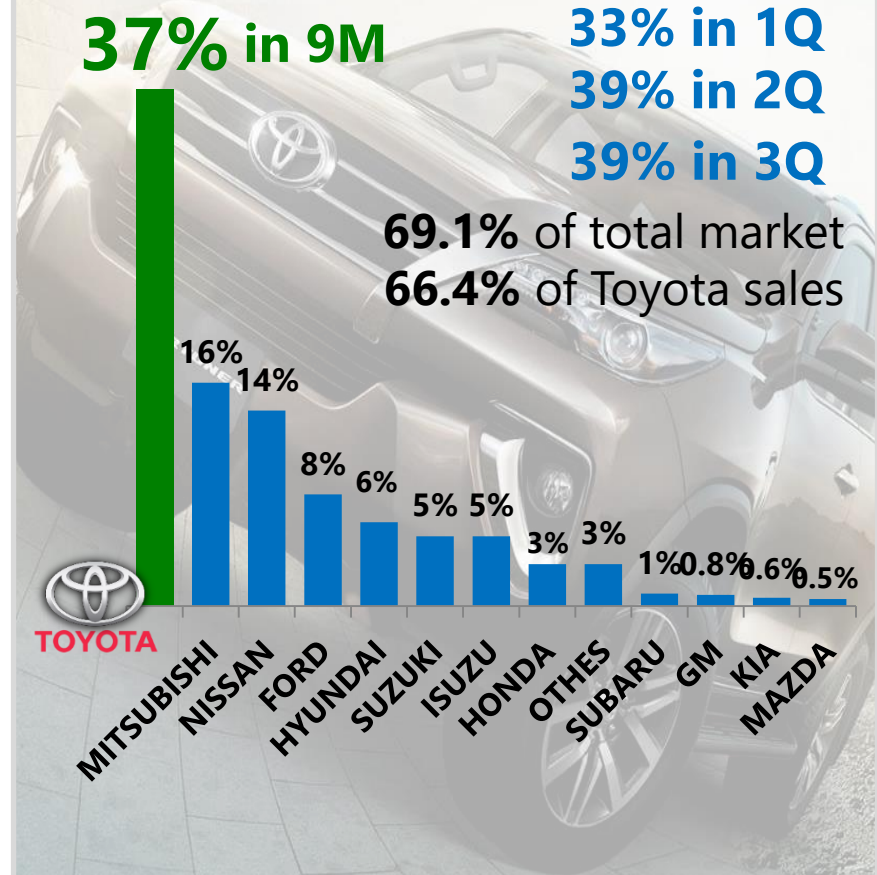
# Toyota is still PH's dominant auto brand

## Auto Industry Market Share As of September 2019 YTD

### Passenger Car



### Commercial Vehicle

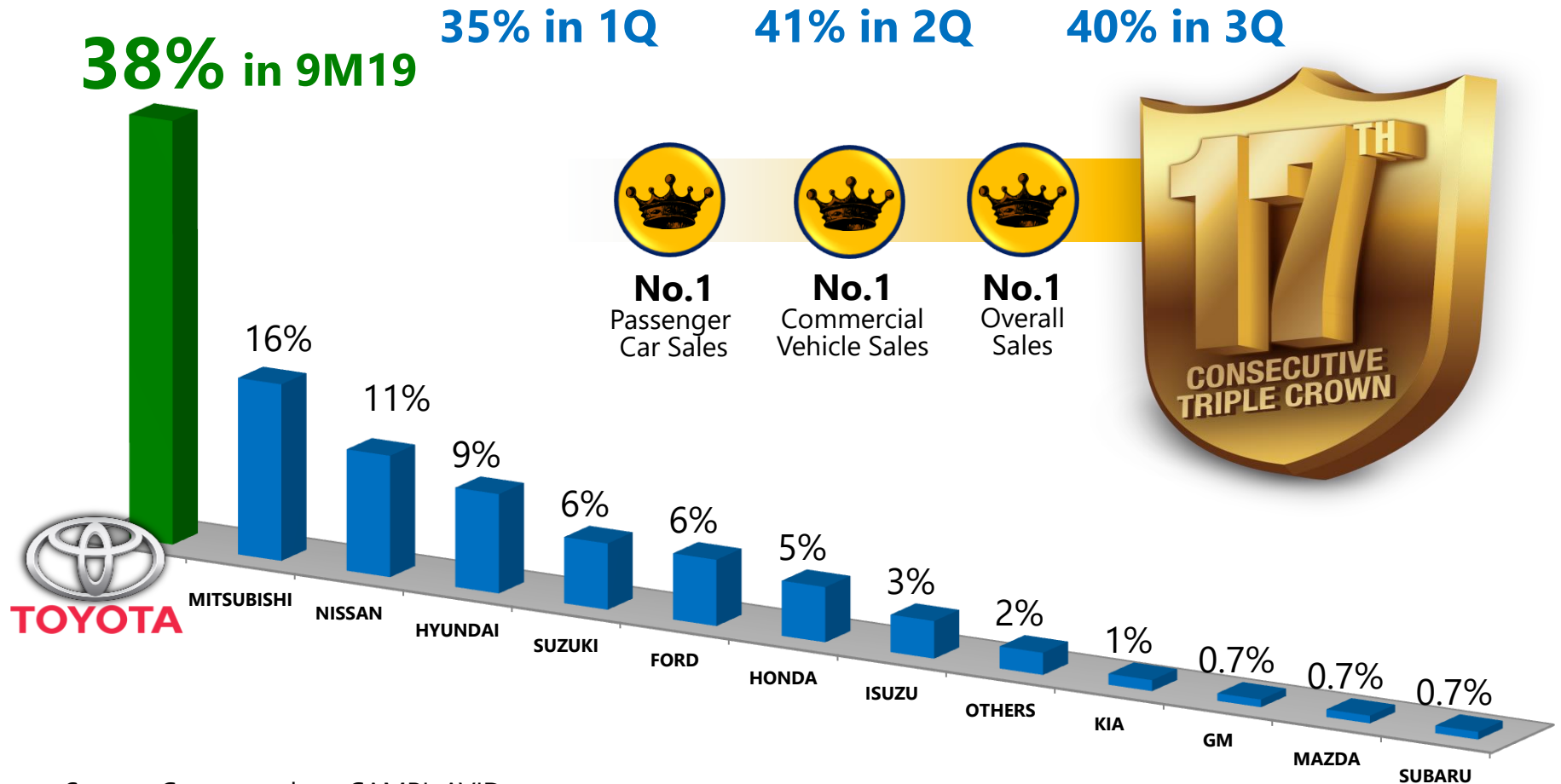


Source: Company data, CAMPI, AVID



# Toyota is still PH's dominant auto brand

## Overall Market Share As of September 2019 YTD



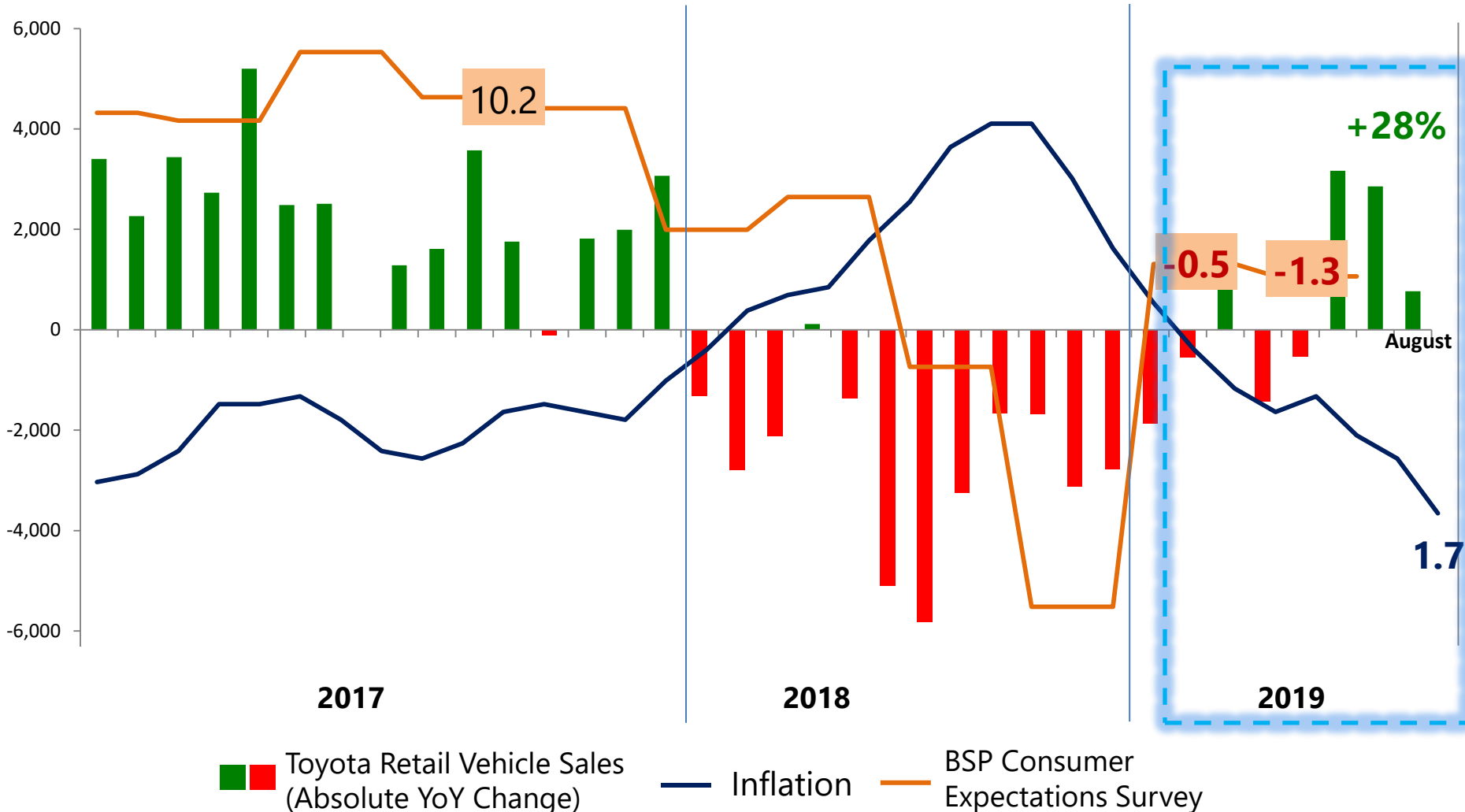
Source: Company data, CAMPI, AVID

# Green shoots grow taller than before

Toyota vehicle sales post strongest growth in two years despite still relatively weak consumer confidence



## Toyota Vehicle Sales (Absolute YoY Change) vs. Inflation (In %) and BSP Consumer Expectations Survey (In %)



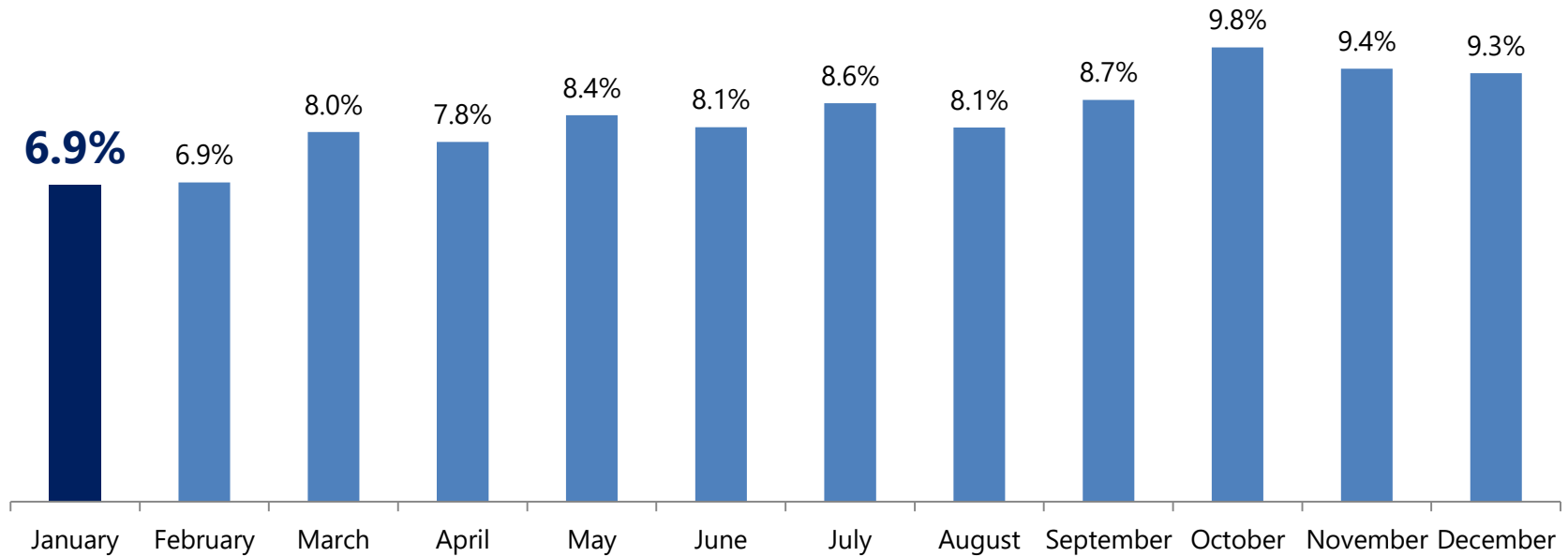
Source: Company data, CAMPI, AVID, BSP, PSA

# Base effect

Toyota retail volume in Jan. 2018 had spill over from Dec. 2017 front loading



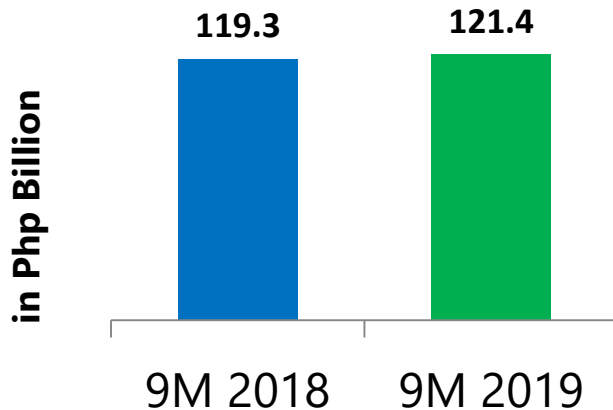
**TMP Retail Sales - 2009 to 2018**  
**Average Share of Monthly Sales to Total Sales**



\*vs. Industry:  
**7.0%**

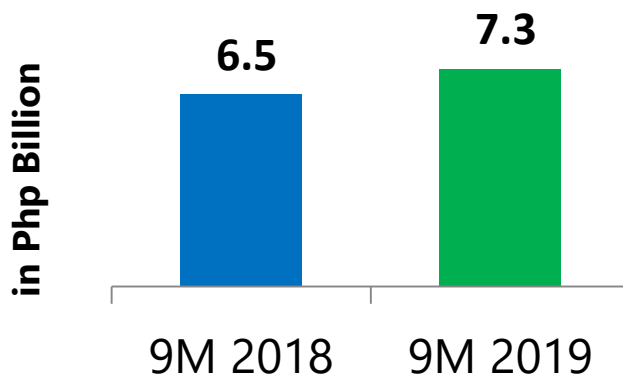
# TMP Financial Highlights

## Revenues



+2%

## Net Income



+13%

- Wholesale volume **+0.4%** to **104,226** units; Retail volume **+4.3%** (vs **1.7%** Industry volume)
- Retail Sales volume (year-to-date):
  - PCs: Vios **+31%**, Wigo **-16%**
  - CVs: Hilux **+24%**, Innova **+16%**, Fortuner **-19%**, Hiace **-3%**, Rush **+50%**
  - Overall market share was sustained at **38.4%** in September
  - Improved GPM to **12.7%** from 11.0% and OPM **8.2%** from 7.1% due to:
    - ✓ Favorable FX movement
    - ✓ Two rounds of price increases: January (selective), July (across-the-board)
    - ✓ Higher spare parts profit

TOYOTA MOVING FORWARD  
New model launches



# RAV4

January 2019



# HIACE

Feb 2019: Commuter, GL Grandia, GL Grandia Tourer Aug 2019: Super Grandia



# GR Supra

July 2019

# ALL-NEW COROLLA ALTIS

September 2019

Full-model change and intro of **Hybrid variant**



# LEXUS RX September 2019

Improvement and introduction of **Hybrid variant**



# Dealership Expansion



**TOYOTA**



**GT CAPITAL**  
HOLDINGS INCORPORATED

| Target by end of year | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020E     | 2021E     |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of Dealers     | <b>45</b> | <b>49</b> | <b>52</b> | <b>61</b> | <b>69</b> | <b>71</b> | <b>79</b> | <b>83</b> |

Toyota opens its newest home in Bicol.  
TOYOTA ALBAY, NOW OPEN.

**Toyota Albay**

March 2019

**DARAGA Albay**

Modern & Spacious Service Center

Now open to bring more customer smiles in North Metro Manila.  
TOYOTA VALENZUELA IS READY TO SERVE YOU!

**Toyota Valenzuela**

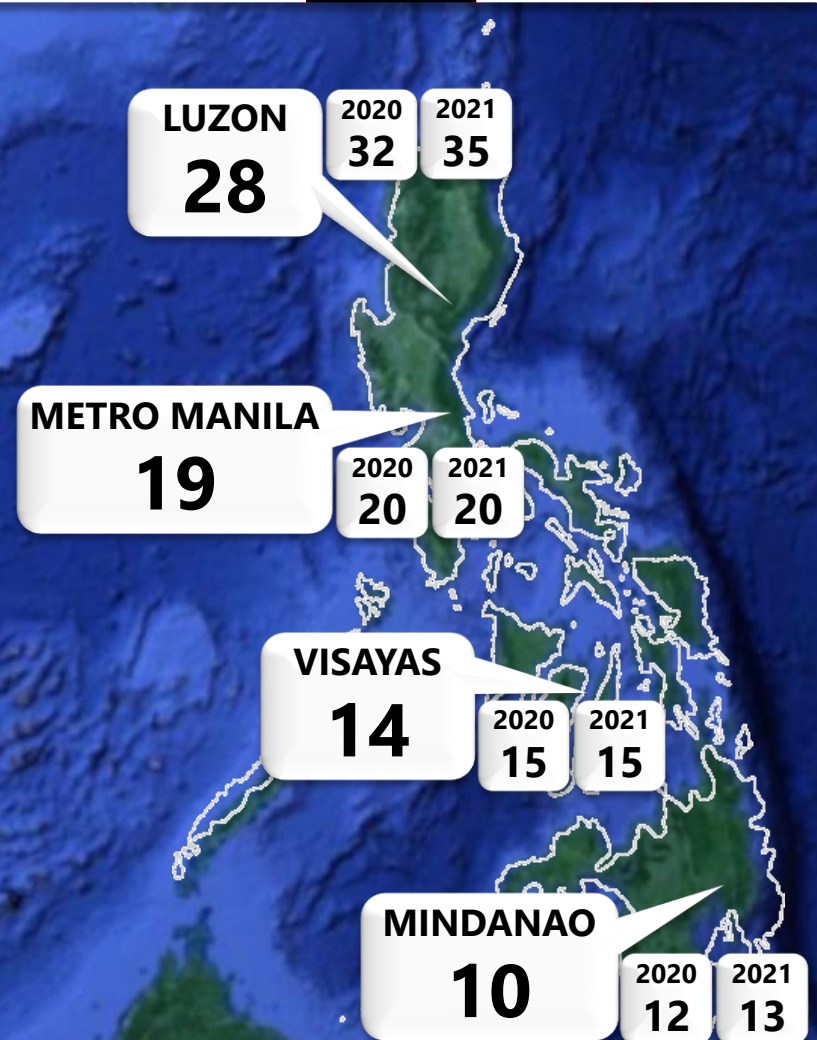
July 2019

**Valenzuela**

Customer-Centered Service Reception | Fully Stocked Parts & Accessories | State-of-the-Art Service Center

CONTACT NUMBER  
TEL NO.: 396-8000

ADDRESS  
457 MACARTHUR HIGHWAY  
DALANDANAN, VALENZUELA CITY,  
METRO MANILA





# 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          | 1.821 – 2.022        |                       | 1.938               |                       |
| <b>Model</b>   | <b>Corolla Altis</b> | <b>Elantra</b>        | <b>Civic</b>        |                       |
| Price          | 0.999 – 1.595        | 0.970 – 1.065         | 1.115 – 1.608       |                       |
| <b>Model</b>   | <b>Vios</b>          | <b>Accent (Sedan)</b> | <b>City</b>         | <b>Mirage G4</b>      |
| Price          | 0.662 – 1.113        | 0.790 – 1.038         | 0.828 – 1.068       | 0.735 – 0.839         |
| <b>Model</b>   | <b>Innova</b>        |                       |                     |                       |
| Price          | 1.025 – 1.694        |                       |                     |                       |
| <b>Model</b>   | <b>Fortuner</b>      | <b>Santa Fe</b>       | <b>CR-V</b>         | <b>Montero Sport</b>  |
| Price          | 1.607 – 2.275        | 2.158 - 2.538         | 1.668 – 2.138       | –                     |
| <b>Model</b>   | <b>Hiace</b>         | <b>Starex</b>         |                     |                       |
| Price          | 1.457 – 2.890        | 1.248 – 2.938         |                     |                       |
| <b>Model</b>   | <b>Wigo</b>          |                       | <b>Brio (Hatch)</b> | <b>Mirage (Hatch)</b> |
| Price          | 0.557 – 0.696        |                       | 0.598 – 0.742       | 0.699 – 0.760         |
| <b>Model</b>   | <b>Rush</b>          | <b>Kona</b>           | <b>BR-V</b>         | <b>Xpander</b>        |
| Price          | 0.968 – 1.100        | 1.188 - 2.388         | 1.035 – 1.155       | 0.999 – 1.175         |

Source: Company websites; Retail prices as of 4 November 2019

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



|              |                      |                       |  |                     |                       |
|--------------|----------------------|-----------------------|--|---------------------|-----------------------|
| <b>Model</b> | <b>Camry</b>         |                       |  | <b>Accord</b>       |                       |
| Price        | 35,497 — 39,415      |                       |  | 37,778              |                       |
| <b>Model</b> | <b>Corolla Altis</b> | <b>Elantra</b>        |  | <b>Civic</b>        |                       |
| Price        | 19,211 — 30,673      | 18,908 — 20,760       |  | 21,735 — 31,345     |                       |
| <b>Model</b> | <b>Vios</b>          | <b>Accent (Sedan)</b> |  | <b>City</b>         | <b>Mirage G4</b>      |
| Price        | 12,904 — 21,696      | 15,400 — 20,234       |  | 16,140 — 20,819     | 14,327 — 16,355       |
| <b>Model</b> | <b>Innova</b>        |                       |  |                     | <b>Xpander</b>        |
| Price        | 19,981 — 33,021      |                       |  |                     | 19,474 — 22,904       |
| <b>Model</b> | <b>Fortuner</b>      | <b>Santa Fe</b>       |  | <b>CR-V</b>         | <b>Montero Sport</b>  |
| Price        | 31,326 — 44,347      | 42,066 — 49,474       |  | 32,515 — 41,676     | 30,507 — 43,860       |
| <b>Model</b> | <b>Hiace</b>         | <b>Starex</b>         |  |                     |                       |
| Price        | 28,402 — 55,577      | 24,327 — 57,271       |  |                     |                       |
| <b>Model</b> | <b>Wigo</b>          |                       |  | <b>Brio (Hatch)</b> | <b>Mirage (Hatch)</b> |
| Price        | 10,858 — 13,567      |                       |  | 11,657 — 14,464     | 13,626 — 14,815       |
| <b>Model</b> | <b>Rush</b>          | <b>Kona</b>           |  | <b>BR-V</b>         |                       |
| Price        | 18,869 — 21,442      | 23,158 — 46,550       |  | 20,175 — 22,515     |                       |

Source: Company websites; Retail prices as of 4 November 2019  
 Converted prices based on average Peso-Dollar rate of Php52/USD1

# 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**



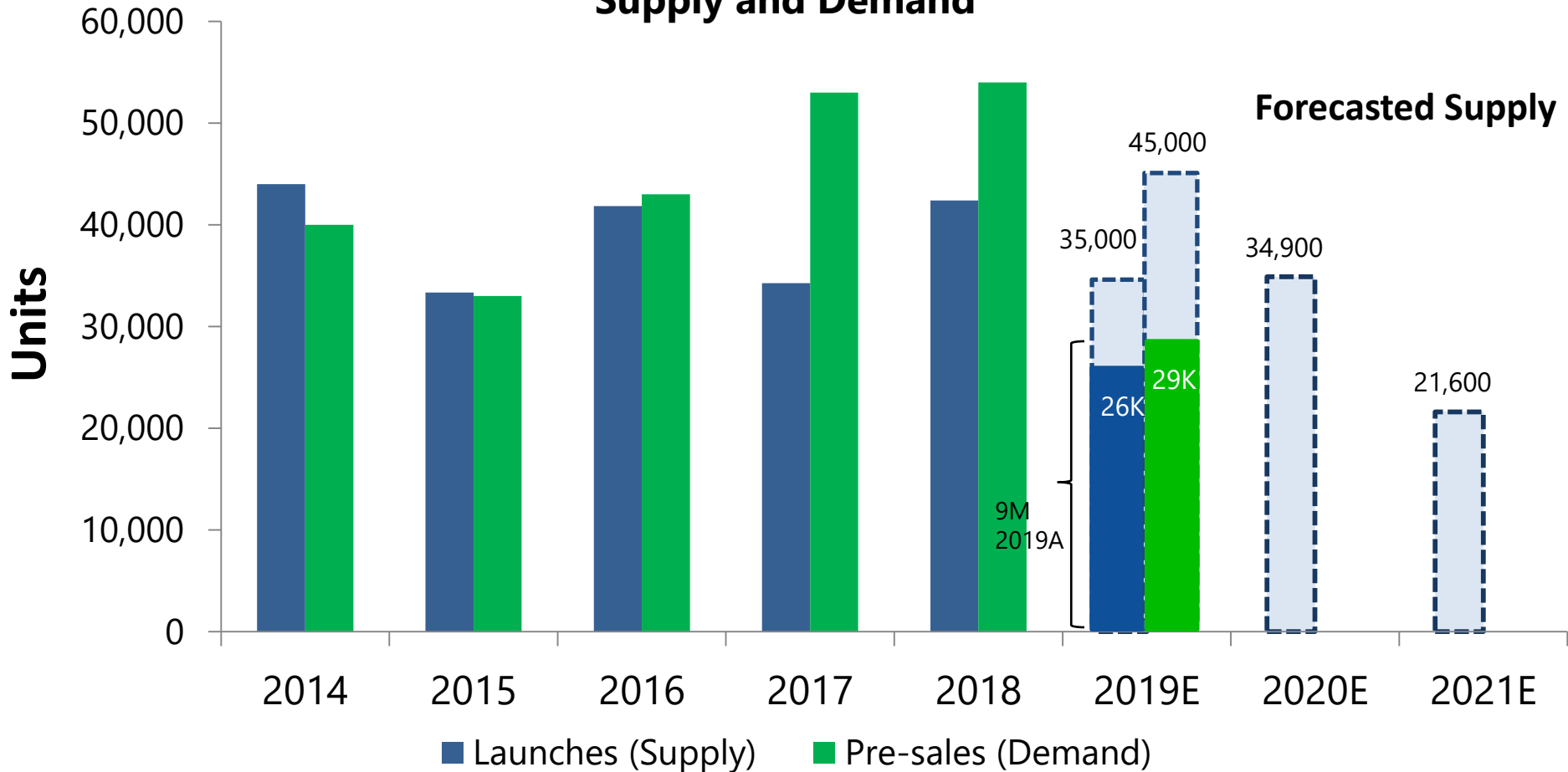


**GT CAPITAL**  
HOLDINGS INCORPORATED

# RESIDENTIAL SUPPLY AND DEMAND

Managed growth for new launches

## Metro Manila Residential Condominium Supply and Demand



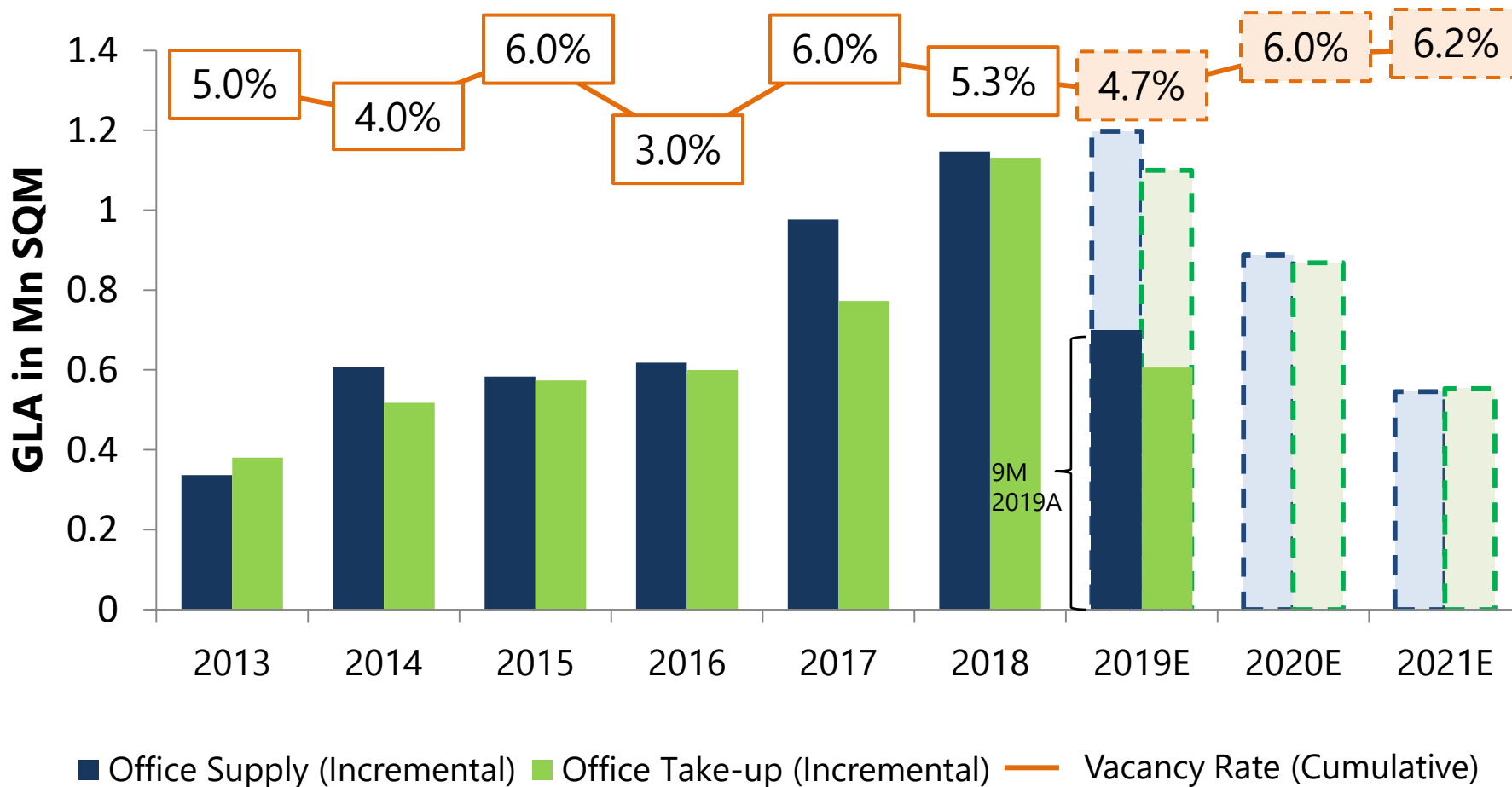


# OFFICE SUPPLY AND DEMAND

9M19 office supply exceeds demand;

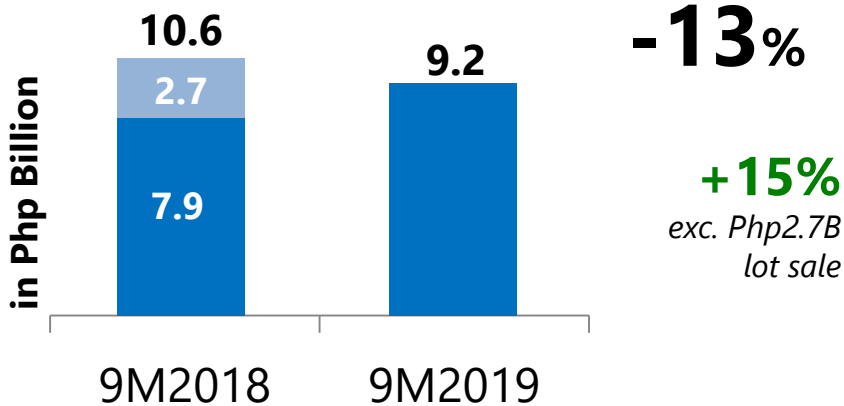
Office supply and vacancy expected to decline by 2020

## Metro Manila New Office Supply vs. Vacancy Rate

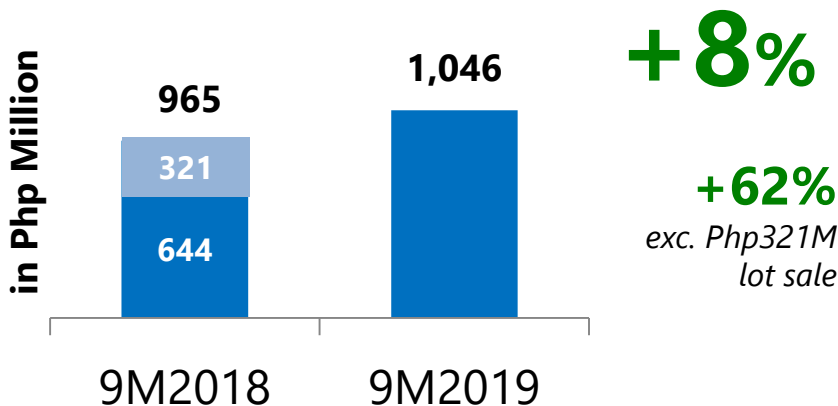


# Federal Land Financial Highlights

## Revenues



## Net Income



- Reservation sales **+85%** from **Php8.9B** to **Php16.5B**
  - Launched 4 new projects: The Estate, Mi-Casa, Quantum Amethyst, Marco Polo Park Place
  - Real estate sales (exc. lot sale **Php2.7B**) **+15%** from **Php6.1B** to **Php7.0B** due to Bay Area projects
- Rent **+22%** from **Php840M** to **Php1,028M** due to rate escalation and higher occupancy (i-Met, MetLive)
- Commission income **+167%** from **Php68M** to **Php182M** due to higher sales on JV projects (Sunshine Fort/Haru, GHR2)
- Gross Profit margin improved from **33.0%** to **39.3%** due to higher-margin project launches
- OPEX **+18%** from **Php1.8B** to **P2.1B** due to higher commissions, taxes and licenses, and marketing expenses
- Interest Expense **+61%** from **Php259M** to **Php417M**

# 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
- 8 launched in 2018

4 planned launches in 2019

## 8 Different Locations

- 6 cities within Metro Manila
  - 2 cities outside Metro Manila
- Recurring Income at **9%** of total revenue

**18 sqm. to 400 sqm.**  
unit size range  
**PHP20M – PHP101M**  
price range

**Project Launches:** Four projects launched so far *Number of units are all estimates and subject to change*



# Exchange of Pro-Friends Shares for Land

Agreement signed on 10 May 2019  
(Subject to regulatory approvals)



**Redemption**  
of 64,530,712  
Series A Preferred Shares  
in PCFI  
**(51% of PCFI)**

**702 hectares**  
of selected assets

Approximately  
**Php20  
Billion**



| Location              | Area<br>(in has.) |
|-----------------------|-------------------|
| Lancaster             | 592.28            |
| Bellefort             | 88.50             |
| Carmona               | 20.29             |
| Shaw, Mandaluyong     | 0.46              |
| Santolan, Quezon City | 0.91              |
| <b>Total</b>          | <b>702.44</b>     |





# Exchange of Pro-Friends Shares

## Investment History



- GT Capital invested **Php16.0 billion** for a **51.0%** direct equity stake in Pro-Friends
- **Tranche 1:** August 2015, Php7.24B for 22.68%
- **Tranche 2:** June 2016, Php8.76B for 28.3%
- **Investment rationale:** attain foothold in horizontal, affordable, low-cost housing sector

## Redemption Rationale

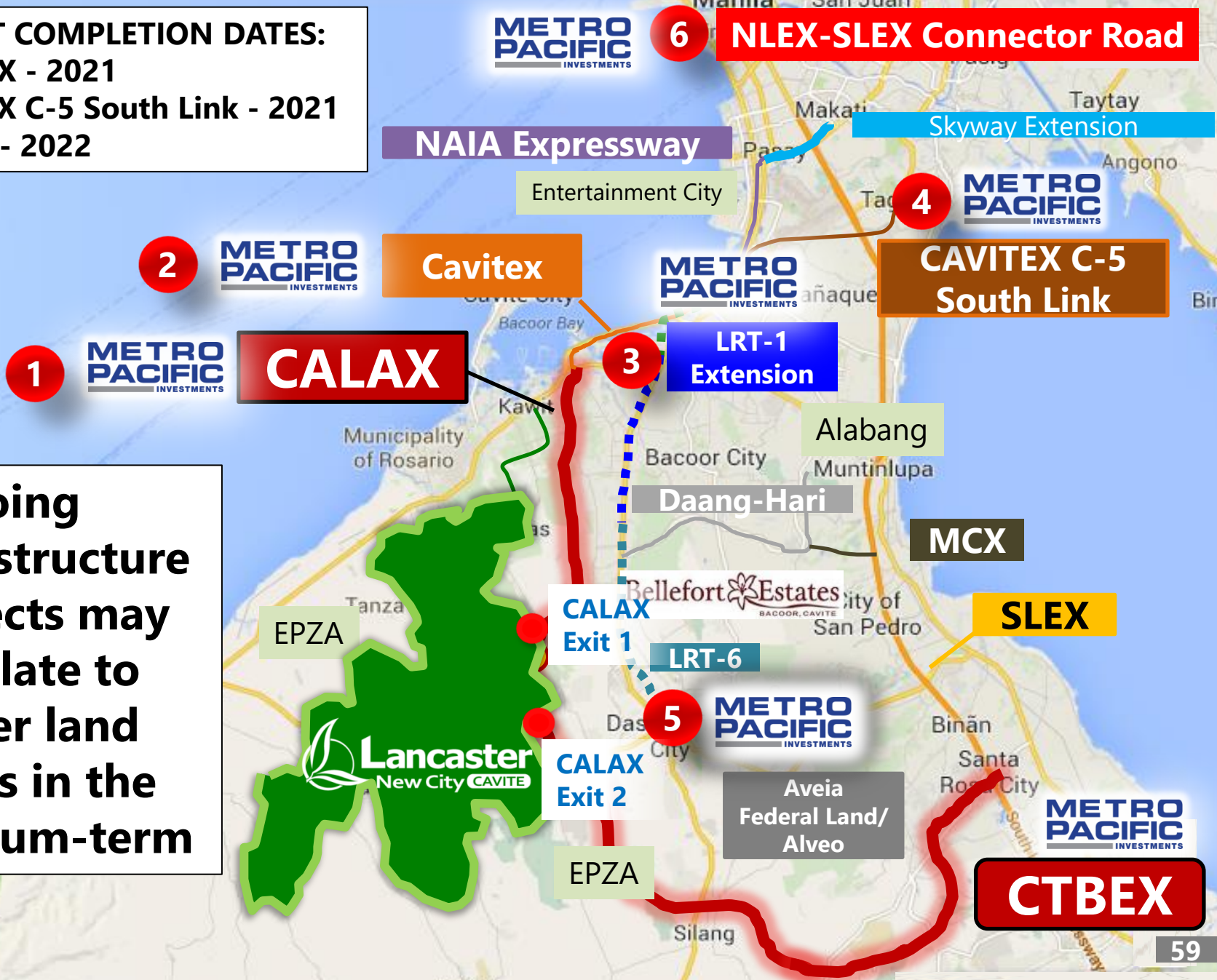
- The selected 702 hectares are **best suited for master-planned, mixed-use developments**
  - Use for affordable homes no longer optimal and best use of land bank
    - Land values no longer suitable for affordable housing
    - Spin-off inevitable
    - Partners to focus on areas of expertise
    - Right Timing
  - Key developments and ongoing infra projects within the area are expected to translate to higher land prices in the medium-term
  - IT-BPM labor workforce outside Metro Manila projected to grow 10% annually
  - Cavite expected to have the second highest office supply pipeline in the medium term

### Capital Requirements:

- Capex for commercial and retail significantly higher vs. affordable housing
- GT Capital to focus resources on mixed-use dev'ts

**TARGET COMPLETION DATES:**  
CAVITEX - 2021  
CAVITEX C-5 South Link - 2021  
CALAX - 2022

**Ongoing infrastructure projects may translate to higher land prices in the medium-term**



1

2

3

4

6

5

**CALAX**

**Cavitex**

**LRT-1 Extension**

**CAVITEX C-5 South Link**

**NAIA Expressway**

**Skyway Extension**

**CALAX Exit 1**

**LRT-6**

**MCX**

**SLEX**

**CALAX Exit 2**

**Aveia Federal Land/Alveo**

**CTBEX**

**METRO PACIFIC INVESTMENTS**

**METRO PACIFIC INVESTMENTS** **NLEX-SLEX Connector Road**

**METRO PACIFIC INVESTMENTS**

**METRO PACIFIC INVESTMENTS**

**METRO PACIFIC INVESTMENTS**

**METRO PACIFIC INVESTMENTS**

**METRO PACIFIC INVESTMENTS**

**Lancaster New City CAVITEX**



# Rising property values from infra & other property developments

## NLEX-SLEX Connector Road

**Sale to McDonald's**  
 Php64.0 million 2,027 sq. m @  
**Php31,579/sq. m**  
 February 2019

**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  
 Ground breaking: April 3. Target opening: 4Q21

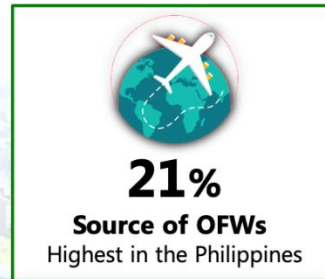


# Valuation Methodology

- 702 hectares of Selected Assets appraised by Cuervo Appraisers
- Reyes Tacandong issued fairness opinion on Enterprise Value of PCFI using various methodologies
- Values converge at **Php20 Billion for 51%**

## CALABARZON and Cavite Demographics

### CALABARZON



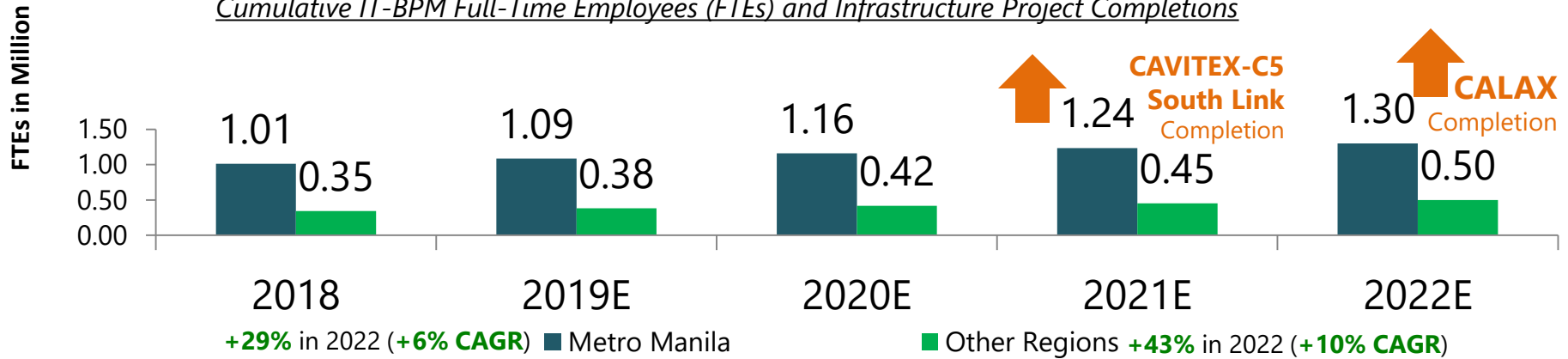
### CAVITE



# Infrastructure and IT-BPAP Roadmap

IT-BPM labor workforce outside Metro Manila is expected to grow 10% annually

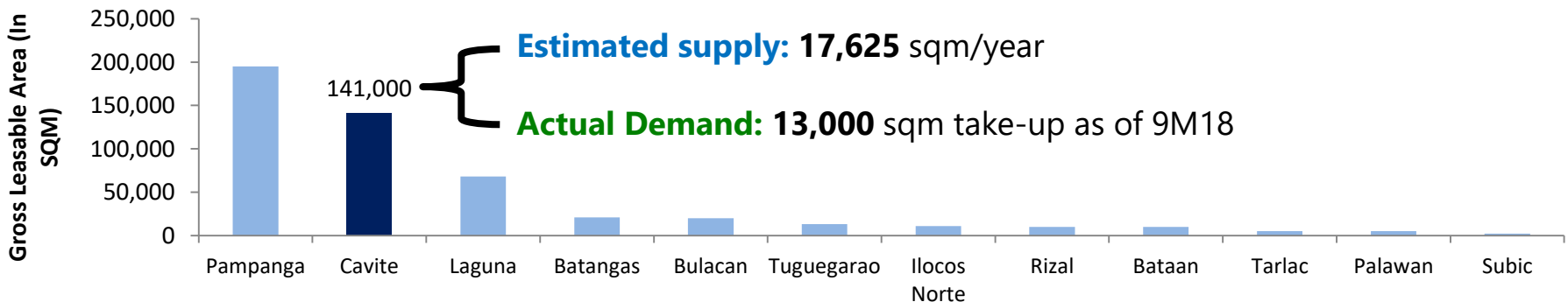
*Cumulative IT-BPM Full-Time Employees (FTEs) and Infrastructure Project Completions*



## Office Supply Outside Metro Manila

Cavite expected to have the second highest office supply pipeline in the coming years, due to infra dev'ts

*2018 to 2025 Expected Office Supply Pipeline in Luzon (excluding Metro Manila)*



Source: Leechiu Property Consultants, IT & Business Process Association Philippines (IT BPAP) Roadmap 2022



# Return on GT Capital's Investment

## Return on Investment

**Initial  
Investment**

**Php16.0  
Billion**

**versus**

Approximate Value of  
"Selected Assets"

**Php20.0  
Billion**

Dividends from  
PRO-FRIENDS over 3 yrs

**Php0.9  
Billion**

- GT Capital Net Income Contribution from PRO-FRIENDS **CAGR +18%**
- Return on investment of **31%**

**Total** **Php20.9 Billion**

**Return  
IN PERCENTAGE**

**31%**

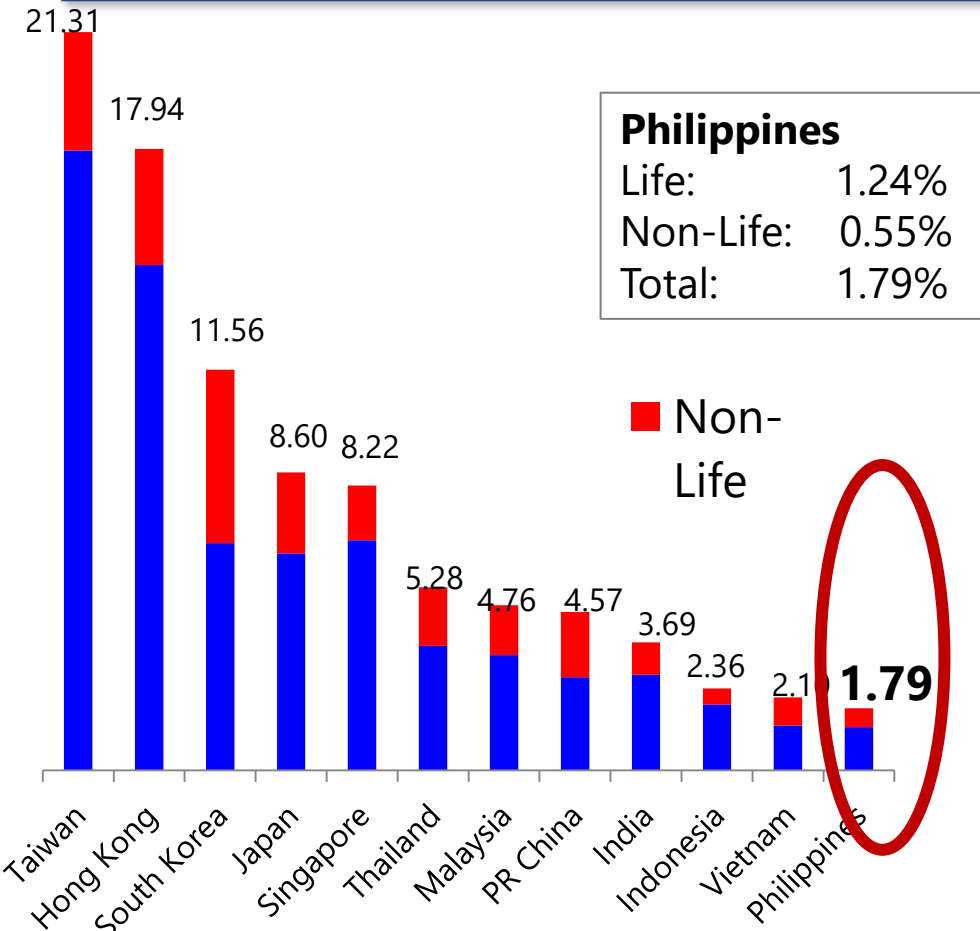


**GT CAPITAL**  
HOLDINGS INCORPORATED

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



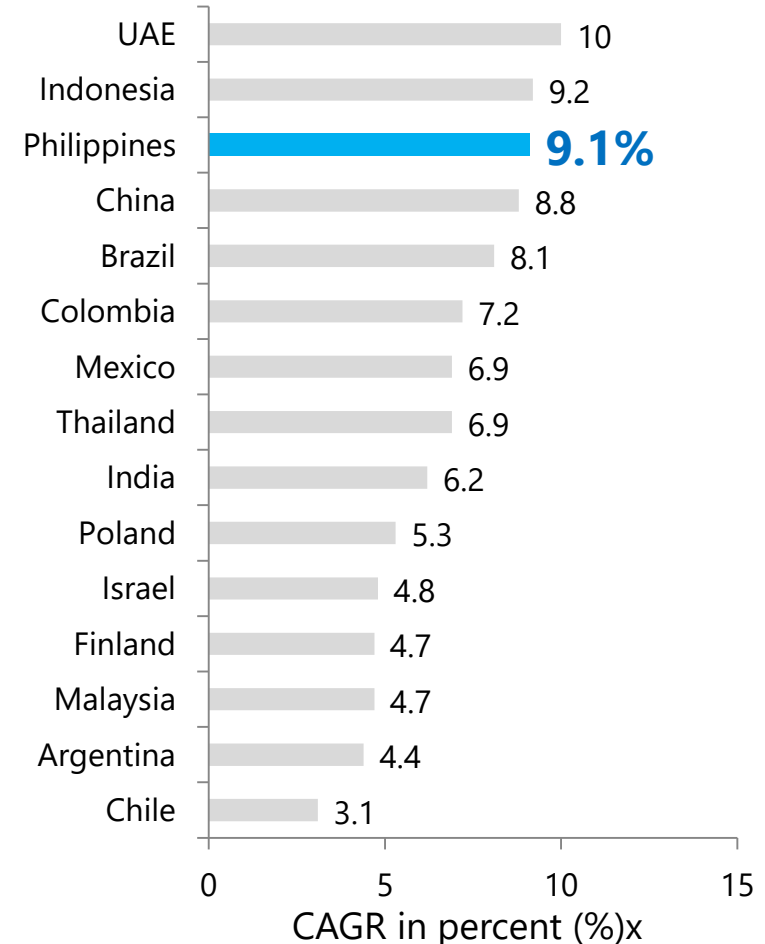
## Insurance Penetration as a % of GDP



Source: SwissRe global reinsurance company, October 2018

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

Top 15 fastest growing markets, 2017-2025 % CAGR



Source: MunichRe, December 2017

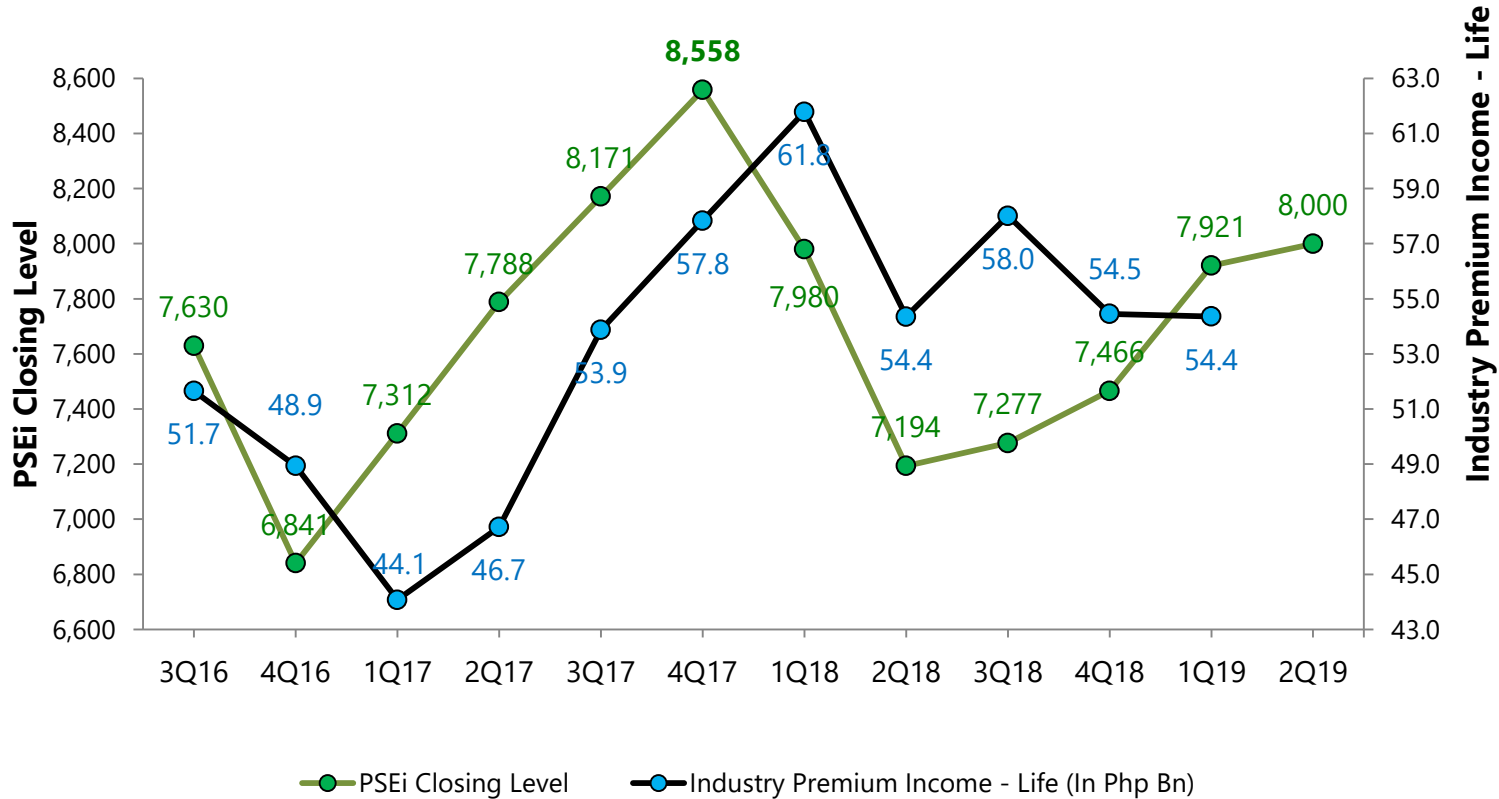


# Insurance Industry Updates

Premium income may increase as PSEi continues its bull run



## Life Insurance Premiums vs. Philippine Stock Exchange Index (PSE) Performance



Source: Insurance Commission, PSE, 2019

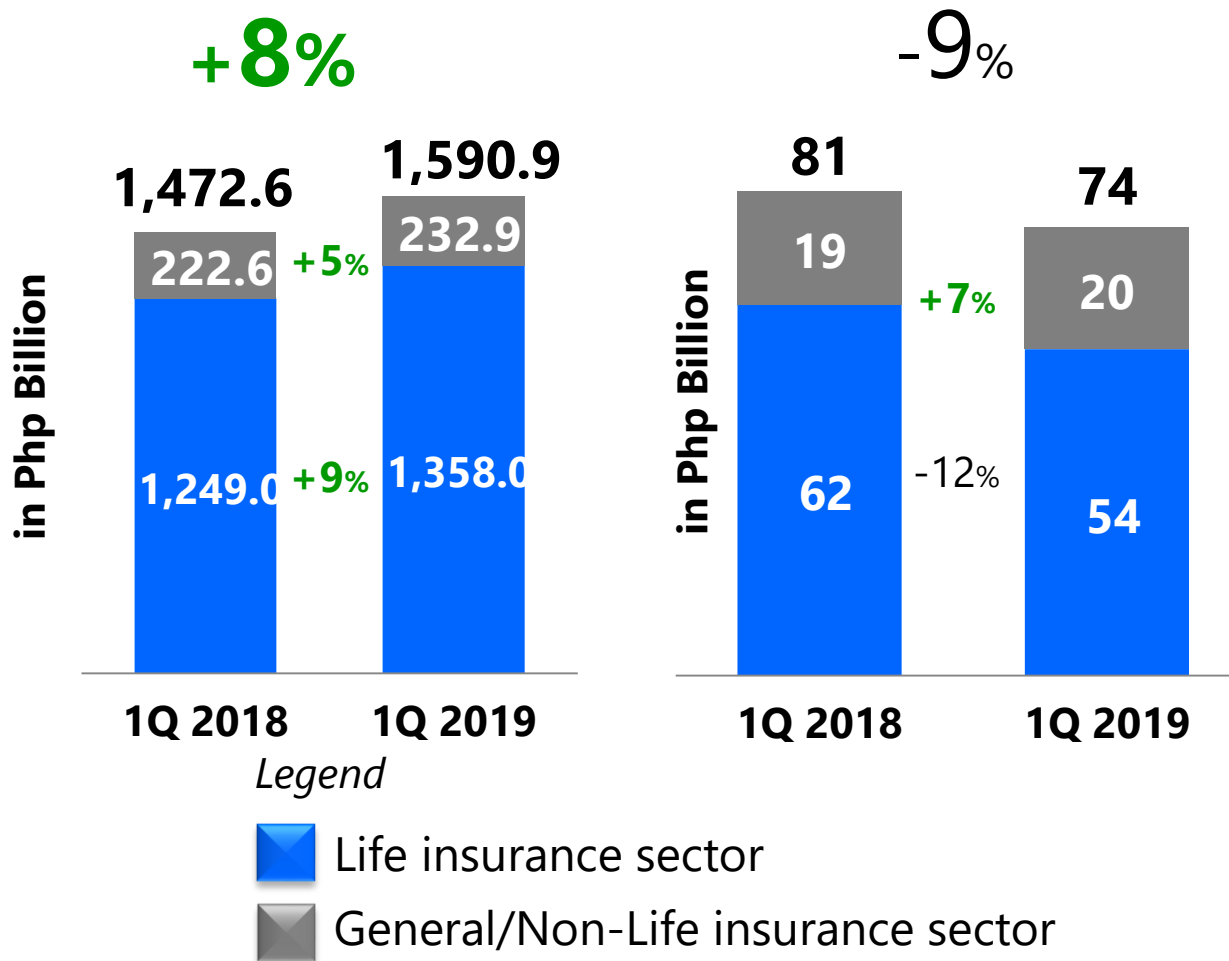
# Insurance Industry Updates

As of March 2019 (released July 2019)



## Total Assets

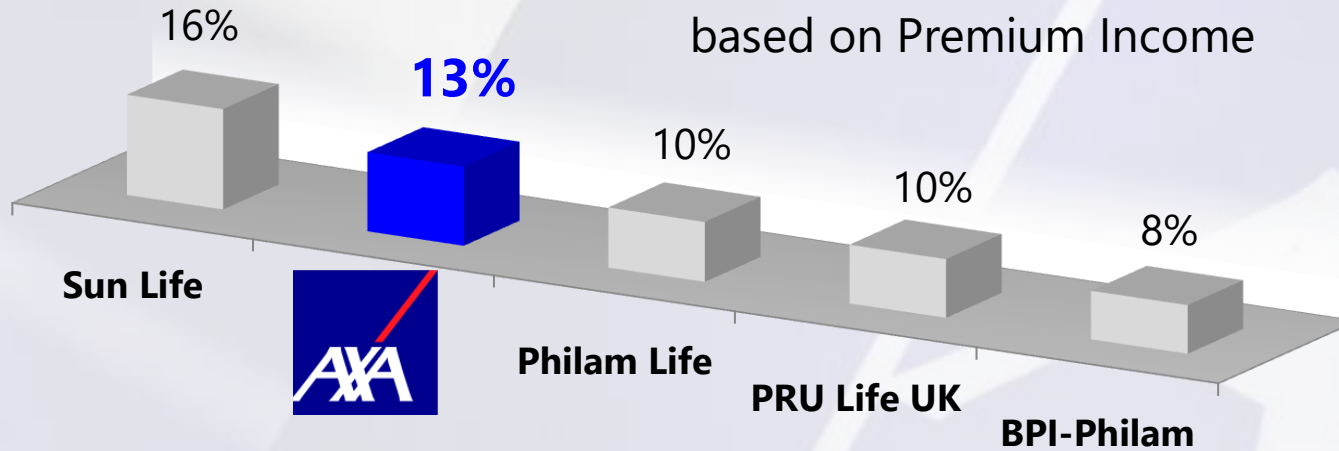
## Total Premiums



# Insurance Rankings as of Full-Year 2018

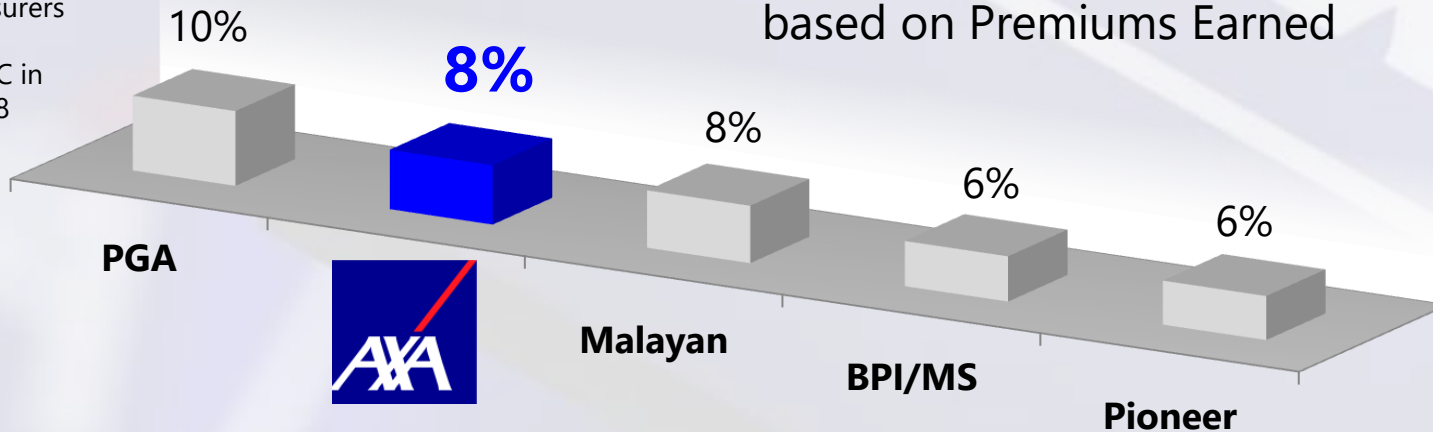


## Life Sector Market Share based on Premium Income



## General Sector Market Share based on Premiums Earned

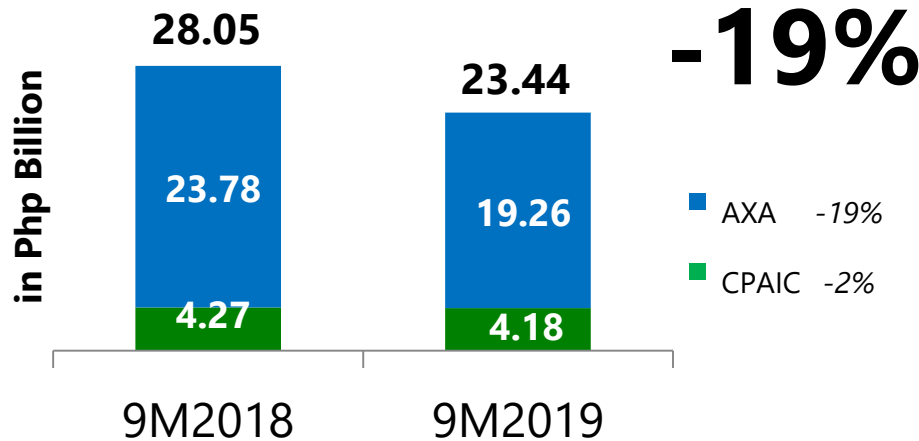
5  
non-life insurers  
ordered  
closed by IC in  
March 2018



# AXA Philippines Financial Highlights



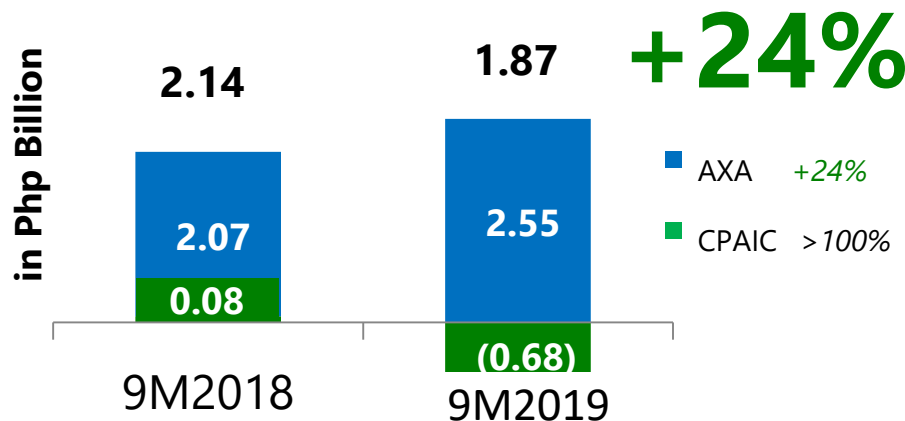
## Gross Premium



## Life

- New Business **-7%** from **Php5.6B** to **Php5.2B** dragged by low SP sales due to market volatility
- Growth in Protection & Health line **+34%** (Now **20%** of premium revenues)
  - Regular Premium (RP) **+6%**
    - Traditional **+45%**
    - Unit-linked **-2%**
  - Single Premium (SP) **-51%**
- Premium margins **+13%** from **Php5.9B** to **Php6.7B** due to growth in high margin RP-Trad sales

## Net Income

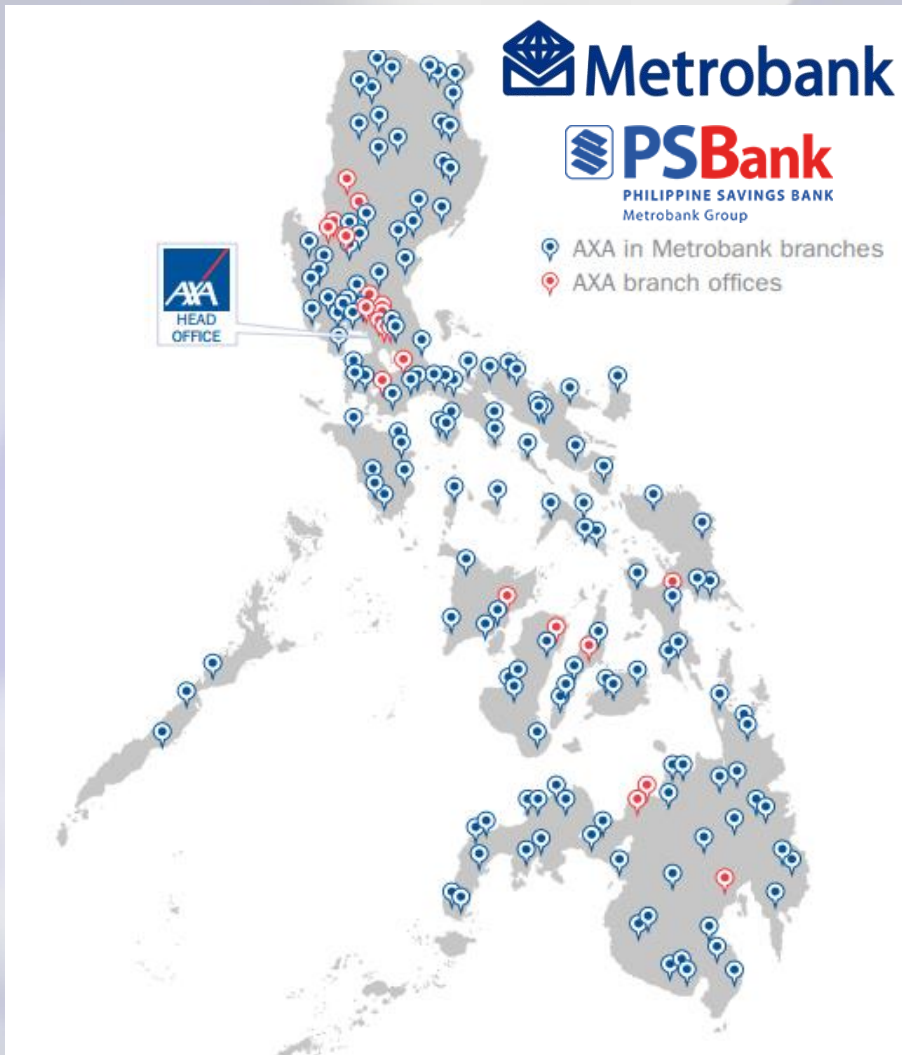


- AUM-Linked **Php97B** to **Php102B +5%**; Asset management fees **Php1.3B** to **Php1.5B +14%**
- Realized and Unrealized gains from bonds and equities **Php75M** from a loss of **Php130M +158%**

## Non-life

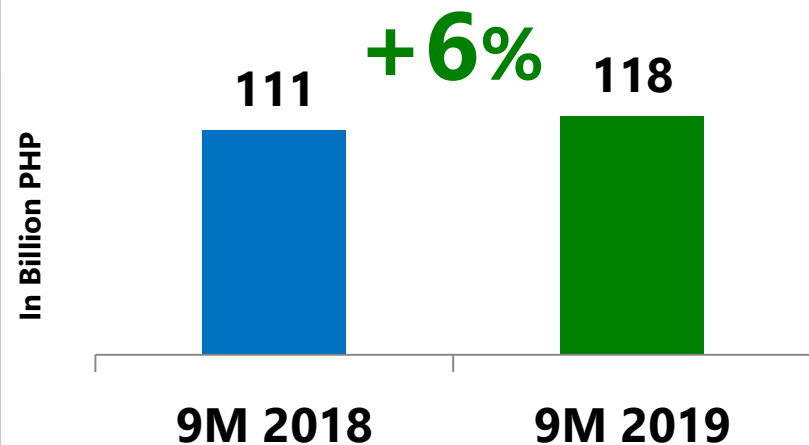
- Significant claims and losses arising from earthquakes, fires, floods, and other natural disasters

# Strong synergy and growth

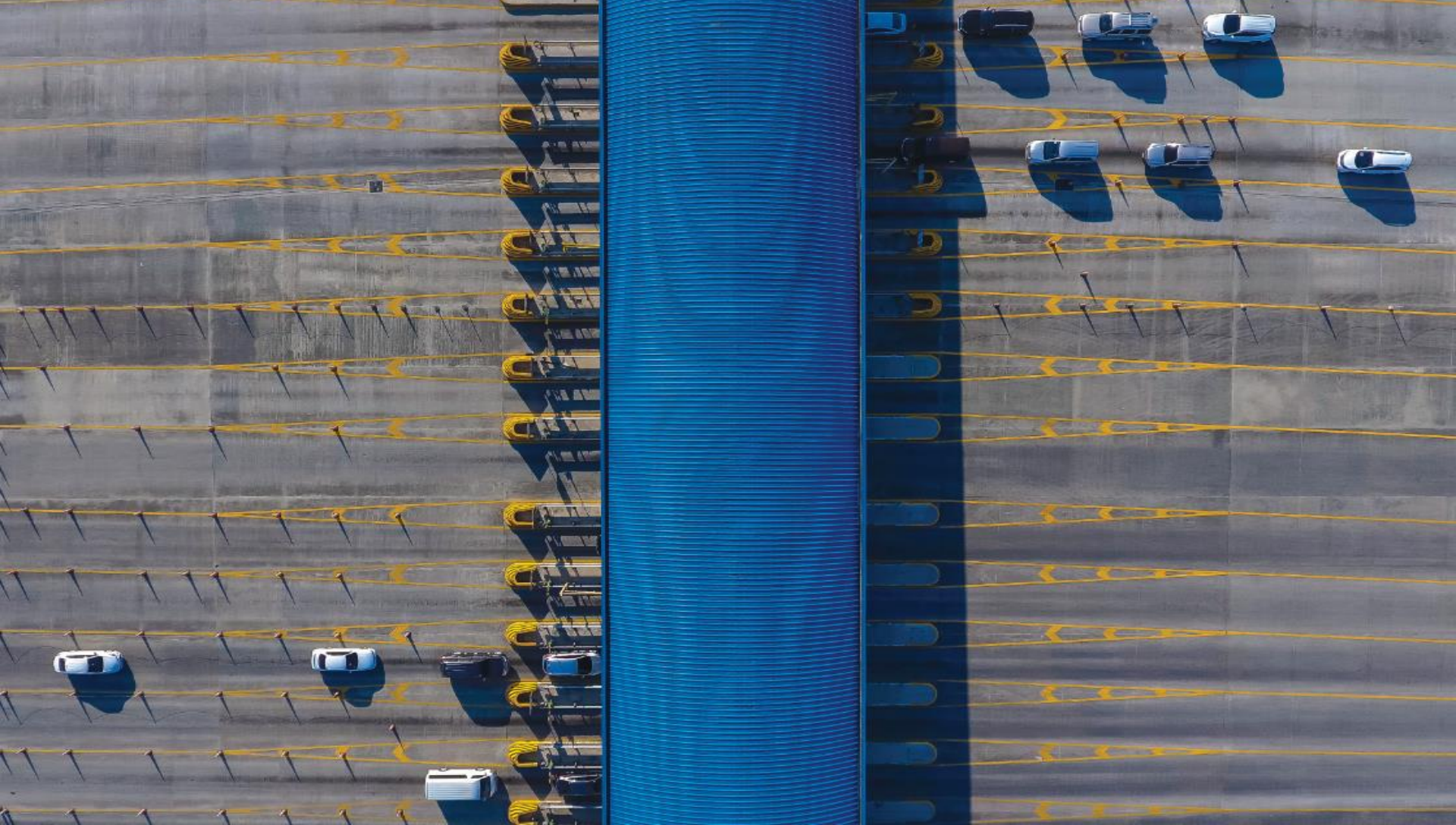


- Exclusive financial advisors: **6,615**  
vs 5,272 in 1H 2019
- Total bancassurance (Metrobank and PSBank) branches: **957**
- AXA branches nationwide: **65**

## Assets Under Management







**METRO  
PACIFIC**  
INVESTMENTS



**GT CAPITAL**  
HOLDINGS INCORPORATED

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

**METRO PACIFIC**  
INVESTMENTS

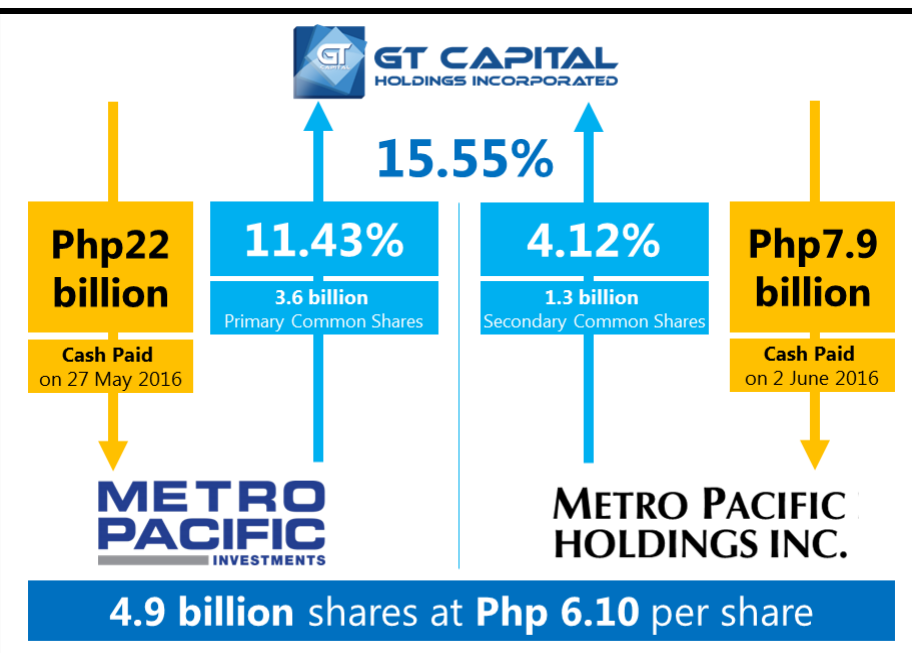


## Two transactions signed on 27 May 2016

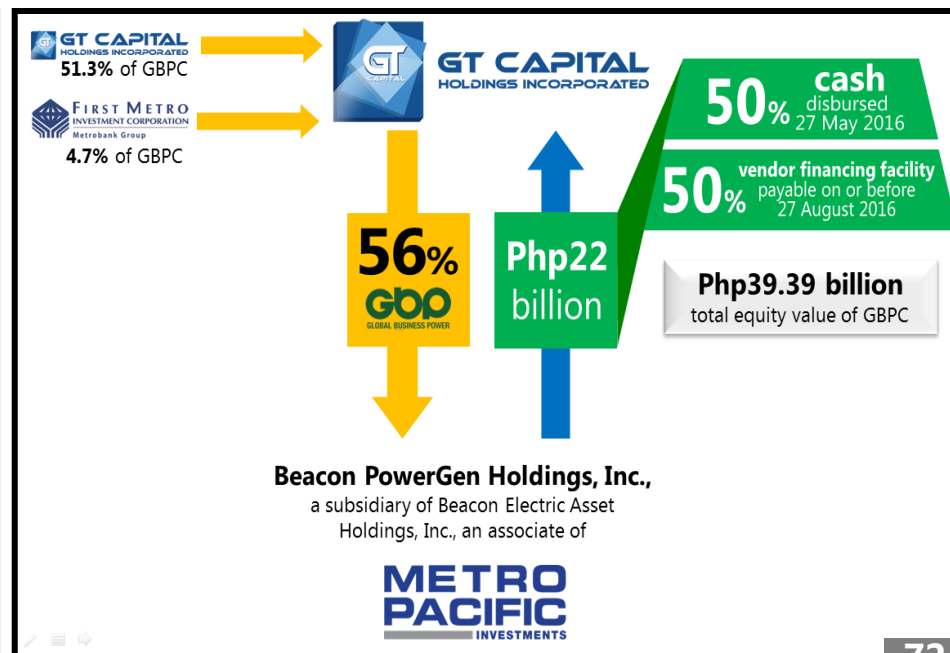
**Acquisition** of 15.55% of Metro Pacific Investments Corp. (MPI) for Php29.9 billion at Php6.10 per share

**Sale** of 56% of Global Business Power Corp. (GBPC) to Beacon PowerGen Holdings, an associate of MPI, for Php22.0 billion

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



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



## 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

## Accounting Criteria for "Significant Influence"

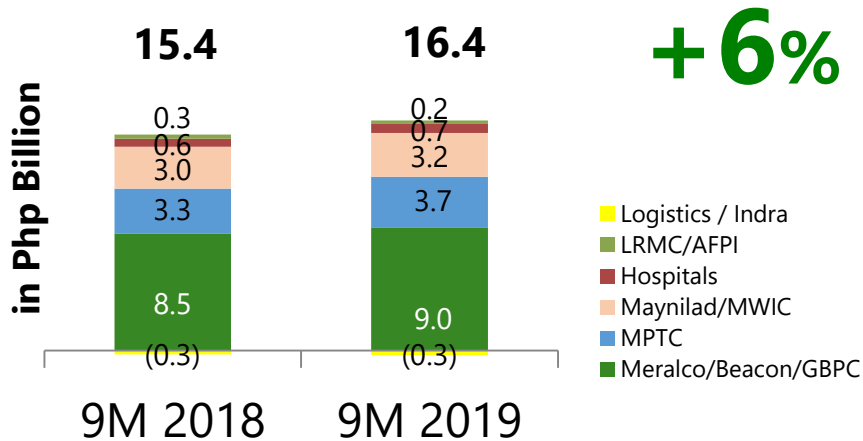
- **Two** board seats
- Joint selection of an **Independent Director**
- **Representation in board committees**
- **Entitled to nominate 1/3 members in each of the** Audit, Risk Management, Corporate Governance committees
- **Veto rights on certain corporate acts:** declaration/payment of any dividend, adoption of annual budget or business plan, capital calls, and any amendment to such

# Metro Pacific Financial Highlights

**METRO  
PACIFIC**  
INVESTMENTS



## Share in Operating Net Income



## Power

- **Meralco** - Core NI **Php18.5B +11%**

- Energy sales **+6%**

- **GBPC** - Core NI **Php2.0B +3%**

- **Toll Roads** - Core NI **Php3.7B +13%**

- **Water** - Core NI **Php6.5B +6%**

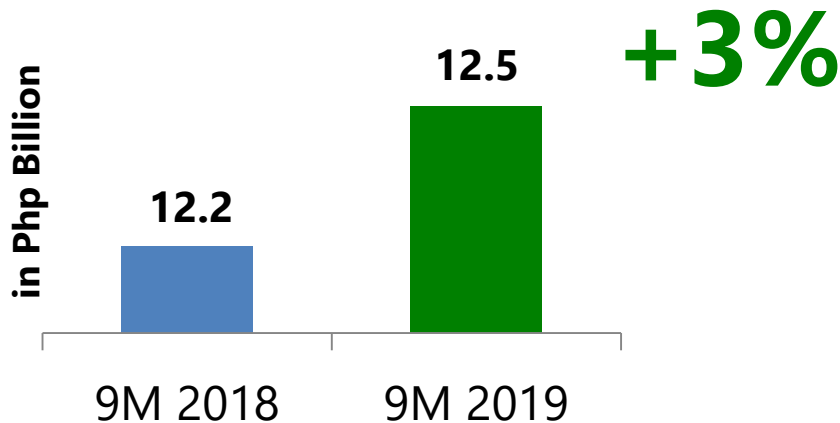
- **Hospitals** - Core NI **Php2.1B +18%**

- **Rail** - Core NI **Php0.4B -25%**

- **Logistics** - Core net loss **Php0.3B**

- **GT Capital's share in NI -6%** from **Php1.9B** to **Php1.8B** due to higher net interest and FX losses (from FX gains last year)

## Core Net Income





# 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**

Source: Presidential Communications Office, Malacañang Palace



# Macroeconomic Indicators



Benign inflation  
**0.8%**  
 Month of Oct 2019



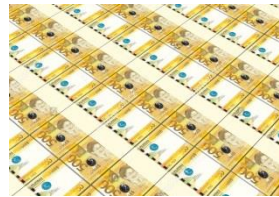
Foreign direct investments  
**USD4.5 billion** 8M 2019



Population  
**108.3 million**



Gross international reserves  
**USD85.7 billion**  
 7.5 months of import cover



External Debt-to-GDP  
**23.8%** as of Aug 2019



Personal remittances of  
**11 million OFWs**  
**USD22.2Bln**  
 Nine Months 2019  
 ▲4.2% year-on-year



Domestic liquidity, end-Sept 2019  
**PHP12.0 trillion**  
 ▲7% from **Php11.2 trillion** in end-Sept 2018



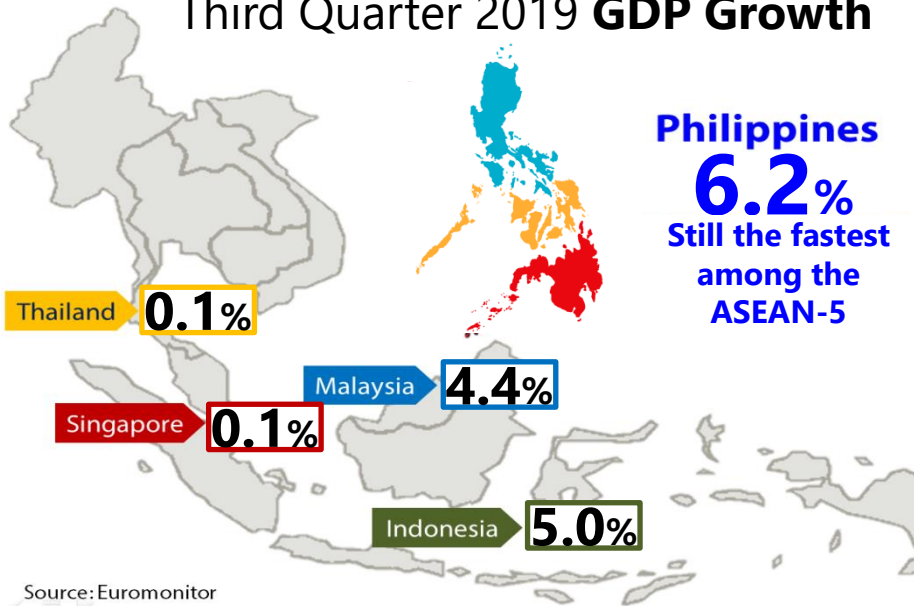
Thriving BPO sector, FY2018  
**1.2 million** employees  
**USD24.8 billion** revenues  
 ▲6% year-on-year



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

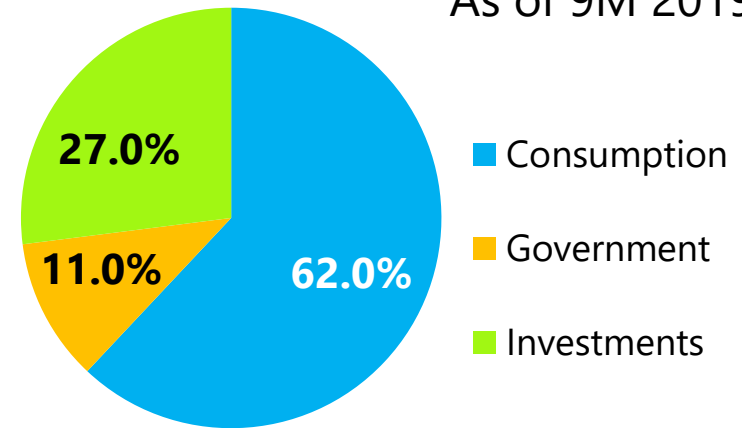
# Macroeconomic Indicators

## Third Quarter 2019 GDP Growth



## Components of GDP (%)

As of 9M 2019

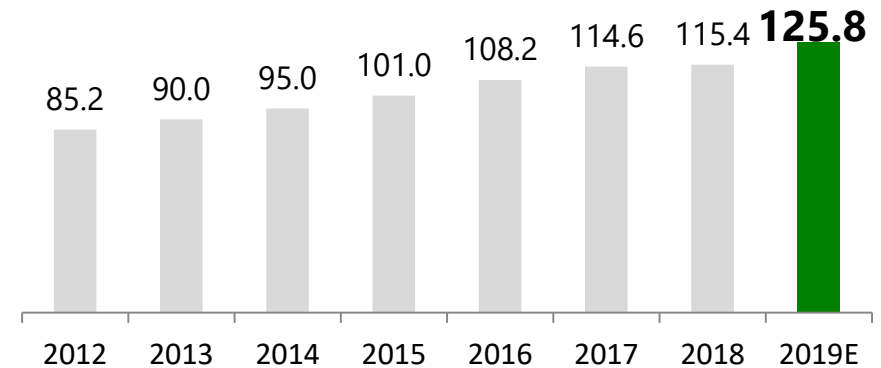
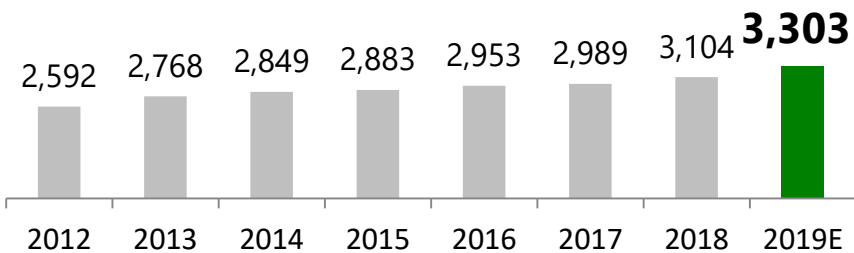


## Household Consumption +9%

In USD Billion

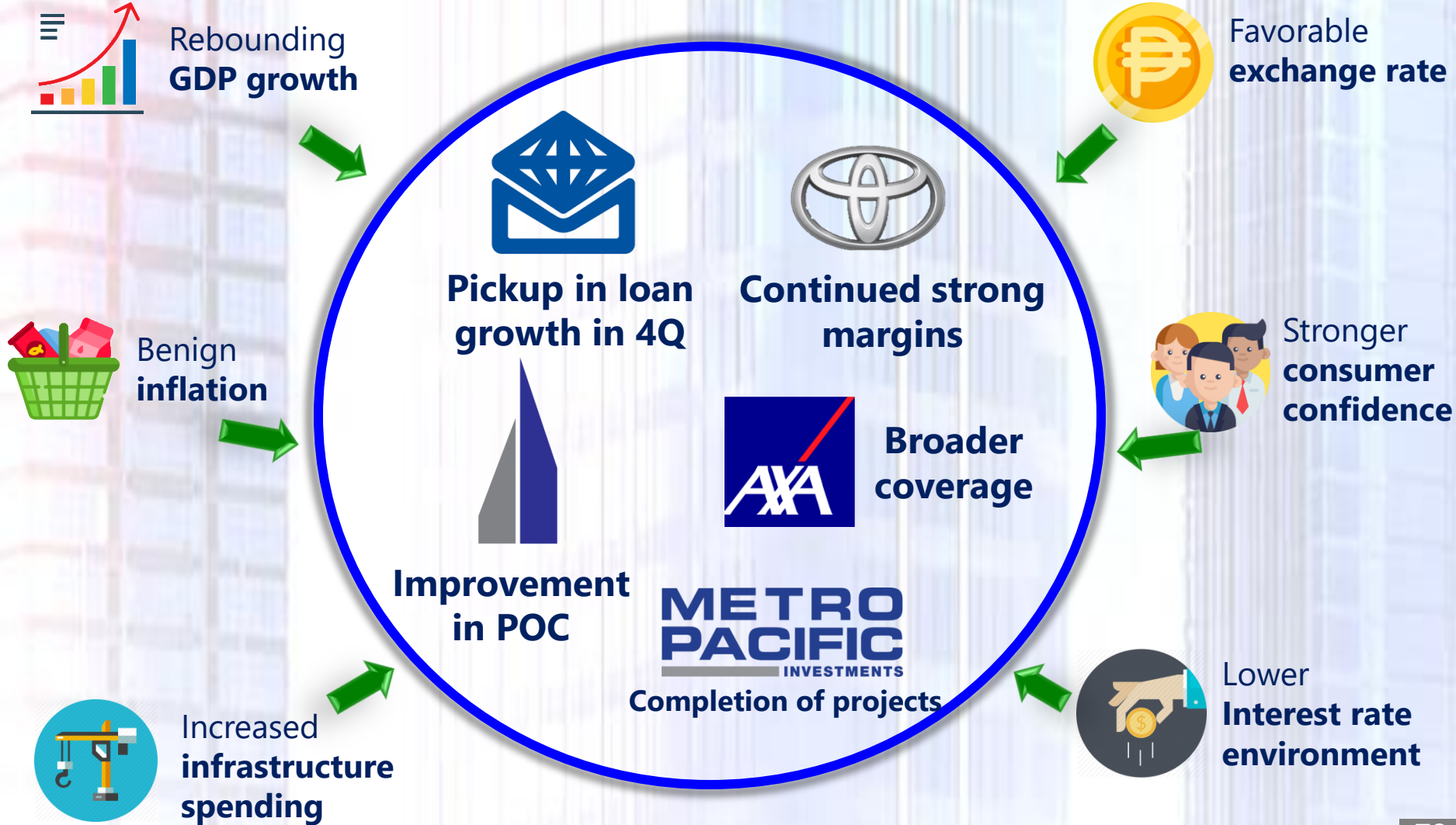
Year-on-Year

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



Source: Bangko Sentral ng Pilipinas, Bangkok Post, Straits Times, The Star (Malaysia), Jakarta Post

# Our Outlook for Growth







**Best Managed Bank**  
in the Philippines

**Chairman Arthur Ty**  
CEO Leadership Achievement Award



**ASEAN  
Corporate  
Governance  
Scorecard**



is a **AAA Triple Arrow** Rated Company

**One of the Top Philippine Companies for 2018**



**Best  
Investor Relations  
Company**