



GT CAPITAL

Full-Year 2018

Financial and Operating Results

gtcapital.com.ph

27 March 2019

GRAND
HYATT[™]
MANILA

DEFINED BY EXCELLENCE, REFINED THROUGH PARTNERSHIP



GT Capital Holdings Full Year 2018 Financial Highlights



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Consolidated Net Income

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

-6%

Php13.4 billion

Php14.2 billion 2017

Core Net Income

-9%

Php13.7 billion

Php15.0 billion 2017

Revenues

-10%

Php215.8 billion

Php239.8 billion 2017

TMP [-15% Wholesale] Auto Sales (TMP: Php159.2B)

Php 179.1 billion -15%

Equity in net income of associates
(MBT Php8.2B **+35%**, MPIC Php2.1B **+7%**, AXA Php0.8B **+25%**, TFS
Php0.3B **+14%**)

Php 11.5 billion +32%

FLI & PCFI - Real Estate Sales and Interest income on Real Estate
Sales (PCFI revenue contribution Php9.5B or 47% of total)

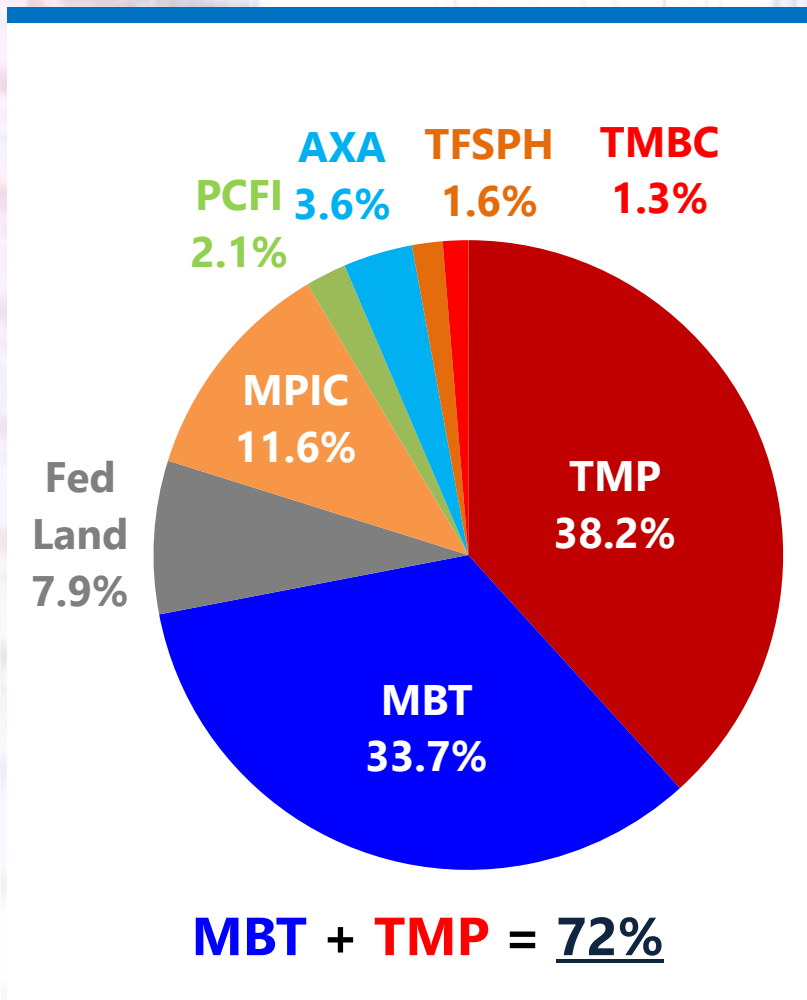
Php 19.7 billion +28%

GT Capital Net Income Contribution

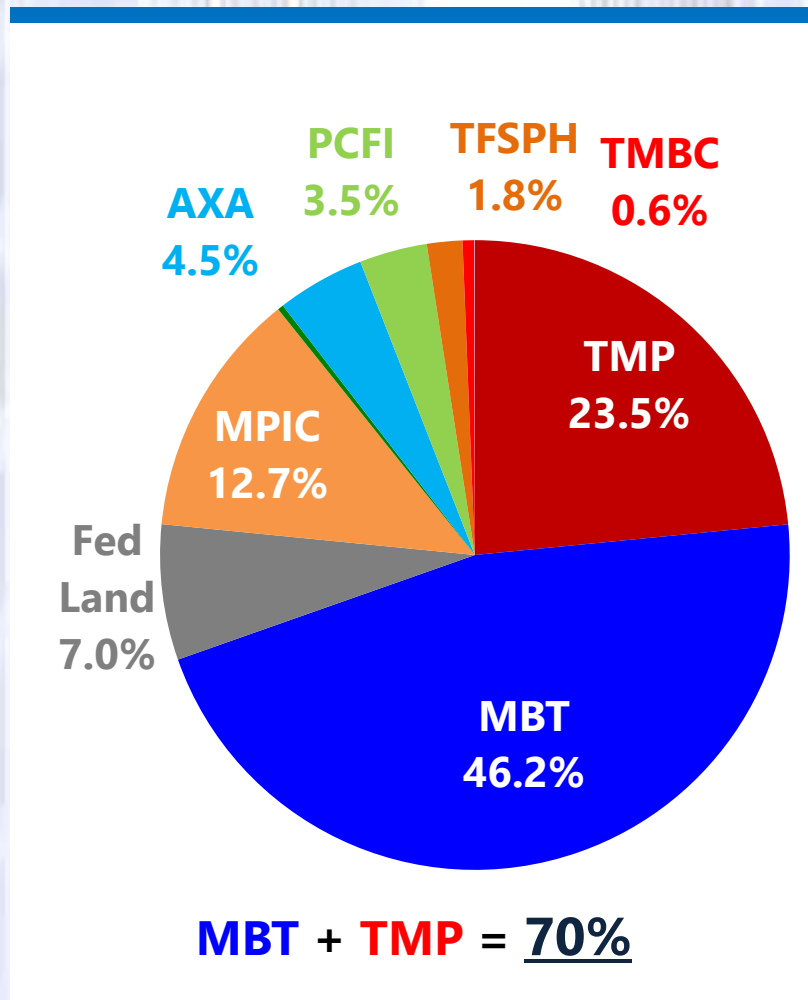
Associates (MBT, AXA, MPI, TFS) delivered strong growth



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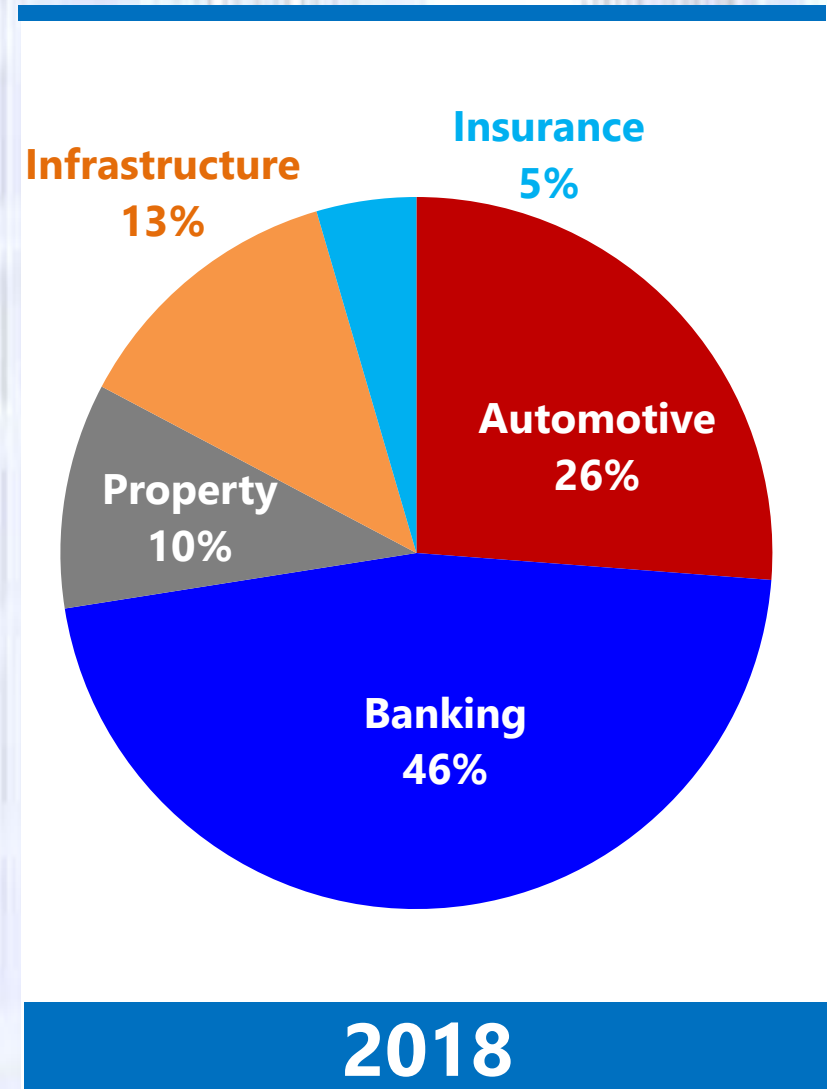
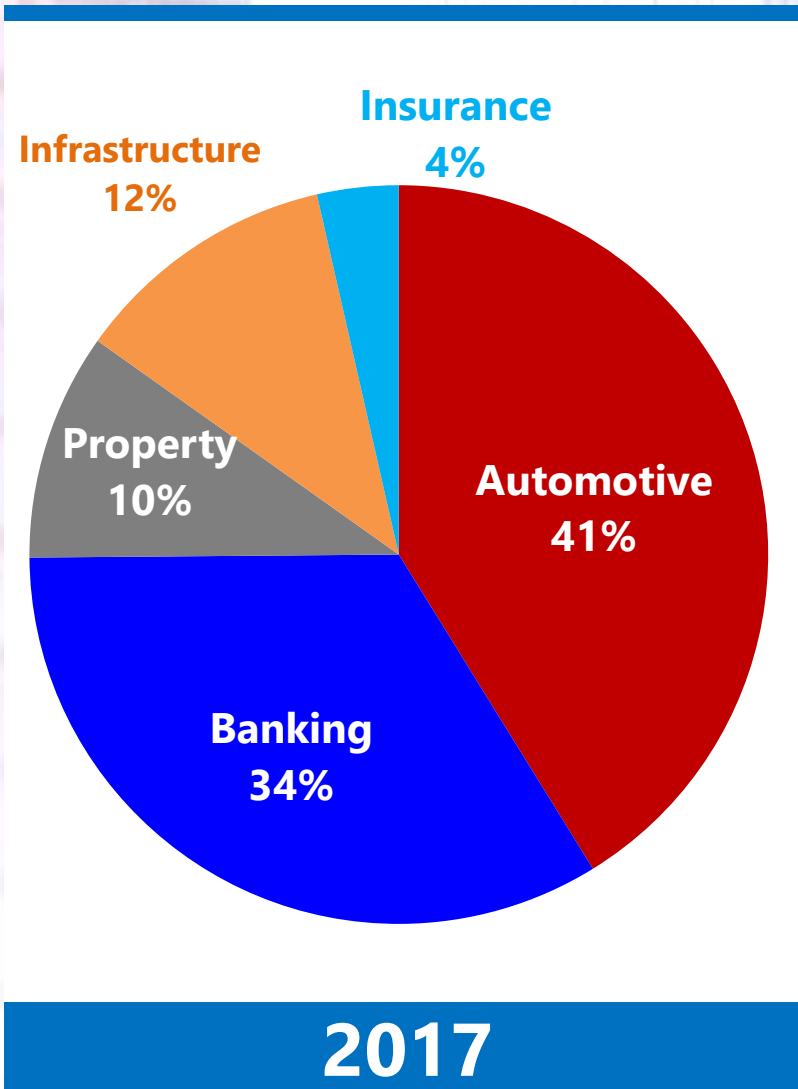
2017



2018

GT Capital Net Income Contribution by Sector

Noteworthy growth in insurance and infrastructure sectors





Automotive



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2018 Global Toyota Sales Performance Rankings



2018

Still Top 9

Despite sales compression

2017

Top 9

2016

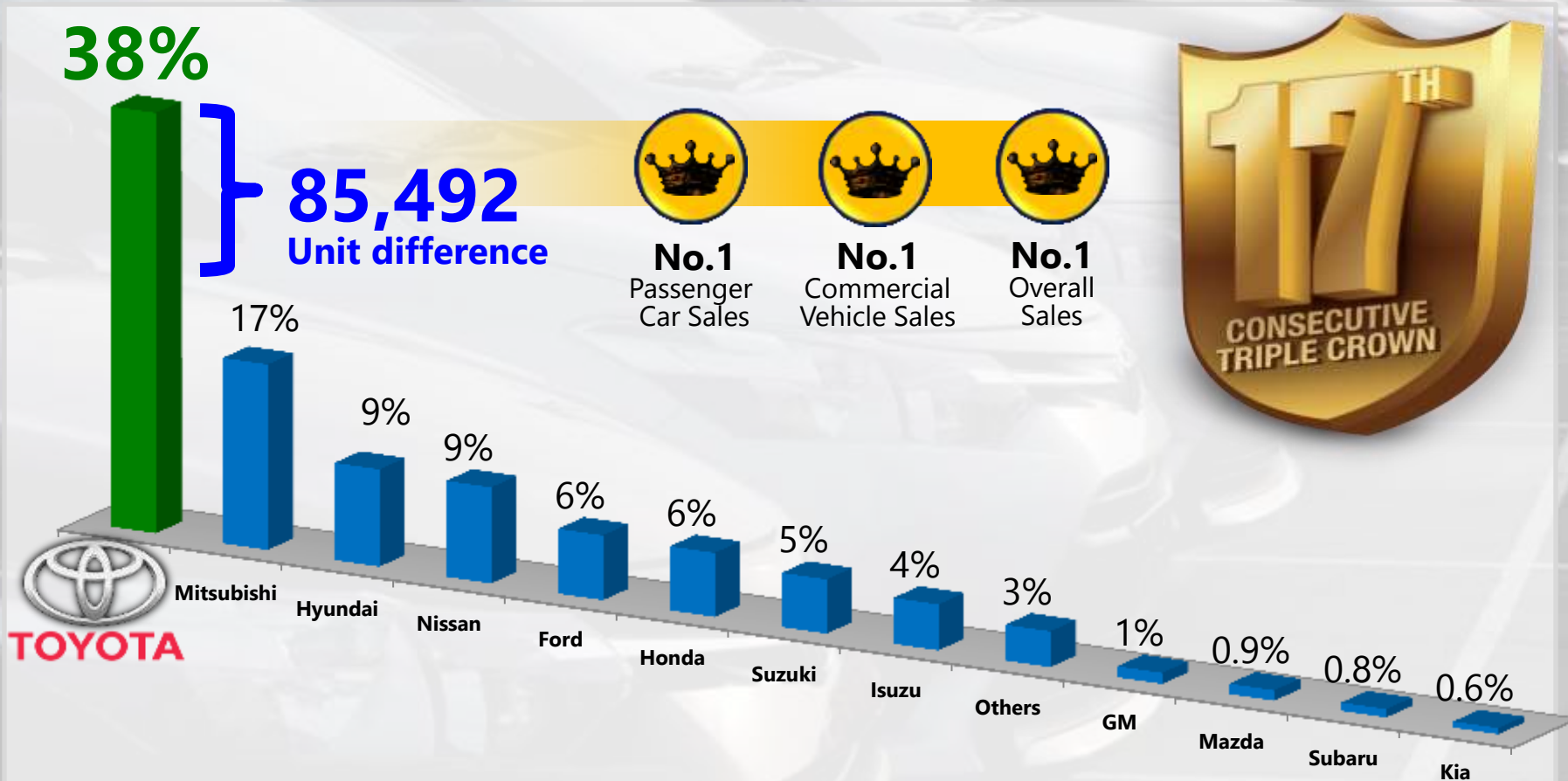
Top 10

| | 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 |
| 9 | Philippines | 153,004 |
| 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 |

Toyota continues to be the Philippines' dominant auto company



Overall Market Share As of December 2018 YTD



Source: Company data, CAMPI, AVID

Toyota continues to be the Philippines' dominant auto company

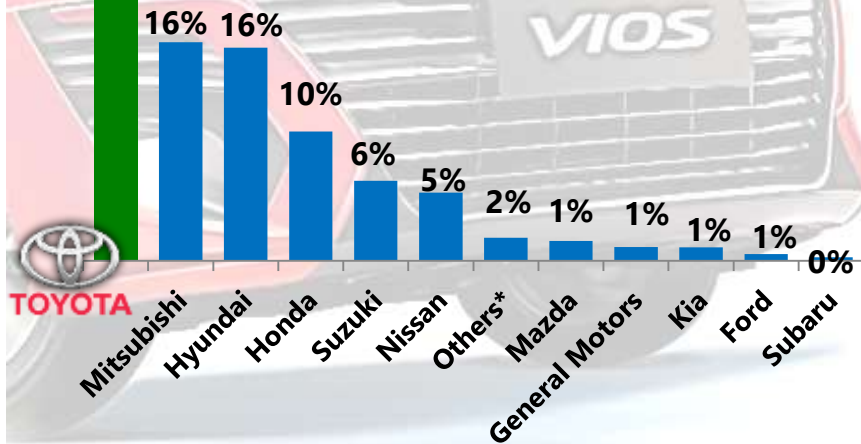
Auto Industry Market Share As of December 2018 YTD

Passenger Car

40%

30.9% of total market
32.7% of Toyota sales

29,604
Unit difference

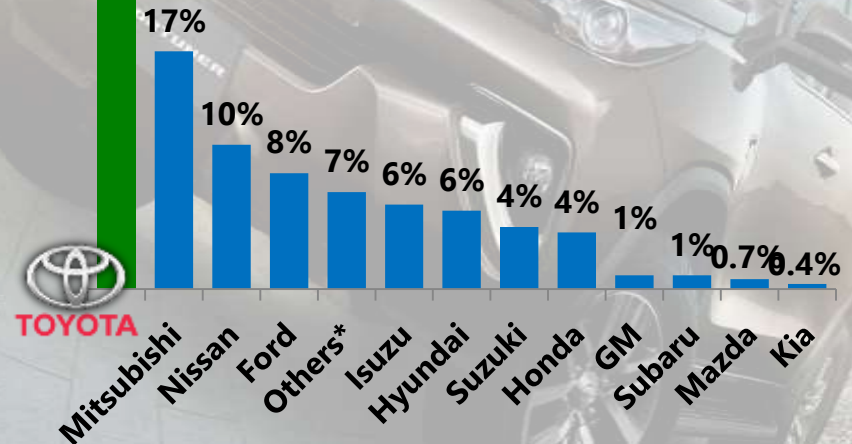


Commercial Vehicle

37%

69.1% of total market
67.3% of Toyota sales

55,888
Unit difference



Source: Company data, CAMPI, AVID



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 **TOYOTA**

30
YEARS

ALWAYS BETTER CARS. ALWAYS BETTER LIVES.

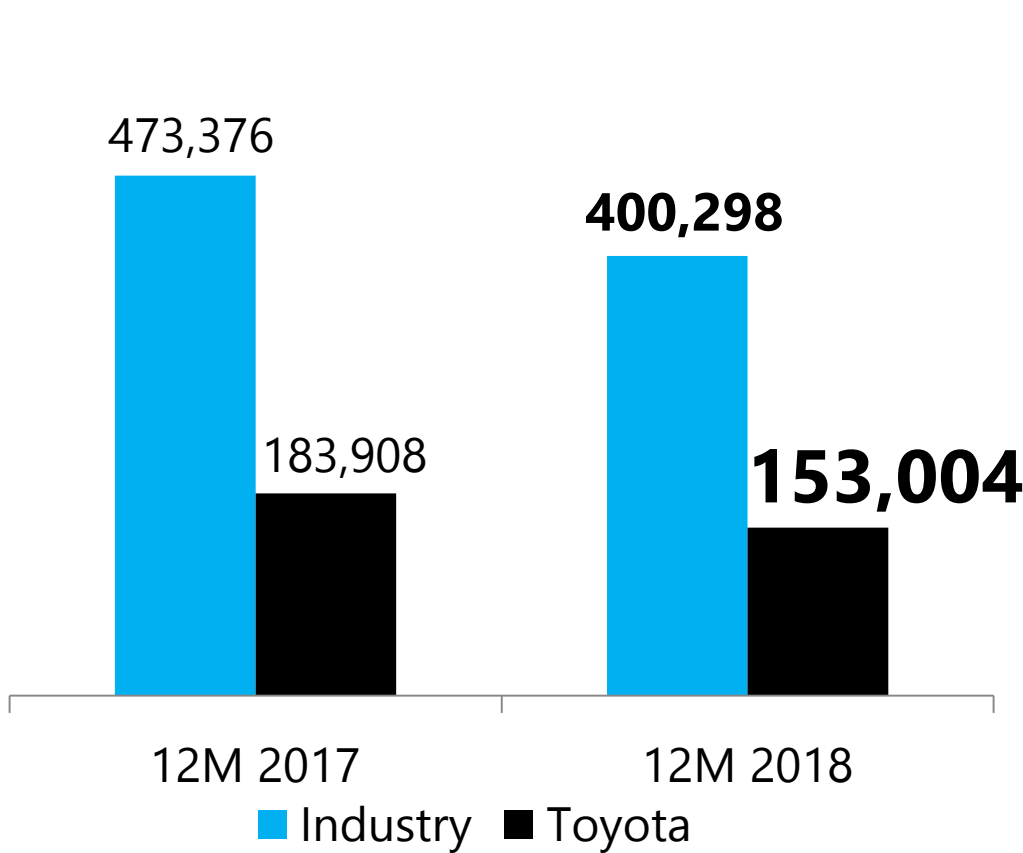


 **TOYOTA**

Retail auto unit sales volume



As of December 2018 YTD



Source: Company data, CAMPI, AVID

| Industry |
|------------|
| ▼15% Y-o-Y |

| Toyota |
|------------|
| ▼17% Y-o-Y |

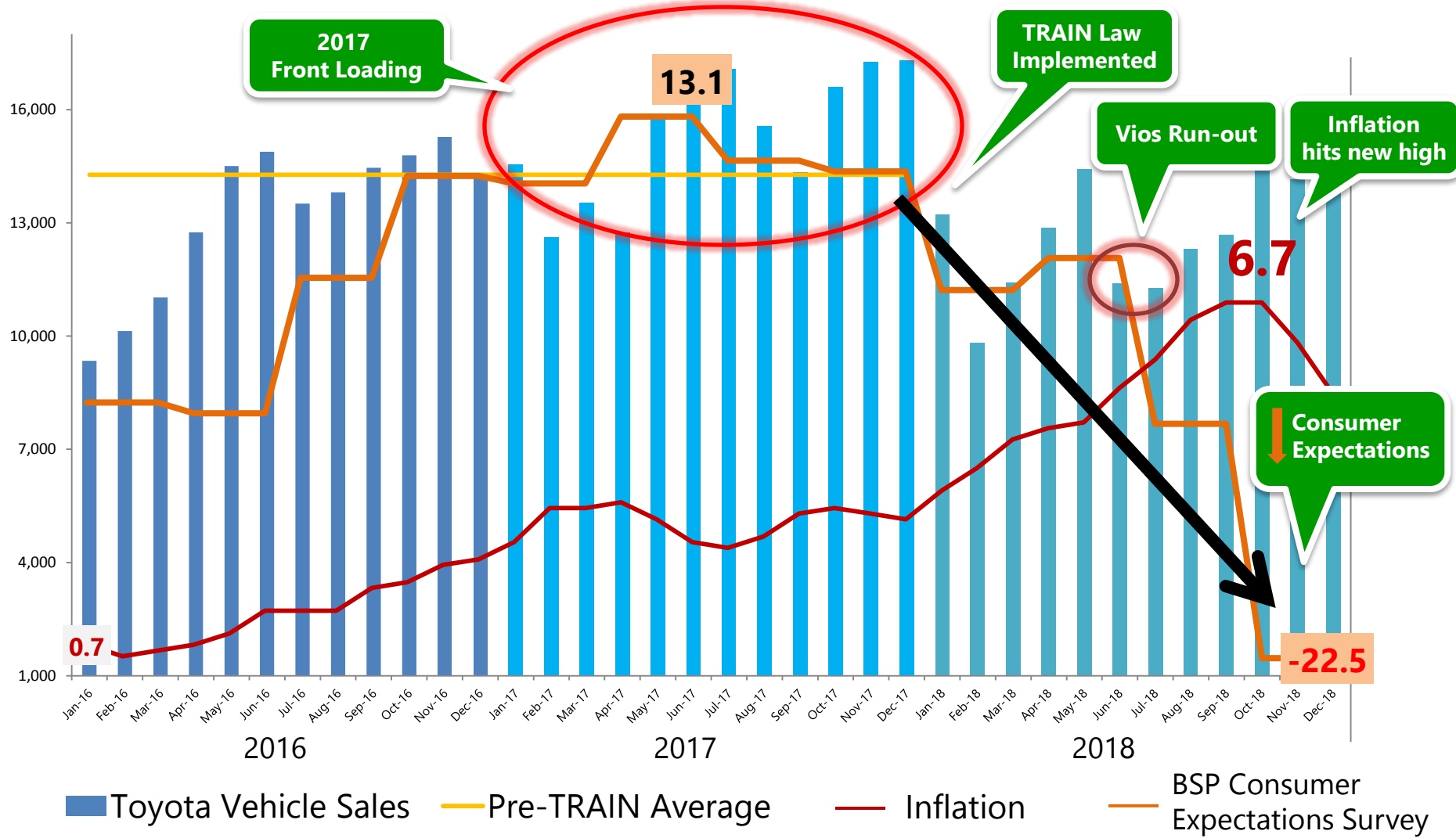
- Front loading in 2017
- Inflation and dampened consumer confidence
- Vios (approx. 20%) run-out in anticipation of FMC in 1H 2018
- Impact of TNVS suspension; (34% of vehicles-in-service) are Vios

Inflation easing may lead to higher consumer confidence and vehicle sales

2017 Front loading, Inflation, Consumer Expectations, Vios Run-out



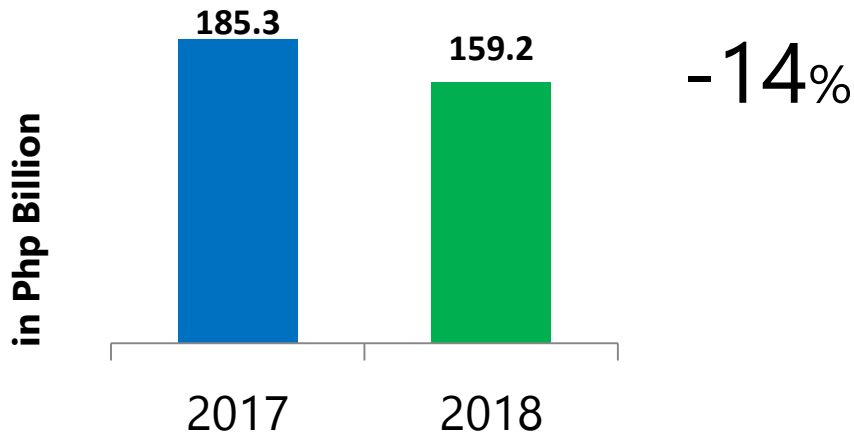
Toyota Monthly Vehicle Sales (In Units) vs. Inflation and Consumer Expectations (In %)



TMP Financial Highlights

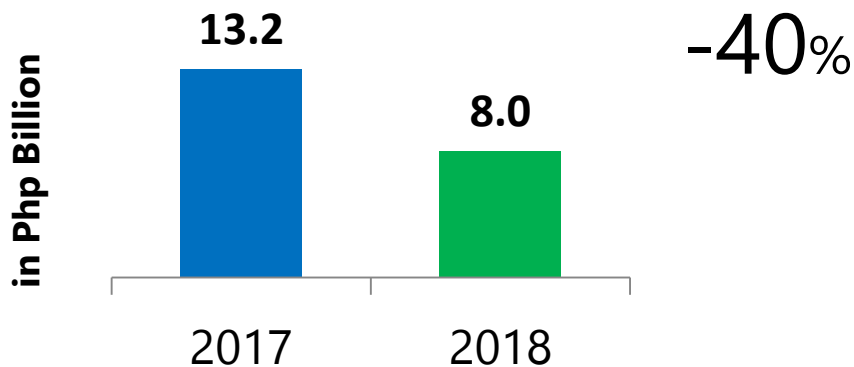


Revenues



- Wholesale volume **-15%** **155,508** units;
- Retail volume **153,004 -17%** (vs **-15%** industry volume)
 - TRAIN law, Inflation, Consumer confidence
 - TNVS suspension
 - Low supply of CV models (1Q 2018)
 - Vios sales decline: 10,993 units lower out of 30,904 unit decline

Net Income ATP



- Sales volume:
 - PCs: Vios **-30%**, Wigo **+10%**
 - CVs: Rush **+100%**, Fortuner **-42%**, Innova **-26%**, Avanza **-29%**, Hiace **-15%**, & Hilux **+25%**
- Overall market share from **38.9%** to **38.2%**
- Due to lower sales volume, unfavorable F/X differential, models mix effect, and increase in OPEX and OH costs

TOYOTA MOVING FORWARD
New model launches



HIACE February 2019
Php1.806 – 2.007M | FY'18: 12.0% of sales

#1
Highest unit sales for
HIACE in the world



RAV4 January 2019
Php1.638 – 2.203M | FY'18: 0.3% of sales



Rush Introduced
May 2018
Php958k – 1.090M
FY'18: 7.0% of sales



VIOS July 2018
Php659k – 1.110M
FY'18: 16.8% of sales



CAMRY Dec 2018
Php1.806 – 2.007M
FY'18: 0.1% of sales

Toyota Dealership Expansion



January 2019
SANTA ROSA Nueva Ecija



March 2019
DARAGA Albay

70 Dealerships as of 27 March 2019

Upcoming: Cebu (renovation), Valenzuela, Lucena (Quezon)



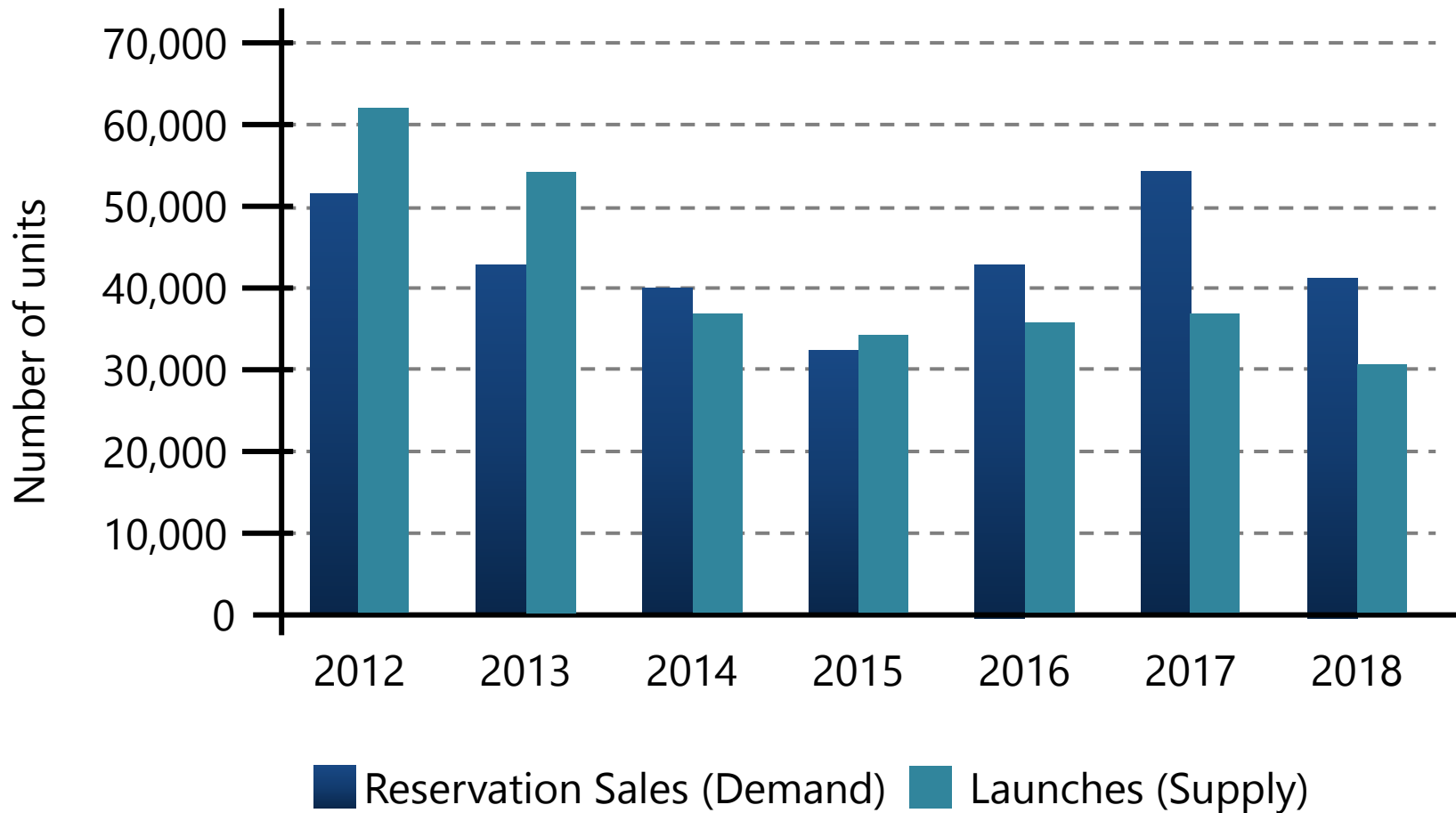
Property Development



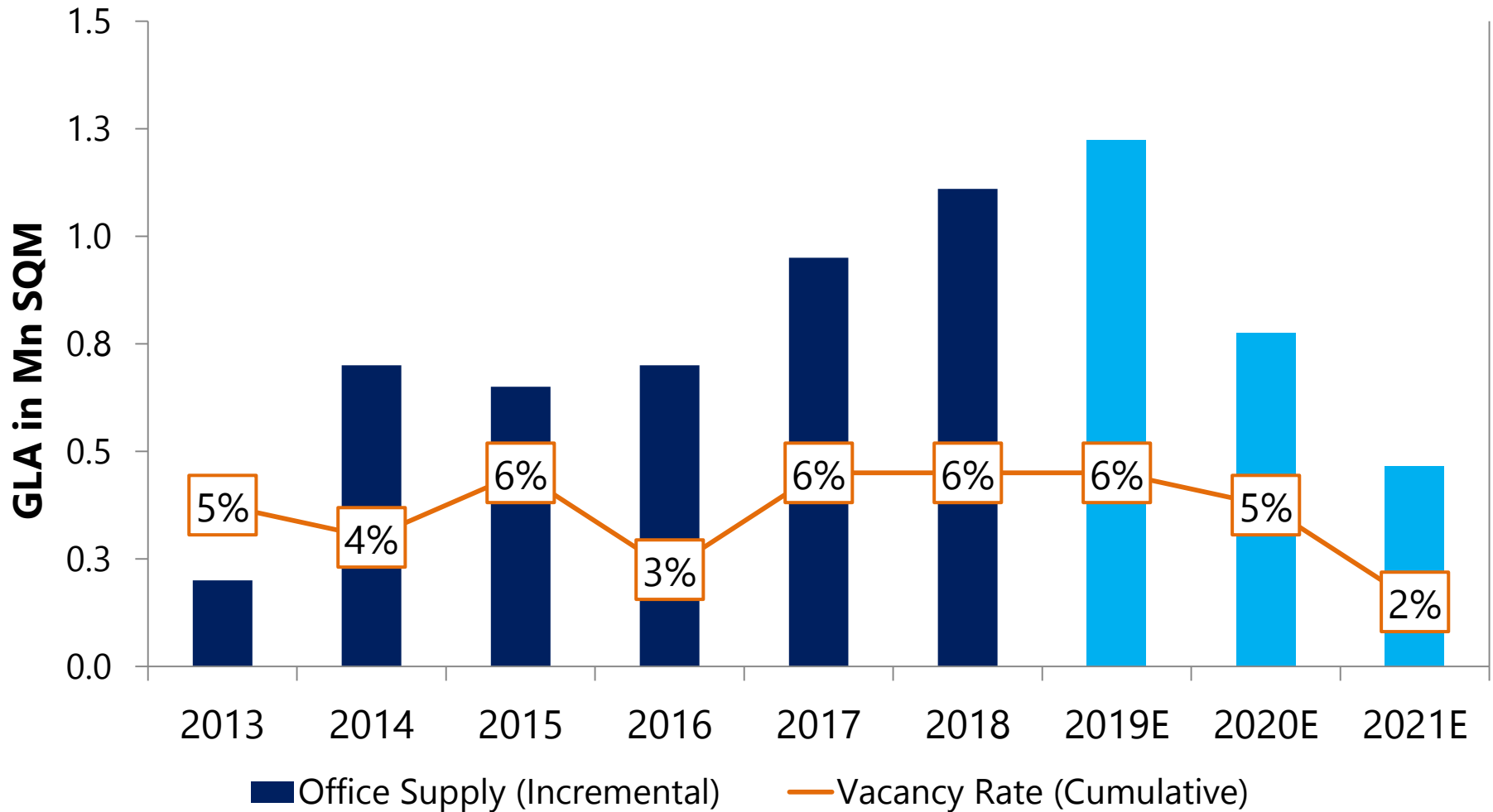
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RESIDENTIAL DEMAND AND SUPPLY

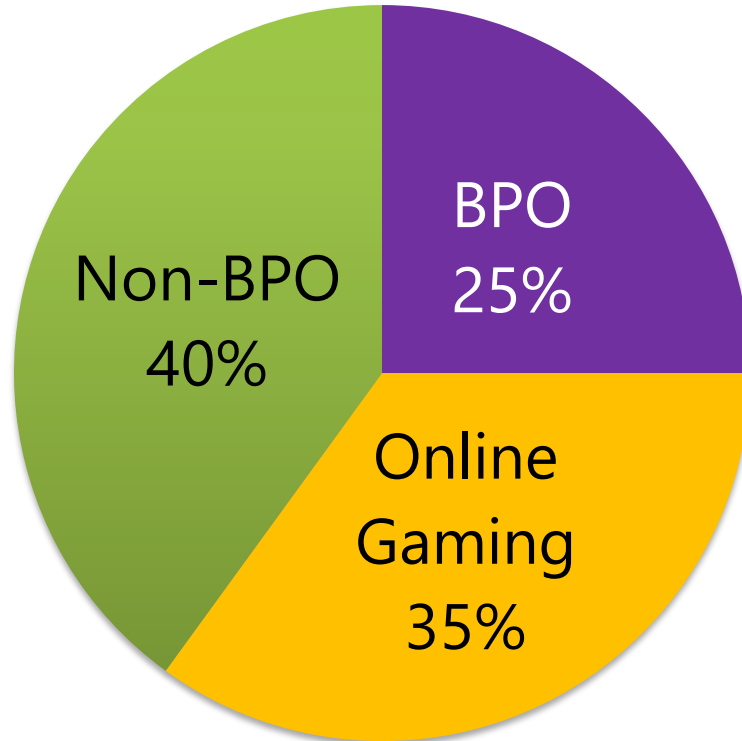
Metro Manila residential condo demand In '000 units



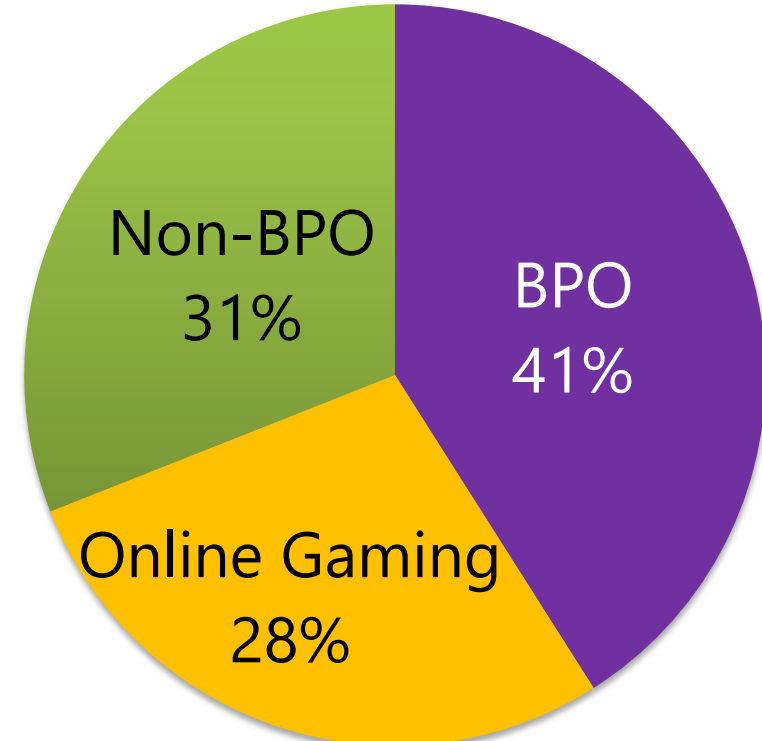
Metro Manila New Office Supply vs. Vacancy Rate



Philippine office demand mix, FY 2018



2017



2018

Office demand in FY 2018:
1.5M square meters **(+33%)**
***1.16M** in Metro Manila **(+27%)**



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FEDERAL LAND[®]

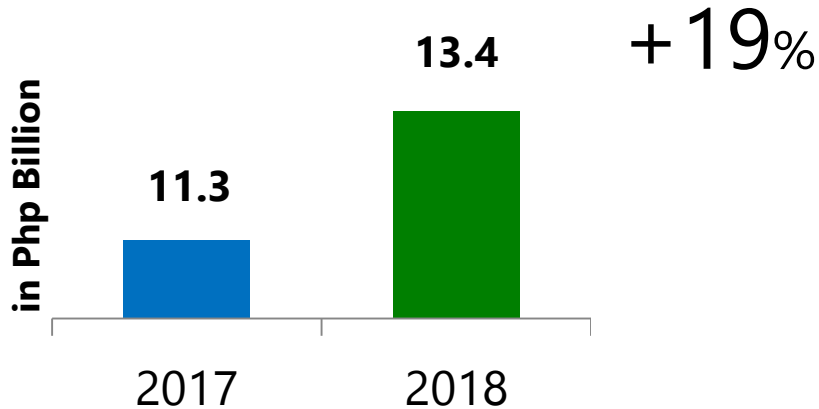
GT Capital Holdings

KEEPING YOU IN MIND

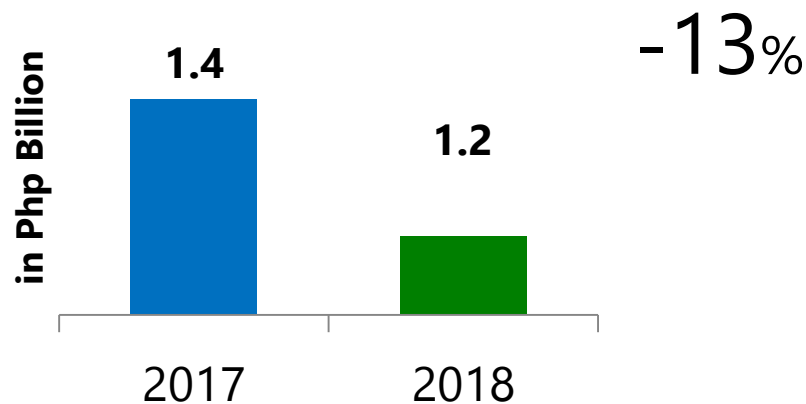


Federal Land Financial Highlights

Revenues



Net Income



- Real estate sales **+16%** from **Php9.1B** to **Php10.6B**
 - Lot sales to JVs: e.g. Sunshine Fort (Php2.24B), GHR2 (Php0.45B) and AVEIA (Php0.21B)
 - Deferred revenue of **Php4.4B** to be realized upon sale of units
- Reservation sales **Php12.4B** from **Php17.4B**
- Rent **+26%** from **Php944M** to **Php1.2B** due to rate escalation and higher occupancy in BBW (100%) and i-Met (77%)
- Sale of goods and services **+22%** from **Php640M** to **Php778M** due to new franchises
- Equity in net earnings from **Php161M** to **Php-115M** due to inventory run-out in GH1
- GP margins impacted by variations, and cost adjustments arising from industry-wide issue on availability of skilled labor
- Margins to improve upon recognition of deferred revenue

8 in 2018

Project Launches

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 Estimate |
|------|------|------|------|------|------|------|---------------|
| 11 | 5 | 4 | 3 | 4 | 5 | 8 | 5 to 8 |

GEARING UP TOWARD FUTURE GROWTH

Eight project launches in 2018

Number of units are all estimates and subject to change



May

236 units, Php2.5B

**Palm Beach West
Baler Tower** BAY AREA



May

240 units, Php1.0B

**Peninsula Garden
Mimosa Tower** PACO



May

163 units, Php0.7B

**Florida Sun Estates
Orlando** GEN. TRIAS



Aug

828 units, Php2.5B

**Quantum
Aqua Tower** TAFT AVE.



Sept

168 units, Php2.7B

**Four Season Riviera
Peony Tower** BINONDO



Oct

188 units, Php11.4B

**Grand Hyatt Residences
Gold Tower**
NORTH BONIFACIO



Oct

140 units, Php2.2B

**Valencia Hills
Tower E**
N. DOMINGO, Q.C.



Nov

304 units, Php6.9B

**The Seasons
Haru Tower**
SUNSHINE FORT, BONIFACIO

Master-planned townships continue to grow and are nearing completion



Grand Central Park Bonifacio

10 hectares

Grand Hyatt
Manila-Metrobank
Center
Sunshine Fort
(Isetan Mitsukoshi/
Nomura RE)
Mitsukoshi Mall
The Big Apple Mall

Madison Park West
Park Avenue
Park West
Central Park West
Grand Hyatt
Residences
Grand Hyatt Gold
Residences



Metro Park Bay Area

36 hectares

i-Met BPO Hub
Met Live! Mall
Blue Bay Walk

Six Senses
Residences (6)
Palm Beach West
(4)
Manila Tytana
Colleges



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PRO • FRIENDS

Rising Property Values Resulting from Infra and Competition



CAVITEX
Target completion: 2021
85% ROW

CAVITEX C-5 South Link
Target completion: 2021
97% ROW

Lancaster
New City CAVITE

CALAX
Target completion: 2022
40% ROW

CTBEx
Original proponent
Target construction:
2020

AyalaLand

EVO CITY

CAVITEX C-5 South Link

Target completion: 2021
97% ROW

MEGAWORLD
MAPLE GROVE

AyalaLand
VERMOSA

ALABANG WEST

MEGAWORLD

VISTA LAND
VistaCity

SUNTRUST
ECOTOWN
DEVELOPERS, INC.

Amaia Scapes
AyalaLand
General Trias

SOUTHWOODS CITY
MEGAWORLD

VISTA LAND
Camella
A Vista Land Company

CALAX

Dasmariñas

Santa Rosa



66

Retail and commercial locators

1,700

Hectares of land

57,000

Residents

tapa king



PSBank
PHILIPPINE SAVINGS BANK
Metrobank Group



MC HOME DEPOT
Makes EVERYONE a CHAMPION BUILDER

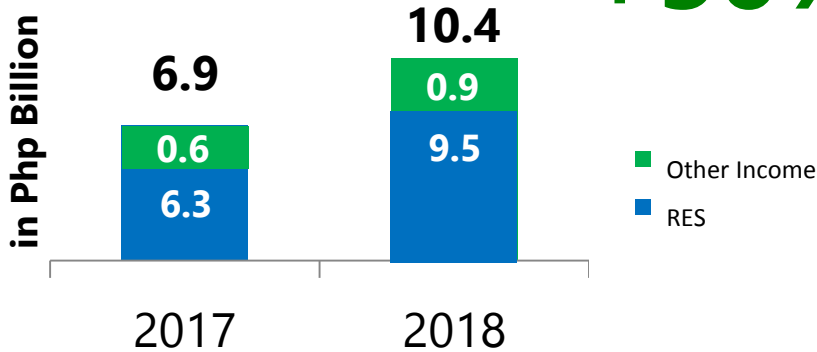
SHOP WISE

SHOP WISE
express

PRO-FRIENDS Financial Highlights



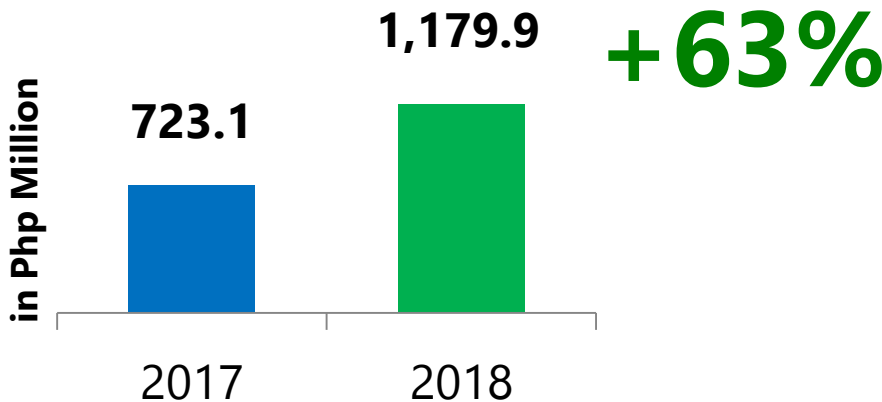
Revenues



+50%

- Reservation Sales: **Php21.2B**
- Ave. Houses Completed: 452 units/mo
- Ave. Bank Takeout: **Php649M/mo** to **Php730M/mo**
- Real estate sales **+50%** from **Php6.3B** to **Php9.5B**
 - Excluding sale of lot to TMBC and MMI (Php1.22B) **+31%**

Net Income



+63%

- Rental income **+206%** from **Php25M** to **Php76M** due to higher occupancy rates, increase in gross leasable area and rental rates
- Other income **+141%** from **Php138M** to **Php334M** due to sale of ROPA, mgt. fee and income from lot buyers
- GP margin: **48%**
- OPEX **+22%** from **Php1.5B** to **Php1.8B** due to increase in salaries, and taxes and licenses

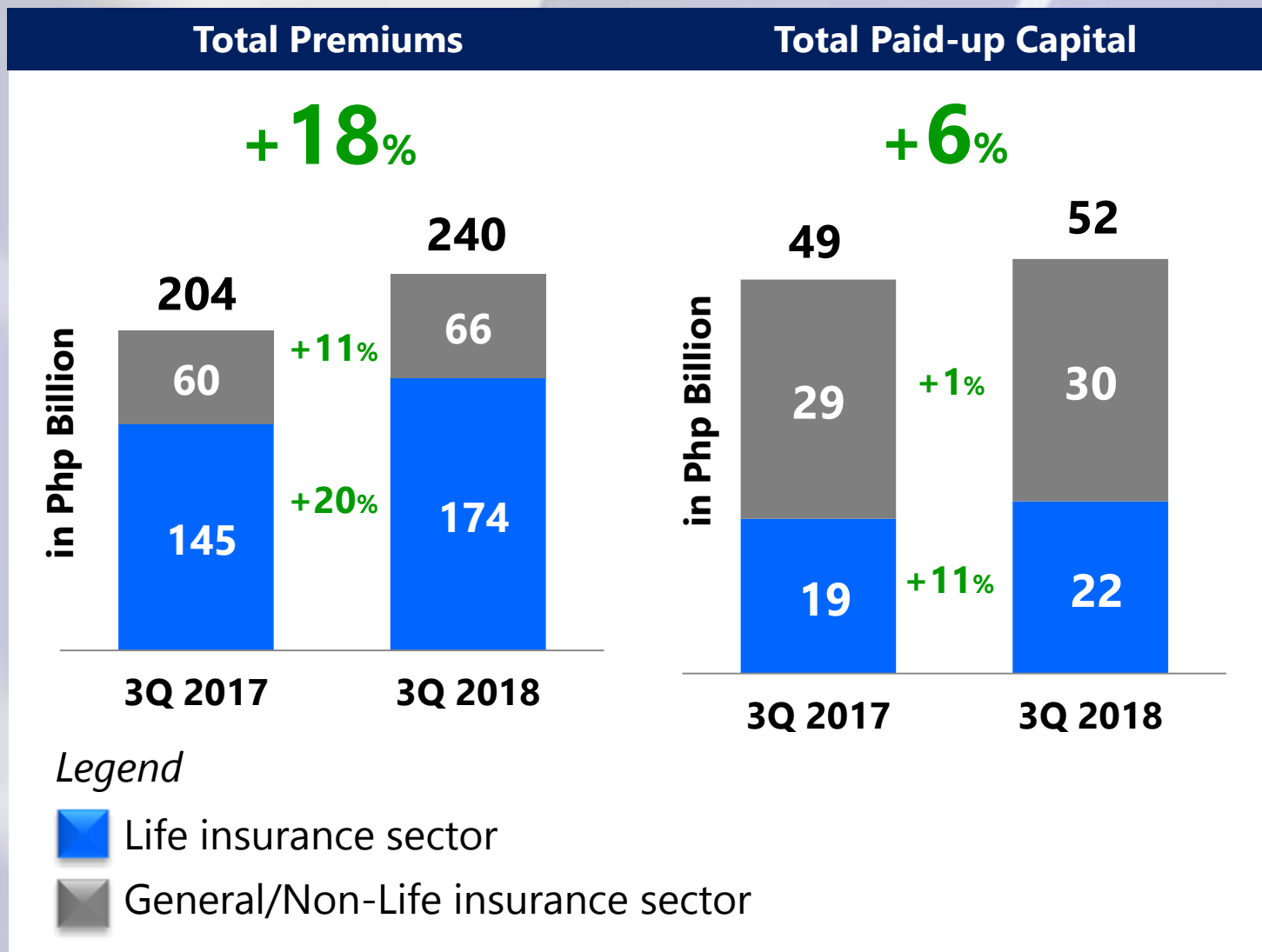
Insurance



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Insurance Industry Updates

As of September 2018



Source: Insurance Commission, February 2019



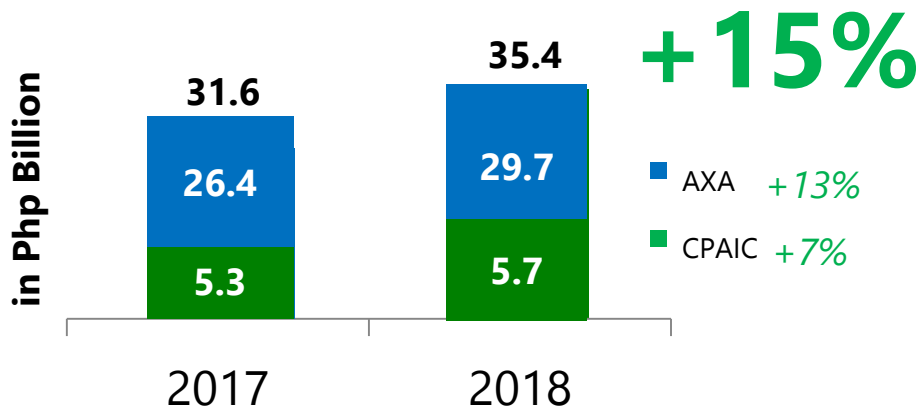
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AXA Philippines Financial Highlights

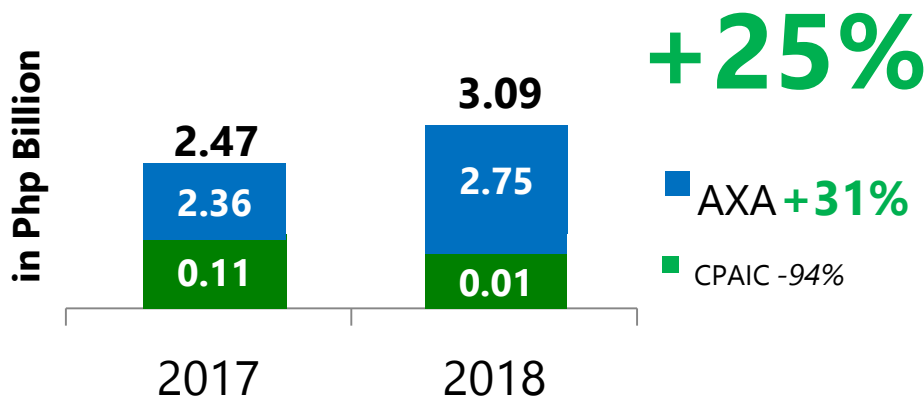


Gross Premium



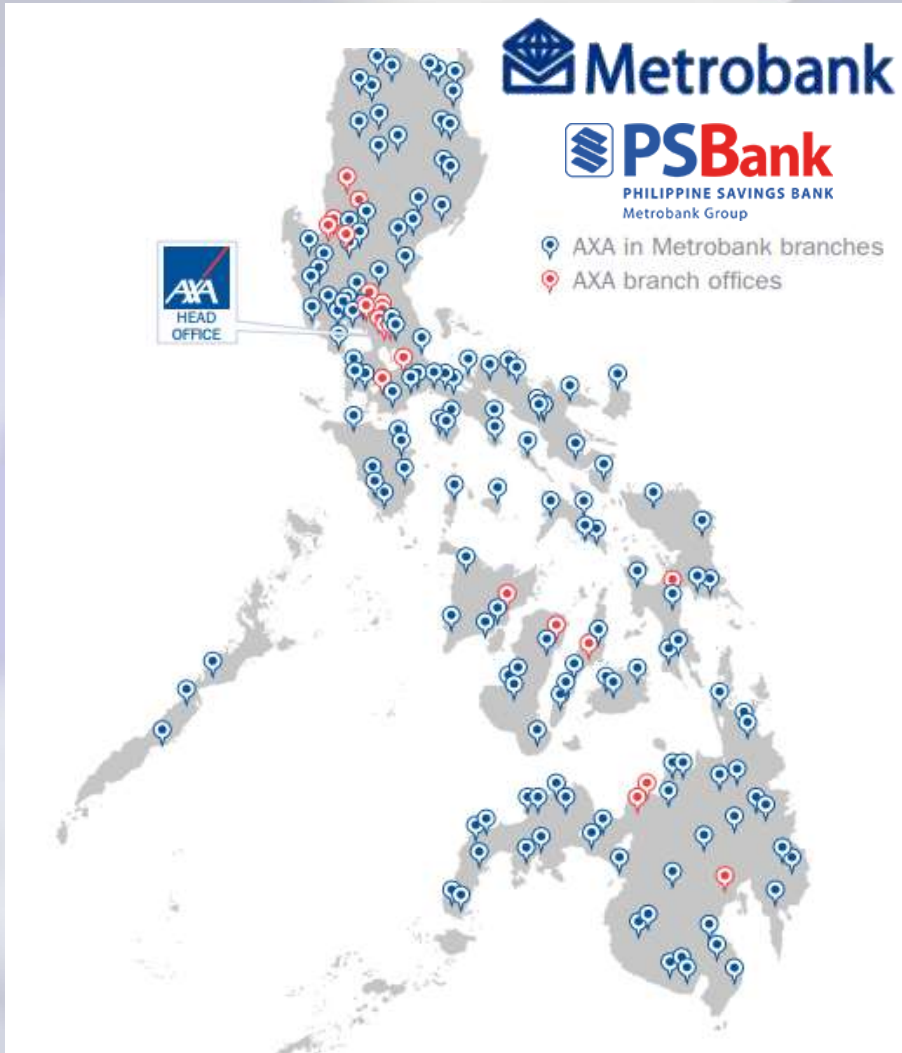
- New Business (APE) **+13%** from **Php6.3B** to **Php7.1B** due to favorable Protection & Health line
 - Regular Premium (RP) **+17%**
 - *Traditional* **+38%**
 - *Unit-linked* **+13%**
 - Single Premium (SP) **+4%**
- SP/RP Premium Income mix – from **56:44** to **52:48**
- GI—GWP **Php5.7B +7%** due to stricter underwriting risk selection policies for Property and Engineering

Net Income



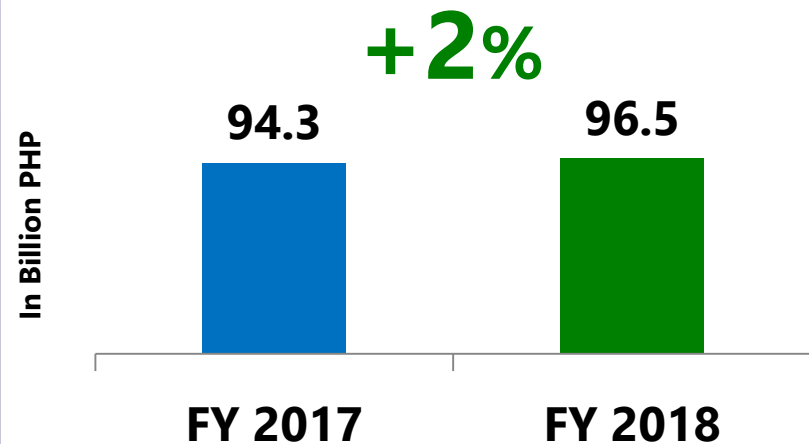
- Premium margins **Php6.2B** to **Php8.2B +34%** due to growth in premium income and lower claims & withdrawals
- AUM-Linked **Php94B** to **Php96B +2%**; Asset management fees **Php1.8B +16%**
- Non-life net income **Php7M**
 - Combined ratio **105%** (*Fire and flood losses*)

Strong synergy and growth



- Persistency Ratio: **85.3%**
▲ from **84.2%** in FY 2017
- Exclusive financial advisors: **5,272**
▲ from **4,000** in FY 2017
- Total bancassurance (Metrobank and PSBank) branches: **957**
- AXA branches nationwide **55**

Assets Under Management



Banking

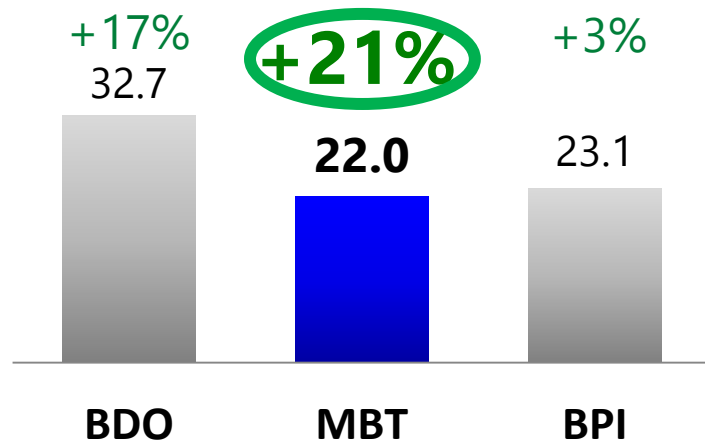
Metrobank



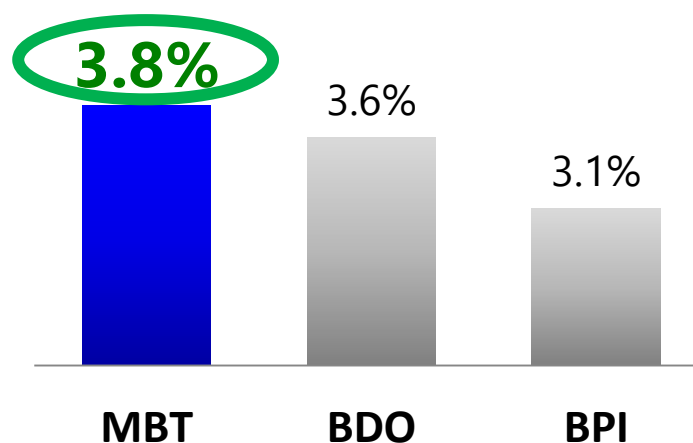
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Full-Year 2018 Peer Banks Highlights

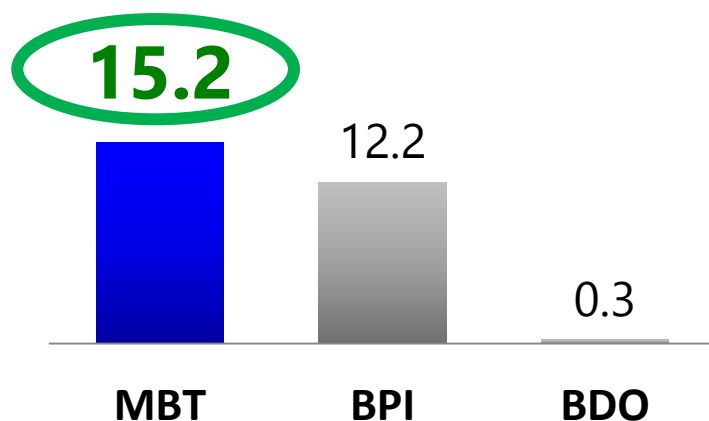
Net Income (Php Billion)



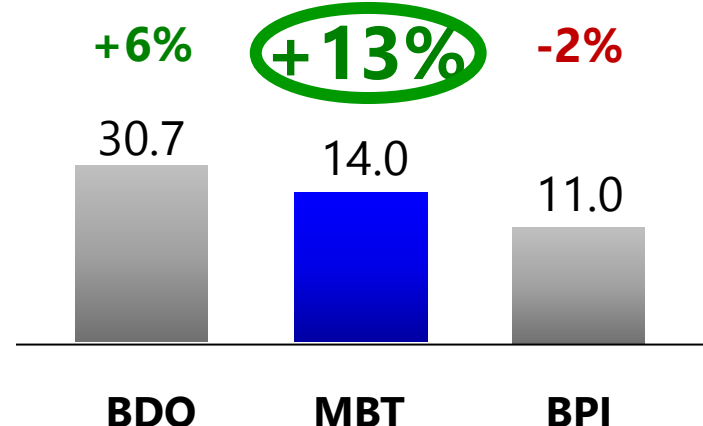
Net Interest Margin – NIMs (%)



NII less Opex (Php Billion)



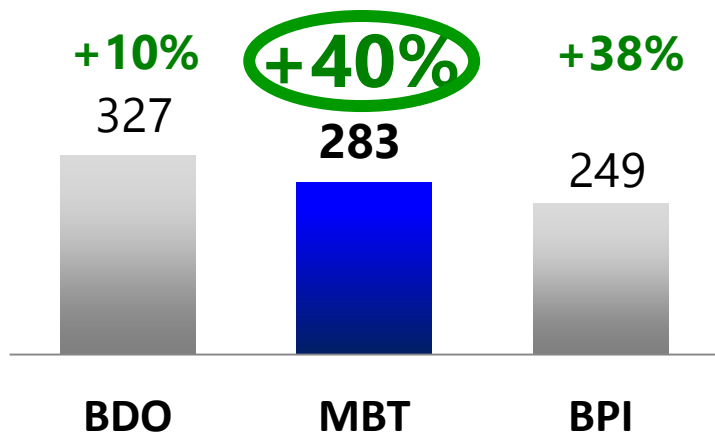
Fee Income* (Php Billion)



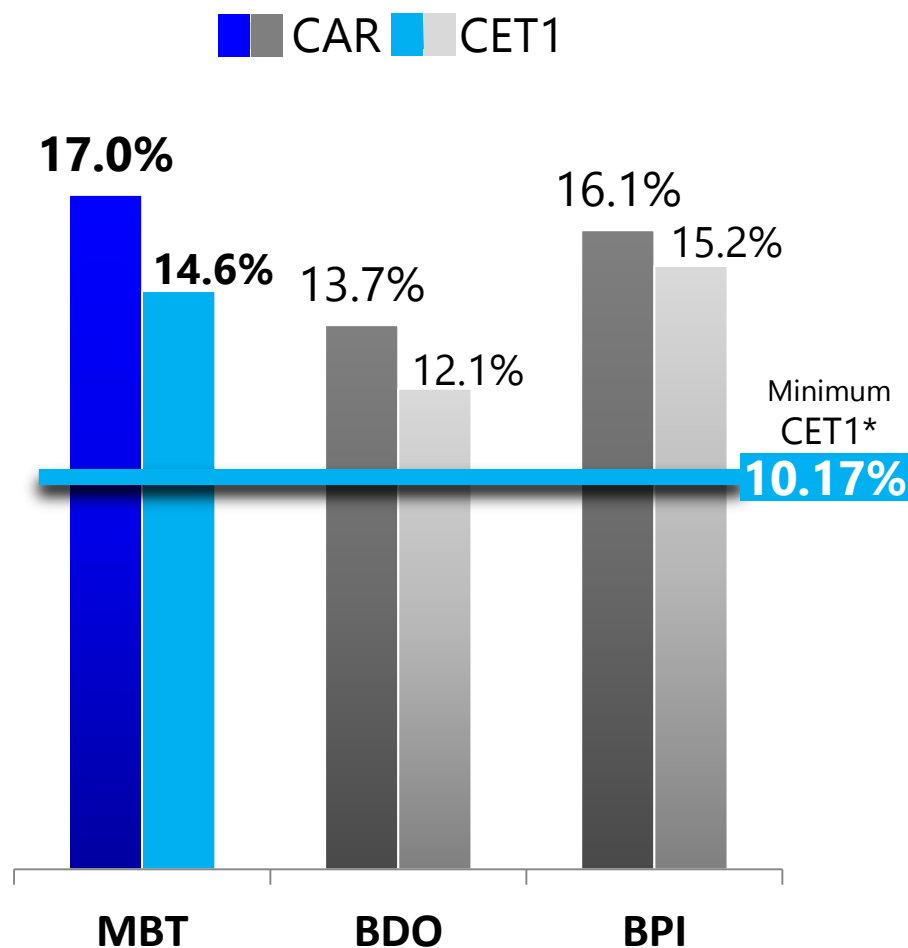
*Includes Service Fees, Commissions, and Trust Income

Full-Year 2018 Peer Banks Highlights

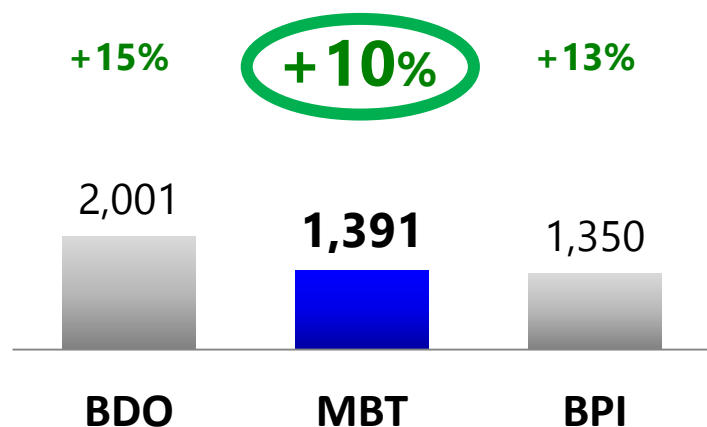
Total Equity (Php Billion)



Total CAR and CET1 (%)



Total Loans (Php Billion)



*Minimum 11% by January 2019



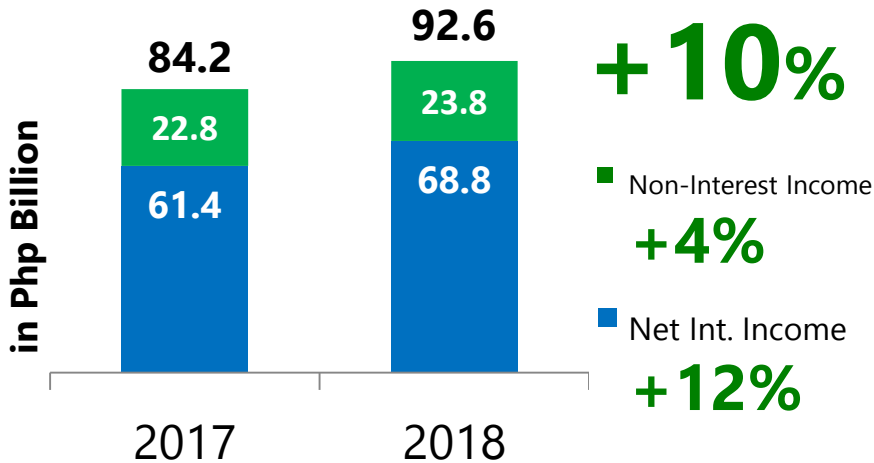
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Metrobank

Metrobank Financial Highlights

Operating Income



- Net Interest Income **+12%**
(Php68.8B or 74% of Operating Income)

- NIMs from 3.75% to 3.82%
- Loan portfolio **+10%** from **Php1.3T** to **Php1.4T**

- Non-Interest income **+4%**

- Service fees, bank charges and trust **+13%** from **Php12.4B** to **Php14.0B**
- Trading and FX gain: **Php2.8B**

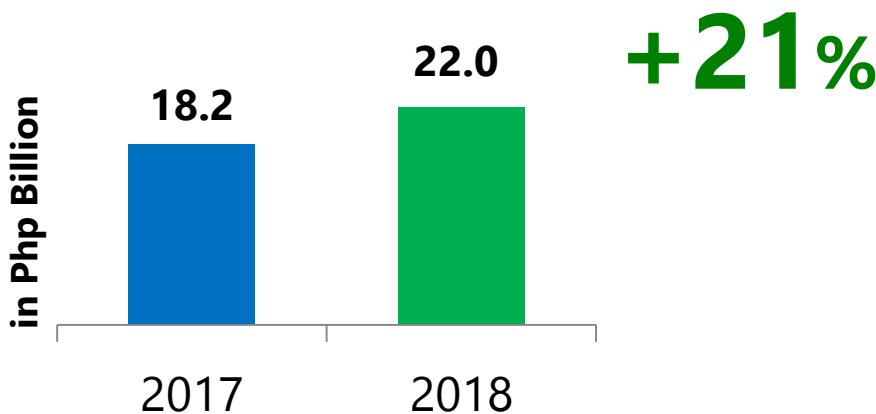
- Provisions for credit and impairment losses **+4%** from **Php7.5B** to **Php7.8B**

- NPL ratio from 1.0% to 1.2%
- NPL coverage at 105%

- Increase in OPEX **+13%** from **Php47.5B** to **Php53.7B**

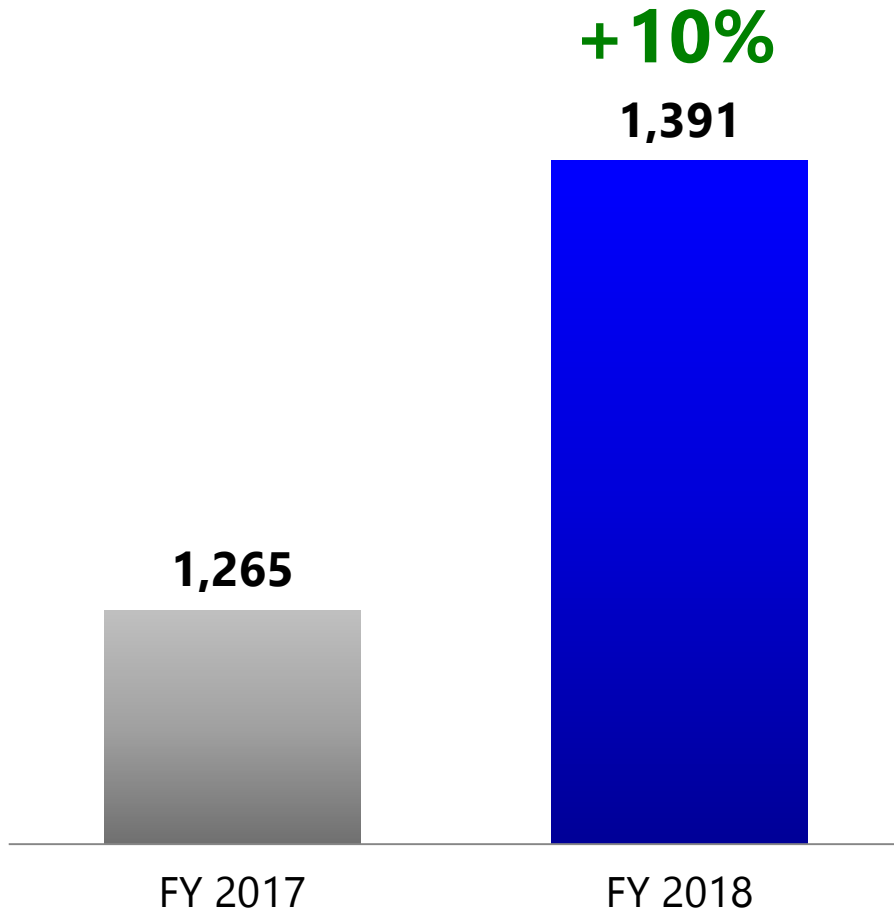
- Higher taxes and licenses (DST) **+33%**
- Manpower **+11%**

Net Income ATP

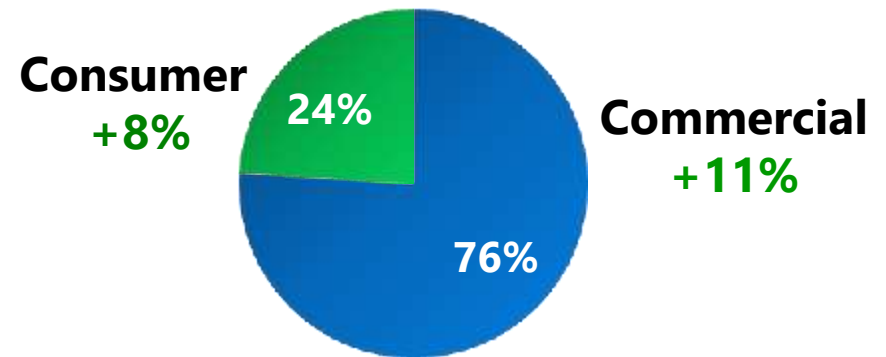


Key Performance Drivers

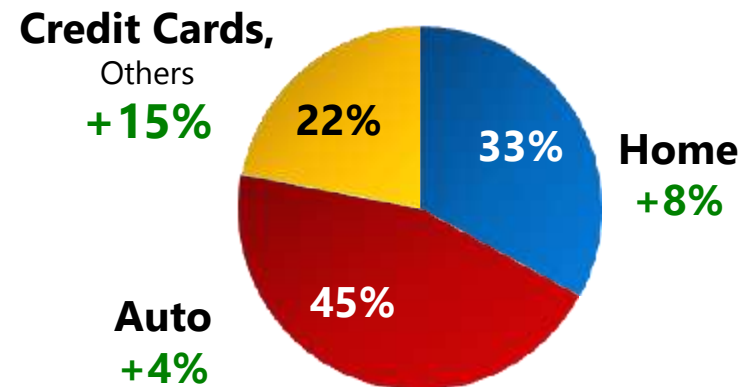
Loans and Receivables (Php Billion)



Total Loan Portfolio Breakdown



Consumer Loan Portfolio Breakdown



Source: 17-C Report as of 31 December 2018



Infrastructure & Utilities



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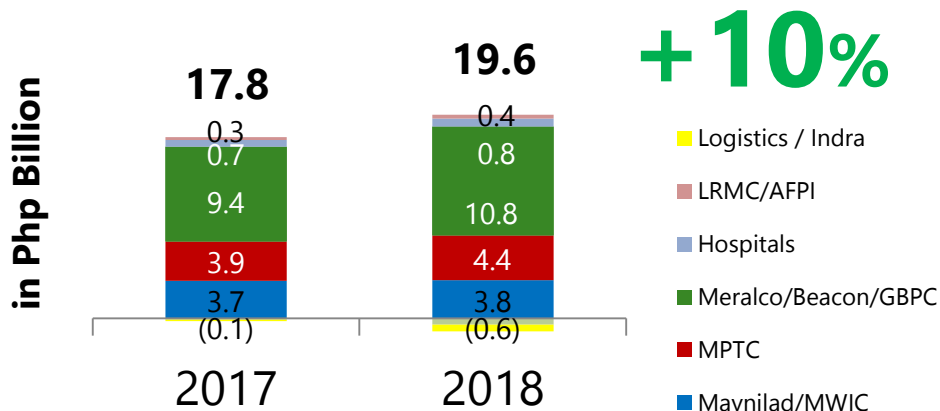
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**METRO
PACIFIC**
INVESTMENTS

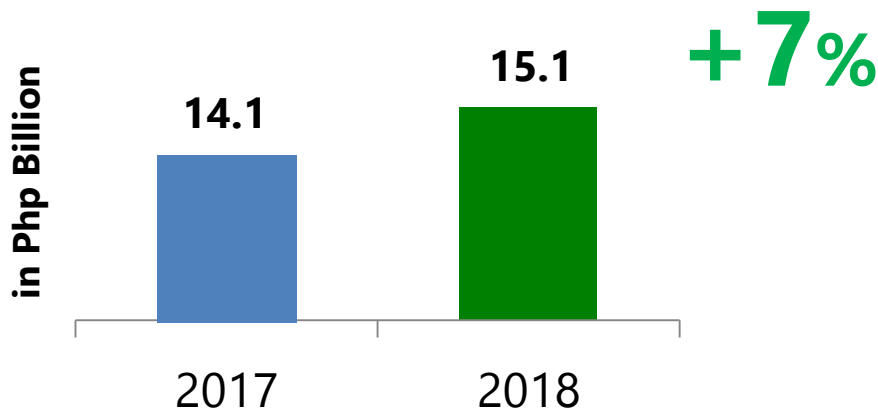
Metro Pacific Financial Highlights

Share in Operating Net Income (Core)



- Power
 - Meralco - Core NI **Php22.4B** **+11%**
 - GBPC - Core NI **Php2.5B** -15%
- Toll Roads - Core NI **Php4.5B** **+13%**
- Water - Core NI **Php7.7B** **+5%**
- Hospitals - Core NI **Php2.4B** **+15%**
- Rail - Core NI **Php0.7B** **+39%**
- Logistics - Core net loss **Php0.6B**
- Equity accounting net income for GT Capital **+37%** from **Php1.6B** to **Php2.1B**

Core Net Income





Recent Developments



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Metrobank to merge Metrobank Card Corporation (MCC)*

The proposed transaction will unlock the value of MCC, being a wholly owned subsidiary of Metrobank, and help realize the following objectives:

- (1) improve synergy and cross-sell,
- (2) increase profitability and improve capital efficiency,
- (3) enable Metrobank to be more competitive in the credit card business.

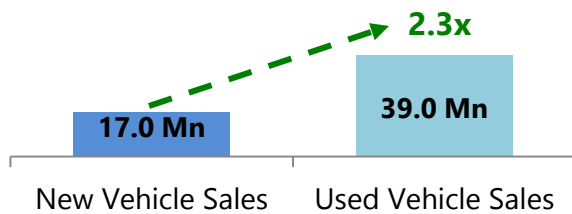


*Subject to regulatory and shareholder approval

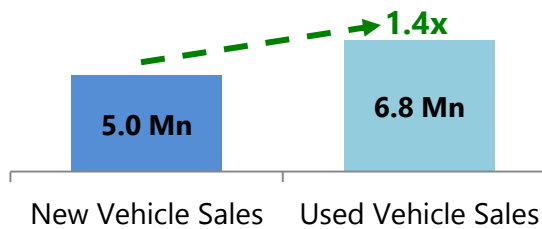
New vs. Used Vehicle Sales Per Annum, 2015-2017



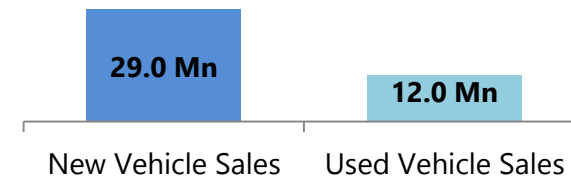
US



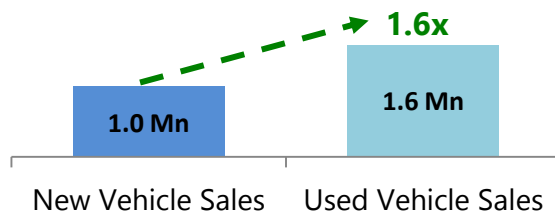
Japan



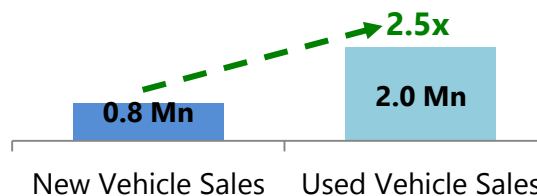
China



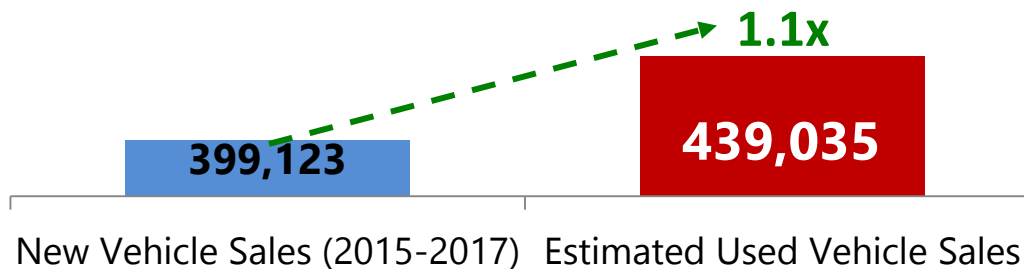
Indonesia



Thailand

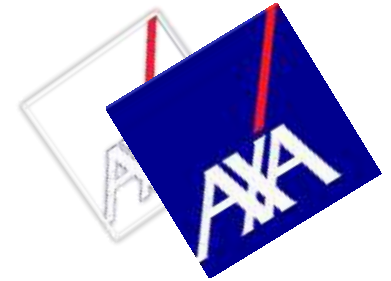


Philippines



Sources: Bloomberg, LTO, Cobena Market Analytics, PSRC, Federation of Motor and Credit Companies Association of Malaysia, IPSOS business consulting, Thailand Association of Used Car Dealers, Japan Automobile Manufacturers Association, Inc., Local Car Trade Associations, Manheim, Frost & Sullivan, World Bank, International Road Federation, Internal Listings Data and Estimates

Our existing automotive value chain



Wholesale

Retail

Financing

Insurance

Four margins in one unit sold

How do we expand the value chain?

Extending the automotive value chain



**Reposessed
assets within
the Group**

**JBA
Philippines**



Auction

Financing



Parts & Maintenance



Insurance



Extending the automotive value chain



- ✓ Online infrastructure
- ✓ Better, more transparent pricing of repossessed assets



Why auction?

- ✓ Sets the proper benchmark for used vehicle pricing

Extending the automotive value chain to
Used car auction house operations



JBA Philippines



26 March 2019

Extending the automotive value chain to Used car auction house operations



JBA Philippines Signing Ceremony

26 March 2019 | GT Tower International, Makati



GT CAPITAL
HOLDINGS INCORPORATED

Thank You!

