



**SM INVESTMENTS**



**Growth with Purpose**



2024 Integrated Report

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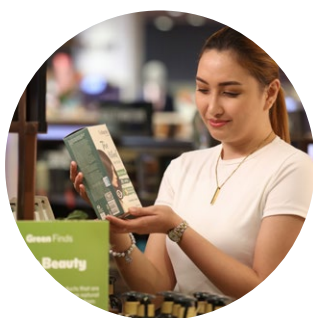
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## Growth with Purpose

At SM, we are focused on delivering growth that creates lasting value to all our stakeholders and the communities we serve. Our strategy is built on a foundation of customer knowledge, market leadership and continuous innovation, ensuring that every step forward strengthens our position and enhances shareholder returns.

Inspired by the entrepreneurial vision of our founder, Henry Sy, Sr., we have evolved from a single shoe store in downtown Manila into one of the most diversified and resilient business groups in the country. This journey has been fueled by strategic investments, operational excellence, and a deep understanding of evolving consumer and market trends.

We operate in sectors that remain highly under-penetrated and we focus on expanding our footprint nationwide. As we grow, we create new opportunities for our partners, from suppliers and tenants to employees and investors, ensuring that SM's success translates into shared prosperity.

With a strong presence across retail, property and banking, we continue to maximize synergies and unlock new revenue streams. Our focus remains on customer service and sustainable value creation that will propel us toward long-term success.

This report highlights our progress and strategy, demonstrating how SM is shaping industries, serving communities and driving economic growth.

## OUR REPORT FRAMEWORK

This Integrated Report covering the year ended December 31, 2024, has been prepared in alignment with the Integrated Reporting <IR> Framework. It aims to provide a comprehensive and connected view of our organization's strategy, governance, performance and prospects in the context of value creation over time.

As part of our holistic approach, this report offers access to complementary resources that form a complete suite of disclosures. These include the Sustainability Report - an early adopter of International Financial Reporting Standards (IFRS) S1 and S2 standards - the Financial Report, and the Integrated Report Microsite. All resources are available on our website and can also be accessed through the QR code below.

The preparation of this report was a collaborative effort by the departments of Finance, Governance and Risk Management, Investor Relations, Human Resources, Corporate Communications, and Sustainability, under the guidance of the Board's Executive Committee. This process reflects our commitment to integrated thinking and transparent reporting.

On behalf of the Board, the Executive Committee approved and authorized the release of this report in April 2025.



**Amando M. Tetangco, Jr.**  
Chairman



**Frederic C. DyBuncio**  
President and CEO



**WE ARE SM**



## Our Vision

It is our vision to build an ecosystem of sustainable businesses that are catalysts for responsible development in the communities we serve.

We are committed to partner with our host communities to provide a consistently high standard of service to our customers, look after the welfare of our employees and deliver sustainable returns to our shareholders, at all times upholding the highest standards of corporate governance and environmental stewardship in all our businesses.



## Our Ecosystem of Businesses

SM invests in businesses that drive economic growth by working together and creating synergies. Our ecosystem of businesses spans **Retail, Properties, Banking** and **Portfolio Investments**. These work together to expand access, create opportunities and support long-term growth for Filipinos.



### Retail: Enhancing Everyday Convenience

Through SM Stores, SM Markets and specialty brands, we provide essential goods and lifestyle products nationwide. Our vast retail network of over 4,000 stores supports local businesses and MSMEs, integrates e-commerce and digital payments, and serves as a key driver of consumer activity.

### Properties: Building Livable and Sustainable Communities

Through SM Prime, we develop malls, residential projects, hotels, offices and Integrated Property Development that bring together retail, business and leisure. These developments create vibrant economic centers that enhance connectivity, sustainability and urban living.



### Banking: Empowering Financial Progress

Through BDO Unibank and Chinabank, we make banking more accessible, offering solutions that support individuals, businesses, infrastructure development and sustainable projects. Our strong financial backbone enables economic participation, digital finance innovation and long-term wealth creation.

### Portfolio Investments: Driving Future Growth

We invest in high-growth sectors that have strong synergies with our ecosystem of businesses, including logistics, renewable energy, and food manufacturing. We continue to expand our investments in these sectors that generate additional value, while exploring new opportunities that drive sustainable progress, resilience and strong returns.



# Our Board's Report



**Amando M. Tefangco, Jr.**  
Chairman /  
Independent Director



**Henry T. Sy, Jr.**  
Vice Chairman



**Teresita T. Sy**  
Vice Chairperson

As we look forward to 2025, we remain mindful of the challenges ahead, with high interest rates and a volatile global trade environment in particular. Yet we remain optimistic. With our unique ecosystem of businesses, our market leading positions and our ability to invest boldly in the future, we are confident that we will continue to deliver sustained growth and value to our stakeholders.

We also continued to raise the bar on good governance. In 2024, SM Investments increased the size of its Board to give majority control – five out of nine seats – to Independent Directors. For our efforts, the Institute of Corporate Directors awarded us the highest accolade for governance, the Five Golden Arrows.

## To Our Stakeholders,

We are pleased to share the highlights of another banner year for the SM Group in 2024. This milestone year reflected both the robust trajectory of the Philippine economy and our steadfast commitment to delivering growth with purpose – a principle at the heart of everything we do.

Our performance underscores the steady progress of the Philippine economy toward upper-middle-income status, as evidenced by rising income levels and the continued confidence of Filipino consumers in their spending power.

Despite challenges such as peso volatility and higher inflation last year, our core businesses delivered remarkable earnings growth, showcasing our resilience and ability to navigate economic headwinds. Much of this success can be attributed to the loyalty and trust of our customers, whose sustained spending played a pivotal role in this year’s outcomes. Our portfolio investments also contributed significantly, underlining the strength of our diversified approach.

We reinforced our standing as a key enabler of the country’s growth by extending our reach into underserved areas, creating opportunities for economic development and giving more communities access to modern retail, inclusive financial services and integrated property developments.

We also continued to raise the bar on good governance. In 2024, SM Investments increased the size of its Board to give majority control – five out of nine seats – to Independent Directors. For our efforts, the Institute of Corporate Directors awarded us the highest accolade for governance, the Five Golden Arrows.

As we look forward to 2025, we remain mindful of the challenges ahead, with high interest rates and a volatile global trade environment in particular. Yet we remain optimistic. With our unique ecosystem of businesses, our market leading

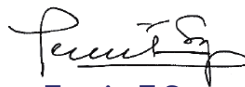
positions and our ability to invest boldly in the future, we are confident that we will continue to deliver sustained growth and value to our stakeholders. Our journey remains deeply rooted in serving the Filipino people with pride, passion and purpose.

We extend our heartfelt gratitude to our Board and Management, our employees, our public and private sector partners, our communities, and our customers for their unwavering support. Your collective trust and dedication were instrumental in making 2024 a hugely successful year.

Thank you for your continued confidence in SM. Together, we look forward to a future of shared progress.



**Amando M. Tetangco, Jr.**  
Chairman / Independent Director



**Teresita T. Sy**  
Vice Chairperson



**Henry T. Sy, Jr.**  
Vice Chairman

## Our President's Report



In this favorable environment, we pursued strategic expansion for our core businesses across the nation and, at the same time, continued to invest in high-growth sectors that create additional synergies with our existing business ecosystem.

Overall, we continued to meet the diverse needs of our many customers. In banking, we championed customer-centricity and financial inclusion across all market segments. In our malls, we continued to expand our footprint, introducing inclusive spaces and new concepts, while providing mallgoers with unforgettable mall experiences. Our retail businesses offer a broad spectrum of lifestyle choices, ensuring accessibility and relevance to consumers of all economic classes.

## To Our Stakeholders,

I am pleased to report that 2024 was a landmark year for the SM Group, supported by the Philippines' solid economic foundation and resilient consumer spending. Our consolidated revenues increased by 6%, and earnings grew by 7%. Our growth aligns with our commitment to delivering sustained value for all our stakeholders.

The Philippine Gross Domestic Product grew by 5.7% in 2024, with consumer spending as a key driver. This was underpinned by a low unemployment rate of 3.8%, a steady rise in overseas Filipino worker remittances by 3.0%, and a stable inflation rate that averaged 3.2% for the year. These indicators signal continued economic growth and consumer spending confidence.

### Driving Growth with Purpose

In this favorable environment, we pursued strategic expansion for our core businesses across the nation and, at the same time, continued to invest in high-growth sectors that create additional synergies with our existing business ecosystem.

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This growth was made possible by our well-planned footprint expansion and focus on our customers' needs. The strength of our balance sheet and prudent financial practices of each of our businesses ensure that we have the capacity to invest further. One of the highlights of the year was our pioneering USD500 million Euro Medium-Term Notes (EMTN) issuance. As part of a USD3 billion multi-issuer EMTN program, this maiden

issuance was 3.2 times oversubscribed, underscoring the strength of our financial fundamentals and our credibility in international capital markets.

### Business Highlights

Our 2024 performance was anchored on strong contributions from our core businesses.

#### Banking

Our banks accounted for 49% of group earnings. BDO Unibank delivered earnings growth of 12%, while Chinabank achieved 13% earnings growth, both supported by the broad strength of their respective business franchises.

Both banks delivered double-digit loan growth and improvements in asset quality.

#### Properties

SM Prime, our second largest contributor, posted 14% growth in earnings, mainly driven by the strong performance of its mall business.

SM Prime made significant progress in its 360-hectare Integrated Property Development in Manila Bay with the Pasay City government, with 60% of land created at the end of 2024.

#### Retail

Retail revenues and earnings grew by 5%, fueled by increased consumption spending. Among discretionary categories, health and beauty led the way, followed by fashion.

Notably, Alfamart, our minimart food format opened its 2,092nd store on its 10th anniversary.

# Our President's Report

As we approach 2025, we remain committed to driving purposeful growth, confident that moderation in inflation and a robust economy will unlock new opportunities for the country's consumer-driven economy.



## Expanding with Purpose

In 2024, we expanded our footprint with the opening of 618 new retail stores, 73 bank branches, and two malls in North Caloocan and Mandaue City, Cebu. Over 85% of these developments were outside Metro Manila, reflecting our geographic expansion strategy to tap into high-growth provincial markets and provide new growth opportunities as we serve more Filipinos.

Our investments in the high growth sectors of renewable energy, logistics and tourism exemplify our commitment to purposeful growth.

## Portfolio Investments

Our portfolio companies contributed 7% of consolidated earnings with a medium-term goal to increase this into the mid-teens. These companies continue to build synergies within the SM Group and to add growth and returns to the parent company.

Through Philippine Geothermal Production Company (PGPC), we produce 300 MW of geothermal steam supply and aim to add capacity for another 300 MW to support the Department of Energy's 50% renewable energy goal by 2040.

Our logistics provider 2GO launched two new ships, MV Masigla and MV Masikap, enabling us to connect to more localities, bringing more goods and people across 19 ports nationwide.



## Inclusive Growth

Our founder, Henry Sy, Sr., believed that business growth and social progress are intrinsically linked. Guided by this principle, we have been supporting over 100,000 MSMEs among our tenants and suppliers and championed workplace inclusivity for our over 142,000 employees. Through SM Foundation, we have granted 6,619 college scholarships, built 110 school buildings, trained 32,359 farmers, served 1,314,118 patients through medical missions and improved 216 health and wellness centers to date.

We undertook many initiatives to reduce our environmental impact, outlined in detail in our 2024 Sustainability Report.

## Recognitions

We are honored to receive numerous prestigious awards this year, recognizing our excellence in governance, investor relations, sustainability, finance, and communications. We are named one of the World's Best Companies by TIME Magazine, reflecting our global impact, while our inclusion in the Fortune 500 Southeast Asia highlights our strong market presence in the region.

## Looking Ahead

As we approach 2025, we remain committed to driving purposeful growth, confident that moderation in inflation and a robust economy will unlock new opportunities for the country's consumer-driven economy.

In 2024, we spent around PHP100 billion in capital expenditures to help fund growth. We are allocating PHP115 billion in 2025 for expansion to further drive growth this year.

## Our Thanks

We extend our heartfelt gratitude to our stakeholders for your trust and support. Your confidence inspires us to deliver meaningful growth that benefits all.

We thank our dedicated employees, supportive partners, host communities and millions of customers. Together, we will build on our successes and grow more with purpose in 2025 and beyond.

Thank you.

**Frederic C. DyBuncio**  
President and CEO

# Financial Highlights

## Earnings Mix



### Financial Performance at a Glance

**PHP82.6bn** Earnings | **PHP654.8bn** Revenues

## Performance Review

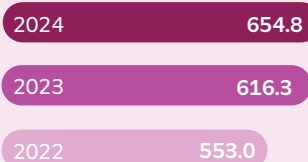
in PHP billions

### Assets



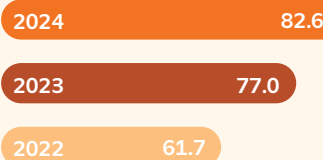
8%  
3-year  
CAGR

### Revenues



15%  
3-year  
CAGR

### Earnings



27%  
3-year  
CAGR

## Core Businesses

FY 2024 Performance

	Revenues	% Chg	Earnings	% Chg
SM Retail	PHP434.5bn	5%	PHP20.9bn	5%
SM Prime	PHP140.4bn	10%	PHP45.6bn	14%
BDO	*PHP186.6bn	8%	PHP82.0bn	12%
Chinabank	*PHP63.5bn	19%	PHP24.8bn	13%

Note: \*Net Interest Income

# Share Performance



Financial Position (PHP bn)	2024	2023	2022
Revenues	654.8	616.3	553.0
Earnings	82.6	77.0	61.7
Total Assets	1,699.1	1,586.2	1,479.4
Total Liabilities	832.7	814.0	787.2
Total Equity	866.4	772.2	692.2

Financial Ratios	2024	2023	2022
Current Ratio	1.1	1.1	1.2
Return on Equity	14%	15%	13%
Debt-Equity Ratio (Net)	31:69	33:67	35:65
Dividend Payout Ratio (based on parent company earnings)	60%	79%	41%

Per Share Data (PHP)	2024	2023	2022
Earnings per Share	67.6	63.0	50.9
Book Value per Share	513.3	455.5	406.6
Price Earnings Ratio	13.3	13.8	17.7
EBITDA	178.3bn	166.9bn	141.2bn

## Philippines

**4,470** Retail Outlets  
**87** Malls

**2,441** Bank Branches  
**22** Integrated Property Developments

### Metro Manila

**1,053** retail outlets  
**25** malls  
**11** integrated property developments  
**967** bank branches

### Luzon

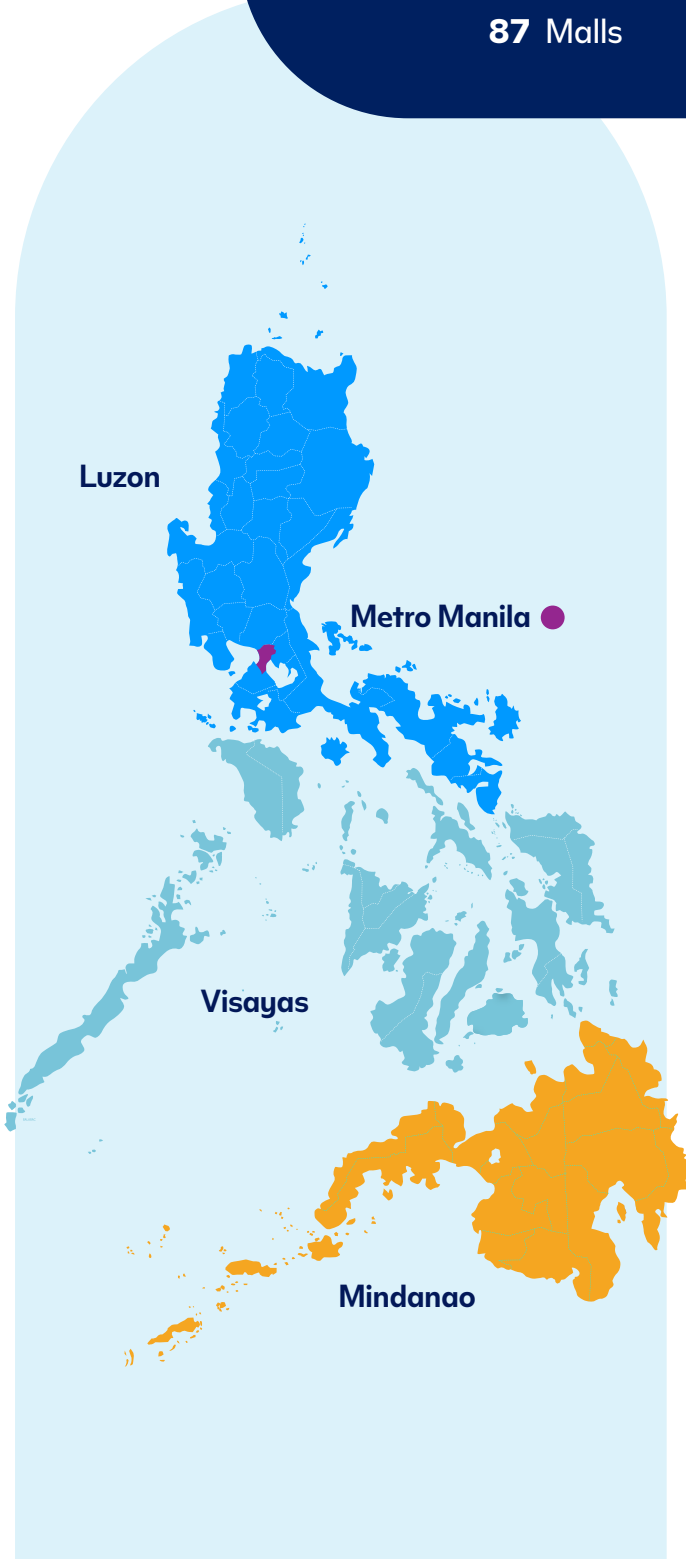
**2,927** retail outlets  
**47** malls  
**6** integrated property developments  
**869** bank branches

### Visayas

**300** retail outlets  
**8** malls  
**3** integrated property developments  
**316** bank branches

### Mindanao

**190** retail outlets  
**7** malls  
**2** integrated property developments  
**289** bank branches



## SM Retail

**77.3%**  
Effective Interest

**76**  
SM Store

**221**  
Savemore

**1,868**  
Specialty Stores

**2,092**  
Alfamart

**66**  
SM Supermarket

**56**  
SM Hypermarket

**90**  
Waltermart

**1**  
Mindpro

## SM Prime

**49.7%**  
Effective Interest

**22**  
Integrated Property  
Developments

**87**  
Malls in PH

**25**  
Leisure Home  
Developments

**2**  
Trade Halls

**10**  
Hotels

**22**  
Office Buildings

**8**  
Malls in China

**6**  
Convention  
Centers

**67**  
Primary  
Residences

**1**  
Arena

## BDO Unibank

**45.2%**  
Effective Interest

**5,815**  
ATMs

**1,791**  
Branches  
in PH

**2**  
Foreign  
Branches

**15.1%**  
ROCE

**1.8%**  
NPL Ratio

## Chinabank

**22.5%**  
Effective Interest

**1,081**  
ATMs

**650**  
Branches in PH

**15.6%**  
ROE

**1.6%**  
NPL Ratio

## Portfolio Investments\*

**26.6%**  
Belle Corp.

**71.3%**  
PULS

**95%**  
NEO Subsidiaries

**34%**  
NEO Associates

**51%**  
Airspeed

**67.2%**  
2GO Group

**100%**  
PGPC

**34.1%**  
Atlas Mining

**64.1%**  
Goldilocks

\*Effective Interest

# Awards & Recognitions

This year, we take great pride in the breadth and quality of awards we received, reflecting our commitment to excellence across governance, investor relations, sustainability, finance, and communications. The recognitions from esteemed local and international institutions underscore our dedication to keep the highest standards in every aspect of our business.

Among our recognitions in 2024, we are honored to be named one of the World's Best Companies by TIME Magazine and Statista, a testament to our global impact and leadership.

Our inclusion in the Fortune 500 Southeast Asia further highlights our strong market presence and influence in one of the world's most dynamic regions.

In finance, IFR Asia named our Euro Medium-Term Note (EMTN) Program the Philippine Capital Market Deal of the Year, highlighting our leading position in international capital markets.

In governance, we earned the highest rating, the 5 Golden Arrow Award from the Institute of Corporate Directors.

We were also pleased to receive both the Company of the Year and the People's Choice Awards from the International Business Awards (Stevies).



SM Investments received the top-tier 5-arrow recognition at the ASEAN Corporate Governance Scorecard (ACGS) 2024 Golden Arrow Awards.



SM Investments was honored for transparency and reporting at the 2024 UN Philippines WEPs Awards.



The SM Group was recognized with 13 Anvil Awards for excellence in Public Relations.



The Philippine Chamber of Commerce and Industry (PCCI) honored SM Investments as a "Country Mover" for its impact on national development.



**TIME Magazine and Statista**  
World's Best Companies



**Fortune Magazine**  
Fortune 500 Southeast Asia



**International Financing Review Asia (IFR Asia)**  
Philippine Capital Market Deal of the Year

**International Business Awards (Stevie® Awards)**



**Gold Stevie® for Company of the Year**



**Silver Stevie® for Best Annual Report**



**People's Choice Stevie® Award**



**Institute of Corporate Directors (ICD)**  
5 Golden Arrow Award

**Alpha Southeast Asia**



**Best Company for Corporate Governance**  
**Most Organized Investor Relations**  
**Best Strategic CSR**

**Corporate Governance Asia (Asian Excellence Awards)**



**Asia's Best Corporate Social Responsibility (CSR)**

**Best Corporate Communications**

**Asia's Best CEO – Frederic C. DyBuncio**

**Best Investor Relations Company**

**Asia's Best CFOs – Erwin G. Pato and Franklin C. Gomez**

**Sustainable Asia Award**

**ACES Awards**



**Most Influential Companies in Asia**  
**Top Sustainability Advocate**



**Triple P Awards Excellence in Social Sustainability**

**The Asset**



**Best Bond – Corporate (Philippines)**



**Platinum Award for Excellence in ESG**

**Best Investor Relations Team**

**Best Sustainability Team**



**Global Compact Network Philippines**  
**SDG Award for People**

**Public Relations Society of the Philippines**



**Silver Anvil Awards**

2023 Integrated Report  
Financial Communications  
CSR and Governance Communications  
Investor Relations Communications  
Special Events: Nego-Unlad MSME Caravan



**Philippine Chamber of Commerce and Industry**  
**Country Movers Award**

# How We Create Shared Value

## Our Valued Resources

We take a synergistic approach in managing our assets to deliver sustained returns and foster sustainable development

### Manufactured Capital

#### Our Integrated Developments

A unique mix of malls, residences, office buildings and hotels facilitating urbanization

### Intellectual Capital

#### The SM Brand

The SM brand is one of the most popular and trusted brands in the country

### Social Capital

#### Our Connection to Our Customers

We know our customers and we have a deep understanding of their needs and wants

#### Our Empowered People

We have a diverse group of people that mirror our diverse customers

#### Our Inclusive Supply Chain Network

Over the years, we have grown alongside our suppliers, forging enduring partnerships

#### Our Relationship with Our Communities

Wherever we are present, we help uplift the lives of Filipinos in our host communities

### Natural Capital

#### Geothermal Energy and Environmental Assets

We optimize our environmental assets to help in the just transition to low carbon economies

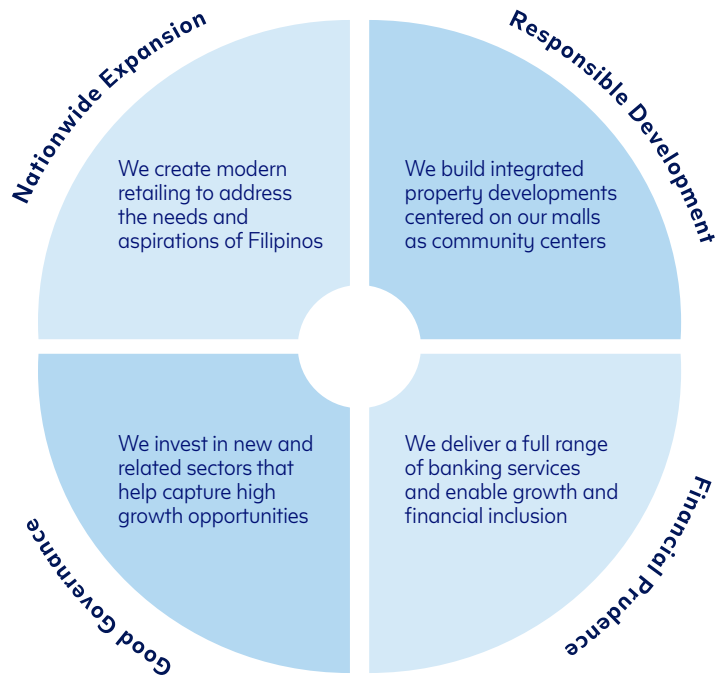
### Financial Capital

One of the Largest Market Capitalizations in the Country

We maintain strong balance sheets and adhere to prudent financial practices.

## What We Do and How We Do It

We operate as an ecosystem, with our businesses working together to achieve shared goals in serving and meeting the aspirations of Filipinos. We prioritize our customers, practice financial prudence and ensure good governance while keeping an eye on the future.



# What's Important to You and What We Delivered

## Manufactured Capital - Supporting Urbanization

### Our Integrated Developments

2 New Malls in the Philippines      4 New Office Buildings

## Intellectual Capital – Businesses/Innovations that Enhance the SM Brand Experience

- **SMAC (SM Advantage Card)** is the country's most extensive and longest-running retail loyalty program
- **SM in Focus** was launched on YouTube and is hosted by award-winning journalist Rico Hizon. The platform offers an inside look at our businesses, social good and sustainability efforts.

## Social Capital - Meeting the Ever-Evolving Aspirations of Our Customers and Stakeholders

We create socio-economic opportunities that promote inclusive prosperity for all

- SM is one of the largest job creators with over **142,000** employees as of 2024
- SM has the **largest MSME community**, partnering with and supporting over **100,000**
- **SM for MSMEs** offers affordable booth rentals in SM malls, supporting over **600 purveyors** nationwide
- **Trabaho para sa Bayan: J.O.B.S** connected **106,000 job seekers**, with over **14,000 aspirants** hired on the spot through **183 job fairs**

We create positive community impact

- **1.32mn** patients served in medical missions by the SM Group to date
- **16,036** scholar graduates to date
- **2,850** schools built and refurbished by the SM Group to date
- **415** health centers and medical facilities built/renovated to date

## Natural Capital – Managing Environmental Impacts and Finding Practical Solutions

### Geothermal Energy and Environmental Assets

- PGPC's Steam Output generated **2,720 GWh** in 2024
- **2.66mn** trees/ seedlings planted
- **24** hectares of mangroves protected
- **3** marine protected areas
- **51.6 MWp** capacity of solar panels installed in SM Supermalls
- **2** adopted plantations under PGPC's Kupkop Kabundukan program

## Financial Capital – Accelerating Inclusive Economic Growth and Partnerships

- Assets: **PHP1.7tn**
- Earnings: **PHP82.6bn**
- Revenues: **PHP654.8bn**
- BDO Sustainable Energy Finance: **PHP1.04tn**
- BDO Loans to National Projects: **PHP114bn**
- BDO Loans to SME: **PHP55bn**
- Chinabank Loans to MSMEs: **PHP18bn**
- Chinabank Sustainable Finance Portfolio: **PHP147bn**

# Positive Impact Created, Aligned with UN Sustainable Development Goals



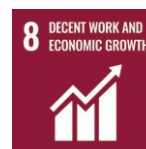
## We facilitate responsible urbanization and development

- SM Prime is investing in an Integrated Property Development with the Pasay City government. The master plan will be finalized by mid-2025, with horizontal development starting in 2027
- SM Prime is also allocating 10% of its capex, equivalent to PHP10bn, to integrate sustainable and resilient designs into its developments



## We showcase sustainable business practices, highlighting eco-friendly initiatives and encouraging responsible resource management

- With over 20,000 products under **SM Green Finds**, we are making sustainable choices more accessible to consumers
- Watsons launched the **Greener Store** concept with 1,600+ green SKUs and refill stations



## Our Connection to Our Customers

- SM Supermalls welcomed an average of **3.8 million visitors** daily throughout 2024
- SMAC loyalty program with **10.7M** members



## Our Empowered People

- We champion equal opportunity ensuring fair and inclusive workplaces in every part of our business



## Our Inclusive Supply Chain Network

- As of the end of 2024, we have over **22,579 stores** across our malls, with **68%** mall tenants being MSMEs

## Our Relationship with Our Communities

- We advance social development by providing access to **education, healthcare** and **livelihood** opportunities in the communities we serve.



## We promote natural habitats, environmental stewardship and nature-based solutions

- The **ORCA Biodigester** at Taal Vista Hotel has diverted 40,013 kg of food waste, cutting 20,406.63 tons of CO2 emissions with a one-day processing cycle
- **Bokashi composting** across five SM Hotels has diverted 198,640 kg of food waste, reducing 101,306.4 tons of CO2 while producing natural fertilizer



## We generate profits with purpose, contributing to national growth and partnerships

- SM Prime partnered with **GUUN** to enhance waste management and upcycling initiatives
- We organized the **PlasTIK Conference** with the **Department of Science and Technology (DOST)** to advocate responsible plastic use and waste management
- We partnered with Global Compact Network Philippines (GCNP) and hosted **SM Nego Unlad MSME Caravan** to empower and support MSMEs

Our retail businesses are at the heart of our group, driven by a deep understanding of Filipino customers. In 2024, retail contributed 66% of group revenues and 18% of earnings. We are a leader in food and non-food retailing with more than 30 brands across diverse formats. Partnering with over 100,000 suppliers - mostly micro, small, and medium enterprises - we expanded to 4,470 stores by year-end, strengthening our market presence. Our capital-light business model funds our own growth, enabling expansion while delivering strong cash flows and high returns.

**PHP434.5bn**  
Revenues

**4,470**  
Retail Stores  
Nationwide

Supporting Over  
**100,000**  
Vendors and  
Suppliers

# Our Retail Businesses



## Your Everyday Store

At SM Store, we continue to serve over six million customers nationwide, including 390,000 Prestige SMAC members, across 76 stores. In 2024, we expanded our offerings with global luxury beauty brands like YSL, Lancôme, and Tom Ford, alongside premium home products from Martha Stewart, Cuisinart, and KitchenAid.

Our Green Finds program grew significantly, with over 20,000 eco-conscious products contributing to sustainable shopping. We also celebrated Earth Day with nationwide pop-ups promoting sustainable brands.

In collaboration with designer Zarah Juan, we turned 33,650 square feet of used tarpaulins into tote bags and pouches, creating nearly 100 jobs and reducing landfill waste.

SM Store remains committed to meeting customer needs while driving responsible shopping and growth.



Over  
**20,000**  
Green Finds  
Products

**76**  
SM Stores



**23**  
SM Stores in  
Metro Manila





**1,170**  
Stores

## Expanding Access and Shopping Experiences

In 2024, Watsons reached a significant milestone with the opening of our 8,000th store in Asia at the Mall of Asia, underscoring our commitment to expanding access to health and beauty products.

Since entering the Philippine market in 2002, we've grown to 1,170 stores nationwide, opening 80 new locations in 2024, including in Visayas and Mindanao. Our flagship store at the Mall of Asia is transforming the beauty shopping experience with exclusive zones like the Beauty Zone and Sustainable Choices area, offering clean beauty products and refill stations.

We've also introduced innovations like the Offline plus Online (O+O) model, self-checkout counters, and Click & Collect services, making shopping more convenient and personalized for our customers.

Our stores continue to serve as vital community touchpoints, offering affordable products, creating jobs, and driving local economic activity. In 2024, we expanded our Alagang Pangkalusugan Medical Missions to nine missions and graduated our first batch of Pharmacy Assistant Apprenticeship Program participants, providing young women with education and career in retail.

As part of our sustainability commitment, we launched our first Greener Store in San Pedro, Laguna, and now offer over 2,000 sustainable products, including refillable options.

We remain focused on empowering communities, advancing sustainability, and transforming the health and beauty retail experience for Filipinos.



**80**  
New Locations  
in 2024

**Click & Collect**  
Services  
making shopping  
more convenient

# More Rewarding Shopping

At SM, we continue to enhance the shopping experience of our customers through SMAC (SM Advantage Card), the largest retail rewards program in the country, serving 10.7 million members. These members drive a significant portion of total sales, reflected in higher transaction volumes and basket sizes.

In 2024, we further strengthened SMAC's benefits with strategic partnerships. We renewed our Shop to Fly, Fly to Shop collaboration with Philippine Airlines, offering better points conversion. We also maintained our solid partnership with Shell, Globe, and PLDT to provide even more opportunities for earning points and exclusive offers. These benefits on top of what our members currently enjoy when they earn and pay with SMAC Points, get exclusive discounts and other exciting perks at SM Store, SM Markets, SM Appliance Center, Toy Kingdom, Ace Hardware, Uniqlo, and at over 4,000 SM Retail Stores nationwide.

In collaboration with Globe's Hapag Movement and SM Foundation, we raised over PHP30 million to address food security and education challenges, providing 35 scholarships and supporting initiatives to fight hunger, aiming to reach 100,000 families over the next four years.

We also launched the SMAC&SHOP app, where our members can enjoy all things SMAC. They can earn and pay with points with their virtual SMAC, manage their account on-the-go, keep track of their spending to unlock VIP status, and get deals from their favorite SM brands anytime, anywhere.

Looking ahead, we're committed to expanding benefits, making a positive community impact, and embracing innovation to create lasting value for our members.



**10.7 million**  
SMAC Members  
as of 2024



**417**  
New Stores

**2,092**  
Stores  
Nationwide

## Everyday Essentials for Neighborhoods

In 2024, Alfamart opened its 2,000th store in Santa Rosa, Laguna, marking a decade of serving Filipino neighborhoods. Since 2014, we've expanded to 2,092 stores nationwide, with 417 new locations this year alone.

Our stores offer a wide range of products, including fresh goods, SM Bonus items, and essentials, providing value and convenience to customers.

The opening of our fifth distribution center in Sariaya, Quezon improved delivery efficiency, supporting faster service for South Luzon. This expansion also created over 1,000 jobs.

Additionally, our Silang, Cavite center increased its solar capacity by 155 kilowatts, cutting energy use by 20%. This initiative will expand to Pampanga in 2025, reinforcing our sustainability efforts.

We continue to bring accessible, affordable shopping to underserved neighborhoods, supporting local economic growth.

## Wider Choices for Your Daily Needs

In 2024, SM Markets expanded with 14 new stores, ending the year with a total of 340 locations—over 70% of which are outside Metro Manila. We continue to empower local MSMEs by featuring regional specialties alongside premium imports like U.S. brand Signature Select and Singapore’s Fair Price.

Our food dining experience continues to grow, offering favorites like SM Turon, Siopao Sarap, United Steak, Five Star Coffee, and Chooks to Go.

Shopping is now easier than ever with smmarkets.ph, where customers can conveniently browse and order their groceries online. We’ve also expanded our reach through Pickaroo, SMAC&SHOP, and GrabMart, offering even more ways to shop.

As we grow, we remain committed to providing more choices, delivering value, and enriching the shopping experience for every Filipino, wherever they are.

**66**  
SM Supermarket



**221**  
Savemore



**56**  
SM Hypermarket

Our property arm, SM Prime, is one of Southeast Asia's largest integrated property developers. It operates 87 malls nationwide and 8 in China, anchoring our integrated property developments and retail formats. Strong recurring earnings from malls, offices, convention centers and hotels provide stable cash flow and fund our ongoing expansion plans. We also continue to lead in vertical residences across Metro Manila and expanding into provinces. SM Prime is a leader in upholding our commitment to disaster preparedness and resilience. SM Smart City, a 360-hectare integrated property development project with the Pasay City government, continues to progress as a key development. In 2024, our property business delivered PHP45.6bn of earnings.

# Our Properties

**87**  
Malls in the  
Philippines

**8**  
Malls in  
China

**PHP140.4bn**  
Revenues

**22**  
Integrated  
Property  
Developments

**67**  
Primary  
Residences



# Integrated Property Developments

## Supporting Modern Lifestyles

In 2024, through our 22 integrated property developments, including the flagship Mall of Asia Complex, we continued to combine retail, residential, commercial and leisure spaces to drive growth and empower communities across the country.

SM Clark, which began as a mall since 2006, has evolved into a vibrant community hub, employing over 22,000 people and supporting 5,000 tenants. With the addition of the National University, Park Inn by Radisson and SMX Convention Center Clark, we continue to strengthen the region's role in tourism and meetings, incentives, conferences, and exhibitions (MICE).

In Bacolod, our 28th mall is strategically integrated with the SMX Convention Center and Park Inn by Radisson, offering versatile event spaces and quality accommodation. Adjacent to SM City Bacolod, Smile Residences boasts premium amenities and stunning views.

In Cagayan de Oro, SM City CDO Uptown is central to the city's growth, complemented by Vail Residences, offering easy access to goods and services.

In Davao, SM Lanang Premier combines retail, the SMX Convention Center and Park Inn by Radisson to provide a seamless experience for visitors.

These developments reflect our commitment to purposeful growth, creating spaces that blend commerce, culture and community.



## Malls Like No Other

SM Supermalls has long been a part of Filipino communities. For over six decades of knowing the pulse of the customers, our malls evolved from retail spaces into dynamic lifestyle and business hubs. Through the years, SM has been the place where families gather, friends meet and entrepreneurs thrive.

Our deep connection with customers sets us apart and continues to drive the success of physical retail in the Philippines.

**1,636**  
New Jobs  
Generated  
in 2024



**3.8 million**  
Average Daily Visitors



**22,579**  
Mall Tenants





**SM J Mall**  
in Mandau,  
Cebu is the  
**87th**  
SM Mall

## A New Era of Malling

In 2024, we continued to redefine the Filipino shopping experience with new concepts and brand partnerships. We opened SM City Caloocan, enhancing connectivity in one of Metro Manila's fastest-growing areas, and SM J Mall in Mandau, Cebu, our 87th mall nationwide.

At SM J Mall, we went beyond retail by introducing the Izakaya Terrace and entertainment spaces like escape rooms, trampoline parks, and virtual golf. We also expanded our offerings with new international brands like Paris Baguette, Haidilao Hotpot, and Flying Tiger Copenhagen.

All our 87 malls are designed to create meaningful connections with communities. This year, we also made an impact with a record-breaking International Coastal Clean-Up, engaging 23,320 volunteers and collecting 135,000 kg of waste across 15 malls.

We remain committed to providing spaces that meet the malling needs and wants of every Filipino family.





## Building Homes, Expanding Horizons

In 2024, SM Development Corporation (SMDC) continued in shaping the future of communities beyond Metro Manila. We reaffirmed our commitment to bringing accessible, high-quality living to more Filipinos across the country, as we celebrated SMDC's 20th anniversary.

We expanded further in key growth areas such as Cool Suites at Wind Residences in Tagaytay City and Parkville Residences in Bacolod. Cool Suites is part of the growing Wind Residences estate, where city dwellers and retirees find respite while still near modern conveniences. Parkville, our first lots-only subdivision, meets the rising demand for spacious and flexible living in one of the country's fastest-growing provincial capitals.

SMDC, while addressing housing demand, also builds communities at the gateways of progress, ensuring that more Filipinos can live, work, and thrive where growth is taking shape.

As we move forward, SMDC remains committed to building a nation of homeowners, while creating opportunities for more Filipinos to invest in their future and be part of thriving, well-connected communities that stand the test of time.

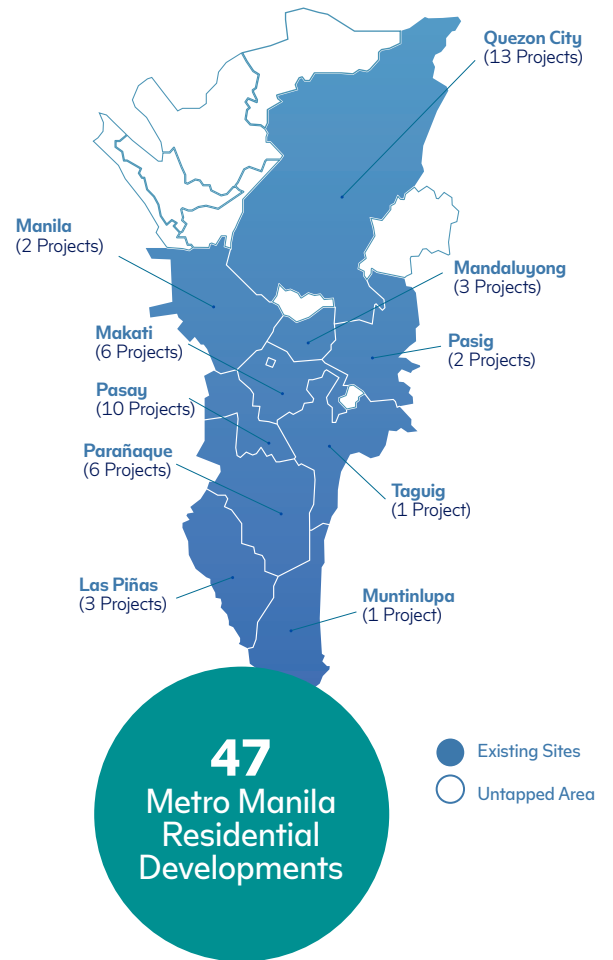
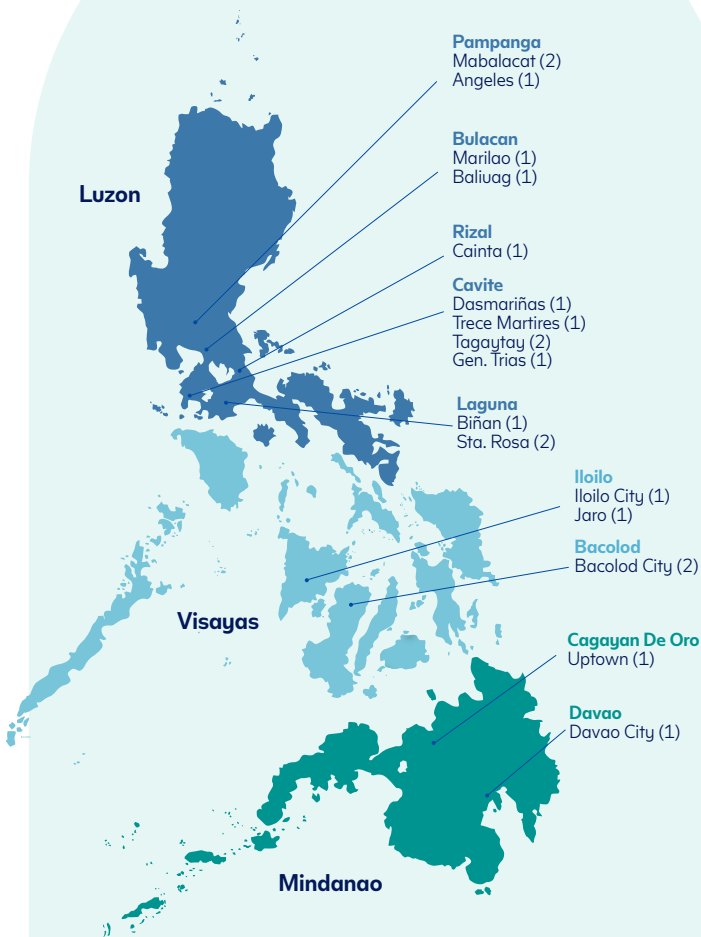
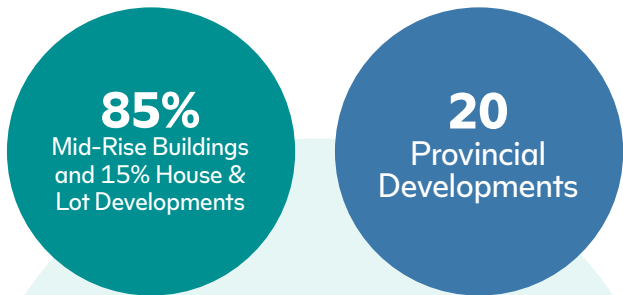
**67**  
Primary  
Residences



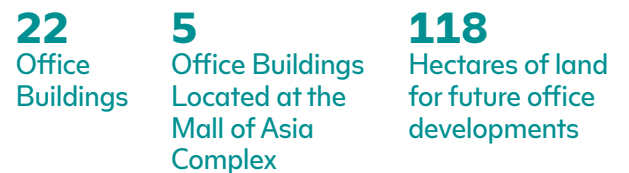
# Key Property Developments



# Primary Residences



# Offices



# SM HOTELS AND CONVENTIONS



**10**  
Hotels

## Hospitality for All

In 2024, SM Hotels expanded its portfolio, blending world-class luxury with Filipino hospitality. We officially opened to the general public Lanson Place Mall of Asia, our first hotel and serviced residence-in-one, also catering to the growing demand in the lucrative MICE (meetings, incentives, conferences, and exhibitions).

We also continued our Park Inn by Radisson expansion, adding new properties in Cauayan, Olongapo, Dasmariñas, and Laguna, driving regional growth and enhancing local economies. Park Inn by Radisson Cauayan, the first international hotel in the area, symbolizes our role in emerging hubs.

At the luxury end, Conrad Manila earned Best Business Hotel – Philippines at the 33rd Annual TTG Travel Awards. We also celebrated Taal Vista Hotel's 85th anniversary, further cementing our commitment to community and cultural preservation.

Through these developments, we continue to offer meaningful experiences to all our guests and at the same time, enrich the communities we operate in.



**67%**  
SM Hotels  
Average  
Occupancy  
Rate

## Elevating Workspaces

SM Offices manages 22 office buildings with a combined gross leasable area (GLA) of nearly 1.0 million square meters.

We are also at the forefront of adopting property technologies into our developments. By using Building Management Systems (BMS) and advanced Air Conditioning and Ventilation Systems (ACVS), SM Offices optimizes energy consumption and improves tenant experiences. Additionally, SM Offices utilizes Energy Recovery Ventilator (ERV) technology, a system that promotes energy efficiency by transforming stale exhaust air into fresh outside air.

Most recently, we introduced electric vehicle (EV) chargers in three of our office buildings in the MOA Complex, namely ThreeE-com Center, FourE-com Center and FiveE-com Center.

SM Offices goes beyond the confines of the workspace and integrates amenities in its E-Com Prism Plaza sky gardens. There is an *Instagrammable* LED rose garden, open-air work desks, designated outdoor exercise areas, and multiple gardens where employees can rejuvenate and “press that ‘reset’ button” for a more productive day ahead.

Our commitment to sustainability and people-centric design earned Mega Tower and ThreeE-Com Center top honors at the Dot Property Southeast Asia Awards 2024. These LEED Gold-certified buildings set the standard for modern workspaces.



**22**  
Office  
Buildings



## SM Prime's Next Landmark Development: A Sustainable Urban Center

SM Prime is strengthening its commitment to the Philippines' future with a major investment in an Integrated Property Development (IPD) adjacent to the Mall of Asia Complex in Pasay City.

Designed for connectivity, convenience and climate resilience, this large-scale project will bring together residential, commercial, leisure, civic and green spaces in a fully integrated urban center.

The project is moving forward as planned. At the end of 2024, 60% of horizontal sand pouring was completed, with full completion targeted in late 2025. The master plan is set

to be finalized in the first half of 2025, paving the way for horizontal development to begin in 2027. The handover to the national government and the local government of Pasay City is scheduled before the end of 2028.

This IPD will position the Philippines as a prime investment destination, demonstrating our commitment to innovation and sustainable urbanization. Once completed, it will contribute to job generation, economic expansion, community development and nation building.

Horizontal  
development  
to begin in  
**2027**

SM Prime's future-ready urban hub is taking shape, with 60% of horizontal sand pouring completed in 2024.

Our ownership stakes in BDO and Chinabank position us to grow with the Philippine economy and expand financial services to more Filipinos. Through BDO, we serve all segments across online and offline channels, with a focus on expanding financial inclusion via BDO Network Bank. Chinabank continues its legacy of relationship banking, supporting entrepreneurs and the middle market while innovating in new products and markets. Both banks remain well-capitalized and conservatively provisioned, ensuring sustainable financial strength. In 2024, BDO and Chinabank delivered record earnings, contributing 49% of group earnings.

Chinabank  
**PHP24.8bn**  
Earnings

BDO  
**PHP82.0bn**  
Earnings

# Banking

**650**  
Chinabank  
Branches

**1,793**  
BDO  
Branches



# Driving Growth and Creating Opportunities



**PHP82.0bn**  
Earnings



**15.1%**  
Return on  
Common  
Equity

Banks play a crucial role in helping people and businesses thrive. Whether it's providing loans to entrepreneurs, assisting families secure their future, or making everyday banking easier, financial institutions keep the economy moving. They enable businesses to expand, jobs to grow, and communities to flourish.

At BDO, growth goes hand in hand with purpose. By supporting enterprises, expanding financial access to Filipinos and financing worthwhile initiatives, the Bank helps create meaningful opportunities. From funding clean energy to bringing banking services in underserved areas, BDO is committed to growth with purpose – ensuring that progress helps uplift lives.

### Empowering Growth through Sustainable Finance

As a pioneer in sustainable finance, BDO continues to fund large-scale projects that drive economic development while reducing the country's carbon footprint. This means supporting key industries that boost local economies while contributing to a more sustainable future. BDO has financed PHP1.04 trillion in sustainable finance to date, including 63 renewable energy projects nationwide and in other parts of Asia.

In 2024, BDO successfully issued its second and third ASEAN Sustainability Bonds under the BDO Sustainable Finance Framework (SFF) to finance green and social projects, ranging from renewable energy to clean transport and sustainable agriculture and fisheries. The overwhelming

support from retail and institutional investors for these financial instruments, issued at record highs of PHP63.3 billion and PHP55.7 billion, respectively, reaffirms confidence in BDO's leadership and credibility in sustainable finance.

BDO's SFF is currently the most comprehensive framework in the Philippines for Green, Blue, Social, and Gender financing, with 29 eligible categories certified with a Second Party Opinion by Morningstar Sustainalytics.

Investing in a Sustainable Future through BDO Private Bank (BDOPB), in collaboration with Branch Banking Group (BBG), played a key role in the success of the ASEAN Sustainability Bonds, significantly increasing both retail and institutional client investments from PHP3 billion in 2023 to PHP20 billion in 2024.

BDO remains committed to raising awareness among its stakeholders about how BDO leads sustainable initiatives whenever possible – championing resource preservation and creating lasting benefits for future generations.

### **BDO Network Bank: Empowering Entrepreneurs through Microfinance**

BDO Network Bank supports small businesses and government employees by offering microfinance and salary loan services tailored to their needs. Many of these enterprises are women-owned and women-led, enabling women achieve financial independence and become valued economic contributors.

**PHP1.04tn**  
Funded in Sustainable Finance to Date



Funded  
**63**  
Renewable Energy Projects

### **Spreading Financial Inclusion for All**

By continuously expanding its physical and digital reach, BDO has bridged financial gaps for underserved and unbanked communities. Through financial literacy programs, the Bank equips individuals and Micro, Small, and Medium Enterprises (MSMEs) with the knowledge and skills to manage their finances effectively, empowering them for long-term success.



**1,793**  
Branches

# Banking That's Focused on You

At the heart of Chinabank's enduring relationships is our dedication to knowing our customers well and providing them the banking support and solutions best suited to their financial needs, goals, and circumstances.

This unwavering customer focus is in our company DNA, manifested in the way we take care of our customers, and drives Chinabank's growth and resilience.

In 2024, we achieved an all-time high consolidated net income of PHP24.8 billion. We are still the fourth largest private universal bank in the Philippines, with total assets of PHP1.6 trillion. Deposits hit PHP1.3 trillion as we made account opening and saving easy and convenient. Gross loans reached PHP933 billion as we improved the loan process and enabled easier access to financing for more people and businesses.

## Focused on Your Goals

For over a century, Chinabank has a strong presence in the entrepreneur, middle market, and business segments. In 2024, alongside ongoing digital transformation, we amplified our commitment to customer centricity and broadened our clientele through a brand refresh program, Focused on You.

Building on Chinabank's solid foundation as a trusted bank in an evolving landscape, the campaign was supported with initiatives that prove our focus: to help Filipinos achieve their dreams.

We pioneered in the Philippines the Instant Issuance Process so Filipinos can get a Chinabank Credit Card in just 30 minutes. We expanded our product offerings, launching our first-ever

Visa-branded credit card, Chinabank Velvet Visa Signature, and our first feeder fund-structured UITF with a monthly income-payout feature, Chinabank Income-Paying Dollar Bond Feeder Fund. We continued to strengthen our technology foundations, putting greater emphasis on digital, data, and analytics to offer delightful and digital-first experiences to individuals and businesses of all sizes. We redesigned and launched the best iteration of our mobile app, My CBC. Receive money, save it, manage it, transfer it, pay bills, and even open accounts all with one bank, using one app.

For our solid financial performance and customer-centric, technology-enabled retail strategy, Chinabank was named by the Asian Banking & Finance in 2024 as the Domestic Retail Bank of the Year.

**PHP1.6tn**  
Total Assets

**15.6%**  
Return on  
Equity

**1.6%**  
Return on  
Assets

**PHP1.3tn**  
Total Deposits



**Chinabank**  
Focused on You

**Chinabank**  
reaffirms its  
customer focus  
with new  
campaign



**Michelle Marquez Dee**  
Miss Universe Philippines 2023



**650**  
Branches

**PHP24.8bn**  
Earnings



### Focused on Sustainability

As we empower Filipinos to navigate their financial futures with confidence, we help build a sustainable future for all. We fund renewable energy projects and initiatives that promote resource efficiency and avoidance of greenhouse gas emissions, manage our own environmental footprint, and uphold high governance standards.

In 2024, Chinabank was recognized by The Asset for excellence in environmental, social, and governance (ESG) practices. The bank also made it to TIME's list of the top 1,000 firms across the globe in terms of employee satisfaction, revenue growth, and ESG performance, and again won the Institute of Corporate Directors' top governance award, the Five Golden Arrows.

Looking ahead, we will continue to sharpen our customer and sustainability focus, leveraging our financial strength and expertise to make a difference in the lives of more Filipinos and future generations.

**Titanium Award  
Excellence in ESG  
The Asset**



**World's Best  
Companies  
TIME and Statista**

**Five Golden  
Arrows  
Institute of  
Corporate  
Directors**



Beyond our market-leading core businesses, we strategically invest in high-growth, well-governed and profitable enterprises that create synergies within our ecosystem. Our portfolio companies operate on proven business models, driving their own growth through strong performance and self-funded expansions. With controlling stakes, we play an active role in their development while ensuring sustained value creation and attractive returns. In 2024, our portfolio investments contributed 7% of earnings, with a long-term goal of reaching mid-teens share even as our core businesses continue to grow.

**7%**  
Earnings  
Contribution

**8**  
Businesses in  
High-Growth  
Industries

# Portfolio Investments



# Powering Growth with Clean Energy

At Philippine Geothermal Production Company (PGPC), we are committed to increasing the share of renewables in the country’s energy mix, with a focus on geothermal energy. Our goal is to be a resource for reliable, renewable geothermal energy to ensure an adequate supply of baseload power for the island of Luzon.

We continue to operate the Tiwi and Mak-Ban steam fields, which have powered client plants since 1979, while expanding into new geothermal projects across Benguet, Cagayan, Camarines Norte, and other provinces. These new developments are expected to generate 250–400MW of renewable power, in addition to the current 300MW output, reducing the risk of future power shortages in Luzon.

In 2024, we marked a milestone with the arrival of our Pioneer 1 drilling rig, which is already operational at Tiwi and will soon be deployed to other sites. These projects support the Department of Energy’s 50% renewable target by 2040 and will create over 2,000 local jobs in the next few years.

As Southeast Asia’s geothermal pioneer, PGPC is committed to driving clean energy progress while supporting community development through education, environmental stewardship, and livelihood programs.



# 2GO

# Empowering Businesses Through End-to-End Logistics

As the Philippines’ largest end-to-end logistics provider, 2GO serves customers across 19 ports of call, connecting key business hubs like Manila, Cebu, and Cagayan de Oro, as well as tourism hotspots like Boracay and Coron.

In 2024, we expanded our routes to include weekly voyages to Davao and General Santos City, providing reliable logistics services for Mindanao’s emerging businesses and tourists.

We also launched MV Masigla and MV Masikap, increasing our fleet to nine ROPAX ships and one freighter. These ships combine large freight capacity with cruise-like comfort, enhancing the travel experience for both passengers and cargo.

2GO provides end-to-end logistics solutions, including warehousing, cold chain management, project logistics, and multimodal freight via air, land, and sea—driving the growth of the booming e-commerce sector.

With our nationwide network, serving 33,000 barangays, we continue to help enable business and tourism growth, providing seamless, integrated solutions that empower businesses across the Philippines.

Operating in  
**19**  
Ports of Call



At SM, sustainability is woven into how we operate and grow. We focus on practical solutions that drive environmental responsibility, social progress and long-term economic growth, creating meaningful impact where it matters most.

**Responsible  
and Inclusive**

**Focused on  
Long-Term  
Growth**

# Our Practical and Meaningful Approach to Sustainability



# Our Practical and Meaningful Approach to Sustainability

At SM, we recognize our role in shaping the country's social, economic, and environmental landscape. We take a practical approach to sustainability, addressing daily challenges, supporting lifestyle aspirations, and contributing to sustainable development.

By focusing on what matters most to our business, we align our growth with the needs of the country, making a positive impact where it matters most.

## Environmental Stewardship: Minimizing Impact, Maximizing Efficiency

With our extensive business footprint, we do our share in conserving natural resources and protecting the environment both life on land and in water. We employ the “avoid, reduce, reuse, recycle and repurpose” approach in utilizing resources for operations and product development. We implement programs on waste management, plastic management, energy management and water management. We have invested in a waste-to-fluff fuel partnership with GUUN to reduce plastics footprint and develop alternative sources of energy. We actively implement water recycling initiatives to optimize consumption and reduce environmental impact.

## Social Responsibility: Creating Opportunities and Promoting Inclusion

At the core of our sustainability efforts are our own people and the communities we serve. We champion equal opportunity ensuring fair and inclusive workplaces in every part of our business. Meanwhile, we do not leave anyone behind as we strive for social development by providing access to education, healthcare and livelihood. These efforts are complementary in creating equal opportunities and promoting social inclusion whenever SM is present.

## Driving Economic Growth

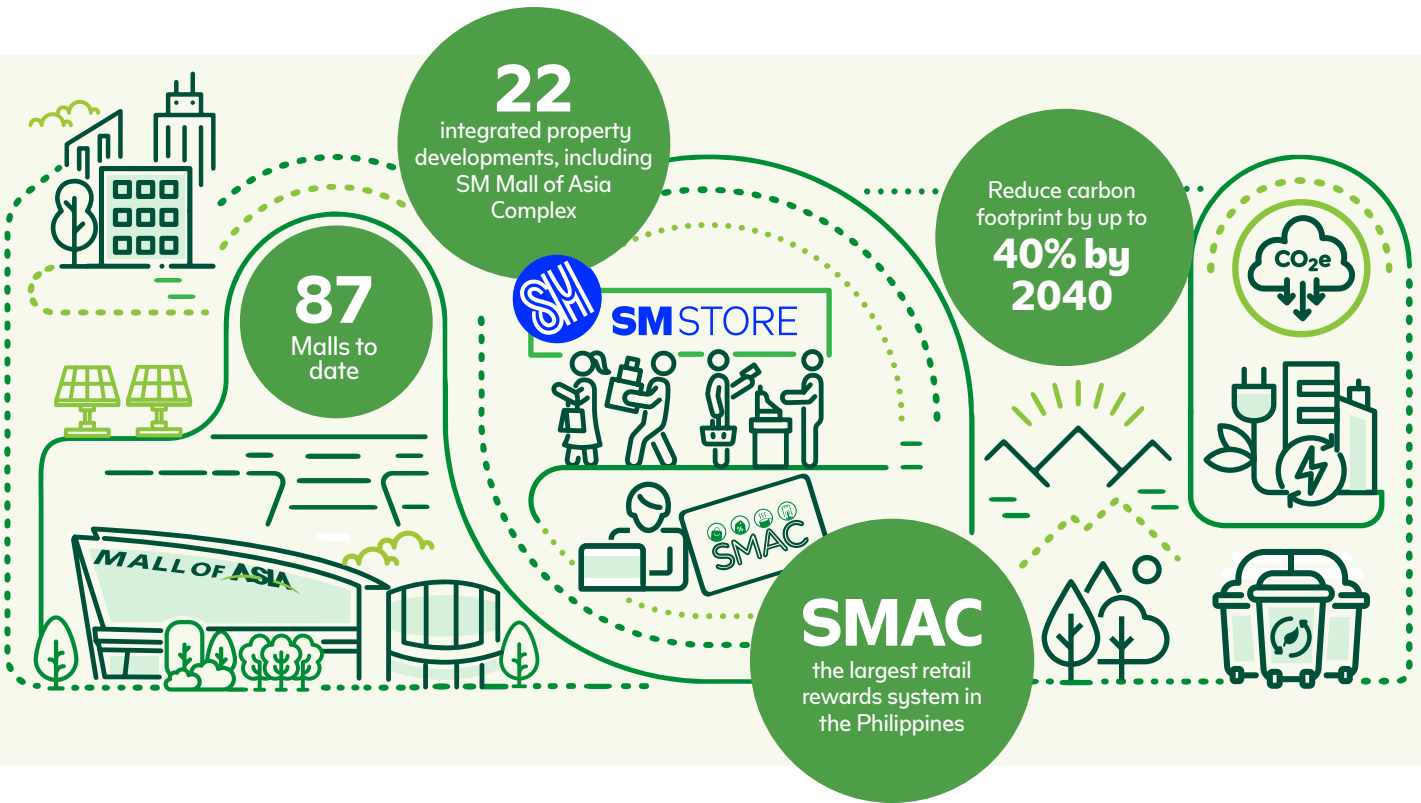
The synergy of our core businesses—retail, property, and banking—fuels local economies, transforming emerging cities into thriving urban hubs. This serves as a platform to foster the creation of MSMEs, and local job creation. The availability of office spaces, hotels, and convention centers boost local tourism and attract businesses and foreign investments in the city. Lastly, the mixed use of residential and commercial spaces, encourage aspirational lifestyles which contribute to economic activity.

Multiplied throughout the country this approach collectively drives sustained growth.



# Our Valued Resources

SM is committed to sustainable growth and long-term value creation by leveraging our resources effectively to drive progress, enhance resilience and create shared prosperity for all stakeholders.



## Manufactured Capital

With 84% of Filipinos expected to live in cities by 2040, SM aligns with the Philippine Urbanization Plan to build inclusive, resilient and sustainable cities. We continue to develop integrated property developments ensuring accessibility, economic opportunities and social cohesion. To date, we have 22 integrated property developments and 87 malls that serve as key community and economic hubs.

Our property arm, SM Prime, is investing in a 360-hectare Integrated Property Development with the Pasay City government. The master plan is set to be finalized in the first half of 2025, paving the way for horizontal development to begin in 2027.

## Intellectual Capital

As a leader in multiple industries, the SM brand is one of the most recognized and trusted names in the country, shaping the way Filipinos shop, live and work. Complementing this is the country's largest and longest-running loyalty program, SMAC (SM Advantage Card) with 10.7 million members enjoying exclusive perks, discounts, and rewards.

In the last quarter of 2024, we launched **SM in Focus**, a YouTube platform hosted by award-winning journalist Rico Hizon, offering an in-depth look at our businesses, social good and sustainability efforts.

Subscribe to SM in Focus:

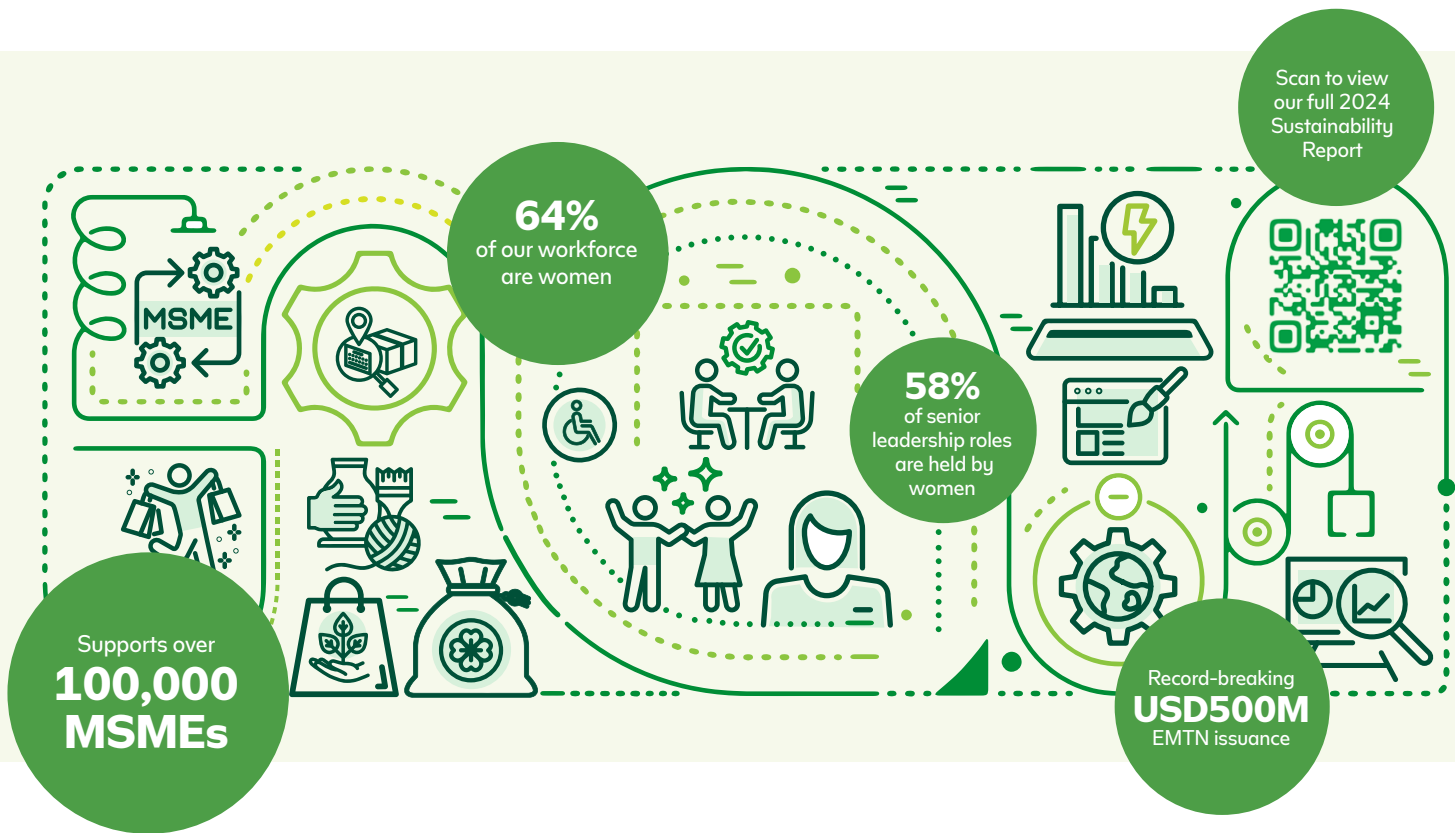


## Natural Capital

Environmental preservation is integral to SM's growth strategy. We aim to reduce our carbon footprint by up to 40% by 2040 as reflected in our investments in green infrastructure, renewable energy projects and sustainable sourcing.

A key initiative is our partnership with **GUUN** through SM Prime to optimize waste management and upcycling, while BDO continues to fund renewable energy projects.

In October, we organized the **PlasTIK Conference** with the Department of Science and Technology (DOST), advocating for responsible plastic use and waste management. We also expanded our **Green Finds** program, providing customers with more eco-friendly products, while Watsons accelerated its Sustainability efforts with over 1,600 green SKUs, refill stations and the launch of the **Greener Store** concept.



## Social Capital

We continue to expand through sustainable partnerships that uplift businesses and communities. SM supports over 100,000 MSMEs through our retail and property network, offering accessible platforms for growth. **SM for MSMEs** offers small businesses affordable booth rentals in SM malls for as low as PHP500 per day. Supporting over 600 purveyors nationwide, it provides a strategic opportunity to reach the right market and grow into future mall tenants.

Supporting education and employment, 1,000 new scholarships were awarded by SM Foundation in 2024, the highest in our history and 106,000 job seekers were connected through **Trabaho para sa Bayan: J.O.B.S (Job Opportunities Building Skills)**, with over 14,000 aspirants hired on the spot across 183 job fairs. Additionally, SM Foundation's **KSK Farmers' Training Program** continues to support agricultural communities by providing essential skills and resources.

## Human Capital

Our inclusive workplace policies champion equal opportunity, meritocracy, and anti-discrimination while fostering a supportive environment with facilities such as meditation rooms, breastfeeding areas and gender-neutral restrooms.

With women comprising 64% of our workforce and holding 58% of senior leadership roles, we actively track and enhance leadership opportunities for women through comprehensive training, mentorship, and career growth programs, ensuring a diverse and empowered workforce. This year, we welcomed our new Independent Board Director, **Atty. Lily Gruba**, bringing women's representation on our board to one-third.

## Financial Capital

Our financial practices are guided by our vision of building sustainable businesses that drive responsible development. We prioritize sustainable returns, maintain strong balance sheets and adhere to prudent fiscal practices.

In 2024, we strengthened our financial position by launching our **Euro Medium-Term Note (EMTN) Program**, providing flexibility in global capital markets to fund strategic expansion. Following its establishment, we successfully completed a USD500 million drawdown in July, with the issuance oversubscribed by 3.2x, reaching USD1.6 billion in demand. The 5-year note was priced at 5.466% with a 5.375% coupon.

As early adopters of **International Financial Reporting Standards (IFRS) S1 and S2**, we integrate finance with sustainability, reinforcing our commitment to long-term growth, climate risk management and shared stakeholder value.

We recognize that strong corporate governance is essential to achieving sustainable growth. As part of our ongoing efforts to enhance transparency, accountability, and independent oversight, we have taken deliberate steps to strengthen our board's composition and practices.

**Independent  
Chair**

**Majority  
Independent  
Board**

# Governance



## Feature: Highly Credentialed, Majority Independent and Inclusive Board



### Leading with Experience and Inclusivity

In 2023, we appointed two-term Bangko Sentral ng Pilipinas Governor Amando M. Tetangco, Jr. as Chairman of the Board. This marked the first time an independent director assumed this role in our company's history. Governor Tetangco's proven expertise in monetary and financial sector policy and banking supervision ensures informed and independent leadership at the board level.

To further enhance governance, we expanded the board to nine members, with five seats now held by independent directors. This approach reflects our focus on fostering merit-based decision-making and incorporating a range of expertise and perspectives.

In 2024, we welcomed veteran lawyer and former Finance Department undersecretary Lily K. Gruba as our fifth independent director. Ms. Gruba's extensive background in taxation law, mergers and acquisitions, and government finance strengthens the board's overall capabilities. She joins a group of independent directors alongside our Chairman and Independent Director, Mr. Tetangco, that includes Tomasa Lipana, former Chairperson of Isla Lipana & Co.; Ramon Lopez, former Secretary of the Department of Trade and Industry; and Robert Vergara, former Vice Chairman of the Board of Trustees and President and General Manager of the Government Service Insurance System.

Meritocracy remains at the core of our board's composition and governance structure. The selection of board members prioritizes qualifications, expertise, and experience to ensure sound decision-making. Our commitment to merit-based appointments is further reflected in the composition of our governance committees.

The Related Party Transactions Committee is composed entirely of independent directors and is responsible for reviewing transactions with impartiality. External auditors and third-party fairness opinions provide additional layers of review.

Similarly, our Audit, Corporate Governance and Sustainability, and Risk Management Committees are composed entirely of independent directors.

These corporate governance practices, recognized by both third-party local and international organizations in 2024, are designed to align with both regulatory standards and stakeholder expectations.

# Our Board



**Amando M. Tetangco, Jr.**  
Chairman, Independent Director

**Amando M. Tetangco, Jr.**, 72, first elected in June 2023, is the Chairman and Independent Director of the Board of SMIC. He is also the Vice Chairman and Independent Director of the Board of Directors of SM Prime Holdings, Inc. He is concurrently an Independent Director of Converge ICT Solutions, Inc. and Shell Pilipinas Corporation, and currently holds directorship in Manila Hotel and Toyota Motor Philippines. He is a trustee of St. Luke's Medical Center, Tan Yan Kee Foundation and Foundation for Liberty and Prosperity.

Mr. Tetangco was the third Governor of the Bangko Sentral ng Pilipinas (BSP) and Chairman of the Monetary Board, and served from July 2005 to July 2017. He was a career central banker, having joined the Central Bank of the Philippines (the predecessor of BSP) in March 1974. He held other government positions such as the Chairman of the Anti-Money Laundering Council, the Financial Stability Coordination Council, and the Philippine International Convention Center, Vice-Chair of the Agriculture Credit Policy Council, and was a member of the Capital Markets Development Council and the Export Development Council. Prior to his appointment in 2005, he was Deputy Governor in-charge of the Banking Service Sector, Economic Research and Treasury of the BSP, and was the Alternate Executive Director of the International Monetary Fund in Washington, D.C. from 1992 to 1994. He worked briefly at the Management Services Division of SGV and Co. from 1973 to 1974. He was the Philippines' representative to the ASEAN Central Bank Forum, the Executives' Meeting of East Asia and Pacific Central Banks, the South East Asia Central Banks, the South East Asia,

New Zealand and Australia, and the Center for Latin American Monetary Studies, and was the Governor for the Philippines at the International Monetary Fund and the Alternate Governor at the World Bank and the Asian Development Bank. At the Bank for International Settlements, he was Chair of the Meeting of Small Open Economies, and also chaired various international committees such as the Alliance for Financial Inclusion Steering Committee, among others.

He was conferred the Order of Lakandula with the Rank of Bayani by the President of the Philippines in 2009 and the Order of the Rising Sun, Gold and Silver Star by the Emperor of Japan in 2019, and received multiple recognition by several international organizations as one of the best central bank governors and was chosen as MAP Management Man of the Year in 2015.

Mr. Tetangco graduated from Ateneo de Manila University with an AB Economics degree (*cum laude*), and obtained his Masters in Public Policy and Administration (Development Economics) at the University of Wisconsin at Madison, Wisconsin, USA, as a BSP scholar.

He was conferred the Honorary Degree of Doctorate in Management by the Asian Institute of Management in 2023. He attended various training programs at different institutions, including the Harvard Business School and the New York Institute of Finance.

**Directorship/s in other publicly listed companies**

SM Prime Holdings, Inc.,  
Converge ICT Solutions, Inc.,  
and Shell Pilipinas Corporation



**Teresita T. Sy**  
Vice Chairperson, Non-Executive Director

**Teresita T. Sy**, 74, first elected in May 1979, is the Vice Chairperson of SMIC and Adviser to the Board of SM Prime Holdings, Inc. She also sits as Chairperson of SM Retail Inc. She is also the Chairperson of BDO Unibank, Inc. ("BDO") and serves as the Chairperson and/or Director of various subsidiaries and affiliates of BDO such as BDO Private Bank, Inc. and BDO Foundation, Inc. She also serves as Adviser to the Board of BDO Network Bank, Inc. (A Rural Bank of BDO). A graduate of Assumption College with a Bachelor of Arts and Bachelor of Science degrees in Commerce, she brings to the Board her diverse expertise in retail merchandising, mall and real estate development, and banking and finance.

**Directorship/s in other publicly listed companies**

BDO Unibank, Inc.

**Henry T. Sy, Jr.**, 71, first elected in May 1979, is the Vice Chairman of SMIC, and Chairman of SM Prime Holdings, Inc. and Synergy Grid & Development Phils., Inc. He is also the Chairman and Chief Executive Officer of SM Development Corporation and Vice Chairman of National Grid Corporation of the Philippines. He is responsible for the real estate acquisitions and development activities of the SM Group, which include the identification, evaluation, and negotiation for potential sites as well as the input of design ideas. He graduated with a Management degree from De La Salle University.

**Directorship/s in other publicly listed companies**

SM Prime Holdings, Inc. and Synergy Grid & Development Phils., Inc.



**Henry T. Sy, Jr.**

Vice Chairman, Non-Executive Director



**Harley T. Sy**, 65, first elected in May 1993, is the Executive Director of SMIC. He is a Director of China Banking Corporation and other companies within the SM Group, and an Adviser to the Board of Directors of BDO Unibank, Inc. and BDO Private Bank. He is the Vice Chairman and Treasurer of SM Retail, Inc. He holds a degree in Bachelor of Science in Commerce, Major in Finance from De La Salle University.

**Directorship/s in other publicly listed companies**

China Banking Corporation

**Harley T. Sy**

Executive Director

**Frederic C. DyBuncio**, 65, first elected in April 2017, is the President and Chief Executive Officer of SMIC. He is the Chairman of the Board of Atlas Consolidated Mining and Development Corporation. Prior to holding the post, he was a career banker who spent over 20 years with JP Morgan Chase and its predecessor institutions. During his stint in the banking industry, he was assigned to various executive positions where he gained substantial professional experience in the areas of credit, relationship management and origination, investment banking, capital markets, and general management. He has worked and lived in several major cities globally.

He graduated from Ateneo de Manila University with a Bachelor of Science degree in Business Management and finished a Master's degree in Business Administration program at the Asian Institute of Management.

**Directorship/s in other publicly listed companies**

Atlas Consolidated Mining and Development Corporation



**Frederic C. DyBuncio**

President and Chief Executive Officer, Executive Director

# Our Board



**Tomasa H. Lipana**  
Independent Director

**Tomasa H. Lipana**, 76, first elected in April 2016, is an Independent Director of SMIC. She is a former Chairperson and Senior Partner of Isla Lipana & Co., the Philippine member firm of PricewaterhouseCoopers. She is also an Independent Director of Flexo Manufacturing Corporation and OceanaGold (Philippines), Inc. She is a Fellow and Trustee of the Institute of Corporate Directors and a Trustee of the Shareholders' Association of the Philippines, Inc. and Sikat Solar Challenge Foundation, Inc. Previously, she was an Independent Director of Rural Bank of Silay City, Inc., Goldilocks Bakeshop Inc., Inter-Asia Development Bank, and QBE Seaboard Insurance Philippines, and an appointive Director of Trade and Investment Development Corporation (Philippine Guarantee Corporation, formerly Philippine Export-Import Credit Agency).

Ms. Lipana completed the Executive Education Management Development Programs at Harvard Business School, University of Western Ontario, and Asian Institute of Management. She is a CPA Board placer. She was bestowed the Accountancy Centennial Award for Excellence by the Professional Regulation Commission – Board of Accountancy in 2023, and received the Outstanding CPA in the Public Practice Award from the Philippine Institute of Certified Public Accountants and the Outstanding Alumna Award from the University of the East where she graduated *cum laude*.

**Directorship/s in other publicly listed companies**  
OceanaGold (Philippines), Inc.

**Robert G. Vergara**, 64, first elected in April 2019, is an Independent Director of SMIC. He also sits as an Independent Director of Metro Pacific Health, Inc., STI Education Systems Holdings, Inc., and AIG Insurance Philippines, Inc. He is currently the President of Vergara Advisory Management, Inc. From September 2010 to October 2016, he served as the President and General Manager and Vice Chairman of the Board of Trustees of the Government Service Insurance System (GSIS). Mr. Vergara also served as Vice Chairman and Director of National Reinsurance Corporation of the Philippines and Manila Hotel Corporation, and Member of the Board of Directors of the Philippine Stock Exchange, Philippine Health Insurance Corporation, Philippine National Construction Corporation and Housing and Urban Development Coordinating Council. Prior to that, he was the Managing Director and Founding Partner of Cannizaro (Hong Kong) Limited, a multi-strategy alternative asset manager from October 2006 to September 2010, and a Director of its precursor Lionhart (Hong Kong) Ltd. from 2002 to 2006. Mr. Vergara was a Principal in Morgan Stanley Asia Ltd. overseeing the firm's proprietary trading desk from 1997 to 2001 and served as the Managing Director of hedge fund IFM Asia Ltd. from 1990 to 1997.

He obtained his Master in Business Administration from Harvard Graduate School of Business Administration and graduated *magna cum laude* from Ateneo De Manila University with Bachelor of Science degrees in Management Engineering and Mathematics.

**Directorship/s in other publicly listed companies**  
STI Education Systems Holdings, Inc.

**Robert G. Vergara**  
Independent Director



**Ramon M. Lopez**, 64, first elected in August 2022, is currently an Independent Director of SMIC. He also currently serves as an Independent Director of AIC Group of Companies Holding Corporation, and a Board Trustee and Vice Chairman of the Valenzuela City Technological College (ValTech). He also serves as Independent Director of Monde Nissin Corporation, New Marketlink Pharmaceuticals Corporation, Pilmico Foods and Agribusiness Corp., Seedbox Securities Inc., and Asian Consulting Group. He was recently appointed as Chairman of the Governing Board of the Economic Research Institute for ASEAN and East Asia (ERIA). Mr. Lopez is also a Member of the Board of Advisors in Packworks Venture PTE. LTD., and a Board Trustee in Bayan Family of Foundations, a non-profit organization providing entrepreneurship education and SMEs/social enterprise development.

Mr. Lopez was the former Secretary of the Philippine Department of Trade and Industry (DTI) and served for the full term of the administration of former President Rodrigo Roa Duterte. During his term, he chaired the Board of Investments, the Philippine Economic Zone Authority, the Export Development Council, Anti-Red Tape Authority Advisory Council, and Philippine International Trading Corp, and supervised attached agencies such as the Intellectual Property Office of the Philippines, among others.

He has received several awards including the Philippine Innovation Man of the Year Award in 2017, the Order of Sikatuna with a rank of Datu in 2018, named by People Asia as one of the 2020 People of the Year, and Presidential Medal of Merit in June 2022 for his vital role in the Inter-Agency Task Force for the Management of Emerging Infectious Diseases. He also received The Asia CEO Awards 2022 "Lifetime Contributor of the Year Award".

Mr. Lopez has a Master's Degree in Development Economics 1988 class at Williams College, Massachusetts USA and an AB Degree in Economics (1981) from the University of the Philippines School of Economics.

**Directorship/s in other publicly listed companies**  
Monde Nissin Corporation



**Ramon M. Lopez**  
Independent Director

**Lily K. Gruba**, 75, first elected in April 2024 with effectivity of service in June 2024, is the Founding Partner of Gruba Caganda Advincula Melo & De la Fuente (formerly, Zambrano and Gruba). She is currently a Director of Asia United Bank and Cosco Capital, Inc. Atty. Gruba is also the Executive Director of Fr. Joaquin, SJ Institute for Continuing Legal Education, a Professor on Taxation Law, Mergers & Acquisitions and Local Government Finance, and a bar reviewer at the Ateneo de Manila University School of Law.

She also held various positions in the government, such as Director of the Philippine Economic Zone Authority, Director of Overseas Workers Welfare Administration, and Undersecretary of the Department of Finance from 1998 to 2001. She was also a Philippine Bar examiner for Taxation Law in 2007 and 2019 and for Commercial law in 2012. From 2018 to 2024, she was named as one of the 100 Top Lawyers in the Philippines by the Asia Business Law Journal. In 2023, she was nominated as tax lawyer of the year for Southeast Asia by the Legal 500.

Atty. Gruba graduated from the University of Santo Tomas in 1972 with a Bachelor of Arts in Psychology and a Bachelor of Laws degree from the Ateneo Law School in 1976 and was admitted to the Bar in 1977. She finished her Master of Laws in Georgetown University Law Center in Washington, D.C. in 1981.

**Directorship/s in other publicly listed companies**  
Asia United Bank Corporation  
Cosco Capital, Inc.

**Lily K. Gruba**  
Independent Director



# Board Advisers



**Herbert T. Sy**



**Hans T. Sy**



**Elizabeth T. Sy**



**Gregory L. Domingo**



**Roberto G. Manabat**



**Joseph Phi**

# Corporate Governance

SM Investments Corporation (SMIC) practices good corporate governance in all its dealings with all stakeholders, investors, business partners, creditors, customers and employees because SMIC believes that good corporate governance will provide the long-term growth, sustainability and success to the Company. SMIC's good corporate governance framework and practices are part of the Company's core values that are anchored on the principles of fairness, integrity, accountability, transparency and stakeholder engagement.

SMIC's various awards and recognition are identified in this Report. We aim to create value in all our businesses we operate, not just with our customers, but, also, the communities and the environment to ensure sustainable growth and development.

## THE BOARD OF DIRECTORS

SMIC's Board of Directors is at the helm of our governance structure. The Company's directors possess the necessary qualifications, competencies and skills to effectively participate and help secure the achievement of the Company's vision, mission and corporate objectives. The Company adheres to a board diversity policy that ensures a diverse composition of Board of Directors, which assists in advancing SMIC's strategic objectives. By virtue of the said policy, the Company commits to having a diverse organization in terms of age, competency, experience, business background, ethnicity, culture, skill, knowledge and gender, among others. To monitor progress in achieving the Board's diversity, the relevant board committee utilizes a board matrix, which provides for the mix of attributes, skills, competencies, experience and affiliations the members of the Board currently possess vis-à-vis the needs to complement its existing composition. Both the board diversity policy and board matrix are posted on the company website.

Our Board is composed of a majority of independent directors where five (5) of nine (9) highly qualified directors are independent directors including our Chairman of the Board. In accordance with the Company's Manual on Corporate Governance, the Board shall always have at least three (3) independent directors. Independent directors are directors that are free from management responsibilities, substantial shareholdings and material relations, which could be perceived to impede the performance of independent judgment. Independent directors are tasked to encourage impartial discussions at board meetings, monitor and provide feedback on Management's performance, and safeguard the interests of the Company's various stakeholders.

In addition to fostering the Company's culture of corporate governance, the Board is tasked to do the following in accordance with the Manual on Corporate Governance:

- Install a process of selection to ensure a mix of competent directors and officers.
- Determine the Company's purpose, vision, mission and strategies to carry out its objectives and review it annually, or sooner should the need arise.
- Oversee the development of and approve the Company's business objectives and strategy, and monitor Management's implementation of such.
- Ensure that the Company complies with all relevant laws, rules and regulations and adopt industry best practices.
- Identify the Company's major and other stakeholders and formulate a clear policy on communicating or relation with them through an effective investor relations program.
- Adopt a system of internal checks and balances.

- Identify and monitor key risk areas and key performance indicators, and ensure that a sound Enterprise Risk Management framework is in place.
- Keep Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulations.
- Ensure that an effective succession planning program for directors, key officers and management is in place.
- Ensure that each elected director, before assumption of office, be required to attend a seminar on corporate governance conducted by a duly recognized private or governance institution.
- Ensure that each director annually attends continuing education programs conducted by an accredited training provider of relevant government agencies.
- Ensure that directors with material interest in any transaction affecting the Company abstain from taking part in the deliberations for the same.
- Formulate and implement group-wide policies to ensure the integrity of related party transactions, especially those which pass certain thresholds of materiality, between and among the Company and its related companies, business associates, major shareholders, officers, directors and their spouses, children, dependent siblings and parents, and of interlocking director relationships.
- Ensure that the Company's Code of Ethics, which provides the standards for professional and ethical behavior, as well as articulates acceptable and unacceptable conduct and practices in internal and external dealings, is properly disseminated to the Board, Management and employees, and is available to the public via the Company's website.
- Establish and maintain an alternative dispute resolution system to settle conflicts between the Company and its shareholders or other third parties, including regulatory authorities.

### Board Performance and Attendance

Per our Manual on Corporate Governance, the Board should meet at least six (6) times annually. For the year 2024, there were eight (8) meetings conducted of which 97% attendance was achieved. The Board meetings are scheduled a year in advance to encourage higher participation. Special board meetings may be called by the Chairman, the President or Corporate Secretary at the request of any two (2) directors. A director's absence or non-participation for whatever reason in more than 50% of all meetings, both regular and special, in a year may be a ground for temporary disqualification in the succeeding election. Furthermore, non-executive directors meet at least once annually, without any executive directors or representatives of Management present. Board papers and other materials to be used during Board meetings are distributed to the relevant parties at least five (5) business days before the actual meeting.

# Corporate Governance

2024 Meetings & Attendance									
Director	(1)	(2)	(3)	Regular	Organizational	(6)	(7)	(8)	Percentage Present %
	1/24	2/28	3/19	(4) 4/24	(5) 4/24	5/8	8/7	11/13	
Amando M. Tetangco, Jr.	✓	✓	✓	✓	✓	✓	✓	✓	100
Teresita T. Sy	✓	✓	✓	✓	✓	✓	✓	✓	100
Henry T. Sy, Jr.	✓	✓	✓	✓	✓	✓	✓	✓	100
Harley T. Sy	✓	✓	✓	✓	✓	✓	✓	✓	100
Frederic C. DyBuncio	✓	✓	✓	✓	✓	X	X	✓	75
Tomasa H. Lipana	✓	✓	✓	✓	✓	✓	✓	✓	100
Ramon M. Lopez	✓	✓	✓	✓	✓	✓	✓	✓	100
Robert G. Vergara	✓	✓	✓	✓	✓	✓	✓	✓	100
Lily K. Gruba*	-	-	-	-	-	-	✓	✓	100

\*Atty. Lily K. Gruba was elected on April 24, 2024 as Independent Director and her election became effective upon Securities and Exchange Commission (SEC) approval on June 10, 2024 of the increase in number of directors from eight (8) to nine (9).

## BOARD COMMITTEES

To address specific tasks and responsibilities, the Board adopted six (6) board committees, namely the Executive Committee, the Audit Committee, the Related Party Transactions Committee, the Compensation Committee, the Risk Management Committee, and the Corporate Governance and Sustainability Committee.

Each committee has a Charter, which defines its composition, roles and responsibilities in line with the provisions found in the Manual on Corporate Governance and pertinent regulations. The Charters include administrative provisions on the conduct of meetings and proceedings, reportorial responsibilities and provide the standards for evaluation of the respective committee performance. The Charters are posted on the Company's website.

### The Executive Committee

The Executive Committee is composed of both executive and non-executive directors and acts on behalf of the Board during the interim periods between Board meetings. The Committee meets, at least, on a monthly basis to assist the Board in overseeing the implementation of strategies, set and monitor the Company's performance goals and foster the sharing and dissemination of best practices in all areas of the business group. The Executive Committee also defines the group-wide policies and action, relating to sustainable development, including environment, health and safety, internal communications, innovation and research and technology and purchasing.

Office	Name
Chairperson (NED)	Teresita T. Sy
Member (ED)	Harley T. Sy
Member (ED)	Frederic C. DyBuncio

### The Audit Committee

The Audit Committee exercises the Board's oversight of the Company's financial reporting, internal control system, internal and external audit processes and compliance with applicable laws, rules and regulation. The Committee is composed of three (3) independent directors, including the Chairperson. The Committee members each possess relevant background, knowledge, skills and/or experience in areas of accounting, auditing and finance. The Chairperson of the Audit Committee, Ms. Tomasa H. Lipana, is a certified public accountant and does not serve as the chairperson of any of the other board committees. More information on the Committee's roles and activities are discussed in the Audit Committee Report included in this Report.

		2024 Meetings and Attendance				
Office	Name	2/26	5/6	7/11	8/5	11/11
Chairperson (ID)	Tomasa H. Lipana	✓	✓	✓	✓	✓
Member (ID)	Ramon M. Lopez	✓	✓	✓	✓	✓
Member (ID)	Amando M. Tetangco, Jr.	✓	✓	✓	✓	✓

### The Related Party Transaction Committee

The Related Party Transaction Committee reviews all material related party transactions of the Company and ensures that said transactions are conducted reasonably and at arms' length. The Committee is composed entirely of independent directors, including the Chairperson.

Office	Name	2024 Meetings and Attendance	
		2/26	
Chairperson (ID)	Ramon M. Lopez	✓	
Member (ID)	Robert G. Vergara	✓	
Member (ID)	Amando M. Tetangco, Jr.	✓	

## The Compensation Committee

The Compensation Committee is tasked with the oversight of policies on salaries and benefits, as well as promotions and other forms of career advancement. The Committee is composed of three (3) directors, two (2) of whom are independent directors.

Office	Name	2024 Meetings and Attendance	
		4/24	11/11
Chairperson (NED)	Teresita T. Sy	✓	✓
Member (ID)	Amando M. Tetangco, Jr.	✓	✓
Member (ID)	Ramon M. Lopez*	✓	-
Member (ID)	Lily K. Gruba**	-	✓

\*Mr. Ramon M. Lopez served as member of the Compensation Committee until April 24, 2024.

\*\*Atty. Lily K. Gruba was elected as Independent Director and appointed as a member of the Compensation Committee on April 24, 2024, which became effective upon SEC approval on June 10, 2024 of the increase in number of directors from eight (8) to nine (9).

## Board Remuneration

The annual compensation paid to each director is disclosed annually in the Definitive Information Statement sent to shareholders, as publicly disclosed and posted on the company website, together with the Notice of the Annual Stockholders' Meeting. Each member of the Board received Php5,400,000.00 annually except for any outgoing and newly elected Director whose remuneration is pro-rated. As such, Atty. Lily K. Gruba received Php 2,598,450.00 as she was elected on April 24, 2024 as Independent Director and her election became effective upon SEC approval on June 10, 2024 of the increase in number of directors from eight (8) to nine (9).

## The Risk Management Committee

The Risk Management Committee is responsible for the oversight of the Company's Enterprise Risk Management (ERM) system. The Committee is composed of non-executive and independent directors, including the Chairman. Per the Committee's charter, at least one (1) of its members must have relevant knowledge and experience on risk and risk management. The Committee Chairman, Mr. Robert G. Vergara does not serve as the chairman of any of the other board committees.

Office	Name	2024 Meetings and Attendance	
		8/5	11/11
Chairperson (ID)	Robert G. Vergara	✓	✓
Member (ID)	Ramon M. Lopez	✓	✓
Member (ID)	Amando M. Tetangco, Jr.	✓	✓
Member (ID)	Lily K. Gruba*	✓	✓

\*Atty. Lily K. Gruba was elected as Independent Director and appointed as a member of the Risk Management Committee on April 24, 2024, which became effective upon SEC approval on June 10, 2024 of the increase in number of directors from eight (8) to nine (9).

## Enterprise Risk Management (ERM)

SMIC's ERM approach begins with the identification and prioritization of risks, followed by the assessment of risk interrelationships and analysis of risk sources. This is followed by the development of risk management strategies and action plans, and ultimately, the monitoring and continuous improvement of the risk management process.

SMIC's business unit heads are responsible for managing operational risks by implementing internal controls and risk management systems within their respective units and ensuring these remain adequate and effectively working in place. The Risk Management Committee is regularly updated on the Company's risk management systems, as well as on improvement plans of SMIC, while the Executive Committee provides oversight on the assessment of the impact of risks on the strategic and long-term goals of the Company.

Actions adopted to mitigate the Company's risks include investments in technology, the provision of continuous training of personnel, the performance of regular audits, the establishment and implementation of policies for strong information technology (IT) governance, and continued partnerships with the Company's various stakeholders. Technological risks are addressed via continuous risk assessments, wherein potential threats to assets, vulnerabilities and likelihood of occurrence are evaluated and possible impacts are estimated in the areas of networks, operating systems, applications and databases in production. Specifically, system vulnerability assessments and penetration testing are regularly conducted to proactively detect and address threats.

The Company's approach to other risks such as environmental risk starts with an assessment of the potential impact it has to the community where it operates. The Sustainability Team regularly reports the group's sustainability road map and progress to the Steering Committee. Relevant updates are also provided to the Board through the Corporate Governance and Sustainability Committee as necessary. The Company is committed to protect the environment by implementing effective and efficient resource utilization measures in its daily operations.

The Company has developed a program and certified an Energy Auditor to help the organization optimize its energy use, reduce cost and improve environmental sustainability. The Company was registered with the Anti-Money Laundering Council (AMLC) as a Designated Non-Financial Business and Profession (DNFBP) on December 1, 2021. As such, SMIC is also committed to strict adherence with the Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) rules, laws and regulations and ensures that the Company will not be used as a conduit for the proceeds of unlawful activity to help prevent the country from being used as a money laundering/terrorism financing site.

## The Corporate Governance and Sustainability Committee

The Corporate Governance and Sustainability Committee is tasked to assist the Board in its corporate governance and sustainability-related responsibilities, such as but not limited to, economic, environmental, social and governance (EESG) matters, climate change, anti-money laundering act, information technology, risk and social impacts related to sustainability reporting. The committee also performed the review and evaluation of the qualifications of all candidates nominated to the Board of Directors, and those nominated to positions that require Board approval under the Company's By-Laws. The Committee is composed entirely of non-executive and independent directors.

# Corporate Governance

Office	Name	2024 Meetings and Attendance	
		3/12	8/5
Chairperson (ID)	Ramon M. Lopez	√	√
Member (ID)	Tomas H. Lipana	√	√
Member (ID)	Robert G. Vergara	√	√
Member (ID)	Lily K. Gruba*	-	√

\*Atty. Lily K. Gruba was elected on April 24, 2024 as Independent Director and her election became effective upon SEC approval on June 10, 2024 of the increase in number of directors from eight (8) to nine (9).

## Nomination and Election of Directors

SMIC sets a reasonable period of time for the submission of nominations of candidates for election to its Board of Directors. All nominations for directors submitted in writing to the Corporate Secretary within the said nomination period are considered valid. Any shareholder of record may be nominated as a board of director. All shareholders, including minority shareholders, are entitled to be notified of the schedule and other details of the Annual Stockholders' Meeting for the election of board of directors and are entitled to vote as such. When searching for candidates for the Board of Directors, the Company engages the services of professional search firms and/or other external sources, such as director databases set up by director or shareholder bodies.

The Corporate Governance and Sustainability Committee meets to screen and check the qualifications of all persons nominated to be a board of director from the pool of candidates submitted by the nominating shareholders. The Manual on Corporate Governance prescribes the following qualifications to be a director of the Company:

- Holder of at least one (1) share of stock of the Corporation;
- Shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;
- Shall be at least twenty-one (21) years old;
- Shall be proven to possess integrity and probity;
- Shall be diligent, hardworking and reputable;
- Shall be proven to possess the appropriate level of skill and experience in line with the strategic plans and goals of the Company; and
- In addition to the qualifications for membership in the Board required in relevant laws, the Board may provide for additional qualifications which may include practical understanding of the Company's business, membership in good standing in relevant industry, business or professional organizations, and previous business experiences.

The Corporate Governance and Sustainability Committee also determines the number of directorships which a member of the Board may hold simultaneously with their SMIC board seats. No individual independent director holds more than five directorships in other publicly listed companies.

In addition to the aforementioned qualifications, the Corporate Governance and Sustainability Committee also identifies qualifications of directors that are aligned with the Company's strategic direction. Likewise, the Committee ensures that those nominated to the Board possess all the qualifications and none of the disqualifications provided in the Manual on Corporate Governance, applicable law and regulations.

Further to this, the Committee ensures that nominees have attended an orientation or training program related to corporate governance before assuming office pursuant to pertinent regulatory requirements. The committee also recommends continuing education/ training programs for directors and key officers with training providers that are duly accredited by the Securities and Exchange Commission (SEC). In 2024, the members of the Board of Directors and key officers participated in various training programs such as the 2024 CG Seminar on August 27 conducted by the Institute of Corporate Directors (ICD) with partners and subject matter experts from UBS Global Wealth Management, Asia Pacific College, Wiz.Ai, Microsoft Philippines and RedRock IT Security, Inc. Topics included Global Economic and Geopolitical Outlook, Speaker Series on Artificial Intelligence and the Future of Technology, and Cybersecurity. Members of the Board also attended CG Seminars that included topics and discussions on Updated Retail Banking Trends with Generative Artificial Intelligence, the Evolving Cyber Threat Landscape, Managing Cyber Risk, Re-Focusing and Re-Energizing Business Strategy, Organization and Culture for Success, and Building a Data-Driven Business. Attendance of the members of the Board to these seminars and training programs are disclosed.

## Evaluation of the Board

Through the Corporate Governance and Sustainability Committee, the Board conducts an annual performance evaluation of the collective Board, Board Committees, individual directors, the Company's Chairman of the Board, President and selected officers. The evaluation criteria are based on the duties and responsibilities of the Board of Directors, Board Committees, individual directors, Chairman of the Board, President and the heads of the control functions (Chief Audit Executive, Chief Risk Officer and Chief Compliance Officer) as provided for by SMIC's By-Laws, Manual on Corporate Governance and respective Board Committee Charters.

Directors are asked to rate the annual performance of the respective bodies and individuals, as well as identify areas for improvement, such as the quality and timeliness of information provided to them, the frequency and conduct of regular, special or committee meetings, their accessibility to Management, the Corporate Secretary and Board Advisors as well as training/continuing education programs or any other forms of assistance that they may need in the performance of their duties. The Board then reviews the results of the evaluation and agree on action plans to address the issues raised. The forms used for the evaluation may be viewed via the Company's website.

Every three (3) years, the annual board evaluation is conducted by a third-party facilitator. SMIC engaged the services of ICD, an accredited service provider, to facilitate our board evaluation for the year 2024.

## CORPORATE GOVERNANCE RELATED POLICIES

SMIC regularly reviews and enhances its Manual on Corporate Governance, Code of Ethics, and other corporate governance related policies and programs to promote the continued development of its corporate governance culture. All corporate governance related policies and information are available to the public through the Company's website at [www.sminvestments.com](http://www.sminvestments.com).

## The Manual on Corporate Governance

The Manual on Corporate Governance institutionalizes the principles and best practices of good corporate governance in the organization and remains a testament to the belief that good corporate governance is a critical component of sound strategic business management. In addition to the provisions relating to the Board of Directors and Management, the Manual also contains the Company's policies on disclosure and transparency, and mandates the conduct of communication, and training programs on corporate governance. It also outlines the rights of all stakeholders, and the protection of the interests of minority stockholders. There have been no deviations from the Manual since it was adopted. SMIC certifies that the Company, its directors, officers and employees have adopted and fully complied with all leading practices and principles of good corporate governance as provided by the Manual.

## The Code of Ethics

SMIC's Code of Ethics provides the Company with the backbone for its culture of corporate governance. All directors, officers and employees are required to adhere to the Code in the performance of their duties and responsibilities. The Code highlights the importance of integrity in all the dealings with investors, creditors, customers, contractors, suppliers, regulators, co-employees, and the Company's other various stakeholders. It also highlights the Company's duties to its employees, shareholders, and the importance of corporate social responsibility.

## The Sustainability Policy

SMIC is committed and complies with all applicable laws and regulations in all aspects of its operations pertaining to human and labor rights and environmental responsibility. It also aims to minimize the Company's risks and impacts through the development of a robust and documented system of implementation, measurement, monitoring, dissemination, and evaluation of globally accepted standards of social development and environmental sustainability performance both within its scope of operations and to the broader community. We are focused on enhancing the sustainability of our business ecosystem and are actively addressing the climate adaptability and mitigation of our businesses. Our sustainability policy is complemented by a Sustainability Management System with operating policies and implementing procedures on 11 material topics that include, among others, climate action, resource management, sustainable supply chain and equal opportunity. Management performance is linked to sustainability metrics. SMIC's sustainability policy, management system and programs are discussed further in the SMIC Sustainability Report and the SMIC Sustainability Notes aligned with the International Financial Reporting Standards (IFRS) S1, S2 and Global Reporting Initiative (GRI). All of these are publicly accessible through our Company website.

Other CG Related Policies	Brief Description
<b>Insider Trading Policy</b>	Directors, officers and employees are prohibited from trading in the Company's shares during the period within which a material non-public information is obtained, five (5) trading days before and two (2) trading days after the disclosure of any material, stock price-sensitive information. SMIC issues reminders of the "trading ban", before the release of financial reports or the disclosure of other material information to ensure compliance with the policy. All directors, officers and employees are required to report their dealings in company shares within three (3) business days of the transaction. Reports indicate the date of the trade/s and number of shares traded, at least, and should be submitted to the Company's Compliance Officer.
<b>Related Party Transactions Policy</b>	SMIC discloses in detail the nature, extent and all other material information on transactions with related parties in the Company's financial statements and quarterly and annual reports. The Company ensures that its related party transactions are conducted at fair market prices and at arms' length. The full policy may be found in SMIC's website and describes the process by which the Company handles its related party transactions, particularly those that cross the Company's materiality threshold.
<b>Conflict of Interest Policy</b>	SMIC's Conflict of Interest Policy defines a conflict of interest as a situation wherein a director, officer or employee has or appears to have a direct or indirect personal interest in any transaction, which may deter or influence him/ her from acting in the best interests of the Company. Any director, officer or employee involved in an actual or potential conflict of interest is required to immediately disclose annually said conflict to the Company.
<b>Guidelines on Gifts/Hospitality and Entertainment</b>	Based on the provisions of the Code of Ethics, SMIC's directors, officers and employees are prohibited from soliciting or accepting gifts, hospitality, and/ or entertainment in any form from any business partner. The term gift covers anything of value, such as but not limited to cash or cash equivalent. The guidelines provide exceptions such as corporate giveaways, tokens or promotional items of nominal value. In the same manner, accepting travel sponsored by any current or prospective business partner is prohibited.

# Our Board

<p><b>Guidelines on Placement of Advertisements</b></p>	<p>SMIC issued a policy to prohibit the placement of advertisements in publications that solicit for such a placement prior to the release of the official results of an awarding process conducted by the publication and where an SM company or director, officer or employee is one of the nominees vying for the award. SMIC may consider placing advertisements in such publications as part of its overall marketing strategy, but only after the release of the results of the awarding process and where it will not create reasonable doubt that such ad placement influenced in any way an award given to an SM company or director, officer or employee.</p>
<p><b>Policy on Accountability, Integrity, and Vigilance (Whistleblowing Policy)</b></p>	<p>SMIC's whistleblowing policy, referred to as the Policy on Accountability, Integrity and Vigilance (PAIV), was adopted to create an environment where concerns and issues, made in good faith, may be raised freely within the organization. Under the policy, any SMIC director, officer or employee may accomplish an incident report on suspected or actual violations of the Code of Ethics, the Company's Code of Conduct or any other applicable law or regulation. Upon receipt of an incident report, Management investigates on its merit, subject to due process and applicable penalties and sanctions thereafter.</p> <p>Furthermore, the policy invokes a "No Retaliation" section for those that have reported in good faith.</p>
<p><b>Policy for Vendor Selection and Purchase of Goods and Services</b></p>	<p>Existing and potential vendors and suppliers are required to conform to the Company's Code of Ethics as a pre-requisite for the accreditation process.</p>
<p><b>Alternative Dispute Resolution System</b></p>	<p>Ensures that the Company maintains an alternative dispute resolution system to settle conflicts between the Company and its stockholders or other third parties, including regulatory authorities.</p>
<p><b>Human Rights Policy</b></p>	<p>SMIC respects and promotes human rights in accordance with the International Bill of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. We are committed to the principles that all persons should be treated with respect.</p>
<p><b>Anti-Bribery and Anti-Corruption Policy</b></p>	<p>SMIC is committed to conducting business in an ethical and honest manner. We are committed to acting professionally, fairly, and with integrity in all our business dealings and relationships.</p>
<p><b>Anti-Discrimination and Anti-Harassment Policy</b></p>	<p>SMIC is committed to providing a working environment that is safe and free from harassment (including sexual harassment) for all its employees and will not tolerate any form of behavior that is based upon an individual's sex, sexual orientation, race, ethnicity, national origin, age and religion.</p>
<p><b>Operational Health and Safety Policy</b></p>	<p>SMIC is committed to the protection of health, safety and wellbeing of all members of the organization including its subsidiaries. The Company strives to promote a strong and sustainable culture that will facilitate the awareness of risk and the prevention of injury and illness.</p>
<p><b>Privacy Policy</b></p>	<p>Our Company collects, uses, protects or otherwise handles our data subjects' personal data in accordance with Republic Act No. 10173, or the Data Privacy Act of 2012, and its Implementing Rules and Regulations and other issuances (collectively known as "Data Privacy Act").</p>

## DISCLOSURE AND TRANSPARENCY

SMIC ensures that its stakeholders receive timely and accurate information on all facets of its business through its website and disclosures. SMIC's website has a separate corporate governance section that has subsections where its policies, programs and other relevant developments may be found. The Company also ensures that shareholders are provided with periodic reports that include relevant information on its directors and officers and their shareholdings and dealings with the Company.

SMIC regularly discloses its top shareholders and its beneficial owners who own more than 5% of its shares. Shareholdings of directors and senior management are disclosed in the Definitive Information Statement sent to shareholders prior to the Annual Stockholders' Meeting.

The Company also uses non-financial performance indicators discussed in this Report.

### The Investor Relations Department

SMIC's Investor Relations (IR) Department is the main avenue of communication and engagement between the Company and its various stakeholders, including minority shareholders. The IR Department

engages its stakeholders, through a range of activities such as, but not limited to, quarterly earnings briefings, site visits, participation in investor conferences, annual roadshows, press releases, and timely company disclosures. In 2024, the IR Department and senior management conducted roadshows across Asia, UK, the Middle East and North America. The SMIC IR Department also coordinates stakeholder engagement activities with the different IR departments of the Company's subsidiaries and affiliates to maximize impact and align messaging. SMIC's various stakeholders may reach out to the Company for information or details on the Company, its operations, directors and/or officers, to provide feedback and/or make other relevant suggestions/recommendations to the Company:

Investor Relations Department  
10/F, OneE-Com Center  
Ocean Drive, Mall of Asia Complex  
Pasay City, 1300 Philippines  
ir@sminvestments.com

## The Annual Stockholders' Meeting

The Annual Stockholders' Meeting (ASM) provides SMIC shareholders, including minority shareholders, the opportunity to raise concerns, give suggestions, and vote on relevant issues. Voting methods, including real time secure electronic voting *in absentia*, are clearly defined and explained to shareholders before the ASM to ensure the observance of their voting rights and continued participation in the voting process in accordance with pertinent regulatory requirements and CG standards.

Under the Company's By-Laws and Manual on Corporate Governance, and in accordance with applicable law and pertinent regulations, shareholders may cumulatively vote for the election or replacement of members of the Board of Directors. Prior to the ASM, shareholders are furnished a copy of the annual report, including financial statements, and all relevant information about the current and nominated directors and key officers. Elected directors hold office for one (1) year until their successors are elected following the procedures set forth in SMIC's By-Laws. SMIC also includes rationales and explanations for each agenda item which requires shareholder approval in the Notice of the Annual Stockholders' Meeting. Furthermore, the Company appoints an independent party to count and validate votes made during the ASM.

Proxy voting is permitted and facilitated through proxy forms, which are distributed to shareholders prior to the ASM. Proxy forms may also be downloaded from the Company's website. To encourage shareholders to exercise their right to vote through the proxy forms, notarization of such is not required. Shareholders are also given the opportunity to vote on certain corporate acts in accordance with the law. These resolutions, along with shareholder questions and the corresponding responses are recorded in the minutes of the ASM, which are posted on the Company's website immediately following the ASM. To ensure that all shareholders' concerns are properly addressed, the Chairman of the Board, Board Directors, the President, Board Committee Chairpersons and Members, Management, the Corporate Secretary, Compliance Officer, Internal Auditor and the External Auditors are always present during the ASM.

## RIGHTS, ROLES AND PROTECTION OF STAKEHOLDERS

Based on its Manual on Corporate Governance, Code of Ethics and other relevant rules, laws and regulations, SMIC is required to recognize and protect the rights and interests of its key stakeholders, namely its shareholders, employees, customers, business partners, creditors, as well as the communities it operates in and the environment.

### Rights of Shareholders

The Manual on Corporate Governance protects the shareholders' appraisal right as well as their rights to vote, inspect corporate books and records, gain access to material information and receive an equitable share of the Company's profits.

The exercise of a shareholder's voting right is encouraged by SMIC to ensure meaningful participation in all shareholders' meetings. Voting methods and vote counting systems employed by the Company are clearly explained to ensure the effective exercise of shareholders' right to vote. SMIC follows the system of cumulative voting for the election of directors to allow shareholders an opportunity to elect each member of the Board of Directors individually. Shareholders maintain the right to receive dividends subject to the discretion of the Board. They may exercise their appraisal right or the right to dissent and demand payment of the fair value of their shares in accordance with the Corporate Code.

Minority shareholders are given the right to propose the holding of a meeting as well as the right to propose items in the agenda of the meeting, provided that the items are for legitimate business purposes and in accordance with the law, jurisprudence and best practice. Minority shareholders are also given access to information relating to matters for which Management is accountable.

### Dividend Policy

The policy of the Company is to provide a sustainable dividend stream to its shareholders. The Board determines the dividend payout taking into consideration the Company's operating results, cash flows, capital investment needs and debt servicing requirements. Dividends shall be paid within thirty (30) days from the date of declaration.

### Employee Welfare

SMIC strives to be an employer of choice and provides for the health, safety and welfare of its employees. Through the efforts of its Human Resources Department (HRD), the Company has established policies and programs that promote a safe and healthy work environment that caters to all cultures and creeds and encourages employee development and growth.

SMIC encourages good health and wellness through its various sports and fitness programs. There are courts and fitness facilities in the workplace where the employees can use and participate in HRD supported aerobic and dance activities. The pandemic from 2020 to 2021 temporarily suspended these activities, which were resumed in 2022.

# Corporate Governance

Work from home arrangement is being implemented for the health and safety of the employees. SMIC provides a fully functioning clinic and employs the services of a 24-hour roving ambulance service in case of an emergency.

The Company continues to conduct seminars and various learning sessions via online platform, such as training on Integration of New Employees in SM, the use of Microsoft word, Excel and PowerPoint and various technological applications, health and wellness seminars, proper business email writing skills to name a few. The Company believes that a happy and healthy workforce promotes business sustainability.

## **Emergency Preparedness Program**

As part of ERM, SMIC implements an emergency preparedness program that aims to safeguard its workforce, operations, and customers against emergencies, whether natural or human-caused incidents such as, but not limited to, fire and other security threats. Led by our Administrative and Facilities Department, and in coordination with fire and security agents, the Company conducts regular safety or fire drills and first aid orientation and training throughout the SMIC workplace. These drills are conducted to establish a structured approach for responding to an emergency and ensure that the Company has competent, composed and efficient response from SMIC's workforce to handle such an emergency.

The Company has implemented an emergency text blast system for emergency announcements and a hotline where employees can call for an update and/or instruction.

The Company has also developed and maintained Business Continuity Planning that will be activated in case of an emergency in order that business operations can be carried out as usual. Critical functions of each departments are identified to prevent business disruption. Regular table-top exercises are conducted to ensure preparedness and that the protocols will be implemented as planned when the need arises.

## **Training and Employee Development**

Awareness and understanding of the principles of good corporate governance are essential to the continued development of SMIC's corporate governance culture. Through the Orientation for New Employees of SM (ONE SM), new employees are given an overview of SMIC's corporate governance framework, including all the different corporate policies and its various components. A substantial portion of the orientation is devoted to the discussion of SM's core values and the Code of Ethics, and highlights the roles that each individual can play in the overall development of the corporate governance culture. Skills and Leadership development courses are also conducted regularly, covering topics such as Basics of Customer Service, Effective Listening, Guidelines for Writing Effective Business Emails and Value Formations.

For issues or concerns, all stakeholders may refer to:

Ms. Maria Virginia A. Tolentino-Uy  
SAVP – Head of Compliance  
Governance, Risk and Compliance  
10/F OneE-Com Center  
Ocean Drive, Mall of Asia Complex, Pasay City, 1300 Philippines  
+63 2 8857-0100  
marvi.tolentino-uy@sminvestments.com

# Financial Statements



## Statement of Management's Responsibility for Financial Statements

The management of SM Investments Corporation and Subsidiaries (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 in accordance with the prescribed financial reporting framework indicated therein, and for such internal controls as management determines are necessary, to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or cease operations, or has no realistic alternative but to do so.


The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



**Amando M. Tetangco, Jr.**  
Chairman of the Board



**Frederic C. DyBuncio**  
President and  
Chief Executive Officer



**Erwin G. Pato**  
Treasurer and  
Executive Vice President

Signed this 28th day of February 2025

# Report of the Audit Committee

The Audit Committee (“Committee”) assists the Board of Directors in fulfilling its oversight responsibilities to ensure the quality and integrity of SM Investments Corporation’s (SMIC or the “Company”) financial reporting, internal control system, internal and external audit processes, and compliance with relevant laws and regulations. Likewise, the Committee oversees special investigations as may be necessary.

The Committee is composed of three (3) independent directors. The Committee members have relevant background, knowledge, skill and/or experience in the areas of finance and accounting, audit, risk management, information technology, and corporate governance. In 2024, they attended an annual corporate governance training program approved by the Securities and Exchange Commission (SEC). The Committee also performed the annual self-assessment/evaluation and reviewed its performance against its Charter and other regulatory mandates to ensure its satisfactory performance.

The profiles and qualifications of the Committee members are as follows:

- **Tomasa H. Lipana** (Chair) is a Lead Independent Director of SMIC. She is a former Chairperson and Senior Partner of Isla Lipana & Co., the Philippine member firm of PricewaterhouseCoopers. She is also an independent director and Audit Committee Chairperson of Flexo Manufacturing Corporation and OceanaGold (Philippines), Inc.. Previously, she was an independent director of Rural Bank of Silay City, Inc., Goldilocks Bakeshop Inc., Inter-Asia Development Bank, and QBE Seaboard Insurance Philippines. She was also an appointive Director of Trade and Investment Development Corporation (Philippine Guarantee Corporation, formerly Philippine Export-Import Credit Agency), the entity in-charge of the government guarantee system, for more than 5 years. She is a Fellow and Trustee of the Institute of Corporate Directors, and a Trustee of the Shareholders’ Association of the Philippines, Inc., among other non-profit organizations. Ms. Lipana attended Executive Education/ Management Development Programs at Harvard Business School, University of Western Ontario, and Asian Institute of Management. She was bestowed the Accountancy Centennial Award for Excellence by the Professional Service Commission – Board of Accountancy. She also received the Outstanding CPA in the Public Practice Award from the Philippine Institute of Certified Public Accountants and the Outstanding Alumna Award from the University of the East where she graduated Cum Laude. She is also a CPA Board placer.
- **Ramon M. Lopez** is an Independent Director of SMIC. He also currently serves as an Independent Director of the AIC Group of Companies Holding Corporation (a subsidiary of SMIC in the Logistics sector). He also serves as Independent Director of Monde Nissin Corporation. He is also a Board Trustee and Vice-Chairman of the Valenzuela City Technological College (ValTech) that provides education and training for industrial workforce advancement. Mr. Lopez was recently appointed as Chairman of the Governing Board of the Economic Research Institute for ASEAN and East Asia (ERIA). He also serves as Independent Director in the Boards of unlisted companies, namely New Marketlink Pharmaceuticals Corporation; Pilmico Foods and Agribusiness Corp.; Seedbox Securities Inc., which provides an online financial investment platform; and, Asian Consulting Group (ACG), a tax consulting services/advocacy for SMEs, top corporations in the Asia-Pacific. Mr. Lopez is also a Member of the Board of Advisors in Packworks Venture PTE. LTD., a start-up venture that provides a digital operations systems for micro-entrepreneurs. Mr. Lopez is also a Board Trustee in Bayan Family of Foundations, a non-profit organization providing entrepreneurship education and SMEs/social enterprise development. Mr. Lopez was the former Secretary of the Philippine Department of Trade and Industry (DTI). He has served for the full term of the administration of former President Rodrigo Roa Duterte. He chaired during his term the DTI institutions such as the Board of Investments, the Philippine Economic Zone Authority, the Export Development Council, Anti-Red Tape Authority Advisory Council, and Philippine International Trading Corp. He also supervised attached agencies such as the Intellectual Property Office of the Philippines, Technical Education and Skills Development Authority, and the Cooperative Development Authority, among others. He has received several awards such as the 2016 Nation Builders Award for Government Service and the Philippine Innovation Man of the Year Award in 2017. In 2018, he received from former President Duterte the Presidential Award, Order of Sikatuna, with a rank of Datu, one of the senior honors one can receive in the Philippines. He was also named by People Asia as one of the 2020 People of the Year, for the re-opening of the economy during the pandemic. In June 2022, he was also awarded the Presidential Medal of Merit for his vital role in the Inter-Agency Task Force for the Management of Emerging Infectious Diseases. He also received The Asia CEO Awards 2022 “Lifetime Contributor of the Year Award”. Mr. Lopez has a Master’s Degree in Development Economics 1988 class at Williams College, Massachusetts USA and an AB Degree in Economics (1981) from the University of the Philippines School of Economics.
- **Amando M. Tetangco, Jr.** is an Independent Director and Chairman of the Board of SMIC (effective June 16, 2023). He is also an Independent Director and Vice Chairman of the Board of Directors of SM Prime Holdings, Inc. He is concurrently an independent Director of Converge ICT Solutions, Inc. and Shell Pilipinas Corporation. He also currently holds directorates in Manila Hotel and Toyota Motor Philippines. He is also a trustee of St. Luke’s Medical Center, Tan Yan Kee Foundation and Foundation for Liberty and Prosperity. Mr. Tetangco graduated from Ateneo de Manila University with an AB Economics degree (cum laude), and obtained his Master’s in Public Policy and Administration (Development Economics) at the University of Wisconsin at

# Financial Statements

Madison, Wisconsin, USA, as a BSP scholar. He was conferred the Honorary Doctorate in Management by the Asian Institute of Management in 2023. He attended various training programs at different institutions, including the Harvard Business School and the New York Institute of Finance. Mr. Tetangco was the third Governor of the Bangko Sentral ng Pilipinas (BSP) and Chairman of the Monetary Board, and served for two consecutive 6-year terms from July 2005 to July 2017. He was conferred the Order of Lakandula with the Rank of Bayani by the President of the Philippines in 2009 and the Order of the Rising Sun, Gold and Silver Star by the Emperor of Japan in 2019. He also received multiple recognition by a number of international organizations as one of the best central bank governors and chosen as MAP Management Man of the Year in 2015.

Presented below are the dates of Committee meetings and the attendance of each member.

		Audit Committee			
Office	Name	2024 Meetings and Attendance			
		2/26	5/6	8/5	11/11
Chairperson (ID)	Tomasa H. Lipana	√	√	√	√
Member (ID)	Ramon M. Lopez	√	√	√	√
Member (ID)	Amando M. Tetangco, Jr.	√	√	√	√

In compliance with the Audit Committee Charter, the Manual of Corporate Governance, and relevant laws and regulations, the Audit Committee performed the following activities relating to the three (3) major areas of concern:

## Internal Audit

1. The Committee provided oversight of the Internal Audit.

Under SMIC's Internal Audit Charter, the primary purpose of Internal Audit is to strengthen SMIC's ability to create, protect, and sustain value by providing the Board of Directors and Senior Management with independent, risk-based, objective, and reasonable assurance, advice, insight, and foresight through systematic and disciplined evaluation of SMIC's governance system, risk management, and internal control environment.

To maintain the independence of the Internal Audit, the Chief Audit Executive (CAE) administratively reports to the Chief Executive Officer and functionally reports to the Board of Directors, through the Audit Committee.

The CAE has direct and free access to communicate with the Management and Audit Committee. The entire Internal Audit Team has full and unrestricted access to all records, documents, systems, and information required for the effective and efficient audit process.

2. The Committee reviewed and approved the 2024 Internal Audit plan, including the scope, methodology, organization structure and staffing.
3. The Committee monitored the implementation of the Internal Audit plan and reviewed the periodic reports of the CAE, summarizing the overall assessment of the Company's control environment, significant audit findings and areas of concern as well as the corresponding management responses and action plans.

## External Audit

The Audit Committee has the primary responsibility to make a well-informed recommendation regarding the appointment, re-appointment or removal of the External Auditor.

The External Auditor is tasked to undertake an independent audit and provide and perform an objective assurance on the preparation and presentation of the financial statements.

4. The Committee reviewed/discussed with the External Auditor, SGV & Co., the following:
  - The annual audit plan for 2024, including scope, approach, risk-based methods, focus areas and time table;
  - The results of its examination and action plan to address pending audit issues; and
  - The assessment of internal controls and quality of financial reporting.

5. The Committee reviewed/discussed the report of SGV & Co. on significant accounting issues, changes in accounting policies/ standards, and major pending tax legislations, which would impact the Company and its subsidiaries.
6. The Committee discussed with SGV & Co. the matters required to be disclosed under the prevailing applicable Auditing Standards, and obtained from said Firm a letter confirming its independence, as required by prevailing applicable Independence Standards.
7. The Committee reviewed and approved all audit and non-audit services provided by SGV & Co. to the Company. The Committee also reviewed the significance of non-audit related fees in relation to the annual fees.

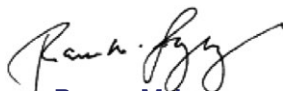
### **Financial Statements**

8. The Committee assessed the internal control system of the Company based upon the review and evaluation done and reported by the internal and external auditors and noted that the system is generally adequate to generate reliable financial statements.
9. The Committee reviewed and endorsed to the Board for approval the unaudited consolidated financial statements of SM Investments Corporation and its subsidiaries for the first quarter ended March 31, 2024, second quarter ended June 30, 2024, and third quarter ended September 30, 2024.
10. Based on its review and discussion, and subject to the limitations on the roles and responsibilities referred to above, the Committee recommended for Board approval, and the Board approved, the audited consolidated financial statements of SM Investments Corporation and its subsidiaries for the year ended December 31, 2024.
11. The Committee reviewed and discussed the performance, independence and qualifications of the External Auditor, SGV & Co., in the conduct of their audit of the consolidated financial statements of SM Investments Corporation and its subsidiaries for the year. Based on the review of their performance and qualifications, the Committee also recommended the re-appointment of SGV & Co. as the Company's External Auditor for 2025.

28 February 2025



**Tomas H. Lipana**  
Chairperson



**Ramon M. Lopez**  
Member



**Amando M. Tetangco, Jr.**  
Member



**Atty. Elmer B. Serrano**  
Corporate Secretary

# Financial Statements

## SM INVESTMENTS CORPORATION AND SUBSIDIARIES

# Consolidated Balance Sheets

(Amounts in Thousands)

	<b>December 31</b>	
	<b>2024</b>	2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	<b>₱112,528,047</b>	₱103,745,558
Time deposits	<b>221,096</b>	602,466
Financial assets at fair value through other comprehensive income (FVOCI)	<b>794,433</b>	747,840
Receivables and contract assets	<b>92,268,970</b>	79,209,522
Inventories	<b>119,676,110</b>	117,474,980
Other current assets	<b>58,311,536</b>	57,690,959
Total Current Assets	<b>383,800,192</b>	359,471,325
<b>Noncurrent Assets</b>		
Financial assets at FVOCI - net of current portion	<b>26,361,789</b>	26,317,778
Investments in associate companies and joint ventures	<b>399,483,760</b>	361,324,800
Time deposits - net of current portion	<b>3,113,470</b>	22,324,681
Property and equipment	<b>57,356,628</b>	52,851,633
Investment properties	<b>592,949,802</b>	537,067,223
Right-of-use assets	<b>49,185,455</b>	48,540,412
Intangibles	<b>40,386,475</b>	40,275,568
Other noncurrent assets	<b>146,414,611</b>	138,045,093
Total Noncurrent Assets	<b>1,315,251,990</b>	1,226,747,188
	<b>₱1,699,052,182</b>	₱1,586,218,513
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Bank loans	<b>₱24,074,356</b>	₱13,414,239
Accounts payable and other current liabilities	<b>210,372,577</b>	200,169,027
Income tax payable	<b>4,093,222</b>	3,649,923
Current portion of long-term debt	<b>104,627,839</b>	113,528,791
Total Current Liabilities	<b>343,167,994</b>	330,761,980
<b>Noncurrent Liabilities</b>		
Long-term debt - net of current portion	<b>371,872,181</b>	374,758,859
Lease liabilities - net of current portion	<b>33,191,553</b>	32,342,279
Deferred tax liabilities	<b>19,444,899</b>	18,129,316
Tenants' deposits and others	<b>64,950,764</b>	58,025,874
Total Noncurrent Liabilities	<b>489,459,397</b>	483,256,328
Total Liabilities	<b>832,627,391</b>	814,018,308

(Forward)

	<b>December 31</b>	
	<b>2024</b>	2023
<b>Equity Attributable to Owners of the Parent Company</b>		
Capital stock	<b>P12,261,146</b>	P12,261,146
Additional paid-in capital	<b>71,752,158</b>	71,837,361
Treasury stock	<b>(40,912)</b>	(40,912)
Equity adjustments from common control transactions	<b>(6,948,729)</b>	(6,660,472)
Cost of Parent common shares held by subsidiaries	<b>(25,386)</b>	(25,386)
Cumulative translation adjustment	<b>1,821,115</b>	1,587,205
Fair value changes on cash flow hedges and others	<b>557,052</b>	809,143
Unrealized gain on financial assets at FVOCI	<b>9,898,983</b>	11,075,393
Remeasurement loss on defined benefit asset/obligation	<b>(2,099,656)</b>	(3,150,991)
Share in other comprehensive loss of associate companies and joint ventures - net	<b>(11,772,684)</b>	(11,376,601)
Retained earnings:		
Appropriated	<b>30,000,000</b>	37,000,000
Unappropriated	<b>521,900,993</b>	443,288,813
Total Equity Attributable to Owners of the Parent	<b>627,304,080</b>	556,604,699
<b>Non-controlling Interests</b>	<b>239,120,711</b>	215,595,506
Total Equity	<b>866,424,791</b>	772,200,205
	<b>P1,699,052,182</b>	P1,586,218,513

# Financial Statements

SM INVESTMENTS CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Income

(Amounts in Thousands Except Per Share Data)

	Years Ended December 31		
	2024	2023	2022
<b>REVENUES</b>			
Sales:			
Merchandise	<b>₱421,756,981</b>	₱401,725,529	₱367,318,577
Real estate	<b>45,910,195</b>	42,124,088	39,046,514
Rent	<b>67,965,715</b>	61,784,742	49,167,565
Equity in net earnings of associate companies and joint ventures	<b>50,001,804</b>	44,945,113	35,825,734
Others	<b>69,142,303</b>	65,672,415	61,640,188
	<b>654,776,998</b>	616,251,887	552,998,578
<b>COSTS AND EXPENSES</b>	<b>502,951,230</b>	474,083,864	435,430,927
<b>OPERATING INCOME</b>	<b>151,825,768</b>	142,168,023	117,567,651
<b>OTHER INCOME (CHARGES)</b>			
Interest expense	<b>(23,710,242)</b>	(24,084,744)	(21,547,070)
Interest income	<b>4,576,755</b>	4,048,278	3,042,370
Gain (loss) from fair value changes on derivatives - net	<b>(480,038)</b>	(30,731)	866,500
Impairment reversal (provision)	<b>(475,721)</b>	320,206	(787,166)
Foreign exchange gain (loss) - net and others	<b>1,174,760</b>	396,174	(2,092)
	<b>(18,914,486)</b>	(19,350,817)	(18,427,458)
<b>INCOME BEFORE INCOME TAX</b>	<b>132,911,282</b>	122,817,206	99,140,193
<b>PROVISION FOR INCOME TAX</b>			
Current	<b>16,928,773</b>	16,209,025	14,248,182
Deferred	<b>1,329,603</b>	423,118	546,638
	<b>18,258,376</b>	16,632,143	14,794,820
<b>NET INCOME</b>	<b>₱114,652,906</b>	₱106,185,063	₱84,345,373
<b>Attributable to</b>			
Owners of the Parent	<b>₱82,608,707</b>	₱76,989,043	₱61,653,665
Non-controlling interests	<b>32,044,199</b>	29,196,020	22,691,708
	<b>₱114,652,906</b>	₱106,185,063	₱84,345,373
<b>Basic/Diluted Earnings Per Common Share</b>			
<b>Attributable to Owners of the Parent</b>	<b>₱67.60</b>	₱63.00	₱50.88

SM INVESTMENTS CORPORATION AND SUBSIDIARIES

# Consolidated Statements of Comprehensive Income

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
<b>NET INCOME</b>	<b>₱114,652,906</b>	₱106,185,063	₱84,345,373
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<b>Items that will be reclassified to profit or loss in subsequent periods</b>			
Cumulative translation adjustment	<b>521,599</b>	(1,035,219)	27,928
Fair value changes on cash flow hedges	<b>(490,854)</b>	(1,758,911)	4,608,383
	<b>30,745</b>	(2,794,130)	4,636,311
<b>Items not to be reclassified to profit or loss in subsequent periods</b>			
Remeasurement gain (loss) on defined benefit obligation	<b>1,677,267</b>	(2,503,907)	(1,274,242)
Net unrealized loss on financial assets at FVOCI	<b>(1,072,817)</b>	(599,993)	(2,478,988)
Income tax relating to items not to be reclassified to profit or loss in subsequent periods	<b>(751,690)</b>	344,024	(269,602)
	<b>(147,240)</b>	(2,759,876)	(4,022,832)
Share in other comprehensive loss of associate companies and joint ventures - net	<b>(457,876)</b>	(641,624)	(4,336,268)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱114,078,535</b>	₱99,989,433	₱80,622,584
<b>Attributable to</b>			
Owners of the Parent	<b>₱82,069,721</b>	₱72,881,710	₱56,987,529
Non-controlling interests	<b>32,008,814</b>	27,107,723	23,635,055
	<b>₱114,078,535</b>	₱99,989,433	₱80,622,584

# Financial Statements

SM INVESTMENTS CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Changes in Equity

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

(Amounts in Thousands Except Per Share Data)

	Capital Stock	Additional Paid-in Capital	Treasury Stock	Equity Adjustments from Common Control Transactions	Cost of Parent Common Shares Held by Subsidiaries	Cumulative Translation Adjustment
As at January 1, 2024	<b>₱12,261,146</b>	<b>₱71,837,361</b>	<b>(₱40,912)</b>	<b>(₱6,660,472)</b>	<b>(₱25,386)</b>	<b>₱1,587,205</b>
Net income	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	<b>233,910</b>
Total comprehensive income	-	-	-	-	-	<b>233,910</b>
Realized gain on sale of financial assets at FVOCI	-	-	-	-	-	-
Effect of business combination	-	-	-	<b>(288,257)</b>	-	-
Transactions with non-controlling interests	-	<b>(85,203)</b>	-	-	-	-
Cash dividends - ₱9.00 per share	-	-	-	-	-	-
Cash dividends paid to non-controlling interests	-	-	-	-	-	-
Reversal of appropriations - net	-	-	-	-	-	-
Net change in non-controlling interests	-	-	-	-	-	-
As at December 31, 2024	<b>₱12,261,146</b>	<b>₱71,752,158</b>	<b>(₱40,912)</b>	<b>(₱6,948,729)</b>	<b>(₱25,386)</b>	<b>₱1,821,115</b>
As at January 1, 2023	₱12,261,146	₱75,839,217	(₱40,912)	(₱6,660,472)	(₱25,386)	₱2,102,782
Net income	-	-	-	-	-	-
Other comprehensive loss	-	-	-	-	-	(515,577)
Total comprehensive income	-	-	-	-	-	(515,577)
Transactions with non-controlling interests	-	(4,001,856)	-	-	-	-
Cash dividends - ₱7.50 per share	-	-	-	-	-	-
Cash dividends paid to non-controlling interests	-	-	-	-	-	-
Net change in non-controlling interests	-	-	-	-	-	-
As at December 31, 2023	₱12,261,146	₱71,837,361	(₱40,912)	(₱6,660,472)	(₱25,386)	₱1,587,205

Equity Attributable to Owners of the Parent									
Fair Value Changes on Cash Flow Hedges and Others	Unrealized Gain (Loss) on Financial Assets at FVOCI	Remeasurement Gain (Loss) on Defined Benefit Asset/Obligation	Share in Other Comprehensive Loss of Associates - Net	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total	Non-controlling Interests	Total Equity	
<b>P809,143</b>	<b>P11,075,393</b>	<b>(P3,150,991)</b>	<b>(P11,376,601)</b>	<b>P37,000,000</b>	<b>P443,288,813</b>	<b>P556,604,699</b>	<b>P215,595,506</b>	<b>P772,200,205</b>	
-	-	-	-	-	82,608,707	82,608,707	32,044,199	114,652,906	
(252,091)	(1,176,057)	1,051,335	(396,083)	-	-	(538,986)	(35,385)	(574,371)	
(252,091)	(1,176,057)	1,051,335	(396,083)	-	82,608,707	82,069,721	32,008,814	114,078,535	
-	(353)	-	-	-	353	-	-	-	
-	-	-	-	-	-	(288,257)	-	(288,257)	
-	-	-	-	-	-	(85,203)	9,296	(75,907)	
-	-	-	-	-	(10,996,880)	(10,996,880)	-	(10,996,880)	
-	-	-	-	-	-	-	(9,279,231)	(9,279,231)	
-	-	-	-	(7,000,000)	7,000,000	-	-	-	
-	-	-	-	-	-	-	786,326	786,326	
<b>P557,052</b>	<b>P9,898,983</b>	<b>(P2,099,656)</b>	<b>(P11,772,684)</b>	<b>P30,000,000</b>	<b>P521,900,993</b>	<b>P627,304,080</b>	<b>P239,120,711</b>	<b>P866,424,791</b>	
P1,610,364	P11,823,413	(P1,721,868)	(P10,763,209)	P37,000,000	P375,463,837	P496,888,912	P195,301,099	P692,190,011	
-	-	-	-	-	76,989,043	76,989,043	29,196,020	106,185,063	
(801,221)	(748,020)	(1,429,123)	(613,392)	-	-	(4,107,333)	(2,088,297)	(6,195,630)	
(801,221)	(748,020)	(1,429,123)	(613,392)	-	76,989,043	72,881,710	27,107,723	99,989,433	
-	-	-	-	-	-	(4,001,856)	174,174	(3,827,682)	
-	-	-	-	-	(9,164,067)	(9,164,067)	-	(9,164,067)	
-	-	-	-	-	-	-	(7,459,930)	(7,459,930)	
-	-	-	-	-	-	-	472,440	472,440	
<b>P809,143</b>	<b>P11,075,393</b>	<b>(P3,150,991)</b>	<b>(P11,376,601)</b>	<b>P37,000,000</b>	<b>P443,288,813</b>	<b>P556,604,699</b>	<b>P215,595,506</b>	<b>P772,200,205</b>	

# Financial Statements

	Capital Stock	Additional Paid-in Capital	Treasury Stock	Equity Adjustments from Common Control Transactions	Cost of Parent Common Shares Held by Subsidiaries	Cumulative Translation Adjustment
As at January 1, 2022	₱12,045,829	₱75,827,181	₱-	(₱6,298,551)	(₱25,386)	₱2,253,475
Net income	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	(150,693)
Total comprehensive income	-	-	-	-	-	(150,693)
Effect of business combination	215,317	-	(40,912)	(361,921)	-	-
Transactions with non-controlling interests	-	12,036	-	-	-	-
Cash dividends - ₱6.25 per share	-	-	-	-	-	-
Cash dividends paid to non-controlling interests	-	-	-	-	-	-
Net change in non-controlling interests	-	-	-	-	-	-
As at December 31, 2022	₱12,261,146	₱75,839,217	(₱40,912)	(₱6,660,472)	(₱25,386)	₱2,102,782

Equity Attributable to Owners of the Parent

Fair Value Changes on Cash Flow Hedges and Others	Unrealized Gain (Loss) on Financial Assets at FVOCI	Remeasurement Loss on Defined Benefit Asset/Obligation	Share in Other Comprehensive Loss of Associates - Net	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total	Noncontrolling Interests	Total Equity
(P1,201,352)	P14,289,319	(P1,026,650)	(P6,597,174)	P37,000,000	P321,337,891	P447,604,582	P176,003,603	P623,608,185
-	-	-	-	-	61,653,665	61,653,665	22,691,708	84,345,373
2,811,716	(2,465,906)	(695,218)	(4,166,035)	-	-	(4,666,136)	943,347	(3,722,789)
2,811,716	(2,465,906)	(695,218)	(4,166,035)	-	61,653,665	56,987,529	23,635,055	80,622,584
-	-	-	-	-	-	(187,516)	239,695	52,179
-	-	-	-	-	-	12,036	21,245	33,281
-	-	-	-	-	(7,527,719)	(7,527,719)	-	(7,527,719)
-	-	-	-	-	-	-	(5,273,377)	(5,273,377)
-	-	-	-	-	-	-	674,878	674,878
<b>P1,610,364</b>	<b>P11,823,413</b>	<b>(P1,721,868)</b>	<b>(P10,763,209)</b>	<b>P37,000,000</b>	<b>P375,463,837</b>	<b>P496,888,912</b>	<b>P195,301,099</b>	<b>P692,190,011</b>

# Financial Statements

## SM INVESTMENTS CORPORATION AND SUBSIDIARIES

# Consolidated Statements of Cash Flows

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	<b>₱132,911,282</b>	₱122,817,206	₱99,140,193
Adjustments for:			
Equity in net earnings of associate companies and joint ventures	<b>(50,001,804)</b>	(44,945,113)	(35,825,734)
Depreciation and amortization	<b>26,507,988</b>	24,706,691	23,653,863
Interest expense	<b>23,710,242</b>	24,084,744	21,547,070
Interest income	<b>(4,576,755)</b>	(4,048,278)	(3,042,370)
Provisions - net	<b>4,176,204</b>	4,400,289	5,099,217
Dividend income	<b>(870,899)</b>	(911,619)	(1,177,340)
Loss (gain) on fair value changes on derivatives - net	<b>480,038</b>	30,731	(866,500)
Impairment provision (reversal)	<b>475,721</b>	(320,206)	787,166
Gain on disposal of investments and properties - net	<b>(445,287)</b>	(66,131)	(209,206)
Unrealized foreign exchange loss (gain) - net	<b>(96,596)</b>	44,431	1,132,078
Income before working capital changes	<b>132,270,134</b>	125,792,745	110,238,437
Increase in:			
Receivables and contract assets	<b>(21,278,847)</b>	(16,882,660)	(7,501,824)
Other current assets	<b>(2,514,083)</b>	(1,436,571)	(635,950)
Inventories	<b>(2,185,107)</b>	(24,275,052)	(40,685,904)
Increase in:			
Accounts payable and other current liabilities	<b>9,732,351</b>	14,194,998	34,081,718
Tenants' deposits and others	<b>8,113,221</b>	9,233,692	2,544,753
Net cash generated from operations	<b>124,137,669</b>	106,627,152	98,041,230
Income tax paid	<b>(16,487,998)</b>	(15,747,502)	(13,356,765)
Net cash provided by operating activities	<b>107,649,671</b>	90,879,650	84,684,465
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of:			
Investment in associate companies and joint ventures	<b>1,585,559</b>	-	50,000
Investment properties	<b>605,913</b>	74,855	84,863
Property and equipment	<b>318,000</b>	52,738	241,913
Additions to:			
Investment properties	<b>(67,568,789)</b>	(68,205,952)	(33,990,435)
Property and equipment	<b>(12,748,787)</b>	(12,361,763)	(9,678,003)
Investments in associate companies and joint ventures	<b>(5,336,879)</b>	(288,227)	(73,500)
Financial assets at FVOCI	<b>(1,508,238)</b>	(692,125)	-
Decrease (increase) in:			
Time deposits	<b>19,592,582</b>	9,857,111	(27,518,818)
Other noncurrent assets	<b>(254,128)</b>	14,679,276	8,794,846
Dividends received	<b>15,727,366</b>	11,240,255	8,136,996
Interest received	<b>4,478,192</b>	4,289,389	2,846,341
Purchase consideration net of cash, from acquisition of subsidiaries	<b>-</b>	-	(88,608)
Net cash used in investing activities	<b>(45,109,209)</b>	(41,354,443)	(51,194,405)

(Forward)

	<b>Years Ended December 31</b>		
	<b>2024</b>	2023	2022
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Availments of:			
Long-term debt	<b>₱112,875,555</b>	₱107,590,529	₱100,256,801
Bank loans	<b>105,535,009</b>	45,599,966	66,878,421
Payments of:			
Long-term debt	<b>(131,653,274)</b>	(103,343,041)	(72,630,533)
Bank loans	<b>(94,961,213)</b>	(52,906,823)	(73,264,105)
Interest	<b>(22,223,651)</b>	(22,834,339)	(19,909,588)
Dividends	<b>(20,434,530)</b>	(17,335,101)	(12,714,420)
Lease liabilities	<b>(5,308,424)</b>	(5,219,712)	(4,853,925)
Proceeds from matured derivatives - net	<b>2,404,388</b>	-	-
Acquisition of non-controlling interest in a subsidiary	-	(5,169,476)	-
Partial sale of shares in a subsidiary	-	1,294,623	-
Net cash used in financing activities	<b>(53,766,140)</b>	(52,323,374)	(16,237,349)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,774,322</b>	(2,798,167)	17,252,711
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>8,167</b>	(17,347)	(44,273)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>103,745,558</b>	106,561,072	89,352,634
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>₱112,528,047</b>	₱103,745,558	₱106,561,072






Scan this QR code to view or download the complete Audited Financial Statements and accompanying Notes to Consolidated Financial Statements

# Report Index

The 2024 Integrated Report of SM Investments Corporation is part of our comprehensive suite of disclosures, aligning with the Integrated Reporting <IR> Framework. It provides a clear view of our strategy, governance, performance, and long-term value creation.

## Our Full Suite of Disclosures

We provide a range of reports to ensure transparency and accessibility:

Report	Access via QR Code	Link
<b>Integrated Report Microsite</b>  A dedicated website where you can view and download the full 2024 Integrated Report		<a href="https://www.sminvestments.com/2024smicintegratedreport/">https://www.sminvestments.com/2024smicintegratedreport/</a>
<b>Sustainability Report</b>  A comprehensive report of our sustainability strategies, initiatives and impact		<a href="https://www.sminvestments.com/2024smicintegratedreport/sustainability_report_2024/">https://www.sminvestments.com/2024smicintegratedreport/sustainability_report_2024/</a>
<b>Financial Report</b>  A full, detailed disclosure of our financial statements and performance		<a href="https://www.sminvestments.com/2024smicintegratedreport/financial_report_2024/">https://www.sminvestments.com/2024smicintegratedreport/financial_report_2024/</a>

## Sustainability Notes & Indices

We are also subscribed to multiple indices that detail our double materiality approach and alignment with IFRS S1 and S2, the Global Reporting Initiative (GRI) and industry-specific Sustainability Accounting Standards Board (SASB) and European Sustainability Reporting Standards (ESRS) disclosures.

Key indices and frameworks:

- IFRS S1 Index
- IFRS S2 Index
- GRI Index
- SASB Disclosures
- Sustainability & Climate Risk Management Framework
- SM GHG Management Plan
- Equal Opportunity Framework
- Sustainability Policy & Management System (SMIC & SM Retail)

Scan to view our Sustainability Notes and Report Indices here:



All resources are available on our website [www.sminvestments.com](http://www.sminvestments.com)

# List of Member Associations

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ARISE Philippines Network

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Asia Business Council

---

Asia Society Philippine Foundation

---

Association of Certified Public Accountants in Commerce and Industry

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Carbon PH

---

Certified Internal Auditors Philippines

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Employers Confederation of the Philippines

---

Financial Executives Institute of the Philippines

---

Good Governance Advocates and Practitioners of the Philippines

---

Information Systems Audit and Control Association

---

Institute of Corporate Directors

---

Institute of Internal Auditors Philippines

---

Internet and Mobile Marketing Association of the Philippines

---

Makati Business Club

---

Management Association of the Philippines

---

NextGen Organization of Women

---

People Management Association of the Philippines

---

Philippine Alliance for Recycling and Materials Sustainability

---

Philippine Association of Management Accountants

---

Philippine Association of National Advertisers

---

Philippine Business for Social Progress

---

Philippine Chamber of Commerce and Industry

---

Philippine Institute of Certified Public Accountants

---

Tax Management Association of the Philippines

---

United Nations Global Compact Network Philippines

---

United Nations Women's Empowerment Principles (WEPEs)

---

US Philippine Society, Inc.

---

World Economic Forum

# Corporate Information

## **Company Headquarters**

10th Floor, OneE-Com Center  
Harbor Drive, Mall of Asia Complex  
Pasay City, 1300 Philippines

## **Stockholder Inquiries**

SM Investments Corporation's common stock is listed and traded in the Philippine Stock Exchange under the symbol 'SM.' Inquiries regarding dividend payments, account status, address change, stock certificate and other pertinent matters may be addressed to the company's transfer agent:

### **BDO Unibank, Inc.**

#### **Trust & Investments Group**

#### **- Securities Services (Stock Transfer)**

44th Floor, BDO Corporate Center Ortigas, East Tower  
12 ADB Avenue, Ortigas Center, Mandaluyong City  
Trunkline: (632) 8840-7000  
Direct Line: (632) 8878-4961; (632) 8878-4105  
Email address: [bdo-stocktransferteam2@bdo.com.ph](mailto:bdo-stocktransferteam2@bdo.com.ph)

## **Sustainability Inquiries**

Inquiries regarding SM Investments Corporation's sustainability programs or this Integrated Report may be addressed to: [ir@sminvestments.com](mailto:ir@sminvestments.com) or [sustainability@sminvestments.com](mailto:sustainability@sminvestments.com)



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## **SM INVESTMENTS**

10th Floor, OneE-Com Center  
Harbor Drive, Mall of Asia Complex  
Pasay City, 1300 Philippines