



INVESTMENTS
CORPORATION

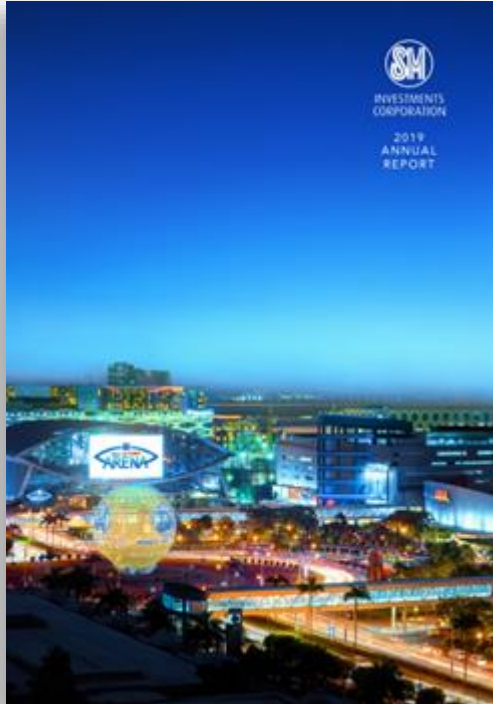
Investor Presentation

September 2020



Learn more about SM Investments

2019 Annual Report



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2019 Sustainability Report



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Philippines: Strong Macroeconomic Fundamentals

Young Workforce with Rising Incomes

GDP Growth -9.0%	Per Capita GDP USD3,282	Median Age 23
Consumption Driven 72.6% of GDP	Per Capita GNI USD3,592	Population 105M +1.6% p.a.

Inflation and Interest Rate Environment

- Avg. Inflation rate: **2.5%** (Jan-Jul 2020)
- Avg. lending rate: **7.1%** (Jan-Dec 2019)

Healthy Fiscal and Monetary System

- Debt/GDP: **48.1%**
- CAR: **16.0%**
- NPLs: **2.1%**

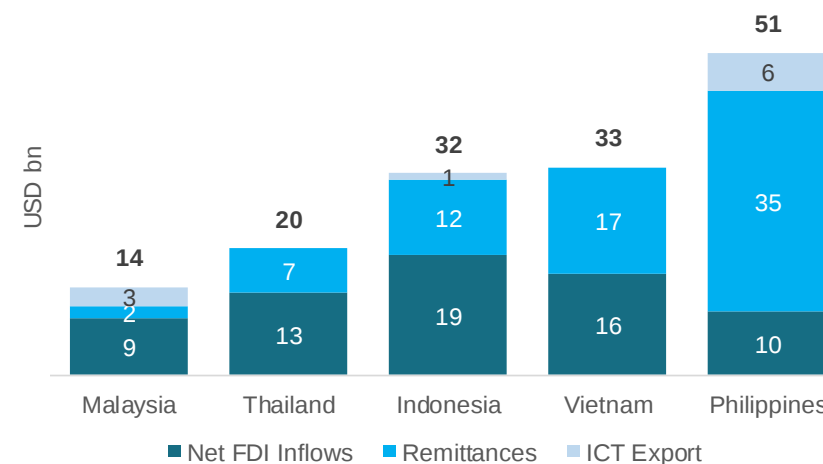
Current Credit Ratings	
S&P	BBB+ Stable
Moody's	Baa2 Stable
Fitch	BBB Stable

Source: BSP Selected Economic and Financial Indicators
Release as of August 28, 2020

Opportunities

- Improved Infrastructure development
- Provincial growth – Luzon, Visayas, Mindanao
- Job creation and inclusive growth
- Agriculture, Manufacturing, Services
- Foreign Direct Investments

Net External Inflows and ICT Exports



Source: The World Bank, Most Recent Data (2019)

About SM Investments

SMIC is a leading Philippine company that is invested in market leading businesses in retail, banking and property. It also invests in ventures that can capture high growth opportunities in the emerging Philippine economy

Strong Proxy for Philippine Growth

- Market leading consumer-centric businesses
- Strong brand franchise
- Extensive group synergies

Business Enabler

- Partner of choice
- Access to capital and SM's extensive network of businesses, customers, tenants and suppliers
- Strong management commitment to partner success

Culture of Sustainability

- Catalyst for development in the communities we serve
- Environmental responsibility and disaster resilience
- Strong governance and prudent financial management

Our Investments

Core Investments

Retail

77.3%
SM RETAIL INC.

FOOD
THE SM STORE
JOINT VENTURES
SPECIALTY RETAILERS

Banking

45.3%
BDO
UNIBANK,
INC.

22.6%
CHINA
BANKING
CORP.

Property

49.7%
SM PRIME HOLDINGS, INC.

MALLS
RESIDENTIAL
COMMERCIAL
HOTELS &
CONVENTIONS
LEISURE &
TOURISM

SM Equity Investments

26.4%
BELLE CORP

34.1%
ATLAS MINING

95.0%
NEO SUBSIDIARIES

34.0%
NEO ASSOCIATES

34.0%
CITYMALL

30.5%
2GO GROUP

63.3%
MYTOWN

35.0%
AIRSPEED

34.1%
GOLDBLOCKS

34.5%
GRABPAY

Leading Philippine Conglomerate

Our three largest companies – SMIC, SM Prime and BDO – comprise over 30% of the value of the Philippine Index

Philippine Conglos

Market Cap (USD bn)

SMIC	21.1
JG Summit	9.5
Ayala Corp	9.5
Aboitiz Equity	5.6
SMC	5.0
Metro Pacific	2.2
LT Group	1.9
GT Capital	1.8
Alliance Global	1.2
DMCI	1.1

Source: Bloomberg;
Figures as of August 28, 2020

Philippine Retailers

Total Sales (USD mn)

SM Retail	6,838
Robinsons	3,146
Puregold	2,984

Philippine Retailers

Store Count

SM Retail	2,799
Robinsons	1,938
Puregold	436

Source: Company Information, end-2019

Philippine Banks

Total Resources (USD bn)

BDO	62.1
Metrobank	48.8
BPI	43.2
Landbank	40.2
PNB	22.3
China Bank	19.0
Security Bank	15.7
RCBC	15.2
UBP	15.2
DBP	15.1

Source: Consolidated statements of
condition (SOC), FY 2019

Property Developers

Market Cap (USD bn)

SMPH	17.4
Ayala Land	8.7
Megaworld	1.9
Robinsons Land	1.6
Vistaland	0.8
Double Dragon	0.7
Filinvest	0.5

Source: Bloomberg;
Figures as of August 28, 2020

Our Business Footprint

Metro Manila (NCR)

- 984 retail outlets
- 23 malls
- 963 bank branches

Luzon (ex-NCR)

- 1,490 retail outlets
- 40 malls
- 660 bank branches

Visayas

- 261 retail outlets
- 6 malls
- 226 bank branches

Mindanao

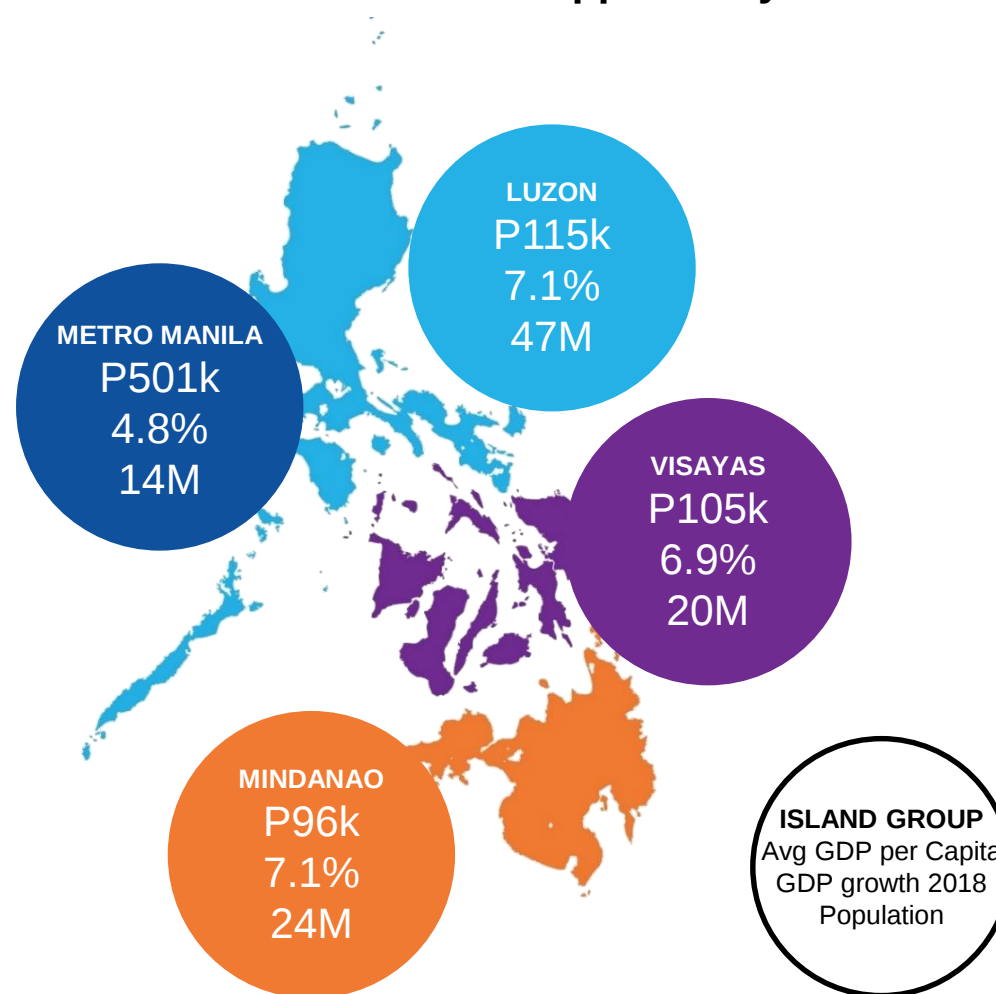
- 147 retail outlets
- 5 malls
- 231 bank branches

Total Philippines

- 2,882 retail outlets
- 74 malls
- 2,080 bank branches

Note: Data as of 1H2020

Provincial Penetration Opportunity



Summary of SMIC Recent Performance

Figures in PHP billion except percentages

SM Investments	1H 2020	1H 2019	% Chg	FY 2019
Revenues	185.5	233.7	-21%	501.7
Net Income	7.1	23.0	-69%	44.6
Net Margin (inc-NCI)	6.8%	15.2%	-	13.8%
ROE	7.5%	-	-	11.9%
Net Debt:Equity	39:61	-	-	36:64

SM Retail	1H 2020	1H 2019	% Chg	FY 2019
Gross Revenues	139.2	169.8	-18%	366.8
Net Income	0.5	5.7	-91%	12.5
Net Margin (inc-NCI)	0.3%	3.9%	-	3.9%

BDO	1H 2020	1H 2019	% Chg	FY 2019
Net Interest Income	66.4	56.9	17%	119.9
Non Interest Income	24.8	29.5	-16%	60.6
Net Income	4.3	20.2	-79%	44.2

SM Prime	1H 2020	1H 2019	% Chg	FY 2019
Revenues	43.7	57.1	-23%	118.3
Net Income	10.4	19.3	-46%	38.1
Net Margin	23.9%	33.8%	-	32.2%
ROE	7.0%	-	-	13.0%
Net Debt:Equity	42:58	-	-	40:60

Recent Events

Parent/Group

- Submitted a registration statement for PHP30B in bonds under a shelf registration of three years
- Enrolled PHP5.6B worth of fixed rate notes due 2022 intended for Qualified Institutional Buyers
- SM group recognized anew by global index FTSE4Good

Retail

- Opened 97 Food and 15 Specialty stores, 83% outside Metro Manila
- Alfamart currently operating over 900 stores

Banking

- BDO to buy out Nomura stake in JV
- BDO issued a total of PHP36B in 1.75-year fixed rate bonds with an interest rates of 3.125% p.a.
- China Bank Mobile App bags Mobile Banking and Payment Initiative of the Year award

Property

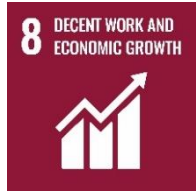
- Issued a total of PHP15B in 5-year and 7-year fixed rate bonds with interest rates of 4.8643% p.a. and 5.0583% p.a., respectively
- SM Xiamen is scheduled for expansion and will add 120,000sqm

SM Equity Investments

- Airspeed online delivery platform SpeedFood readies nationwide expansion

Our ESG Culture

We are committed to sustainable growth and alignment with UN Sustainable Development Goals



Provide inclusive economic opportunities

- Job creation
- Inclusive supply chains
- Innovative banking products and services



Facilitate community development

- Public infrastructure building and rehabilitation
- Disaster risk reduction



Promote environmental responsibility

- Responsible consumption
- Conservation and preservation of natural environment and biodiversity
- Green finance



Drive advocacy and awareness

- Signatory to UN Global Compact and UN Arise Philippines
- Prescribe to the GHG Protocol and CDP
- Partnered with GRI for 1st Sustainability Summit in the country

Supporting our Stakeholders

Business growth and social development go hand-in-hand



Positive community impact

- Construction of public health centers with birthing facilities
- Feeding programs and medical missions
- School buildings construction and scholarship programs



Responsible employment practices

- Forbes 2019 Global World's Best Employer - #183
- 350,000 direct and indirect jobs created
- Member of Bloomberg Equality Index



Support for MSMEs

- 25,000+ MSME's engaged
- Financing, market access and business continuity



Anchored on good governance

- ASEAN Corporate Governance Award 2019 - #1 in the Philippines



Benchmark against global best practices

- Forbes 2019 Global Best Regarded Companies - #172

Strong Leadership

Board of Directors



FROM L TO R: **TOMASA H. LIPANA**, Independent Director • **ALFREDO E. PASCUAL**, Independent Director
FREDERIC C. DYBUNCIO, CEO and President • **JOSE T. SIO**, Chairman • **TERESITA T. SY-COSON**, Vice Chairperson
HENRY T. SY, JR., Vice Chairman • **ROBERT G. VERGARA**, Independent Director • **HARLEY T. SY**, Director

Business Leadership

Teresita



BDO and Non-food
Retail

Elizabeth



Hotels and
Convention Centers

Henry Jr.



Integrated Property
Development and
Residential

Hans



China Bank and
Mall Development

Herbert



Food Retail

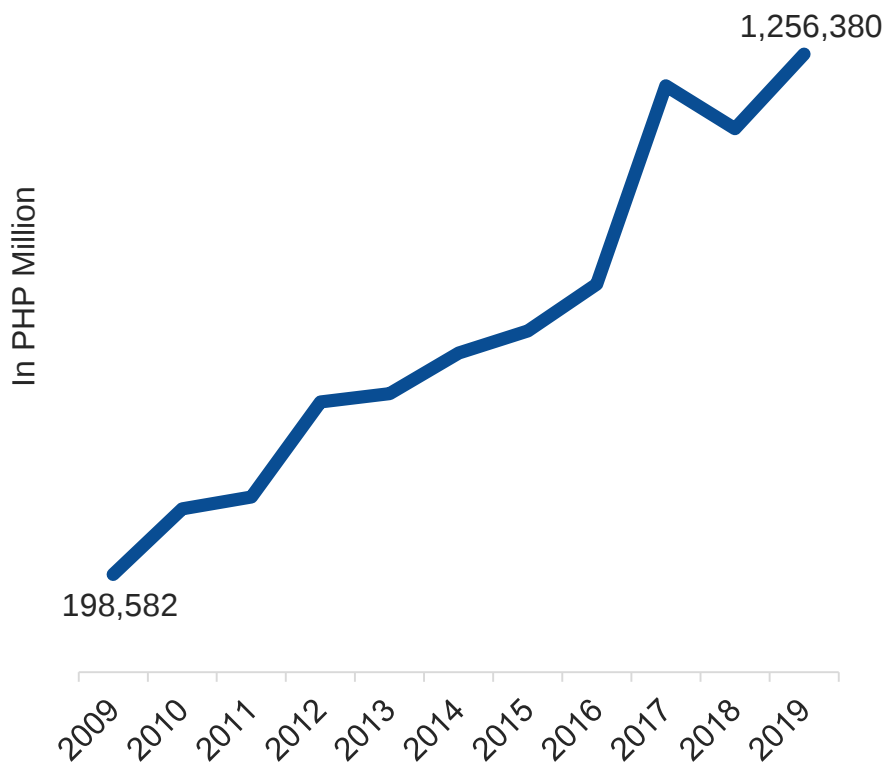
Harley



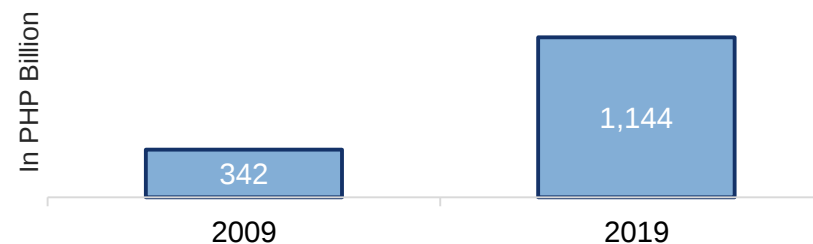
Non-food Retail

10-Year Performance

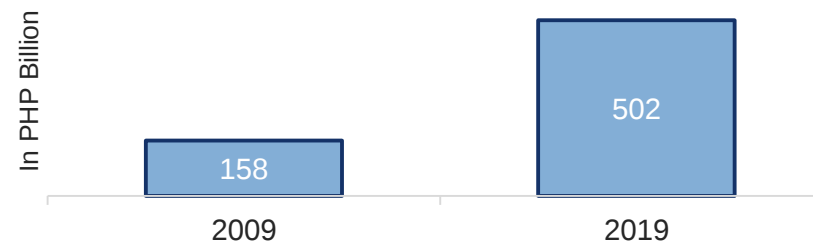
Market Cap grew at **20.3% p.a.**



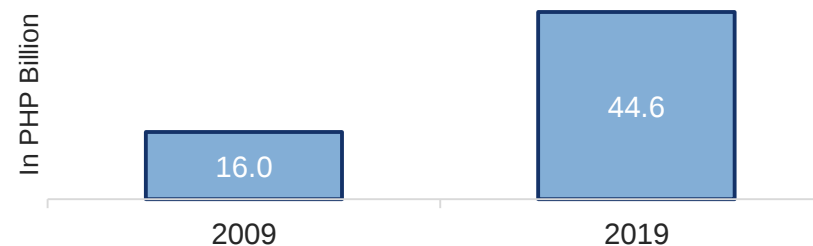
Assets grew at **12.8% p.a.**



Revenue grew at **12.2% p.a.**



Net Income grew at **10.8% p.a.**



What's New In SM?

Call To Deliver



MSMEs All Geared to Bounce Back Stronger with SM

SM puts the spotlight on its thousands of micro, small and medium enterprise (MSME)-partners through its campaign “Kasama ng SM,” a collective effort across the company to provide immediate and long-term solutions to help businesses bounce back better.

Find out more about #SMForMSMEs [here](#).



SM has got you covered with SM Community Riders



Whether its online shopping services, takeout and deliveries or personal shopper program, SM has got you covered with SM Community Riders - taking care of your shopping needs, running errands in the mall or delivering items straight to your doors.

SM partnered with over 1,000 riders in North and South Luzon and in Mindanao, helping displaced workers ride their way through the pandemic through the SM Community Riders program.

Co-living best safety practices



MyTown, the co-living brand under Philippines Urban Living Solutions (PULS) and PeoplePods, a Philippine dormitory for migrant workers and industry experts, worked with INSEAD for best safety practices for co-living operators.

Read more [here](#).

SMDC sets foothold in C5-Ortigas corridor



SMDC launches its first of many developments East of the Metro with Gem Residences, located in C5-Ortigas.

The 41-story tower is envisioned to be an urban centerpiece in the area, dubbed as “The New EDSA,” which will offer an integrated community that is ready for a smart and efficient future without missing the essential urban living resources.

COVID-19 response

SM companies continue to lead in supporting employees, customers and communities with financial, medical and operational assistance and donations

Employee care



- Work from home arrangements
- Full remuneration and benefits maintained
- Consistent COVID-19 information campaign
 - how to keep safe and healthy
 - status updates
- Implementation of hygiene and health protocols for returning to work

Helping the community



- Used own procurement team and distribution capability to provide more than Php270m in medical supplies to hospitals nationwide
- Built 7 insulated emergency quarantine facilities (156 beds) for government use
- Events center MOA Arena converted into a DOH swabbing center for testing
- SM Foundation providing meals to military and medical front liners

Core businesses



- Implementation of business continuity plans
- Worked with partner suppliers and coordinated logistics solutions to keep SM markets manned and stocked
- Hazard pay and ensured a safe workplace for front liners
- 60-day grace period on loans
- Cluster bank branch configurations: keeping open to serve the public while keeping safe
- Malls : Rent relief and extended payment terms for tenants nationwide
- Free data back-up storage for all tenants
- Residential : suspension of monthly payments until construction resumes

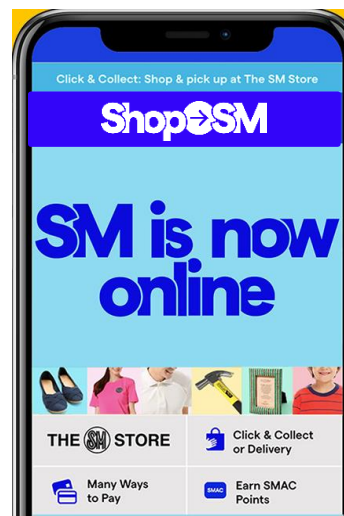
Equity portfolio

- 2GO : provided 2 ships as quarantine vessels for returning OFWs
- Goldilocks : consistent in giving meals and baked goods to military front liners

Meeting the accelerated online shift

SM continues to focus on its customers, building on its nationwide presence to engage its customers where and when they choose to access our products and services

Non-Food Retail



Food Retail



Shifting E-commerce Landscape

Accelerated roll-out of ecommerce and new delivery channels to meet customer needs

OMNI CHANNEL ASSETS*



* Shown are businesses operating during the quarantine

Increased preference for online retail

- Strengthened online fulfillment capability in SM markets and Waltermart
- Hastened roll out of digital platforms for other retail portfolio brands
- Increased sign ups for BDO and China Bank online and mobile accounts

Enhanced delivery options

- Delivery, pick-up and concierge services for customers
- Logistics solutions offered to mall tenants
- Roll out of click-and-collect options at supermarkets and food retail outlets

Catering to shifts in consumer preference

- Increased product choice in key categories (hygiene products, nutrition supplements, baking items, home office equipment)

Larger basket sizes

- Increased store inventory due to bigger purchases on limited mobility

Adjusting the in-store experience

- Implemented disciplined operational checklists with safety emphasis
- Collaboration with suppliers for inventory replenishment

Adapting to a new normal for our customers

SM malls are supporting customer omnichannel access with multiple shopping and delivery options



SM Retail: Most Diversified Retail Portfolio



- **Leading player in creating Philippine modern retailing**
 - Food - multiple formats from 200 to 14,000 sqm GFA
 - Non-food - Department stores, Specialty retailing
- **Service-led - SM is the most trusted brand in the Philippines**
 - Serving all customer segments
 - Diversified portfolio of leading domestic and foreign brands
- **Nationwide expansion strategy - faster market penetration and promote regional growth**
 - Low market penetration today
 - 83% of new stores opened outside Metro Manila
 - Partnerships accelerate expansion
- **Scalable, competitively advantaged operations**
 - Extensive synergies with SM Malls
 - Strong distribution network
 - 'Click & Collect' Ecommerce opportunity

SM Retail: Food Retailing



Supermarkets

Large format anchor tenant in SM malls

Hypermarkets

Stand-alone large format destinations with 50/50 food/non-food mix

Savemore

Stand-alone mid-sized format expanding nationwide

WalterMart

Mid-sized format tenant located in WalterMart Malls expanding in Luzon

Alfamart

Minimart format, JV with Indonesian partner providing supermarket goods and prices in neighborhood locations

SM Retail: Non-Food Retailing

The SM STORE



- Anchor tenant in SM malls
- Wide range of merchandise and price points
- Targets all customer segments

Specialty Retailing

SM Appliance	Homeworld
Ace Hardware	Watsons
Toy Kingdom	Kultura
Baby Company	Sports Central
Our Home	Pet Express
Crate & Barrel	Body Shop
Forever 21	Uniqlo
Miniso	Bata
Under Armour	Dyson

- Leading local category specialists
- Aspirational but affordable foreign brands
- High margin, high growth
- Key tenants in malls, selective expansion outside malls

Alfamart

- JV with Alfamart Indonesia
- Everyday grocery products, including fresh and frozen, plus ready-to-eat options
- Supermarket pricing
- Currently operating over 900 stores, located in residential areas outside Metro Manila
- Utilizes own distribution system, leveraging synergies with the SM Group
 - Supplier network
 - SM Bills Payment
 - SM Advantage Card
 - Watson's Pharmacy
 - BDO and China Bank ATM



SM Retail: Footprint Expansion Opportunity

Department Stores	Stores	GSA (sqm)	Average
The SM STORE	64	813,355	12,709

Food	Stores	GSA (sqm)	Average
SM Supermarket	58	361,285	6,229
SM Hypermarket	52	362,166	6,965
Savemore	206	552,204	2,681
WalterMart	60	164,176	2,736
Alfamart	846	151,144	179

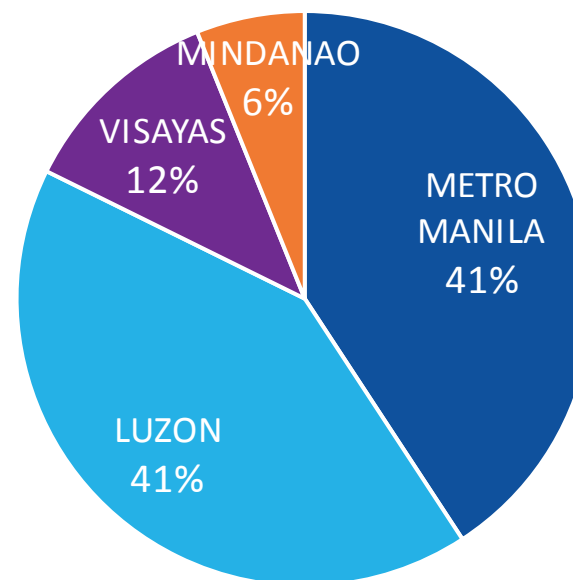
Specialty Stores*	Outlets	GSA (sqm)	Average
Ace Hardware	200	166,526	833
Homeworld	94	136,292	1,450
Toy Kingdom	134	55,256	412
SM Appliances	87	95,105	1,093
Miniso	102	26,701	262
Others	979	152,413	156

	Stores/Outlets	GSA (sqm)
Total	2,882	3,036,623

*Some outlets located in SM Stores/Food stores

Note: Data as of 1H2020

SM Retail Footprint (GSA)



Banking: Strategic Initiatives

BDO



- **Diversified and sustainable earning stream**
 - Client acquisition through branch expansion
 - Drive provincial lending and deposit taking initiatives
 - Expand fee income
- **Operating leverage**
 - Set up operating platform to support future growth
 - Implement digital strategy
- **Prudent balance sheet management**
 - Conservative provisioning for risk assets
 - Complement current funding with long term
 - Ensure sufficient capital to support growth

China Bank



- **Accelerate Expansion**
- **Grow Revenue Lines**
 - Solidify presence in corporate market
 - Defend market share for commercial/middle market/SMEs
 - Expand menu of consumer products
- **Continue diversification of fee-based businesses**
- **Intensify branding and differentiation**

Banking: BDO



Market-leading position:

- #1 in terms of assets, loans, deposits and assets under management
- Leader in investment banking, private banking, rural banking, remittances, credit cards and insurance brokerage

Full-service universal bank with a complete product and service menu

Focused coverage of target markets and customer-centric culture

Strong deposit franchise

- Highest CASA ratio among private commercial banks
- Lowest funding cost

Widest distribution network

- Over 1,400 branches
- Extended banking hours and seven-day banking in mall branches
- Over 4,400 ATMs nationwide

Banking: China Bank



One of the leading private universal banks in the Philippines with total assets of P962 Bn (USD19.0 Bn)

Strong presence in the entrepreneur, middle market and business segments

Longest relationship with Chinese-Filipinos, serving this community up to the 4th generation

Offers a comprehensive suite of products and services

Nationwide network:

- 631 branches
- Over 1,000 ATMs nationwide

About SM Prime

- Developer of large scale, integrated “Lifestyle cities” anchored on world-class malls
- The largest property developer in Southeast Asia by market capitalization
- Core businesses include Malls, Residential, Commercial, Hotels and Conventions Centers
- Focus on Philippine provincial footprint expansion - Malls and Residential
- Recurring revenues of ~70%
- Extensive landbank and ongoing landbanking activities - plus reclamation plans
- Consistently cited for excellence in corporate governance, property development, environmental consciousness and service



SM Prime: An Integrated Property Developer

The Mall of Asia Complex



SM Malls: Overview

PHILIPPINES



74 Malls



8.5M sqm Total GFA



18,678 Tenants



4.4M Average Daily Pedestrian Count



340 Cinema Screens



91,786 Parking Slots

CHINA



7 Malls



1.3M sqm Total GFA



1,829 Tenants



0.2M Average Daily Pedestrian Count



58 Cinema Screens



15,534 Parking Slots

SM Prime is the largest mall operator/developer in the Philippines.

Note: Most Recent Data

SM Malls: Philippines

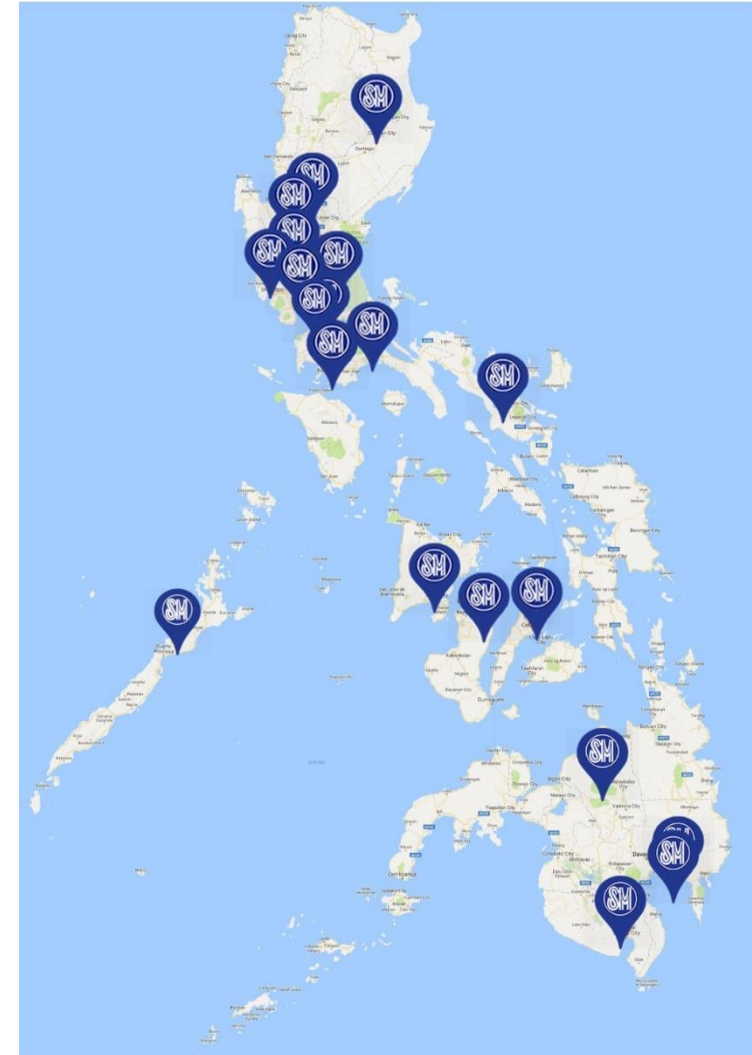
Mall Distribution	Malls	GFA*	% of Total
Metro Manila (NCR)	23	3,570	42%
Luzon (ex-NCR)	40	3,176	37%
Visayas	6	1,128	13%
Mindanao	5	661	8%
Total	74	8,535	100%

New Malls	Opened	GFA*
SM City Fairview	Expansion	+103
SM City Olongapo Central	Sep 2019	92
SM Center Dagupan	Oct 2019	23

Upcoming Malls	GFA*
SM City Butuan	48
SM Mindpro Citimall (Zamboanga)	36
SM City Daet	47
SM City Grand Central	85
SM City Roxas	41

Note: Data as of 1H2020

*GFA in thousand sqm



SM Malls: China



Existing	Date Opened	GFA*
■ Xiamen	2001 December	238
■ Jinjiang	2005 November	168
■ Chengdu	2006 October	167
■ Suzhou	2011 September	73
■ Chongqing	2012 December	149
■ Zibo	2015 September	152
■ Tianjin (partial)	2016 December	338
Total		1,284

Note: Data as of 1H2020

*GFA in thousand sqm

SM Chongqing



SM Zibo



SM Residences

- A leading residential developer of high-rise buildings, mid-rise buildings and single-detached house and lots
- Extensive amenities and SM Retail facilities
- Over 140,000 units launched to date
- National housing backlog of over 5 million homes

Projects Overview	1H 2020	1H 2019
Reservation Sales (PHP B)	42.38	41.46

Future Plans

2020 Planned launches (units)	15,000-20,000
2020 CAPEX	PHP44.8bn

SMDC Land bank

	Hectares
Metro Manila	94
Outside Metro Manila	1,110

Style Residences



SM Residences: Affordable Modern Condo Living



SM Hotels and Convention Centers

- Growing tourism opportunity
- **SM Hotels' planned expansions will complement existing Mall, Commercial and Residential developments**
 - Iloilo
 - SM North Edsa, Metro Manila
 - San Fernando, Pampanga
 - SM Seaside City, Cebu

Mall of Asia Arena



Conrad Manila



SMX Convention Center



SM Hotels and Convention Centers

Conrad Manila Lobby



Conrad Manila Diplomatic Suite



Hotel	Opened	Rooms
Taal Vista, Tagaytay	2003	261
Radisson Blu, Cebu	2010	400
Pico Sands, Hamilo Coast	2011	154
Park Inn, Davao	2013	204
Park Inn, Clark	2015	155
Conrad Manila, Pasay	2016	348
Park Inn, Iloilo	2019	200
Park Inn, North EDSA	2019	239
Total		1,961

Venue	Location	GLA (sqm)
SMX Manila	MOA Complex	17,170
SMX Davao	SM Lanang	5,200
SMX Aura Premier	SM Aura	3,136
SMX Bacolod	Bacolod	4,269
Megatrade Hall	Megamall	4,226
Cebu Trade Hall	Cebu	1,499
SM Seaside Skyhall	Cebu	1,857
Mall of Asia Arena	MOA Complex	20,000 seats
Total		37,357

SM Commercial Properties

Location	GFA (sqm)
Clark in Pampanga	73,000
Las Piñas City	27,000
Makati City	40,800
Pasay City	435,200
Quezon City	41,200
Sta. Rosa in Laguna	13,800
Taguig City	52,800
Taytay in Rizal	11,500
Total Leasable Area	695,300

NU Tower



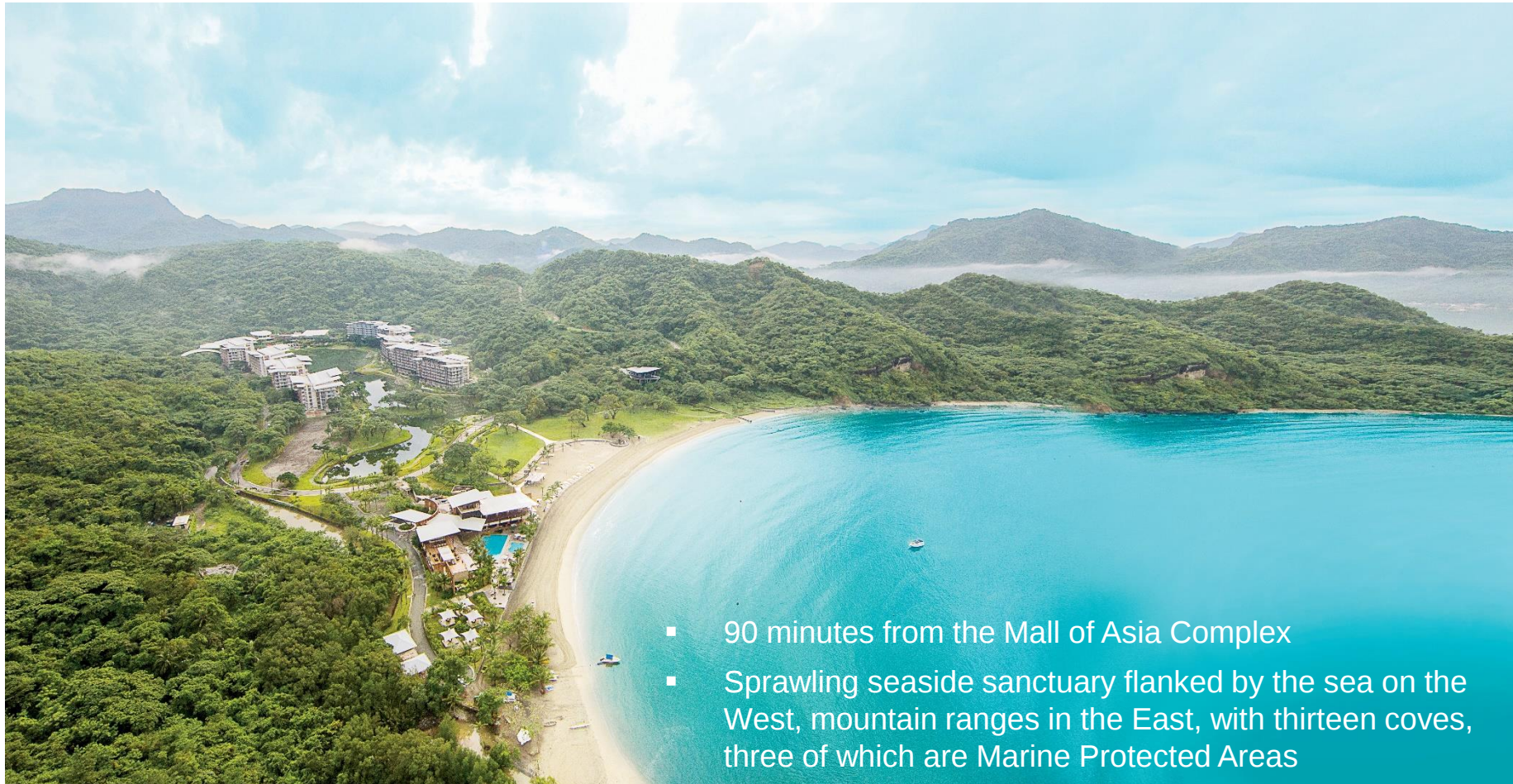
ThreeE-Com Center



FourE-Com Center (2020)



Pico de Loro Development, Batangas



- 90 minutes from the Mall of Asia Complex
- Sprawling seaside sanctuary flanked by the sea on the West, mountain ranges in the East, with thirteen coves, three of which are Marine Protected Areas

SM Equity Investments

Investments in ventures to capture the high growth of the emerging Philippine economy

Logistics



Gaming & Leisure



Food Manufacturing



Natural Resources



Dormitories



Office Property



Quality Investments:

- Growth Sectors
 - Market Leaders
 - Synergies
 - Attractive Returns and Cash Flows
-

SM Partnership:

- Access to our Network
- Capital
- Skills and Support
- Governance

Belle Corporation

Belle Corporation is a developer of premium tourism and leisure destinations



City of Dreams Manila

- Award-winning integrated resort operated by partner, Melco
- Total gross floor area: 315,531 sqm
- Gaming floor area: 22,507 sqm
- Over 300 gaming tables and more than 2,100 slot machines and electronic gaming tables
- Three hotel brands with 940 rooms: NÜWA, Nobu and Hyatt Regency



Tagaytay Highlands

- Award-winning luxury mountain resort
- 25 year history of developing and operating a 1,300 ha. complex of exclusive themed residential communities, golf courses and clubs
- Amenities include restaurants, sports venues, and facilities for outdoor activities

Atlas Consolidated Mining

Atlas Mining is one of the largest copper concentrate producers in the Philippines



- Copper mine with 20 years mine life
- Over 425m tonnes of proven and probable reserves
- 2019 operating results

Production

Daily milling average (<i>dmt per day</i>)	48,151
Ore grade	0.319%
Copper metal gross (<i>in million lbs</i>)	107.24

Shipment

Number of shipments	38
Copper concentrate (<i>'000 dmt</i>)	193

Neo Buildings

The Neo Buildings consist of 7 commercial buildings located within the largest and only PEZA certified IT park in Bonifacio Global City, Metro Manila

Buildings	GFA (sqm)
One Neo	14,358
Two Neo	18,687
Three Neo	20,000
Four Neo	38,767
Five Neo	55,651
Six Neo	55,300
Seven Neo	65,000
Total	267,763

One Neo (95%)



Two Neo (95%)



Three Neo (95%)



Four Neo (95%)



Five Neo (95%)



Six Neo (34%)



Seven Neo (34%)



2GO Group

2GO is the largest end-to-end logistics solutions provider in the Philippines

2GO
SHIPPING



2GO
LOGISTICS



Experienced and established in the Philippine Shipping and Logistics sector

- Manages warehousing and inventory requirements of several multinational companies
- Local partner of FedEx in the Philippines
- Trusted partner of the US Embassy and other foreign embassies

Integrated Businesses

- Close coordination allows greater flexibility in multiple types of moves
- Priority berthing in all ports due to its passage business allowing faster deliveries

2GO
DISTRIBUTION



2GO
RETAIL



Focused on Governance

- Published its maiden ESG report in 2019
- Rationalized the corporate structure by merging 2GO Group, Inc. and its Parent company, Negros Navigation

MyTown

MyTown is a leading developer and operator of purpose-built co-living communities providing housing solutions for young urban professionals and corporations

- Pioneered the concept of urban dormitories as communities with amenities
- Scalable solution to metro traffic and lack of affordable housing
- Operating 16 buildings offering more than 3,340 beds to date
- Plans for more than 4,450 beds by 2020



Goldilocks

Goldilocks is a leading Filipino bakeshop heritage brand trusted by Filipino consumers for over 50 years



- Opened its first store in 1966
- Extensive retail footprint of over 770 stores in the Philippines
- With overseas operations in the US, Canada and Thailand
- Concurrently owns & operates the Philippine franchise for Domino's Pizza
- Products and services include:
 - Greeting Cakes, Premium Cakes, breads and snacks
 - Iconic Filipino food favorites
 - Products catering to airlines, shipping lines, institutional and corporate accounts

GrabPay

SM's joint venture with GrabPay will focus on electronic wallet and payment development in the Philippines, building out our digital capabilities and supporting financial inclusion



Large user base

Robust and scalable
technology platform



Extensive mall
footprint and retail
presence nationwide



Largest bank with over
1,400 branches and
more than 4,400 ATMs

- Universal acceptance of GrabPay wallet at malls, stores and banks across the country
- Greater convenience for customers with expanding network of top-up channels
- Enhanced customer benefits through dedicated lanes and express checkout counters



SM Group CAPEX

2020 Planned CAPEX	PHP bn	Allocation/Projects
Retail	5	New stores / Renovations
Banks	9 - 12	Branch expansion, IT enhancements
Property*	80	Integrated Lifestyle Developments
Malls	~34%	New SM malls and expansions in Philippines
Residential	~56%	High-rise, mid-rise projects, and Leisure Homes
Others	~10%	FourE-Com; Addition of new hotels and convention centers
Parent and Others	< 1	
Total	94 - 98	

*Most Recent Data, approximate allocation of SMPH CAPEX

Financials

Financials: SMIC

1H 2020 Consolidated Results

In PHP Billion

Particulars	1H 2020	1H 2019	% Chg	FY 2019	FY 2018	FY 2017
Revenue	185.5	233.7	-20.6%	501.7	449.8	398.0
Net Income to Parent	7.1	23.0	-69.2%	44.6	37.1	32.9
Net Margin (inc-NCI)	6.8%	15.2%	-	13.8%	13.0%	12.9%
Return on Equity	7.5%	-	-	11.9%	10.9%	10.4%

Total Capital	1H 2020	FY 2019	% Chg	FY 2019	FY 2018	FY 2017
Counterpart investments	52.6	76.7	-31.4%	76.7	105.8	113.3
Net Debt	339.4	298.4	13.7%	298.4	280.1	243.7
Equity attrib to Parent	383.0	382.6	0.1%	382.6	353.4	330.0
Net Debt:Equity	39:61	36:64	-	44:56	44:56	42:58

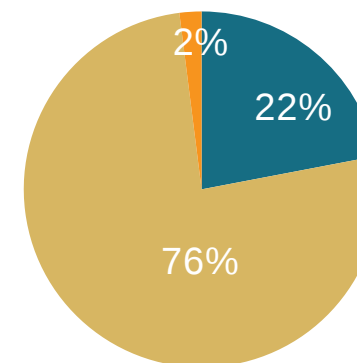
SMIC Parent Debt

Net Debt to Equity	48 : 52	Average Cost of Debt	5.11%
Peso-Foreign Currency Mix	62 : 38	Average Debt Tenure	3.01 years

Recent Bond Offerings

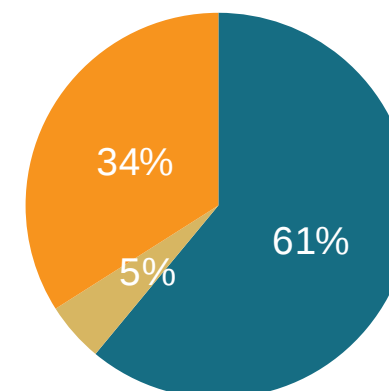
Issued	Amount	Currency	Due Date	Coupon Rate
December 9, 2016	20 bn	Philippine Peso	December 2023	5.159%
June 10, 2014	350 mn	US Dollar	June 2024	4.875%
May 19, 2014	15 bn	Philippine Peso	May 2021/May 2024	5.2958%/5.6125%
July 16, 2012	15 bn	Philippine Peso	Jul 2019/Jul 2022	6.0%/6.9442%

Revenue Contribution



Banking business not consolidated

Earnings Contribution



■ Property ■ Retail ■ Banking

Financials: SM Prime

1H 2020 Results

In PHP Billion

Consolidated	1H 2020	1H 2019	% Chg	FY 2019
Revenues	43.7	57.1	-23%	118.3
Net Income	10.4	19.3	-46%	38.1
Net Margin	23.9%	33.8%	-	32.2%
Return on Equity	7.0%	-	-	13.0%

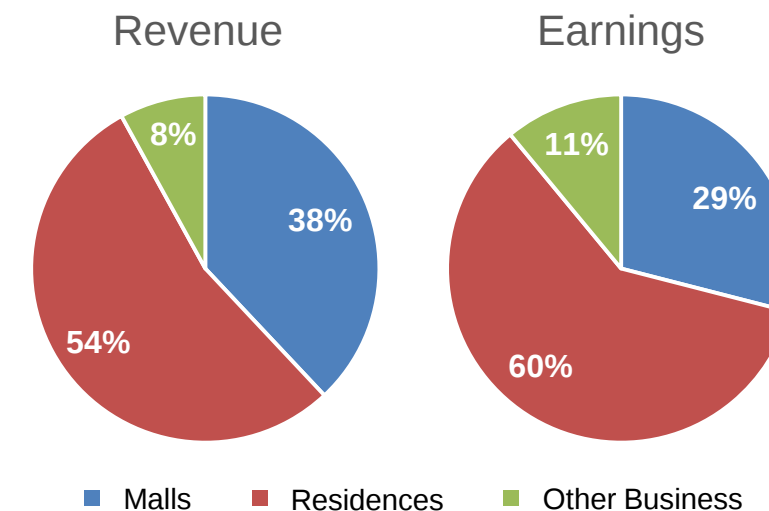
Malls Group	1H 2020	1H 2019	% Chg	FY 2019
Revenues	16.4	31.1	-47%	63.6
Operating Income	5.0	17.3	-71%	35.0

Philippines	1H 2020	1H 2019	% Chg	FY 2019
Revenues	14.4	28.1	-49%	57.8
Operating Income	4.3	15.8	-73%	32.4
EBITDA	8.2	19.3	-58%	39.5
EBITDA margin	56.7%	68.6%	-	68.4%

China	1H 2020	1H 2019	% Chg	FY 2019
Revenues	2.0	3.0	-33%	5.8
Operating Income	0.7	1.4	-51%	2.6

Residences	1H 2020	1H 2019	% Chg	FY 2019
Revenues	23.7	21.4	11%	44.8
Operating Income	9.7	8.3	17%	17.1
EBITDA	9.8	8.4	17%	17.3
EBITDA margin	41.2%	39.1%	-	38.6%

Other Businesses	1H 2020	1H 2019	% Chg	FY 2019
Revenues	3.6	4.6	-22%	9.7
Operating Income	1.9	2.4	-21%	4.9
EBITDA	2.5	2.9	-14%	6.0
EBITDA margin	69.1%	63.3%	-	62.6%



Financials: BDO

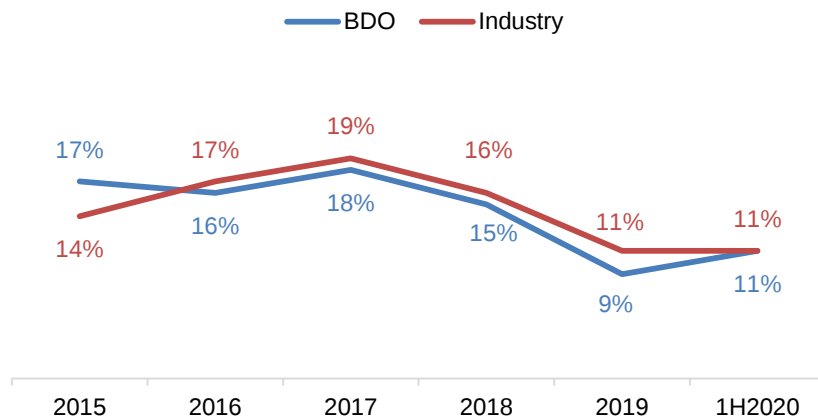
Financial Highlights (In PHP Bn)	1H 2020	1H 2019	% Chg	FY 2019
Net Interest Income	66.4	56.9	16.6%	119.9
Other Income	24.8	29.5	-16.0%	60.6
Net Income ¹	4.3	20.2	-78.7%	44.2
Assets	3,317.7	3,065.3	8.2%	3,188.9
Deposits	2,607.4	2,399.6	8.7%	2,485.2
Gross Customer Loans	2,260.8	2,043.1	10.7%	2,208.1
Net Interest Margin	4.36%	3.99%	--	4.15%
Cost to Income Ratio	61.5%	65.4%	--	63.8%
Return on Ave. Common Equity ²	2.3%	12.0%	--	12.8%
Gross Loans to Deposits Ratio	86.7%	85.1%	--	88.8%
Gross NPL Ratio ³	1.9%	1.1%	--	1.2%
Total CAR ⁴	13.8%	14.2%	--	14.2%
Tier 1 Ratio	12.9%	12.9%	--	12.8%
CET1	12.7%	12.6%	--	12.6%

Notes:

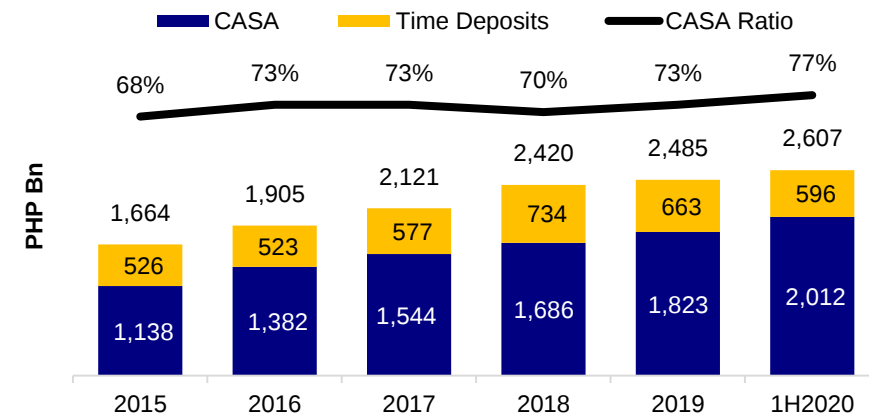
1. Excludes net income attributable to minority interest
2. Return on Ave. Common Equity, defined as annualized NI to parent shareholders less preferred dividends / ave. common equity
3. Per BSP Circular 941
4. Per BSP, consolidated basis, as seen in the published statements of condition

Financials: BDO

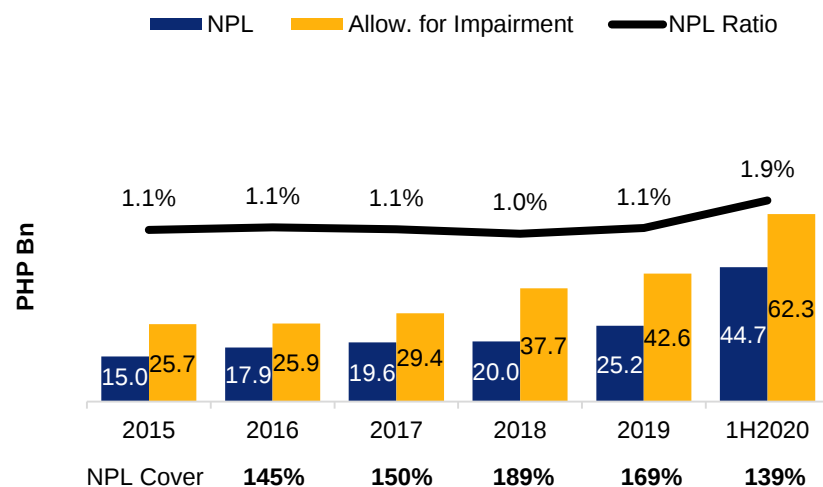
Focused quality loan growth



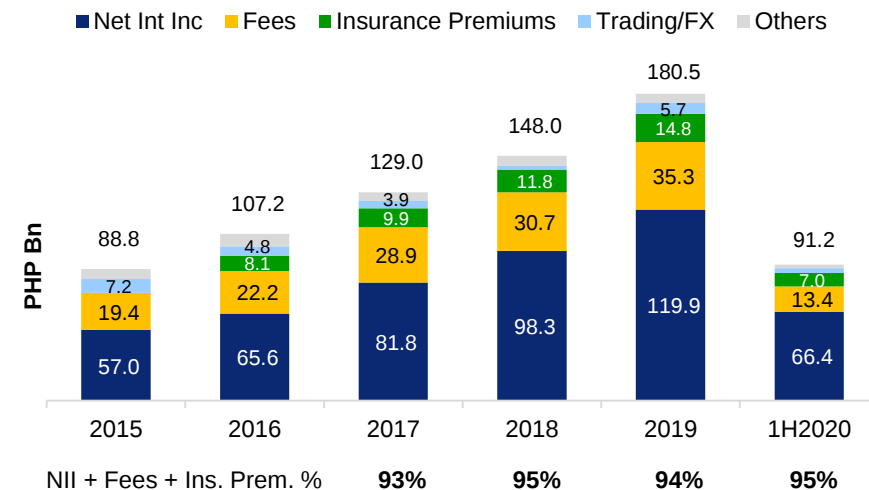
Deposit franchise: Highest CASA ratio



Stable asset quality & high NPL cover



Diversified & sustainable sources of income



Financials: China Bank

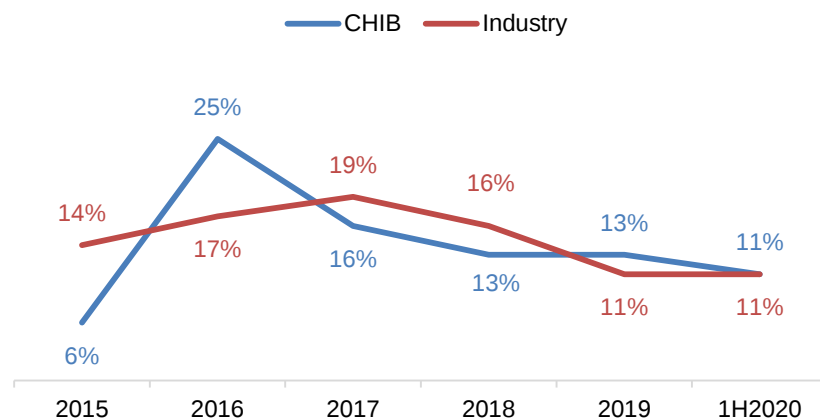
Financial Highlights (In PHP Bn)	1H 2020	1H 2019	% Chg	FY 2019
Net Interest Income	16.2	11.6	39.8%	26.1
Other Income	4.7	3.4	41.2%	8.4
Net Income ¹	5.2	1.2	339.1%	10.1
Assets	982.3	908.2	8.2%	962.2
Deposits	772.7	750.1	3.0%	775.4
Gross Customer Loans	592.7	532.8	11.2%	577.8
Net Interest Margin	3.8%	3.2%	--	3.4%
Cost to Income Ratio	49.6%	66.2%	--	66.0%
Return on Ave. Common Equity ²	10.6%	9.5%	--	11.0%
Gross Loans to Deposits Ratio	75.1%	70.1%	--	73.4%
Gross NPL Ratio ³	1.6%	1.2%	--	1.5%
Total CAR ⁴	13.8%	13.8%	--	13.7%
CET 1	12.8%	12.9%	--	12.8%

Notes:

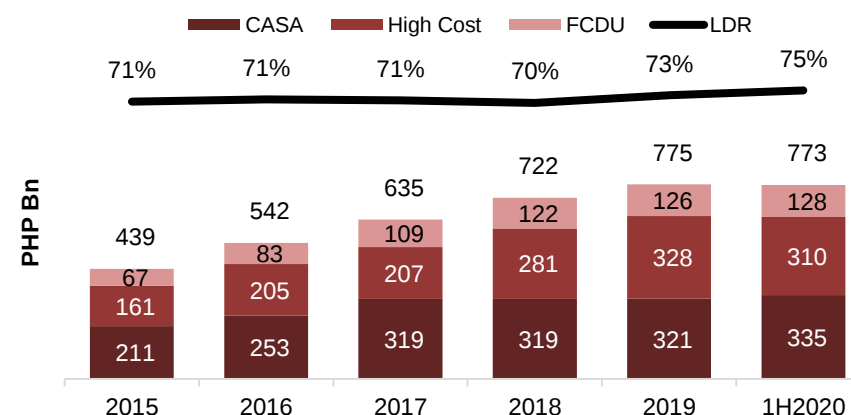
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Financials: China Bank

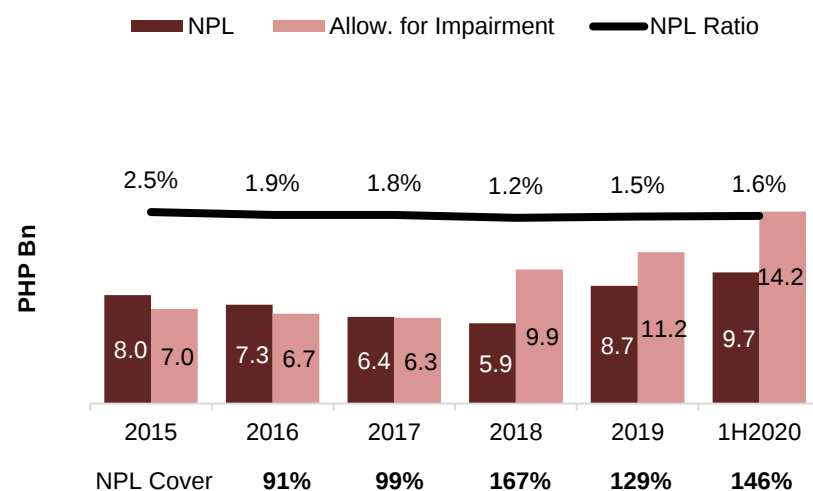
Strong loan growth



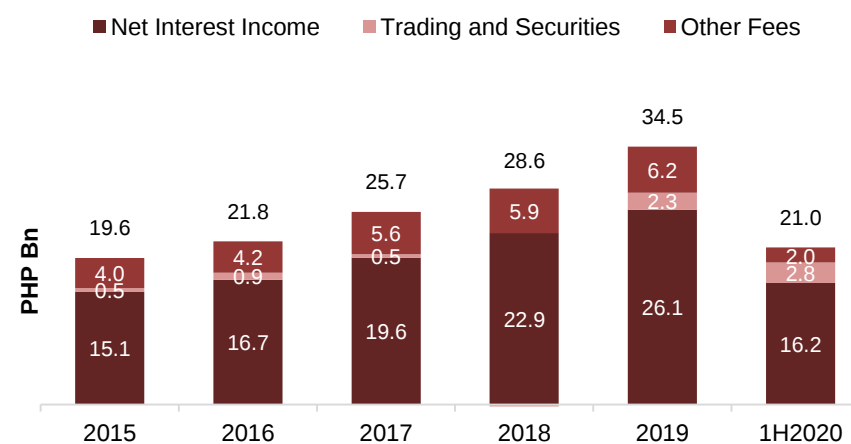
Strong retail funding base



Improving asset quality



Well diversified revenue stream



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