



SM INVESTMENTS

November 8, 2023

THE PHILIPPINE STOCK EXCHANGE, INC.

6th Floor, PSE Tower
28th St. corner 5th Ave.
BGC, Taguig City

Attention: **Ms. Alexandra D. Tom Wong**
Officer-In-Charge, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**
Head, Issuer Compliance and Disclosure Department

Re: **Press Release – SM Investments net income rises 30% to PHP55.9 billion in YTD Sept on solid consumer confidence**

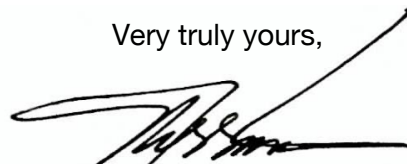
=====

Ladies and Gentlemen:

Please be informed that SM Investments Corporation is releasing to the press the attached statement entitled “SM Investments net income rises 30% to PHP55.9 billion in YTD Sept on solid consumer confidence.”

Thank you.

Very truly yours,



ELMER B. SERRANO
Corporate Secretary

Encl. a/s

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
November 8, 2023
2. SEC Identification No. **16342**
3. BIR Tax Identification No. **000-169-020-000**
4. Exact name of issuer as specified in its charter
SM Investments Corporation
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code (SEC Use Only)
7. Address of principal office
10th Floor, OneE-com Center, Harbour Drive, Mall of Asia Complex, Pasay City

Postal Code **1300**
8. Issuer's telephone number, including area code
(632) 8857-0105
9. Former name or former address, if changed since last report
--
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class

Number of Shares of Common Stock
Outstanding and Amount of Debt
Outstanding

Common

1,222,023,358

11. Indicate the item numbers reported herein:

Item 9. Other Events

SM Investments Corporation (SMIC) will be releasing to the press the attached statement entitled "SM Investments net income rises 30% to PHP55.9 billion in YTD Sept on solid consumer confidence."

SM Investments Corporation (SM Investments) reported a consolidated net income of PHP55.9 billion in the January to September period, higher by 30% from PHP42.9 billion in the same period last year.

Consolidated revenues rose 15% to PHP440.4 billion from PHP382.0 billion in the same period last year.

Of total net earnings, retail accounted for 18%. Banking accounted for the largest share at 47% while property contributed 26% and portfolio investments pitched in 9%.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SM Investments Corporation

By:



ELMER B. SERRANO
Corporate Secretary

Date: 08 November 2023



SM Investments net income rises 30% to PHP55.9 billion in YTD Sept on solid consumer confidence

PASAY CITY, Philippines, Nov. 8, 2023 – SM Investments Corporation (SM Investments) reported a consolidated net income of PHP55.9 billion in the January to September period, higher by 30% from PHP42.9 billion in the same period last year.

Consolidated revenues rose 15% to PHP440.4 billion from PHP382.0 billion in the same period last year.

“Our ongoing healthy growth reflects buoyant consumer activity in malls and sustained spending in discretionary retail categories,” SM Investments President and Chief Executive Officer Frederic C. DyBuncio said. “We look forward to the fourth quarter, while continuing to monitor the impact of food prices and interest rates on consumer wallets.”

Of total net earnings, retail accounted for 18%. Banking accounted for the largest share at 47% while property contributed 26% and portfolio investments pitched in 9%.

Retail

SM Retail reported net income was at PHP13.7 billion, up 19% from PHP11.5 billion in the previous period.

Retail revenues grew 12% to PHP290.6 billion from PHP258.4 billion in the previous period.

Same store sales for the department store and specialty retail businesses grew 18% and 9% respectively, reflective of strong consumer spending in key categories, while store expansion also buoyed growth.

Food retail performance remained positive, supported by volume growth and expansion.

Banking

BDO Unibank, Inc. (BDO) reported its net income was PHP53.9 billion compared with PHP40.0 billion in the same period last year backed by broad-based growth across its core businesses.

Net interest income increased to PHP137.4 billion with customer loans growing 7.5% year-on-year to PHP2.7 trillion and deposits expanding 12% to PHP3.4 trillion.

Non-performing loan (NPL) ratio remained stable at 1.99% despite the higher interest rate environment, while NPL coverage improved to 176%. The bank continues to set aside provisions in line with its conservative credit and provisioning policies.

China Banking Corporation posted a consolidated net income of PHP16.2 billion in the first nine months, 10% higher compared to same period last year on the back of robust growth from core businesses and lower loan loss provisions. Net interest income grew by 16% to PHP39.2 billion as the 44% surge in top line revenues cushioned the nearly triple increase in interest expense.

Gross loans grew by 10% year-on-year to PHP765 billion, driven by the 19% expansion in consumer loans, particularly teachers' loans and credit cards. Total deposits increased by 14% to PHP1.1 trillion resulting to a 49% CASA (current account savings account) ratio as term deposits grew year-on-year.

The bank's level of bad loans continued to be manageable, posting a better-than-industry average NPL ratio of 2.2%.

Property

SM Prime reported PHP30.1 billion in net income in the first nine months of 2023, 37% higher than PHP22.0 billion in the same period last year. Consolidated revenues grew 26% to PHP92.6 billion from last year's PHP73.7 billion.

SM Prime's mall business, which accounts for 57% of consolidated revenues, posted PHP52.5 billion in the nine-month period, up by 37% from PHP38.2 billion in the same period last year. Mall rental income rose to PHP44.8 billion, 29% higher than last year's PHP34.7 billion. SM Prime's cinemas, event ticket sales, and other revenues increased significantly to PHP7.7 billion from PHP3.5 billion in the same period last year.

SM Prime's primary residential business, led by SM Development Corp., reported PHP28.7 billion, 10% higher than PHP26.1 billion in the same period last year. SMDC's reservation sales reached PHP89.3 billion, 6% higher than PHP83.9 billion in the same period last year.

SM Prime's other key businesses, which include offices, hotels, and convention centers, generated PHP9.5 billion in revenues, up 33% from PHP7.2 billion in the same period last year.

Portfolio Investments

Portfolio investments continued to sustain growth, contributing 9% to the Group's consolidated net income.

Philippine Geothermal Production Company and NEO, SM Investments' office portfolio, contributed significantly to net income.

Balance Sheet

Total assets of SM Investments increased 4% to PHP1.5 trillion. Gearing ratio remained conservative with 35% net debt to 65% equity.

###

About SM Investments Corporation

SM Investments Corporation is one of the leading Philippine companies that is invested in market-leading businesses in retail, banking, and property. It also invests in ventures that capture high growth opportunities in the emerging Philippine economy.

SM's retail operations are the country's largest and most diversified, consisting of grocery stores, department stores and specialty retail stores. SM's property arm, SM Prime Holdings, Inc., is the largest integrated property developer in the Philippines with interests in malls, residences, offices, hotels, and convention centers as well as tourism-related property developments. SM's interests in banking are in BDO Unibank, Inc., the country's largest bank, and China Banking Corporation, the fourth largest private domestic bank.

For more information, please visit www.sminvestments.com

For inquiries, please contact:

Timothy Daniels

Consultant, Investor Relations & Sustainability

SM Investments Corporation

Email: smic_corpcomm@sminvestments.com