



**INVESTMENTS
CORPORATION**

May 5, 2021

PHILIPPINE STOCK EXCHANGE, INC.

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

Attention: **Ms. Janet A. Encarnacion**
Head, 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 Q1 Net Income Rises 5% to PHP9.5 Billion**
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Ladies and Gentlemen:

Please be informed that SM Investments Corporation is releasing to the press the attached statement entitled "SM Investments Q1 net income rises 5% to PHP9.5 billion."

Thank you.

Very truly yours,

ELMER B. SERRANO
Corporate Secretary

Encl. a/



SM Investments Q1 net income rises 5% to PHP9.5 billion

(05 May 2021. Pasay City, Philippines) SM Investments Corporation (SMIC) reported its consolidated net income grew 5% to PHP9.5 billion in the January to March period from PHP9.0 billion in the same period last year.

Consolidated revenues in the first quarter stood at PHP96.9 billion, lower by 13% from PHP111.2 billion in the same period last year.

Banking accounted for 54% of SM's reported net earnings from core businesses, followed by property at 33% and retail at 13%. The total assets of SMIC remained at PHP1.2 trillion. Gearing ratio stood at 38% net debt to 62% equity.

"As our businesses adapt to a challenging operating environment and broader economic uncertainties, we continue to innovate and find new ways to service our customers' needs. We have reduced our operating costs and are benefiting from the high levels of cost efficiency that we focused on during the last twelve months," SMIC President and Chief Executive Officer Frederic C. DyBuncio said.

"We continue to invest in the well-being of our employees with our upcoming free vaccination initiative and provide critical support to our business partners, who are mostly small and medium enterprises. We strongly support health recovery efforts and remain optimistic about a strong recovery in due course," Mr. DyBuncio said.

Aside from offering free vaccinations to all employees, SM recently made its facilities available as vaccination venues nationwide for use by local governments.

Highlighting its broad performance on sustainability, SM was recently cited by international rating agency, Sustainalytics, as a leader in its industry globally.

SM also joined a business group of dedicated global sustainability leaders through the [50 Sustainability & Climate Leaders campaign](#), the only Filipino company among selected leading advocates who champion sustainability and climate action.

Retail

SM Retail reported first quarter revenues of PHP70.0 billion, lower by 14% compared to the same period last year. Retail net income however grew 36% to PHP1.6 billion from PHP1.2 billion in the same quarter last year, boosted by cost reductions. In Food Retail, significant savings were realized in utilities with the shift to more energy efficient lighting and refrigeration.

Specialty stores likewise benefitted from cost reductions as net earnings grew 58% for this segment.

Property

SM Prime Holdings, Inc. (SM Prime) reported consolidated net income at PHP6.5 billion in the first quarter and PHP20.8 billion in consolidated revenues.

SM Prime's residential business, led by SM Development Corporation, reported a 5% revenue growth to PHP11.9 billion in the first quarter from PHP11.4 billion in the same period last year. SMDC's reservation sales surged by 31% in the first quarter to PHP32.4 billion from PHP24.8 billion in the first quarter of 2020.

Its local mall business reported PHP5.9 billion in revenues in the first three months, 10% higher from the previous quarter's PHP5.3 billion. The growth is due to the increase in the number of mall tenants operating that spurred mall rental income to grow 14% to PHP5.6 billion in the first quarter from PHP4.9 billion in the last quarter of 2020.

SM Prime's other business segments, which include offices and hotels and convention centers, contributed PHP1.6 billion to the company's consolidated revenues.

Banking

For the first three months, net income of BDO Unibank, Inc. was at PHP10.4 billion, up 19% from a year ago on the robust performance from service fee businesses that compensated for the weak demand for loans. Loans dipped by 1% year-on-year to PHP2.2 trillion while total deposits went up by 2% to PHP2.6 trillion, underpinned by the 11% rise in CASA deposits.

China Banking Corporation sustained its profitability in the first quarter, posting a 61% increase in net income to PHP3.6 billion. Net interest income rose 16% year-on-year to PHP9.2 billion, mainly due to the 52% drop in interest expense. This was supplemented by a three-fold growth in fee-based income to PHP3.6 billion, driven by strong trading and securities gains of PHP2.2 billion.

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About SM Investments Corporation

SM Investments Corporation is a leading Philippine company 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 with its food, non-food 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 6th largest bank.

For more about SM, visit www.sminvestments.com

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