

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)
May 11, 2022
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, One E-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
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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

1,204,582,867

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 Q1 net income grows 27% on continued recovery momentum."

SMIC reported its consolidated net income grew 27% to PHP12.0 billion in the January to March period from PHP9.5 billion in the same period last year.

Consolidated revenues in the first quarter increased 16% to PHP112.1 billion, from PHP96.9 billion in the same period last year.

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: 11 May 2022



Press Release

SM Investments Q1 net income grows 27% on continued recovery momentum

(11 May 2022. Pasay City, Philippines) SM Investments Corporation (SM Investments) reported its consolidated net income grew 27% to PHP12.0 billion in the January to March period from PHP9.5 billion in the same period last year.

Consolidated revenues in the first quarter increased 16% to PHP112.1 billion, from PHP96.9 billion in the same period last year.

“Our financial performance in the first quarter showed continued recovery momentum with accelerating revenue and net income growth. As a group we are delivering pre-pandemic performance, with strong recovery continuing in our businesses that were hardest hit by the pandemic. While there are still headwinds from geopolitical risks, we continue to see consumer confidence gaining momentum,” SM Investments President and Chief Executive Officer Frederic C. DyBuncio said.

Banks accounted for 49% of SM Investments’ consolidated net income, followed by property at 29% and retail at 16%. Portfolio investments contributed 6%.

“Our portfolio investments provide us good growth opportunities as we continue to look for further investments in high growth areas in the Philippines,” Mr. DyBuncio added.

Growth in SM’s portfolio investments was led by Atlas Consolidated Mining and Development Corporation which reported net income was up 191% to PHP1.22 billion for the first quarter compared to the same period in 2021, boosted by higher production and higher metal prices.

Recently, the shareholders of SM Investments approved the acquisition of Philippine Geothermal Production Company (PGPC) at the Annual Shareholders’ Meeting. This is in line with SM’s strong commitment to sustainability and in promoting renewable energy in the country.

The total assets of SM Investments stood at PHP1.4 trillion. Gearing ratio stood at 38% net debt to 62% total equity.

Retail

SM Retail reported first-quarter revenues of PHP74.5 billion, higher by 6% compared to PHP70.0 billion in the same period last year. Notably, overall retail revenues are 94% of pre-pandemic revenues, indicating pent-up demand especially for non-food items since the fourth quarter of last year with the easing of alert levels. Specialty stores in particular performed well with revenues up 11% and net income higher by 52%.

Food retail remained stable, reflective of underlying consumer resilience.

Overall, retail net income grew 61% to PHP2.6 billion from PHP1.6 billion the previous year.

Property

SM Prime Holdings, Inc. (SM Prime) reported consolidated net income at PHP7.4 billion in the first quarter, up 15% from PHP6.5 billion in the same period last year. The growth was brought about by a 15% increase in consolidated revenues to PHP23.9 billion from PHP20.8 billion in the same period last year.

Its Philippine mall business reported PHP8.2 billion in revenues in the first three months, 40% higher from the previous year's. The easing of community quarantine levels allowed more shops to operate, boosting rental income by 34% to PHP7.6 billion.

SM Prime's residential business, led by SM Development Corporation, reported PHP12.0 billion in revenues in the first quarter, almost the same as the previous year. SMDC's sales take-up was PHP31.1 billion in the first quarter, largely from vertical residential developments in Mandaluyong, Paranaque and Makati.

SM Prime's other key businesses which include offices, hotels and convention centers reported a 30% growth in revenues to PHP2.0 billion in the first quarter.

Banking

BDO Unibank, Inc. (BDO) posted a 13% increase in net income to PHP11.7 billion in the first quarter, driven by the bank's core businesses.

Loan portfolio rose by 7% to PHP2.4 trillion on strong demand from corporate borrowers, the recovery in the middle market and the resilience of the consumer segment. Deposits went up to PHP2.8 trillion driven by an 11% increase in Current Account/Savings Account (CASA) deposits, comprising 86% of total deposits. This resulted in net interest income of PHP33.9 billion, 6% higher than in the same period last year.

Asset quality continued to improve with NPL ratio down to 2.72% from 2.81% last year. BDO maintained its conservative credit and provisioning policy with provisions at PHP3.7 billion in the first quarter of 2022 compared to PHP2.9 billion in the same period last year, resulting in higher NPL coverage at 120.8%.

China Banking Corporation (China Bank) recorded net profits of PHP4.9 billion in the first quarter of 2022, 37% more compared to the same period last year.

China Bank's net interest income rose 15% to PHP10.8 billion on the back of higher earning assets and lower interest expense.

Provisions for credit losses were reduced by 65% to PHP780 million, reflecting an improved macro-economic outlook. The resulting non-performing loan (NPL) coverage was higher at 119%.

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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 <https://www.sminvestments.com/>

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