



# INVESTMENTS CORPORATION

November 6, 2019

**PHILIPPINE STOCK EXCHANGE, INC.**

6<sup>th</sup> Floor, PSE Tower  
28<sup>th</sup> St. corner 5<sup>th</sup> Ave.  
BGC, Taguig City

Attention: **Ms. Janet A. Encarnacion**  
*Head, Disclosure Department*

**PHILIPPINE DEALING & EXCHANGE CORP.**

29<sup>th</sup> 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 Consolidated Net Income Grows 26% in Nine Months**

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Ladies and Gentlemen:

Please be informed that SM Investments Corporation is releasing to the press the attached statement entitled "SM Consolidated Net Income Grows 26% in Nine Months."

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', written over a horizontal line.

**ELMER B. SERRANO**  
Corporate Secretary

Encl. a/s



INVESTMENTS  
CORPORATION

## **SM Consolidated Net Income Grows 26% in Nine Months**

(06 November 2019. Pasay City, Philippines) SM Investments Corporation (SM) reported its consolidated net income grew 26% to PHP33.1 billion in the January to September period. Consolidated revenues also rose 14% to PHP350.7 billion from PHP307.4 billion year-on-year.

“Our core businesses continue to deliver notable performance led by banking and property. We are satisfied with our financial results as these reflect the continued growth in our core businesses. This quarter, we are also pleased that our efforts to strengthen our Environment, Social and Governance (ESG) practices are being recognized,” SM President Frederic C. DyBuncio said.

For the period year-to-date ending September, banks accounted for 44% of SM’s reported net earnings, followed by property at 39% and retail at 17%.

In August 2019, SM joined the United Nations Global Compact (UNGC) consisting of leading global companies, to uphold the UNGC’s 10 Sustainability Principles.

SM was also recognized by Forbes as one of the 250 best regarded companies in the world on its global 2000 list in September 2019. “This is something of which we are truly proud,” added Mr. DyBuncio.

In addition SM was added as a member of the FTSE4Good index series in recognition of its strong ESG practices. FTSE4Good is managed by FTSE Russell of the London Stock Exchange Group and is designed to identify companies that demonstrate strong ESG practices against globally recognized standards.

### **Retail**

Retail operations under SM Retail Inc., which consist of both food (SM Markets) and non-food (THE SM STORE and Specialty Retail), reported growth in total revenues by 12% to PHP253.9 billion. Net income stood at PHP7.8 billion, down 1% due to the effect of the implementation of the Philippine Financial Reporting Standards (PFRS) 16 which took effect this year. Excluding the impact of PFRS 16, net income grew by 8%. Revenues from Specialty Retail grew 15%.

The SM STORE opened a store in Olongapo City in September 2019. Total gross selling area of all 64 department stores stood at 802,219 square meters.

The Food Retail Group added seven Savemores, two SM Supermarkets and four WalterMart stores for a total of 13 new stores. Alfamart added 174 stores.

By end-September 2019, SM Retail had a total of 2,693 stores comprising 64 The SM STOREs, 1,565 specialty retail stores, 58 SM Supermarkets, 51 SM Hypermarkets, 199 Savemores, 56 WalterMarts and 700 Alfamart stores.

## **Property**

SM Prime Holdings, Inc. (SM Prime) reported consolidated net income growth of 18% to PHP27.6 billion and consolidated revenues rose 14% to PHP85.0 billion.

SM Prime's Philippine mall revenues recorded an 8% growth to PHP42.0 billion. Same-mall-sales growth was sustained at 7%.

Revenues from the residential business, led by SM Development Corporation (SMDC), increased 26% to PHP31.9 billion. SMDC's reservation sales grew 26% to PHP66.4 billion.

## **Banking**

Net income of BDO Unibank grew 49% to PHP 32.1 billion. Net interest income rose to PHP88.5 billion, supported by a 6% increase in customer loans to PHP2.1 trillion and a 3% growth in total deposits to PHP2.4 trillion.

China Banking Corporation reported consolidated net income rose 21% to PHP6.7 billion. Net interest income increased 9% to PHP18.7 billion. Its loan portfolio expanded 10% to PHP552.5 billion while total deposits grew 12% to PHP777.2 billion.

## **Balance Sheet**

Total assets of SM increased 7% to PHP1.1 trillion. Gearing ratio stood at 45% net debt to 55% equity.

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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. [www.sminvestments.com](http://www.sminvestments.com)

### **For further information, please contact:**

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SM Investments Corporation

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