



# INVESTMENTS CORPORATION

February 26, 2021

**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 Net Income at PHP23 Billion in 2020**

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Ladies and Gentlemen:

Please be informed that SM Investments Corporation is releasing to the press the attached statement entitled "SM net income at PHP23 billion in 2020."

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/

## **SM net income at PHP23 billion in 2020**

(26 February 2021. Pasay City, Philippines) SM Investments Corporation (SMIC) reported its net income was at PHP23.4 billion, 48% lower than PHP44.6 billion in 2019. Consolidated revenues stood at PHP394.2 billion from PHP502.0 billion in 2019.

The banking and property businesses accounted for 55% and 33% of net income while retail contributed 12%.

“Our businesses continued to build momentum through the end of 2020 as they addressed the changed behaviors and needs of our customers. Our banks, food retailing and residential property all performed well, while our malls and non-food retail operations showed steady improvements as conditions allowed. We continue to innovate and focus on safety and are cautiously optimistic about the year ahead,” SMIC President Frederic C. DyBuncio said.

### **Retail**

SM Retail Inc., which consists of non-food (THE SM STORE and specialty stores) and food stores, reported revenues at PHP296.8 billion, 19% lower than PHP366.8 billion in 2019. Net income was lower by 67% at PHP4.1 billion.

THE SM STORE opened two new stores in 2020 in Butuan and another in Zamboanga. The total gross selling area of all 66 department stores in 2020 stood at 816,958 square meters.

The food group, which includes SM Markets (SM Supermarket, SM Hypermarket and Savemore), Alfamart and WalterMart, added 287 new stores in 2020.

SM Retail added a total of 351 new stores in 2020 across the portfolio.

At year end 2020, SM Retail had a total of 3,019 outlets, comprising 66 THE SM STORES, 1,550 specialty retail stores, 59 SM Supermarkets, 52 SM Hypermarkets, 209 Savemore, 71 WalterMart and 1,012 Alfamart stores.

## **Property**

SM Prime Holdings (SM Prime) recorded net income of PHP18.0 billion from PHP38.1 billion in 2019. Revenues were at PHP81.9 billion from PHP118.3 billion in 2019.

SM Prime's Philippine mall business reported PHP23.6 billion revenues from PHP57.8 billion in 2019. Local malls' rent income was at PHP21.8 billion from PHP48.4 billion in 2019. SM Prime opened SM City Butuan in Agusan del Norte and SM City Mindpro in Zamboanga in 2020.

SM Prime's residential business, led by SM Development Corporation (SMDC), recorded a 6% revenue growth to PHP46.5 billion from PHP43.7 billion in 2019. SMDC's reservation sales grew 10%, bringing the sales take-up to PHP99.0 billion from PHP90.0 billion in 2019.

The commercial properties business segment reported PHP4.8 billion in revenues from PHP4.6 billion in 2019. The hotels and convention centers business posted PHP1.6 billion revenues from PHP5.1 billion in 2019. SM Prime opened Olongapo City Convention Center in Zambales last year.

## **Banking**

BDO Unibank, Inc. (BDO) posted a net income of PHP28.2 billion from PHP44.2 billion in 2019 due mainly to pre-emptive provisions of PHP30.2 billion set aside against potential delinquencies from the pandemic. Net interest income grew 12% to PHP133.7 billion. Loans increased 3% to PHP2.3 trillion driven by consumer and corporate accounts. CASA (Current Account Savings Accounts) deposits expanded 17% to PHP2.1 trillion as clients were able to access BDO products and services through its branches, ATMs and digital channels even despite the quarantine restrictions.

China Banking Corporation (China Bank) reported net income of PHP12.1 billion, 20% higher compared to 2019. Net interest income grew 30% to PHP33.8 billion on the back of a 39% drop in interest expense. Gross loans ended flat at PHP572 billion. Deposits were up 8% to PHP835 billion.

## **Balance Sheet**

The total assets of SM grew 7% to PHP1.2 trillion. SM maintains a healthy balance sheet with a conservative gearing ratio of 37% net debt to 63% total equity.

In October, SMIC listed PHP10 billion worth of fixed rate bonds, the first issuance out of the PHP30 billion debt program under a shelf registration of three years.

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

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

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SM Investments Corporation

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