



February 28, 2024

**THE 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. Alexandra D. Tom Wong**  
*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 grows net income by 25% to  
PHP 77 billion in 2023**

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Ladies and Gentlemen:

Please be informed that SM Investments Corporation is releasing to the press the attached statement entitled "SM grows net income by 25% to PHP 77 billion in 2023."

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

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)  
**February 28, 2024**
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  
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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**

**1,222,023,358**

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 grows net income by 25% to PHP 77 billion in 2023."

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SMIC reports that its net income grew 25% to PHP77.0 billion in 2023 from PHP61.7 billion in 2022.

Consolidated revenues increased 11% to PHP616.3 billion from PHP553.0 billion last year.

In terms of net income contribution, banking provided the largest share at 47%, while property accounted for 25%, retail contributed 19% and portfolio investments delivered 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: 28 February 2024



## **SM Investments grows net income by 25% to PHP 77 billion in 2023**

PASAY CITY, PHILIPPINES, February 28, 2024 – SM Investments Corporation (SMIC) reported its net income grew 25% to PHP77.0 billion in 2023 from PHP61.7 billion in 2022.

Consolidated revenues increased 11% to PHP616.3 billion from PHP553.0 billion last year.

“SM’s performance as a group last year reflected our ability to stay close to our customers and address their needs regardless of uncertain economic conditions,” said SM Investments President and Chief Executive Officer Frederic C. DyBuncio.

“A key success driver was the healthy spending patterns of Filipino consumers in both essential and discretionary purchases, particularly in fashion, dining and entertainment,” he added.

In terms of net income contribution, banking provided the largest share at 47%, while property accounted for 25%, retail contributed 19% and portfolio investments delivered 9%.

### **Retail**

SM Retail Inc., which consists of grocery, department store and specialty retail, reported revenues of PHP415.0 billion, up 10% on consistent growth across key segments. Net income increased 11% to PHP19.9 billion.

As essential spending continued to be steady, revenues from SM’s Food Group (SM Markets, WalterMart and Alfamart) grew 7%, which contributed almost half of total retail revenue growth. With continuing efficiencies in operations, net income for the food segment increased 21%.

The SM Store revenues increased 16% and specialty retail revenues grew 11%, driven by spending on fashion, health and beauty, pets, toys and other discretionary items.

“This sustained growth is reflective of the spending power of Filipinos. Through our diverse range of brands, we cater to the many needs and wants of our consuming public,” Mr. DyBuncio added.

SM continued to expand its retail footprint to a total of 3,853 retail outlets at the end of 2023. Out of the total 419 new stores opened during the year, 89% were located in provincial areas, reflective of SM’s strategy to tap into growth opportunities in emerging cities in the regions.

## **Property**

SM Prime Holdings posted a PHP40.0 billion consolidated net income in 2023, up 33% from PHP30.1 billion the past year. Consolidated revenues reached PHP128.1 billion, higher by 21% than last year's PHP105.8 billion.

SM's mall business, which accounts for 56% of consolidated property revenues, grew 30% in revenues to PHP71.9 billion in 2023 from PHP55.4 billion in 2022. Mall rental income increased by 24% to PHP61.3 billion.

SM's residential business, led by SM Development Corporation (SMDC), reported an increase in revenues by 8% to PHP43.1 billion. Reservation sales stood at PHP102 billion in 2023, translating to more than 21,000 residential units sold in 2023.

Other key businesses, consisting of offices, hotels, and convention centers, reported an increase of 26% in revenues to PHP13.1 billion.

## **Banking**

BDO Unibank, Inc. delivered a net income of PHP73.4 billion in 2023 from PHP57.1 billion in 2022, from growth across its core businesses. Net interest income grew to PHP186.4 billion as gross customer loans grew by 9% to PHP2.85 trillion with growth across all market segments.

Total deposits increased by 11 % to PHP3.57 trillion, with CASA ratio at 72%. Asset quality continued to improve with non-performing loan (NPL) ratio declining to 1.85% and NPL coverage increasing to 185% with the bank's conservative provisioning policy.

China Banking Corporation achieved net income of PHP22.0 billion in 2023, up 15% from 2022, bolstered by higher core business revenues. Net interest income increased 17% to PHP53.5 billion as the strong growth in loans and investments offset the significantly higher interest expense. Gross loans grew by 10% to PHP791 billion, with the share of consumer loans to the total loan portfolio now at 23%. On the funding side, total deposits were higher by 11% to PHP1.2 trillion with CASA ratio at 48%.

With the improving economic conditions, the bank reduced loan loss provisions to PHP1.2 billion. Asset quality was stable with a 2.5% non-performing loan (NPL) ratio while NPL coverage remained sufficient at 104%.

## **Portfolio Investments**

SM's share of the net earnings of its portfolio investment companies grew 6% in 2023 driven by buoyant passenger volumes in 2GO's shipping business, the leisure and entertainment business of Belle Corp., and growth in Goldilocks Bakeshop.

"Our portfolio companies continue to present solid potential as we invest in emerging sectors that positively impact the economy," Mr. DyBuncio added.

## **Balance Sheet**

The total assets of SM grew 7% to PHP1.6 trillion. SM maintains a healthy balance sheet with a conservative gearing ratio of 33% net debt to 67% total equity.

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

For inquiries, please contact: [smic\\_corpcomm@sminvestments.com](mailto:smic_corpcomm@sminvestments.com)