



INVESTMENTS  
CORPORATION

# 9M 2020 Earnings Report

4 November 2020, 2PM



# SMIC 9M 2020 Consolidated Results

- Q3 revenues improved 36% on Q2
- Earnings reflect upfront and prudent bank provisions
- Conservative gearing maintained

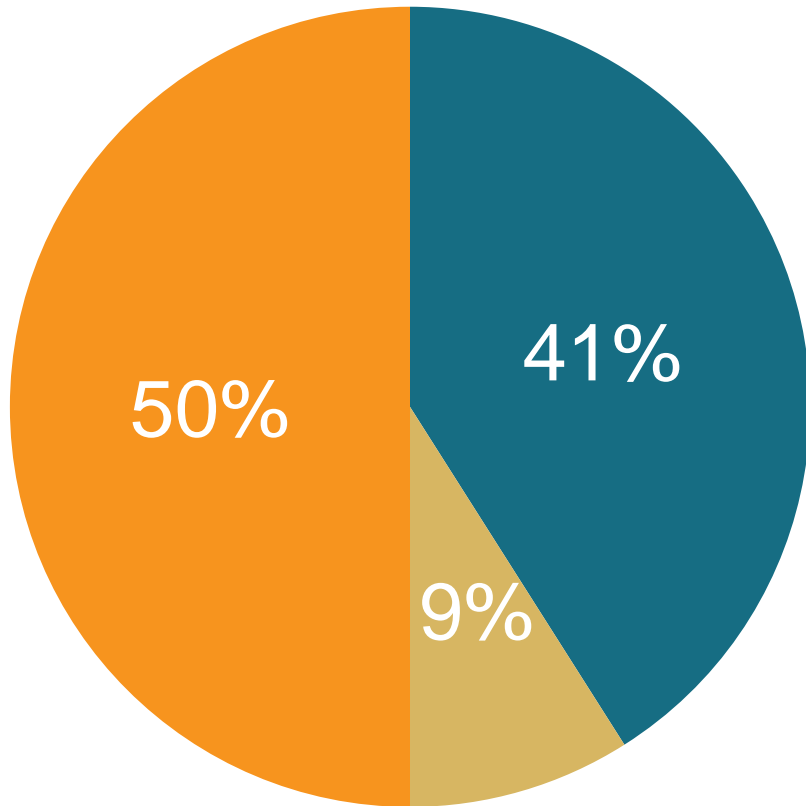
<b>SM Investments</b>	<b>9M 2020</b>	<b>Chg</b>
Revenues	286.7	-18%
Earnings	15.2	-54%
Assets*	1,168.0	2%
Net Debt:Total Equity	38 : 62	

*Figures in PHP B except percentages*

*\*Asset growth compares 9M2020 vs FY2019*

# Net Income Mix

- Banking and Property continue to lead earnings



■ Property ■ Retail ■ Banking

*Note: Excludes SMIC Parent and other subsidiaries*

# Banking – BDO

Banking	BDO	
	9M 2020	Chg
Net Income	16.6	-48%
Net Interest Inc.	99.8	13%
Other Income	36.8	-17%
Loans	2,202.8	6%
Deposits	2,574.6	7%
NIM	4.4%	
NPL	2.0%	
CET 1	13.2%	
CAR	14.3%	

*Figures in PHP B except percentages*

- BDO's core businesses regaining momentum
- Net Income impacted by P23.8b provisions booked in anticipation of potential delinquencies
- Asset quality stable
- Strong balance sheet and capital ratios

# Banking – China Bank

Banking	CHIB	
	9M 2020	Chg
Net Income	8.2	23%
Net Interest Inc.	24.9	35%
Other Income	7.0	35%
Loans	594.9	6%
Deposits	826.8	6%
NIM	3.9%	
NPL	2.5%	
CET 1	13.1%	
CAR	14.0%	

*Figures in PHP B except percentages*

- China Bank delivered positive earnings growth
- Cost-to-income ratio 51%
- Prudent provisions of P6.3b increased 12x on last year
- Strong balance sheet and liquidity position

# Retail

- Non-Food quarter-on-quarter revenue recovery
- Food revenue growth and earnings expansion
- All formats continuing to adapt to new customer needs

SM Retail	Revenue	Chg	NI	Chg	Q-on-Q	
					Revenue	NI
Total Retail	206.1	-19%	2.2	-73%	15%	343%
SM Store	33.2	-56%	-2.0	-224%	109%	60%
Specialty	37.9	-40%	1.1	-75%	93%	371%
Food Group	145.7	11%	4.0	19%	-8%	64%

*Figures in PHP B except percentages*

# Property

- Malls continues to provide rental assistance to tenants
- Residential revenue growth remains positive
- Major operating expense reductions implemented in Q3

<b>SM Prime</b>	<b>9M 2020</b>	<b>Chg</b>
Revenues	60.7	-29%
Earnings	14.4	-48%
Philippine Mall Revenue	18.3	-57%
Residential Revenue	34.2	7%
Residential Reservation Sales	66.7	
Other Revenues	5.0	

*Figures in PHP B except percentages*

# Digital Channels

- The group continues to drive convenience for customers through adoption of digital channels



Shop The SM Store via Call to Deliver now!

**#143SM**  
# 1 4 3 7 6

Call-to-Deliver Sales **+27%**  
11% of YTD Sales

Also available via The SM Store video deliver



shop.smmarkets.ph  
pick-up counter

shop.smmarkets.ph

GROCERIES IN 3 EASY STEPS

SELECT A STORE

SHOP

CHOOSE PICK-UP OR DELIVERY

Food Retail Online Sales **+65%**



BDO Instapay Transactions **+144%**  
14% Market Share, Sept



# Key Messages

- Q3 consolidated revenue improvement due to renewed consumer activity
- Consolidated earnings reflect Q2 anticipatory bank provisions
- Banking core business momentum, stable asset quality
- Retail strong Q-on-Q revenue growth, driven by Non-Food
- Food Retail growth maintained with improved net margins
- Property impacted by tenant rental support, with tight cost controls put in place
- Growth in new channels reflects a focus on creating customer convenience
- Strong, conservative balance sheet maintained

# Contact Information and Disclaimer

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