31st Floor Tower One and Exchange Plaza,
Ayala Triangle, Ayala Avenue,
Makati City 1226
Telephone Number: (632) 7750-6974

Prospectus

₱14.00 Billion Fixed-Rate Bonds ("Base Offer")[1]
with an Oversubscription Option of up to ₱5.00 Billion
("Oversubscription Option")[2]
to be issued
under its existing ₱50.00 Billion Securities Program
rendered effective on October 11, 2021 ("2021 Program")
and its up to ₱50.00 Billion Securities Program
to be registered in 2023 ("2023 Program")

Series A: 6.0253% 5- year Bonds due 2028
Series B: 6.2948% 10- year Bonds due 2033

Issue Price: 100% of Face Value

To be listed and traded through the Philippine Dealing & Exchange Corp.

Joint Lead Underwriters and Bookrunners[3]

Trustee
Rizal Commercial Banking Corporation – Trust and Investments Group

The date of this Prospectus is June 8, 2023.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES WAS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") AND RENDERED EFFECTIVE ON OCTOBER 11, 2021 COVERING ₱50.0 BILLION OF SECURITIES UNDER THE PROSPECTUS DATED OCTOBER 07, 2021 ACCESSIBLE AT https://ir.ayalaland.com.ph/wp-content/uploads/2021/10/ALI-Bonds-due-2031-Final-Prospectus-10072021-vF.pdf. OF SUCH AMOUNT, ₱2.75 BILLION OF SECURITIES WERE ISSUED ON OCTOBER 26, 2021, ₱9.5 BILLION OF SECURITIES WERE ISSUED ON MAY 05, 2022, AND ₱33 BILLION OF SECURITIES WERE ISSUED ON JULY 4, 2022, WITH THE OFFER SUPPLEMENT ACCESSIBLE AT https://ir.ayalaland.com.ph/wp-content/uploads/2022/06/Final-Offer-Supplement-for-ALIs-P33.0-Bn-Bond-Offering-consisting-of-3-series-2Y-5Y-and-7Y.pdf.

THE SEC HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SEC.

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[1] The Base Offer will be comprised of: (i) ₱4.75 Billion to be issued under its 2021 Program; and (ii) ₱9.25 Billion to be issued under its 2023 Program.
[2] If exercised, the Oversubscription Option will be issued under the 2023 Program.
[3] BPI Capital Corporation, First Metro Investment Corporation and RCBC Capital Corporation, who are among the Joint Lead Underwriters and Bookrunners, are the wholly owned subsidiaries of Bank of the Philippine Islands ("**BPI**"), Metropolitan Bank & Trust Company ("**MBTC**") and Rizal Commercial Banking Corporation ("**RCBC**"), respectively. Out of the net proceeds, approximately ₱3.42 Billion will be used to partially refinance its 6.25% p.a. ₱5.0 Billion loan from BPI. If the Oversubscription Option is exercised, ₱8.37 Billion will be used to partially refinance its 6.25% p.a. ₱5.0 Billion loan from BPI, ₱2.04 Billion loan with a blended rate of 6.08% p.a. from MBTC, and its ₱1.33 Billion loan with a blended rate of 6.05% p.a. from RCBC. Bank of the Philippine Islands and Ayala Land, Inc are affiliates which are ultimately owned by Ayala Corporation. The Bank of the Philippine Islands is 30.81% owned by Ayala Corporation. On the other hand, as of December 31, 2022, Ayala Land is 50.60% owned by Ayala Corporation with the remainder mainly owned by the public.

This prospectus (the "**Prospectus**") relates to Ayala Land, Inc.'s ("**ALI**," "**Ayala Land**," the "**Issuer**" or the "**Company**") proposed public offer and sale of fixed-rate bonds in the principal amount of ₱14.00 Billion (the "**Base Offer**") with an oversubscription option of up to ₱5.00 Billion (the "**Oversubscription Option**"; and together with the Base Offer, the "**Offer**"; and the bonds subject to the Offer, the "**Bonds**"). The Base Offer will be comprised of: (i) ₱4.75 Billion Bonds to be issued as the fourth and final Tranche of the Issuer's existing ₱50.00 Billion shelf registration for the offering and sale of debt and other securities rendered effective by the Securities and Exchange Commission ("**SEC**") on October 11, 2021 by virtue of SEC MSRD Order No. 65, Series of 2021 (the "**2021 Program**"); and (ii) ₱9.25 Billion Bonds to be issued as the first Tranche of the Issuer's up to ₱50.00 Billion shelf registration for the offering and sale of debt securities to be registered with the SEC in 2023 ("**2023 Program**") to be issued in one or more tranches (each a "**Tranche**"). If exercised, the Oversubscription Option will form part of the first Tranche of the 2023 Program, which would then be comprised of a total of up to ₱14.25 Billion, assuming the full exercise of the Oversubscription Option.

The 2023 Program was authorized by a resolution of the Board of Directors of the Company dated November 24, 2022. A registration statement covering the 2023 Program was filed by the Issuer with the SEC on March 14, 2022 and an application for the listing of the Bonds was filed with the Philippine Dealing & Exchange Corp. ("**PDEx**") on April 27, 2023.

The 2021 Program was authorized by a resolution of the Board of Directors of the Company dated February 23, 2021. A registration statement filed by the Company covering the Program was rendered effective by the SEC by its order dated October 11, 2021. A certificate of permit to offer securities for sale ("**SEC Permit**") for the first Tranche of the 2021 Program with a principal amount of ₱2.75 Billion was issued on October 11, 2021. The SEC Permit for the second Tranche of the 2021 Program with a principal amount of ₱9.50 Billion, was issued on April 11, 2022, and the SEC Permit for the third Tranche of the 2021 Program with a principal amount of ₱33.00 Billion was issued on June 13, 2022.

The Bonds shall be issued on June 26, 2023, or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such other date as may be agreed upon by the Issuer, and the joint lead underwriters and bookrunners (the "**Joint Lead Underwriters and Bookrunners**") ("**Issue Date**"). The Bonds will be issued in up to two (2) series, at the discretion of the Issuer. The Series A Bonds shall have a term of five (5) years from the Issue Date with a fixed interest rate of 6.0253% per annum and an optional redemption on the 8th to 19th Interest Payment Dates of such Series A Bonds (the "**Series A Bonds**"). The Series B Bonds shall have a term of ten (10) years from the Issue Date with a fixed interest rate of 6.2948% per annum and an optional redemption on the 20th to 39th Interest Payment Dates of such Series B Bonds (the "**Series B Bonds**"). Interest on the Bonds shall be calculated on a European 30/360-day count basis and shall be paid quarterly in arrear. Other securities shall be issued as provided by applicable SEC rules and regulations effective at the time of issuance.

Subject to the consequences of default as contained in the Trust Indenture, and unless otherwise redeemed prior to the Maturity Date, the Bonds will be redeemed at par (or 100% of face value) on the relevant Maturity Date.

The Bonds shall constitute the direct, unconditional, and unsecured obligations of Ayala Land and shall at all times rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured obligations of Ayala Land, other than obligations preferred by law. The Bonds shall effectively be subordinated in right of payment to, among others, all of Ayala Land's secured debts to the extent of the value of the assets securing such debt and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines without a waiver of preference or priority.

The Bonds have been rated Aaa by Philippine Rating Services Corporation ("**PhilRatings**") with a Stable Outlook. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating assigned by PhilRatings. A Stable Outlook, on the other hand, indicates that the rating is likely to be maintained or to remain unchanged in the next 12 months. The rating is not a recommendation to buy, sell, or hold the Securities, and may be subject to revision, suspension, or withdrawal at any time by PhilRatings.

The Bonds shall be offered to the public at face value through the Joint Lead Underwriters and Bookrunners with the Philippine Depository & Trust Corp. ("**PDTC**") as the Registrar of the Bonds. It is intended that upon issuance, the Bonds shall be issued in scripless form, with PDTC maintaining the scripless Register of Bondholders, and listed on the PDEx. A listing application covering the Bonds was filed with PDEx on April 27, 2023. The Bonds shall be issued in denominations of Fifty Thousand Pesos (₱50,000.00) each, as a minimum, and in multiples of ₱10,000.00 thereafter, and traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

ALI expects to raise gross proceeds of ₱14.00 Billion from the Base Offer and up to a maximum of ₱19.00 Billion assuming full exercise of the Oversubscription Option. The net proceeds from the Base Offer are estimated to be ₱13.82 Billion after deducting fees, commissions, and expenses relating to the issuance. Assuming the Oversubscription Option is fully exercised, the net proceeds are estimated to be approximately ₱18.77 Billion after deducting fees, commissions, and expenses relating to the issuance. Proceeds of the Offer are intended to be used for refinancing and to fund general corporate requirements including capital expenditures (*see "Use of Proceeds").* The Joint Lead Underwriters and Bookrunners shall receive a fee of 0.375% on the final aggregate nominal principal amount of the Bonds.

Within three (3) years following the effectivity date of the shelf registration, the Company may, at its sole discretion, offer any or all of the remaining balance of the aggregate principal amount of Securities covered by such registration statement, in one or more subsequent tranches under Rule 8.1.2 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code. The shelf registration provides the Company with the ability to take advantage of opportunities in a volatile debt capital market, as these occur. However, there can be no assurance in respect of: (i) whether Ayala Land would issue such Bonds at all; (ii) the size or timing of any individual issuance or the total issuance of such Bonds; or (iii) the specific terms and conditions of any such issuance. Any decision by Ayala Land to offer the Bonds will depend on a number of factors at the relevant time, many of which are not within Ayala Land's control, including but not limited to: prevailing interest rates, the financing requirements of Ayala Land's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

The Offer is being conducted exclusively in the Philippines and pursuant to requirements under Philippine laws, rules and regulations that may be different from those of other countries and jurisdictions. No action has been or will be taken by the Issuer or any person on behalf of the Issuer to permit an offering of the Bonds in any jurisdiction other than the Philippines, where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, nor may any offering material relating to the Bonds be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

Ayala Land confirms that the Prospectus contains all information relating to the Company, its Subsidiaries and Affiliates which are, in the context of the issue and offering of the Bonds, material (including all information required by the applicable laws, rules and regulations of the Republic of the Philippines). There are no other facts that the omission of which would make any statement in the Prospectus misleading in any material respect. Ayala Land confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants or which is otherwise publicly available for inclusion into the Prospectus. Ayala Land, however, has not independently verified any such publicly available information, data or analysis.

Neither the delivery of the Prospectus nor any sale made pursuant to the Offer shall, under any circumstance, create any implication that the information contained or referred to in the Prospectus are accurate as of any time subsequent to the date hereof. The Joint Lead Underwriters and Bookrunners have exercised the diligence required by regulations in ascertaining that all material representations contained in the Prospectus are true and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading in any material respect.

The contents of the Prospectus are not to be considered as legal, business or tax advice. Each prospective purchaser of the Bonds receiving a copy of this Prospectus acknowledges that he has not relied on the Joint Lead Underwriters and Bookrunners in his investigation of the accuracy of such information or in his investment decision. Prospective purchasers should conduct due diligence and consult their own counsels, accountants or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Bonds. Investing in the Bonds involves certain risks. For a discussion of certain factors to be considered in respect of an investment in the Bonds, see the section on *"Risk Factors and Other Considerations."*

No dealer, salesman or other person has been authorized by Ayala Land and the Joint Lead Underwriters and Bookrunners to give any information or to make any representation concerning the Bonds other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorized by Ayala Land or the Joint Lead Underwriters and Bookrunners.

Ayala Land is organized under the laws of the Republic of the Philippines. Its principal office is at the 31st Floor Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City 1226, with telephone number (632) 7750-6974.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN ARE TRUE AND CURRENT.

AYALA LAND, INC.

By:

BERNARD VINCENT O. DY
President and Chief Executive Officer

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN ARE TRUE AND CURRENT.

AYALA LAND, INC.

By:

MA. LUISA D. CHIONG
Vice President, Controller and Attorney-in-fact

JOSE EMILIO B. JAMIR
Assistant Vice President, Deputy Treasurer and Attorney-in-fact

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

Before me, a notary public in and for the city of Makati, personally appeared the following identified by me through competent evidence of identity with details:

Name	I.D.	Date and Place of Issue
Ma. Luisa D. Chiong	Phil. Passport No. P6354499B	02/22/2021; DFA NCR East
Jose Emilio B. Jamir	UMID CRN 011135703268	

to be the same person/s who presented the foregoing instrument and signed the instrument in my presence and took an oath before me as to such instrument.

Witness my hand and seal this JUN 0 8 2023 at Makati City.

Doc No. 492;
Book No. 100;
Page No. 18;
Series of 2023.

ATTY. RODRIGO S. DE REAL, JR.
Notary Public Makati until 12/31/2024
Apt. No M-070 IBP No 178992 01/05/2022
Roll No. 49763 MCLE No VII-018902
PTR No 0860654 01/10/2023
6th Flr. VGP Center Room 605 6772 Ayala Ave. Makati

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FORWARD-LOOKING STATEMENTS AND PRESENTATION OF FINANCIAL INFORMATION

Forward-Looking Statements

This Prospectus contains certain “forward-looking statements.” These forward-looking generally can be identified by use of statements that include words or phrases such as “aims,” “believes,” “expects,” “anticipates,” “intends,” “plans,” “foresees,” “seeks,” “may,” “might,” “can,” “could,” “will,” “would,” “shall,” “should,” “is/are likely to,” or other words or phrases of similar import. Similarly, statements that describe Ayala Land’s objectives, plans or goals are also forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that the forward-looking events and circumstances discussed in this Prospectus might not occur. Actual results could differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations of Ayala Land include, among others:

- *General economic and business conditions in the Philippines;*
- *Holding company structure;*
- *Intensive capital requirements of Subsidiaries and Affiliates of Ayala in the course of business;*
- *Increasing competition in the industries in which Ayala’s Subsidiaries and Affiliates operate;*
- *Industry risk in the areas in which Ayala’s Subsidiaries and Affiliates operate;*
- *Changes in laws and regulations that apply to the segments or industries in which Ayala, its Subsidiaries and Affiliates operate;*
- *Changes in political conditions in the Philippines;*
- *Changes in foreign exchange control regulations in the Philippines; and*
- *Changes in the value of the Philippine Peso.*

For a further discussion of such risks, uncertainties and assumptions, see the *“Risk Factors and Other Considerations”* section of this Prospectus. Prospective purchasers of the Bonds are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements included herein are made only as of the date of this Prospectus and Ayala Land undertakes no obligation to update such forward-looking statements publicly to reflect subsequent events or circumstances.

Presentation of Financial Information

Amounts presented throughout this Prospectus have been subject to rounding adjustments to facilitate their presentation. Accordingly, numbers shown for the same item of information may vary and may not precisely reflect the absolute figures or the arithmetic aggregate of their components due to rounding adjustments.

DEFINITION OF TERMS

As used in this Prospectus, the following terms shall have the meanings ascribed to them:

"2019 Program" means the ₱50,000,000,000.00 securities program covered by the registration statement filed by Ayala Land with the SEC, as the same may be amended or supplemented from time to time, and rendered effective on April 22, 2019.

"2021 Program" means the Company's ₱50,000,000,000.00 securities program of debt and other securities covered by the registration statement filed by Ayala Land with the SEC on August 10, 2021, as the same may be amended or supplemented from time to time, and rendered effective by the SEC on October 11, 2021.

"**2023 Program**" means the Company's ₱50,000,000,000.00 securities program of debt securities covered by the registration statement to be filed by Ayala Land with the SEC on or about March 14, 2023.

"Affiliate" means, with respect to Ayala Land, Inc., any corporation directly or indirectly controlled by it, whether by way of ownership of at least twenty percent (20%) of the total issued and outstanding capital stock of such corporation, or the right to elect at least twenty percent (20%) of the number of directors in such corporation, or the right to control the operation and management of such corporation by reason of management contract or authority granted by said corporation to Ayala Land, Inc.

"Application to Purchase" means the document for the purchase of the Bonds to be executed by any Person or entity qualified to become a Bondholder for the Bonds.

"Associate" means an entity in which the Ayala Land Group has significant influence which is neither a Subsidiary nor a Joint Venture.

"Ayala Group" refers to Ayala Corporation and its Subsidiaries and Affiliates.

"Ayala Land" or **"ALI"** or the **"Company"** or the **"Issuer"** refers to Ayala Land, Inc.

"Ayala Land Group" or **"ALI Group"** refers to Ayala Land, Inc. and its Subsidiaries and Affiliates.

"AyalaLand Logistics Holdings Corp." or **"ALLHC"** refers to the company formerly known as Prime Orion Philippines, Inc. or "POPI"

"**Base Offer**" means the public offer of fixed-rate bonds in aggregate principal amount of Fourteen Billion Pesos (₱14,000,000,000.00).

"Beneficial Owner" means any person (and "Beneficial Ownership" shall mean ownership by any person) who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting of such security; and/or investment returns or power in respect of any security, which includes the power to dispose of, or to direct the disposition of, such security; provided, however, that, a person shall be deemed to have an indirect beneficial ownership interest in any security which is:

i. held by members of his immediate family sharing the same household;
ii. held by a partnership in which he is a general partner;
iii. held by a corporation of which he is a controlling shareholder; or
iv. subject to any contract, arrangement or understanding which gives him voting power or investment power with respect to such securities; provided, however, that, the following persons or institutions shall not be deemed to be beneficial owners of securities held by them for the benefit of third parties or in customer or fiduciary accounts in the ordinary course of business, so long as such securities were acquired by such persons or institutions without the purpose or effect of changing or influencing control of the issuer:

    a. A broker dealer;
    b. An investment house registered under the Investment Houses Law;

c. A bank authorized to operate as such by the BSP;
d. An insurance company subject to the supervision of the Office of the Insurance Commission;
e. An investment company registered under the Investment Company Act;
f. A pension plan subject to regulation and supervision by the BIR and/or the Office of the Insurance Commission or relevant authority; and
g. A group in which all of the members are persons specified above.

"BDO Capital" shall refer to BDO Capital & Investment Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 17th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City.

"BIR" refers to the Bureau of Internal Revenue.

"Board" or **"Board of Directors"** means the board of directors of Ayala Land.

"Bond Agreements" means, collectively, the Trust Indenture, the Terms and Conditions, the Master Certificate of Indebtedness, the Registry and Paying Agency Agreement, the Underwriting Agreement, and any other document, certificate or writing contemplated thereby.

"Bondholders" means the holders of the Bonds.

"Bonds" means the fixed-rate bonds in the aggregate principal amount of Fourteen Billion Pesos (₱14,000,000,000.00) with an Oversubscription Option of up to Five Billion Pesos (₱5,000,000,000.00) to be issued by Ayala Land on the Issue Date.

"BPI Capital" refers to BPI Capital Corporation[4], a corporation duly licensed and authorized to operate in the Philippines, with address at the 11th Floor, Ayala North Exchange (Tower 1), 6796 Ayala Avenue corner Salcedo Street, Makati City.

"BPO" means Business Process Outsourcing.

"BSP" refers to Bangko Sentral ng Pilipinas.

"Business Day" means a day, except Saturday, Sunday, and public holidays, on which commercial banks are not required or are authorized to close by law for business in Makati City, Metro Manila, and the BSP's Philippine Payment and Settlement System (PhilPaSS) and Philippine Clearing House Corporation (PCHC) (or, in the event of the discontinuance of their respective functions, their respective replacements) have clearing and settlement operations in accordance with BSP issuance.

"China Bank Capital" refers to China Bank Capital Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 28th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City.

"Call Option" means the option granted to Ayala Land under the Terms and Conditions to call and redeem the whole of the Bonds, as the case may be.

"**EastWest**" refers to East West Banking Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, 1634 Taguig, Philippines.

"First Metro" refers to First Metro Investment Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 45th Floor, GT Tower International, 6813 Ayala Ave. cor. H.V. Dela Costa St.,1227 Makati City, Philippines

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[4] BPI Capital Corporation and Ayala Land, Inc are affiliates which are ultimately owned by Ayala Corporation. BPI Capital is 100% owned by the Bank of the Philippine Islands, which is 30.81% owned by Ayala Corporation. On the other hand, as of December 31, 2022, Ayala Land is 50.60% owned by Ayala Corporation with the remainder mainly owned by the public.

"Interest Payment Date" means September 26, 2023 for the first Interest Payment Date and December 26, March 26, June 26, and September 26 of each year for each subsequent Interest Payment Date at which the Bonds are outstanding; and in the event that any of such Interest Payment Dates are not Business Days, such Interest Payment Dates shall be deemed to be the immediately succeeding Business Day without any adjustment to the amount due, provided that if the Issue Date is set at a date other than June 26, 2023, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date. The last Interest Payment Date shall fall on the Maturity Date, or the immediately succeeding Business Day if such date is not a Business Day, without any adjustment to the amount due.

"Issue Date" means June 26, 2023 or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such other date as may be agreed upon between the Issuer and the Joint Lead Underwriters and Bookrunners with advice to the SEC, PDTC, and PDEx.

"Joint Lead Underwriters and Bookrunners" refers to BDO Capital, BPI Capital, China Bank Capital, EastWest, First Metro, RCBC Capital and SB Capital, being the Joint Lead Underwriters and Bookrunners appointed by the Issuer under the Underwriting Agreement.

"Joint Venture" means a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

"Lien" means any mortgage, pledge, security interest, lien or encumbrance constituted on any of the Issuer's properties for the purpose of securing its or its Affiliate's obligations.

"Majority Bondholders" means Bondholders representing more than fifty percent (50%) of the outstanding principal amount of the Bonds.

"Master Certificate of Indebtedness" means the certificate to be issued by Ayala Land to the Trustee evidencing and covering such amount corresponding to the Bonds.

"Maturity Date" means five (5) years after Issue Date for the Series A Bonds and ten (10) years after Issue Date for the Series B Bonds; provided that, in the event that the Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest and principal to be paid.

"Offer" means the offering of Bonds by the Issuer under the Terms and Conditions.

"Offer Period" means the period commencing at 9:00 a.m. on June 13, 2023 and ending at 5:00 p.m. on June 19, 2023, or such earlier or later days as may be determined by the Issuer and the Joint Lead Underwriters and Bookrunners.

"Oversubscription Option" means the option exercisable by the Joint Lead Underwriters and Bookrunners, with the consent of the Issuer, to increase the Base Offer by up to Five Billion Pesos (₱5,000,000,000.00), which if exercised, will form part of the first Tranche to be issued under the 2023 Program.

"PAS" means Philippine Accounting Standards.

"Paying Agent" refers to the Philippine Depository & Trust Corp.

"PCC" refers to the Philippine Competition Commission.

"PDEx" refers to the Philippine Dealing & Exchange Corp.

"PDTC" refers to the Philippine Depository & Trust Corp.

"Person" means an individual, firm, partnership, limited liability company, joint venture, association, trust, corporation, government, committee, department, authority, or any body, incorporated or unincorporated, whether having a distinct legal personality or not.

"Pesos," "₱" and **"Philippine currency"** means the legal currency of the Republic of the Philippines.

"PFRS" means Philippine Financial Reporting Standards.

"Philippines" means the Republic of the Philippines.

"**POC**" means percentage of completion.

"**Prospectus**" shall mean this Prospectus and any amendments, supplements and addenda thereto relating to the public offer for sale, distribution, and issuance of the Securities (inclusive of the Bonds).

"PSE" refers to The Philippine Stock Exchange, Inc.

"**RCBC Capital**" refer to RCBC Capital Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 21st Floor, Tower 2, RCBC Plaza, 6819 Ayala Avenue, Makati City, Philippines.

"Record Date" means the cut-off date in determining Bondholders entitled to receive interest or principal amount due.

"Register of Bondholders" means the electronic records of the Registrar bearing the official information on the names and addresses of the Bondholders and the number of Bonds they respectively hold, including all transfers of the Bonds and the names of subsequent transferee Bondholders, maintained pursuant to and under the Registry and Paying Agency Agreement.

"Registry and Paying Agency Agreement" means the Registry and Paying Agency Agreement dated June 8, 2023, between Ayala Land and the Registrar and Paying Agent.

"Registrar" refers to the Philippine Depository & Trust Corp.

"Real Estate Investment Trust" or **"REIT"** means a stock corporation established in accordance with the Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines, and the rules and regulations promulgated by the SEC, principally for the purpose of owning income-generating real estate assets pursuant to the REIT Law, as they may be amended from time to time.

"REIT Act" or **"REIT Law"** means Republic Act No. 9856, or the Real Estate Investment Trust Act of 2009 and its implementing rules and regulations, as they may be amended from time to time.

"SB Capital" refers to SB Capital Investment Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 18th Floor, Security Bank Centre, 6776 Ayala Avenue, Makati City.

"SEC" means the Philippine Securities and Exchange Commission or its successor agency/ies.

"SEC Permit" means the certificate of permit to offer securities for sale issued by the SEC in connection with the Offer.

"Securities" means when used in connection with the 2021 Program, means shares of stock, bonds, evidence of indebtedness, derivatives, and other securities as provided under the Securities Regulation Code and applicable SEC rules and regulations effective at the time of issuance under the 2021 Program, and when used in connection with the 2023 Program, debt securities, to be issued in one or more Tranches.

"Securities Regulation Code" means the Securities Regulation Code of the Philippines (Republic Act No. 8799) and its implementing rules and regulations, as they may be amended from time to time.

"**Series A Bonds**" means the Bonds with a fixed interest rate of 6.0253% per annum and a term of five (5) years from Issue Date.

"**Series B Bonds**" means the Bonds with a fixed interest rate of 6.2948% per annum and a term of ten (10) years from Issue Date.

"**Subsidiary**" refers to a corporation which is controlled, directly or indirectly, by another corporation which thereby becomes its parent.

"sqm" means square meters.

"Tax Code" means the National Internal Revenue Code, as amended, and its implementing rules and regulations.

"Taxes" means any present or future taxes including, but not limited to, documentary stamp tax, levies, imposts, filing and other fees or charges imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof including surcharges, penalties and interests on said taxes, but excluding final withholding tax, gross receipts tax, and taxes on the overall income of the Joint Lead Underwriters and Bookrunners or of the Bondholders.

"Terms and Conditions" means the terms and conditions of the Bonds as herein contained.

"Tranche" means a tranche of Securities issued under the 2023 Program or the 2021 Program.

"Trust Indenture" means the Trust Indenture dated June 8, 2023 between Ayala Land and the Trustee.

"Trustee" refers to Rizal Commercial Banking Corporation – Trust and Investments Group appointed by the Issuer under the Trust Indenture for the Bonds.

"Underwriting Agreement" means the Underwriting Agreement dated June 8, 2023 among Ayala Land and the Joint Lead Underwriters and Bookrunners.

Titles of sections, subsections and clauses in this Prospectus are used for convenience of reference only and do not limit or affect the interpretation of the sections, subsections and clauses hereof. In case of conflict between the provisions of this Prospectus and the Bond Agreements, the provisions of the Bond Agreements shall prevail.

EXECUTIVE SUMMARY

This section is qualified in its entirety by the more detailed information, and financial statements and notes thereto appearing elsewhere in this Prospectus. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Prospectus carefully, including the section entitled “Risk Factors and Other Considerations” and the audited consolidated financial statements and the related notes to those statements included in this Prospectus.

COMPANY OVERVIEW

As of April 30, 2023, Ayala Corporation’s effective ownership in Ayala Land is 50.87% while 48.03% is owned by the public. As of April 30, 2023, Ayala Land has 14,984,997,731outstanding common shares and 12,442,512,623outstanding voting preferred shares. 14,554,420,587common shares are listed with the PSE. Foreign equity ownership is 14.37% composed of 3,885,185,755 outstanding common shares and 54,891,473 voting preferred shares as of April 30, 2023. Equity attributable to equity holders of Ayala Land amounted to ₱255.3 Billion. Ayala Land has a total market capitalization of ₱399.35 Billion based on the closing price of ₱26.65 per common share on April 28, 2023, the last trading day of the said month.

Review of 2022 Operations vs 2021

Ayala Land, Inc. bounced back strongly in 2022 on the strength of the Philippines' reopened economy since the 2020 pandemic. Its diversified real-estate portfolio generated a net income of ₱18.62 Billion, 52% higher, while consolidated revenues grew to ₱126.56 Billion, 19% more year-on-year.

Real Estate revenues (composed of Property Development, Commercial Leasing, and Services) amounted to ₱116.36 Billion, 21% higher than ₱96.14 Billion in the previous year led by solid commercial lot sales and recovery in commercial leasing recovery.

Capital expenditures reached ₱72.38 Billion to support the residential and commercial project buildup.

The Company maintained a net gearing ratio of 0.76:1 as it managed debt and liquidity tightly to support the balance sheet.

Recent Developments

2023

On April 26, 2023 at 9:00 a.m., the Company conducted the annual stockholders meeting virtually via http://www.ayalagroupshareholders.com/ with the following agenda:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of Minutes of Previous Meeting
4. Annual Report
5. Ratification of the Acts of the Board of Directors and Officers
6. Approval of the amendment to the Seventh Article of the Articles of Incorporation to decrease the authorized capital stock from ₱21,500,000,000.00 to ₱21,437,602,946.40 in view of the retirement of the redeemed voting preferred shares, including any additional redeemed voting preferred shares until April 25, 2023
7. Election of Directors (including Independent Directors)
8. Election of External Auditor and Fixing of its Remuneration
9. Consideration of such other business as may properly come before the meeting, and
10. Adjournment

Only stockholders of record as of March 10, 2023 were entitled to notice of, and to vote at, this meeting.

In the said meeting, the stockholders considered and approved the resolution electing the new directors of the Corporation namely Cezar P. Consing as Vice Chairman, and Daniel Gabriel M. Montecillo[5] and Surendra M. Menon as Lead Independent Director and Independent Director, respectively. The Corporation likewise appointed Anna Ma. Margarita B. Dy as Chief Operating Officer and Ma. Florence Therese dG. Martirez-Cruz as the new Assistant Corporate Secretary.[6] The stockholders also approved the following matters:

- Annual report for 2022 and the consolidated audited financial statements as of December 31, 2022
- Ratification of the acts and resolutions of the Board of Directors and Management during the preceding year
- Amendment to the Seventh Article of the Articles of Incorporation to decrease the Authorized Capital Stock in view of the retirement of the redeemed voting preferred shares; and
- Election of PwC Isla Lipana & Co. as the external auditor of the Corporation for the year 2023 for an audit fee of Four Million Six Hundred Forty-Four Thousand Five Hundred Pesos (₱4,644,500.00), exclusive of value-added tax and five percent (5%) out of pocket expenses.

On March 29, 2023, the Company sold 205,000,000 shares (Offer Shares) of AREIT at a transaction price of ₱32.10 per share, equivalent to ₱6,580,500,000 (exclusive of fees and taxes), in relation to its ₱22.5 Billion property-for-share swap transaction with AREIT. The Offer Shares were offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and within the United States to qualified institutional buyers as defined in, and in reliance on, Rule 144A under the U.S. Securities Act. The said shares were also offered and sold in the Philippines in transactions that do not require registration under the Philippine Securities Regulation Code ("**SRC**"), specifically Section 10.1(l) of the SRC and Rule 10.1.3 of the implementing rules and regulations of the SRC. The proceeds from the block sale was settled on April 3, 2023.

On March 7, 2023, the Related Party Transactions Review Committee of the Company approved and endorsed the subscription of ALI and its subsidiaries, Ayalaland Malls, Inc. ("**ALMI**") and Northbeacon Commercial Corporation ("**NBCC**") to 607,559,380 primary common shares of AREIT, in exchange for the transfer to AREIT, Inc. of identified key commercial properties valued at ₱22,479,697,060, under a property-for-share swap transaction at a final transaction price of ₱37.00 per share, set at a 3% premium over the 30-day VWAP or the market price of ₱35.85 ("**AREIT Property-for-Share Swap Transaction**"), as validated by a third-party Fairness Opinion issued by FTI Consulting Philippines, Inc. ("**FTI Consulting**"), an independent fairness opinion provider accredited by both the SEC and PSE. The Executive Committee of the Company, by unanimous vote likewise approved the transaction on even date. On April 26, 2023, the AREIT Property-for-Share Swap Transaction was ratified by the stockholders of the Company. A copy of the Fairness Opinion and the Valuation Reports may be accessed through the link https://ir.ayalaland.com.ph/wp-content/uploads/2023/03/AREIT-Swap-Fairness-Opinion-and-Appraisal-Reports-2023-03-15.pdf.

Under the AREIT Property-for-Share Swap Transaction, the Company, ALMI, and NBCC shall transfer to AREIT, Inc. the following properties valued at Twenty-Two Billion Four Hundred Seventy-Nine Million Six Hundred Ninety-Seven Thousand Sixty Pesos (₱22,479,697,060.00):

Property	**Registered Owner**	**Transaction Value (in ₱)**
Glorietta BPO 1	ALI	3,090,625,614
Glorietta BPO 2	ALI	3,265,229,909
One Ayala West Tower	ALMI*	4,955,177,233
One Ayala East Tower	ALMI*	5,670,733,294
Glorietta Mall 1 and 2	ALI	3,448,776,031
Marquee Mall	NBCC*	2,049,154,979
Total		**₱22,479,697,060**

[5] Mr. Daniel Gabriel M. Montecillo was inadvertently referred to by his nickname "Dennis" even as his official name is stated above. He is one and the same person.
[6] *See discussion on the Directors, Executive Officers and Control Persons section of the Prospectus on pp. 174.*

**ALMI and NBCC are wholly-owned subsidiaries of ALI. (collectively, the "Properties")*

The properties to be infused have been evaluated by AREIT Fund Managers, Inc., and have been appraised by Cuervo Appraisers, Inc. ("**Cuervo**"). The Properties will be used as the Company's payment for the 607,559,380 primary common shares of AREIT, Inc.

On April 26, 2023, AREIT obtained the approval of the stockholders on its Property-for-Share Swap Transaction with the Company. The exchange of shares for the Properties will qualify as a tax-free exchange under Section 40(C)(2) of the Tax Code, as amended, which provides:

> (2) Exception. - * * *
> No gain or loss shall also be recognized on a corporation or on its stock or securities if such corporation is a party to a reorganization and exchanges property in pursuance to a plan of reorganization solely for stock or securities in another corporation that is a party to the reorganization. A reorganization is defined as: XXX
>
> No gain or loss shall also be recognized if property is transferred to a corporation by a person alone or together with others, not exceeding four (4) persons, in exchange for stock or unit of participation in such a corporation of which as a result of such exchange the transferor or transferors, collectively, gains or maintains control of said corporation: Provided, That stocks issued for services shall not be considered as issued in return for property. XXX"

Section 40 (C) (2) of the Tax Code, as amended, has been interpreted by the Supreme Court in the case of Commissioner of Internal Revenue vs. Filinvest Development Corporation (G.R. No. 167689, July 9, 2011), to mean that a tax-free exchange applies when the controlling person gains "further control" or transfers where the exchanger already has control of the corporation at the time of the exchange.

AREIT expects to execute the Deed of Exchange and file the application for approval of the original issuance of shares with the SEC within May 2023, and the issuance of CAR with the relevant Revenue District Office of the BIR within the first quarter of 2024. The SEC's approval of the Transaction and the BIR's issuance of a CAR are expected to be issued within the year. AREIT shall likewise apply for the additional listing of shares with the Exchange by the first quarter of 2024. The indicative timetable for implementation of the Transaction is as follows:

Indicative Timeline for Implementation

Deed of Exchange Execution	May 2023
SEC Approval (Issuance of Shares and Transaction)	Q2 to Q4 2023
Issuance of CAR	Q1 2024
PSE Listing of Additional Shares	Q1 2024

On February 21, 2023, the Board of Directors, at its regular board meeting approved the following items:

(a) The appointment of Mr. Fernando Zobel de Ayala as advisor to the Board.

(b) The decrease in ALI's authorized capital stock by ₱62,397,053.60, from ₱21,500,000,000.00 to ₱21,437,602,946.40, through the retirement of its redeemed voting preferred shares as of January 31, 2023, and any additional redeemed voting preferred shares until April 25, 2023, as well as the corresponding amendment of the Seventh Article of its Articles of Incorporation. The decrease in authorized capital stock and the amendment of the Seventh Article will be presented to its stockholders for approval at their annual meeting on April 26, 2023.

(c) The adoption of the 2023 stock option program pursuant to our Employee Stock Ownership Plan (the "**Plan**") which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 20,200,407 common shares at a subscription price of ₱24.68 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 5-day trading as of February 13, 2023, less a prescribed discount.

(d) The declaration of cash dividends of ₱0.1495 per outstanding common share payable on March 23, 2023 to stockholders of common shares as of record date March 7, 2023. This reflects an 11% increase from the cash dividends declared in the first half of 2021 amounting to ₱0.1352 per share.

(e) The amendment to the Audit Committee Charter consisting of the deletion of Annex pertaining to the self-assessment questionnaire for the Audit Committee since the Company already have an established self-assessment process and questionnaire for the Board and its committees including that which is applicable to the Audit Committee.

Ayala Land's Principal Strengths

Ayala Land's principal strengths are its proven track-record, strong brand reputation and its ability to develop quality real estate products that cater to the different segments in the market.

With approximately 12,273.8 hectares of landbank composed of 234.8 hectares in Metro Manila, 9,809 hectares in other areas in Luzon and 2,230 hectares in Visayas and Mindanao as of December 31, 2022, Ayala Land is well positioned to take advantage of the growth prospects in the real estate sector in the Philippines. It is currently present across 57 identified growth centers in the country.

RISKS OF INVESTING

An investment in the Bonds involves a certain degree of risk. A prospective purchaser of the Bonds should carefully consider the following factors, in addition to the other information contained in this Prospectus, in deciding whether or not to invest in the Bonds.

Risks Associated with the Company

- Public health epidemics or outbreaks of diseases
- Highly competitive business environment
- Operating risks due to leverage
- Risks of an asset price bubble
- Political and economic developments risk
- Risks associated with debt covenants
- Risks due to events of default
- Subordination to other debt
- Risks related to business combination alternatives
- Success of projects dependent on various factors
- Regulatory risk
- Risks relating to the Comprehensive Tax Reform Program
- Operational and physical risks
- Natural catastrophes risk
- Political and military instability risks
- Economic risks

Risks Relating to the Securities

- Risks related to activity or liquidity of trading market
- Re-investment risk
- Volatility of market price
- Liquidity risk
- Credit rating risk
- Securities have no preference under Art. 2244(14) of the Civil Code

Summary of Financial Information

(in Million Pesos, except Earnings Per Share (EPS))	2022[1] Audited	2021[2] Audited	2020[3] Audited	2019[4] Audited
	For the years ended December 31			
Income Statement Data				
Revenue				
Real estate Sales	₱116,356	₱96,145	₱85,965	₱157,849
Interest income from real estate sales	6,695	6,801	8,603	7,891
Equity in net earnings of associates and joint ventures	1,430	843	587	966
	₱124,481	₱103,789	₱95,155	₱166,706
Interest and investment income	387	253	395	930
Other income	1,688	2,101	723	1,158
	2,075	2,354	1,118	2,088
	126,556	106,143	96,273	168,794
Costs and expenses				
Cost of real estate sales	75,629	64,642	56,673	94,752
General and administrative expenses	7,264	6,539	8,012	9,367
Interest and other financing charges	11,447	11,038	12,746	12,200
Other expenses	3,996	3,637	3,789	1,645
	98,336	85,856	81,220	117,964
Income before income tax	28,220	20,288	15,053	50,830
Provision for income tax				
Current	6,943	5,985	4,688	12,455
Deferred	(1,247)	(1,356)	(629)	860
	5,696	4,629	4,059	13,315
Net Income	₱22,524	₱15,659	₱10,994	₱37,515
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	18,617	12,228	8,727	33,188
Non-controlling interests	3,907	3,431	2,267	4,327
Unappropriated retained earnings				
Balance, beginning of year	143,981	153,661	148,940	124,090
Changes in accounting policies:				
Effect of adoption of new accounting standards	-	(845)	-	(617)
Balances as restated	143,981	152,816	148,940	123,473
Cash dividends				
Common share	(4,000)	(4,001)	(3,945)	(7,659)
Preferred share	(62)	(62)	(62)	(62)
Net Income attributable to equity holders of Ayala Land, Inc.	18,617	12,228	8,727	33,188
Appropriation during the year	-	(17,000)	-	-
Balance at end of period	158,536	143,981	153,661	148,940
Basic Earnings per share	₱1.25	₱0.83	₱0.59	₱2.25
Diluted Earnings per share	₱1.25	₱0.83	₱0.59	₱2.25

[1]*In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to the Prospectus*

[2]*Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to the Prospectus, for the effect of the adoption of PFRS 16*
[3] *Ibid.*
[4]*Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Amounts presented in the consolidated statements of financial position and consolidated statements of income as at and for the years ended December 31, 2018 and 2017 are based on PAS 17, Leases (superseded by PFRS 16). The comparative financial information for accounts affected by the adoption of PFRS 16 may not be comparable to the information presented for 2019, 2020 and 2021. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus, for the effect of the adoption of PFRS 16.*

	For the years ended December 31			
(in Million Pesos)	**2022 Audited**	**2021[1] Audited**	**2020[2] Audited**	**2019[3] Audited**
Selected Balance Sheet Data				
Cash and cash equivalents and other assets [4]	₱12,508	₱14,998	₱18,361	₱21,515
Investment properties	245,526	243,398	222,685	243,043
Total assets	779,655	745,464	721,494	713,923
Current portion of long-term debt	19,258	26,174	18,732	17,251
Long term debt - net of current portion	210,233	180,140	184,087	175,813
Total liabilities	485,990	474,962	461,315	471,218
Equity attributable to equity holders of Ayala Land, Inc.	255,252	232,621	222,540	211,050
Non-controlling interests	38,412	37,882	37,639	31,656
Total equity	₱293,664	₱270,503	₱260,179	₱242,706

[1]*In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to the Prospectus*
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[4] *Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL.*

The table below sets forth the comparative performance indicators of the Company and its Subsidiaries:

	December 31, 2022	**December 31, 2021**	**December 31, 2020**	**December 31, 2019**
Current ratio [1]	1.78:1	1.58:1	1.62:1	1.30:1
Debt-to-equity ratio [2]	0.80:1	0.82:1	0.81:1	0.87:1
Net debt-to-equity ratio [3]	0.76:1	0.77:1	0.74:1	0.78:1
Return on assets [4]	2.95%	2.13%	1.53%	5.43%
Return on equity [5]	7.63%	5.37%	4.03%	16.66%
Asset to Equity [6]	2.65:1	2.76:1	2.77:1	2.94:1
Interest Rate Coverage [7]	4.83:1	4.01:1	2.96:1	6.27:1

[1]*Current assets / current liabilities*
[2]*Total debt / consolidated stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)*
[3]*Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)*
[4]*Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)*

[5]Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI (Average total stockholders' equity attributable to equity holders of ALI means the average of the amounts from the beginning and end of the same period)
[6]Total assets / total stockholders' equity
[7]EBITDA / interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Below is the reconciliation of "Net income" to "EBITDA" then to "Interest Coverage Ratio".

	For the years ended December 31			
(in thousand Pesos, except ratios)	**2022 Audited**	**2021[1] Audited**	**2020 Audited**	**2019 Audited**
Net income	**₱22,524,253**	**₱15,659,363**	**₱10,994,238**	**₱37,515,031**
Add:				
Provision for income tax	5,695,798	4,628,177	4,058,973	13,314,643
Interest and other financing charges	11,446,669	11,037,772	12,745,720	12,199,758
Other charges	3,996,044	3,636,915	3,788,771	1,644,982
	43,662,764	34,962,227	31,587,702	64,674,414
Less:				
Interest income from real estate sales and interest and investment income	7,082,013	7,054,119	8,997,476	8,821,417
EBIT	36,580,751	27,908,108	22,590,226	55,852,997
Add: Depreciation and amortization	9,688,729	8,820,507	9,572,572	9,058,710
EBITDA	**46,269,480**	**36,728,615**	**32,162,798**	**64,911,707**
Divided by: Interest expense on				
Short-term debt	383,094	391,435	1,164,767	1,206,577
Long-term debt	9,198,060	8,778,056	9,705,852	9,153,067
	9,581,154	**9,169,491**	**10,870,619**	10,359,644
Interest rate coverage ratio	**4.83:1**	**4.01:1**	**2.96:1**	**6.27:1**

Below is the reconciliation of "Debt" to "Debt-to-Equity and Net Debt-to-Equity Ratios"

	For the years ended December 31			
(in thousand Pesos, except ratios)	**2022 Audited**	**2021 Audited**	**2020 Audited**	**2019 Audited**
Short-term debt	₱6,547,272	₱16,782,500	₱9,131,325	₱18,032,830
Current portion of long-term debt	19,258,289	26,173,997	18,732,401	17,250,706
Long-term debt – net of current portion	210,233,290	180,140,242	184,087,192	175,813,345
Debt	**236,038,851**	**223,096,739**	**211,950,918**	**211,096,881**
Equity	**293,664,525**	**270,502,321**	**260,179,332**	**242,705,568**
Debt-to-equity ratio	**0.80**	**0.82**	**0.81**	**0.87**
Debt	236,038,851	223,096,739	211,950,918	211,096,881
Cash and cash equivalents	(11,885,329)	(13,971,437)	(17,037,347)	(20,413,041)
Short term investments	(330,500)	(325,641)	(358,120)	(617,149)
Financial assets at FVPL	(291,989)	(700,803)	(965,171)	(485,436)
Net Debt	**223,531,033**	**208,098,858**	**193,590,280**	**189,581,255**
Equity	**293,664,525**	**270,502,321**	**260,179,332**	**242,705,568**
Net debt-to-equity ratio	**0.76**	**0.77**	**0.74**	**0.78**

OVERVIEW OF THE 2023 PROGRAM

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of the 2023 Program, the applicable terms and conditions contained in the relevant offer supplement. In case of conflict between the terms below and those contained in the offer supplement corresponding to a particular Tranche, the latter shall prevail.

Ayala Land is offering the 2023 Program comprised of debt securities as provided by applicable SEC rules and regulations effective at the time of issuance (the "**Securities**") in the aggregate principal amount of up to Fifty Billion Pesos (₱50,000,000,000.00) to be issued in one or more Tranches, which may be comprised of up to two (2) series per Tranche (each a "**Series**"). The following sections outline the description of the 2023 Program followed by specific indicative terms and conditions applicable to a particular Tranche.

The 2023 Securities Program

Issuer:	Ayala Land, Inc.
Facility:	Fifty Billion Pesos (₱50,000,000,000.00) 2023 Program
Purpose:	The intended use of proceeds for each Tranche of the 2023 Program being offered shall be set in the relevant prospectus and/or offer supplement under the "Use of Proceeds" section.
Availability:	The 2023 Program will be continuously available until the expiration of the shelf registration and the permit to offer securities for sale to be issued by the SEC.
Maturity:	Fixed-rate bonds: to be determined per issuance Other Securities: as provided by applicable SEC rules and regulations at the time of issuance
Method of Issue:	Each of the Securities will be issued on a continuous basis in Tranches on different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, interest commencement date, and principal amount of the Tranche, will be similar to the terms of other Tranches of the same Securities) will be set forth in the final prospectus or corresponding offer supplement.
Form of Securities:	Each Tranche of the Securities will be represented by a Master Certificate of Indebtedness to be issued and registered in the name of the Trustee for the Security Holders and by applicable document pursuant to the rules or other relevant regulations as promulgated by the SEC. Legal title to the Securities shall be shown on and recorded in the Register of Security Holders maintained by the Registrar.
Denomination of the tranche Securities to be issued:	Fixed-rate Bonds: minimum of ₱50,000.00 face value and in increments of ₱10,000.00.
Redemption for Taxation Reasons:	If payments under the Securities become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the relevant Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Securities in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days' prior written notice to the Trustee) at par or 100% face value plus accrued interest.

Final Redemption:	Except when a call option on the fixed-rate bonds is exercised, the Securities will be redeemed at par or 100% face value on the relevant maturity date.
Status of the Securities:	The Securities constitute direct, unconditional and unsecured Peso-denominated obligations of the Issuer and will rank *pari passu* and ratably without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, other than obligations mandatorily preferred by law.
Negative Pledge:	The Securities shall have the benefit of a negative pledge on all existing and future assets of the Issuer, subject to certain permitted liens.
Taxation:	Except: (1) tax on a Security Holder's interest income on the Securities which is required to be withheld by the Issuer, and (2) capital gains tax/income tax, documentary stamp tax and other taxes on the transfer of Securities (whether by assignment or donation), if any and as applicable, which are for the account of the Security Holder, all payments of principal and interest will be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Republic of the Philippines or any political subdivision, agency or instrumentality thereof, including, but not limited to, issue, registration, or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided, however, that the Issuer shall not be liable for, and will not gross-up the payments of interest on the principal amount of the Securities so as to cover any final withholding tax applicable on interest earned on the Securities prescribed under the National Internal Revenue Code of 1997, as amended, and its implementing rules and regulations. Documentary stamp tax on the original issue of the Securities shall be for the Issuer's account. A Security Holder who is exempt from or is not subject to final withholding tax on interest income may claim such exemption by submitting to the relevant Underwriter, together with its Application to Purchase: (i) a copy of the current and valid tax exemption certificate, ruling or opinion issued by the BIR (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time), addressed to the Bondholder, confirming the exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the Corporate Secretary of the Bondholder as being a true copy of the original on file with the Bondholder. The notarized certification indicates that: (a) the exemption certificate is a true copy of the original; (b) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (c) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting said certification's validity; (ii) with respect to tax treaty relief, (a) prior to the payment of the initial interest due, (i) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the BIR, as required under Memorandum Order No. 14-2021, (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign

tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of its authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; and (b) prior to the payment of subsequent interests due, (i) three (3) originals of the submitted new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder’s owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than 1st day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto;

(iii) such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities

The tax treatment of a Security Holder may vary depending upon such person’s particular situation and certain Security Holders may be subject to special rules not discussed above. This summary does not purport to address all the aspects that may be important and/or relevant to a Security Holder. Security Holders are advised to consult their own tax advisers on the ownership and disposition of the Securities, including the applicability and effect of any state, local or foreign tax laws.

Governing Law: Philippine Law

Specific terms related to any tranche of the fixed-rate bonds

Issue Price: The fixed-rate bonds will be issued at 100% of face value.

Fixed-rate Bonds Interest: Interest on fixed-rate bonds shall be calculated on a European 30/360-day count basis and shall be paid quarterly in arrear.

Optional Redemption: The applicable final terms will indicate either that the relevant fixed-rate bonds cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such fixed-rate bonds will be redeemable at the option of the Issuer and/or the fixed-rate bondholders upon giving notice to the bondholders or the Issuer, as the

	case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant underwriters.
Purchase and Cancellation:	The Issuer may at any time purchase any of the fixed-rate bonds in the open market or by tender or by contract at market price without any obligation to purchase (and the bondholders shall not be obliged to sell) fixed-rate bonds pro-rata from all bondholders. Any fixed-rate bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the fixed-rate bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.
Registrar and Paying Agent:	Philippine Depository & Trust Corp.
Listing:	Philippine Dealing & Exchange Corp.

SUMMARY OF THE OFFER

This Prospectus and Offer relate to the Bonds with an aggregate principal amount of Fourteen Billion Pesos (₱14,000,000,000.00), with an oversubscription option of up to Five Billion Pesos (₱5,000,000,000.00). The following summary of the offer does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. A specific time of day refers to Philippine Standard Time.

Issuer:	Ayala Land, Inc.
Issue:	Fixed-rate bonds (the "**Bonds**") constituting the direct, unconditional, unsecured and general obligations of the Issuer
Issue Amount:	Fourteen Billion Pesos (₱14,000,000,000.00) in aggregate principal amount (the "**Base Offer**"), with an Oversubscription Option of up to Five Billion Pesos (₱5,000,000,000.00) (the "**Oversubscription Option**") to be issued in up to two (2) series, at the discretion of the Issuer. The Oversubscription Option is exercisable by the Joint Lead Underwriters and Bookrunners with the consent of the Issuer. The Base Offer will be comprised of: (i) Four Billion Seven Hundred Fifty Million Pesos (₱4,750,000,000.00) Bonds to be issued as the fourth and final Tranche under the Issuer's 2021 Program, and (ii) Nine Billion Two Hundred Fifty Million Pesos (₱9,250,000,000.00) Bonds to be issued as the first Tranche of the 2023 Program. If exercised, the Oversubscription Option will form part of the first Tranche to be issued under the 2023 Program, which would then be comprised of a total of up to Fourteen Billion Two Hundred Fifty Million Pesos (₱14,250,000,000.00), assuming the full exercise of the Oversubscription Option.
Use of Proceeds:	Net proceeds will be used to fund general corporate requirements including capital expenditures and debt refinancing (see "Use of Proceeds").
Joint Lead Underwriters and Bookrunners:	BDO Capital & Investment Corporation, BPI Capital Corporation, China Bank Capital Corporation, East West Banking Corporation, First Metro Investment Corporation, RCBC Capital Corporation, and SB Capital Corporation
Trustee:	Rizal Commercial Banking Corporation – Trust and Investments Group
Offer Period:	The Offer shall commence at 9:00 a.m. on June 13, 2023 and ending at 5:00 p.m. on June 19, 2023, or on such other dates as the Issuer and the Joint Lead Underwriters and Bookrunners may agree upon.
Issue Date:	June 26, 2023, or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such other date as may be agreed upon by the Issuer and the Joint Lead Underwriters and Bookrunners with advice to the SEC, PDTC and PDEx.
Maturity Date:	Series A Bonds: five (5) years from Issue Date Series B Bonds: ten (10) years from Issue Date provided that, in the event that such Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest and principal to be paid.

Interest Rate:	Series A Bonds: 6.0253% per annum Series B Bonds: 6.2948% per annum
Issue Price:	Par or 100% of face value
Interest Payment Date:	Interest on the Bonds shall be calculated on a European 30/360-day count basis and shall be paid quarterly in arrear commencing on September 26, 2023 for the first Interest Payment Date and December 26, March 26, June 26, and September 26 of each year for each subsequent Interest Payment Date while the Bonds are outstanding. In the event that any Interest Payment Date is not a Business Day, such Interest Payment Date shall be paid on the immediately succeeding Business Day without any adjustment to the amount due. The last Interest Payment Date shall fall on the Maturity Date, or the immediately succeeding Business Day if such date is not a Business Day, without any adjustment to the amount due, provided that if the Issue Date is set at a date other than June 26, 2023, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date.

Call Option

The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding Bonds before the Maturity Date on any one of the Interest Payment Dates indicated below (the "**Call Option Dates**"), or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

For the Series A Bonds:

Call Option Dates	Call Option Price
8th to 11th Interest Payment Date	101.50%
12th to 15th Interest Payment Date	101.00%
16th to 19th Interest Payment Date	100.50%

For the Series B Bonds:

Call Option Dates	Call Option Price
20th to 23rd Interest Payment Date	102.50%
24th to 27th Interest Payment Date	102.00%
28th to 31st Interest Payment Date	101.50%
32nd to 35th Interest Payment Date	101.00%
36th to 39th Interest Payment Date	100.50%

The amount payable to the Bondholders in respect of any such redemption shall be calculated as the sum of (i) the Call Option Price applied to the principal amount of the then outstanding Bonds being redeemed and (ii) all accrued interest on the Bonds as of the Call Option Date.

Should the Issuer elect to exercise a Call Option, it shall do so by delivery of an original and three (3) copies of a notice of such exercise to the Trustee, submitted during business hours on a date no earlier than sixty (60) days and no later than thirty (30) days prior to the Call Option Date. Once executed, completed and delivered to the Trustee, a Call Option notice is irrevocable.

Upon receipt of a Call Option notice fully complying with the Terms and Conditions, the Trustee shall notify the Bondholders thereof by transmitting such notice through any of the means prescribed under Paragraph 22(b) of these Terms and Conditions.

	Notwithstanding anything to the contrary, in the event the Issuer has notified the Trustee that it will exercise the Call Option, any interest payment due on the Interest Payment Date immediately preceding the Call Option Date shall be paid on such Call Option Date.
Issue Rating:	The Bonds are rated PRS Aaa by PhilRatings, with a Stable Outlook.

NET PROCEEDS FROM THE OFFER

The net proceeds from the Base Offer of ₱14.00 Billion is estimated to be ₱13.82 Billion after deducting expenses related to the Offer. Said expenses are as follows:

	Total
Estimated proceeds from the sale of the Bonds	**₱14,000,000,000.00**
Less:	
SEC Registration and Legal Research Fee	6,123,185.00
Documentary Stamp Tax	105,000,000.00
Fees to be paid to the Joint Lead Underwriters and Bookrunners:	
Underwriting Fee	52,500,000.00
Advisory Fees	3,157,900.00
Estimated Professional Expenses and Agency fees	8,420,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket expenses	1,000,000.00
Listing Fee	200,000.00
Total Estimated Upfront Expenses	**176,401,085.00**
Estimated net proceeds to Ayala Land	**₱13,823,598,915.00**

The net proceeds from the ₱19.00 Billion Offer (assuming the Oversubscription Option is fully exercised) is estimated to be ₱18.77 Billion after deducting expenses related to the Offer. Said expenses are as follows:

	Total
Estimated proceeds from the sale of the Bonds	**₱19,000,000,000.00**
Less:	
SEC Registration and Legal Research Fee	6,123,185.00
Documentary Stamp Tax	142,500,000.00
Fees to be paid to the Joint Lead Underwriters and Bookrunners:	
Underwriting Fee	71,250,000.00
Advisory Fees	3,157,900.00
Estimated Professional Expenses and Agency fees	9,545,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket expenses	1,000,000.00
Listing Fee	200,000.00
Total Estimated Upfront Expenses	**233,776,085.00**
Estimated net proceeds to Ayala Land	**₱18,766,223,915.00**

A detailed discussion on the proceeds of the Offer appears on the "*Use of Proceeds*" section of this Prospectus.

RISK FACTORS AND OTHER CONSIDERATIONS

GENERAL RISK WARNING

- The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities.
- Past performance is not a guide to future performance.
- An investor deals in a range of investments each of which may carry a different level of risk.

PRUDENCE REQUIRED

The risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. An investor should undertake its, his, her, or their own research and study on the trading of securities before commencing any trading activity. Investors may request information on the securities and the Issuer thereof from the SEC which are available to the public.

PROFESSIONAL ADVICE

An investor should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially those classified as high-risk securities.

RISK FACTORS

*An investment in the Bonds described in this Prospectus involves a certain degree of risk. A prospective purchaser of the Bonds should carefully consider the following factors, in addition to the other information contained in this Prospectus, in deciding whether or not to invest in the Bonds. This Prospectus contains forward-looking statements that involve risks and uncertainties. ALI adopts what it considers conservative financial and operational controls and policies to manage its business risks. ALI's actual results may differ significantly from the results discussed in the forward-looking statements. See section "**Forward-Looking Statements**" of this Prospectus. Factors that might cause such differences, thereby making the offering speculative or risky, may be summarized into those that pertain to the business and operations of ALI, in particular, and those that pertain to the over-all political, economic, and business environment, in general. These risk factors and the manner by which these risks shall be managed are presented below. As the Issuer considers each risk of equal importance, the risks are presented in no particular order.*

RISKS ASSOCIATED WITH THE COMPANY

Public health epidemics or outbreaks of diseases could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect Ayala Land's business, financial condition and results of operations.

As of March 3, 2022, the Philippine Department of Health reported 3,664,905 total cases of the novel coronavirus ("COVID-19") nationwide with 56,538 deaths attributed to COVID-19. The Philippines continues to add thousands of cases reported per day with 989 new cases on March 6, 2022. The Philippines remains vulnerable to exposure and spread of the disease for the following reasons: (a) the considerable number of OFWs globally; (b) the impact of international travel which raises the probability of transmission; and (c) lack of the necessary infrastructure to contain the spread of the disease. In response to the COVID-19 outbreak, the Philippines has imposed community quarantine measures and travel bans on several affected countries, which may have an adverse impact to the Company's ability to operate as efficiently as before COVID-19.

On February 27, 2022, acting Presidential Spokesperson and Cabinet Secretary Karlo Nograles announced the approval of the government's coronavirus task force in placing the capital region under Alert Level 1 from March 1 until March 15. On March 1, 2022, Metro Manila, along with 38 other areas throughout the country, is placed under Alert Level 1 and the coronavirus restrictions would be downgraded to the loosest level nearly two (2) years after the pandemic.

On March 13, 2020, the Office of the President of the Philippines issued a memorandum imposing stringent social distancing measures in the National Capital Region ("NCR" or "Metro Manila") effective March 15, 2020 to contain the spread of COVID-19. Subsequently, Presidential Proclamation No. 929 was issued on March 16, 2020, declaring a State of Calamity throughout the country for a period of six (6) months and at the same time, imposed an enhanced community quarantine ("ECQ") throughout the island of Luzon until April 12, 2020, unless earlier lifted. The ECQ was extended twice, initially up to April 30, 2020 and then until May 15, 2020 for "high-risk" areas such as NCR, Regions 3 and 4 in Luzon and Region 7 in the Visayas.

On May 12, 2020, the Philippine government announced that it will ease quarantine measures in most areas of the country, but extended lockdowns in Metro Manila and select provinces until May 31, 2020, which the government termed as "modified" enhanced community quarantine ("MECQ"). The MECQ was the most stringent of a then new three-tiered quarantine system wherein areas were placed under general community quarantine ("GCQ"), while others under a lighter "modified" general community quarantine ("MGCQ"). On June 1, 2020, Metro Manila was placed under GCQ status. On August 2, 2020, Metro Manila and the provinces of Laguna, Cavite, Rizal and Bulacan were again placed under MECQ effective August 4, 2020 until August 18, 2020. These areas were transitioned back to GCQ after this period. On October 27, 2020, it was announced that NCR would remain under GCQ until November 30, 2020 while most of the country was already under the lighter MGCQ. Metro Manila and other provinces continued to be placed under GCQ until March 2021.

As the Philippines broke its all-time high of daily COVID-19 infections for the fifth time within one week on March 26, 2021, Metro Manila and nearby provinces of Bulacan, Cavite, Laguna and Rizal ("NCR Plus") were again placed under ECQ effective March 29, 2021 until April 11, 2021 to address the exponential rise in COVID-19 cases in the country leading to hospital capacity rates reaching critical levels. The Philippine government subsequently downgraded the lockdown level in NCR Plus, and, together with the City of Santiago, Quirino, and Abra, were placed under MECQ effective April 12, 2021 until May 14, 2021. During MECQ, real estate activities limited to leasing is allowed to operate at full on-site capacity, while real estate activities outside of leasing shall be allowed to operate at 50% on-site capacity. From August 6, 2021 to August 20, 2021, NCR Plus was once again placed under ECQ. The Government downgraded Metro Manila to MECQ from August 21, 2021 to September 15, 2021. Starting September 16, 2021, the Philippine government reduced the community quarantine to either ECQ or GCQ with the latter having an alert-level system (Alert Level 1 to 4) with each alert level limiting restrictions only to identified high-risk activities. On September 16, 2021, Metro Manila was placed under GCQ with Alert Level 4. Effective October 16, 2021 to November 4, 2021, Metro Manila was placed under GCQ with Alert Level 3. With the slowdown of COVID-19 cases and to further ease the allowed activities and movement, the Philippine government reduced Metro Manila's Alert Level to 2 from November 5, 2021 to January 2, 2022. With the increasing number of COVID-19 case due to the omicron variant, Metro Manila was placed under Alert Level 3 effective January 3, 2022 to January 31, 2022. For the entire month of February 2022, Metro Manila was on Alert Level 2.

On February 27, 2022, with the declining number of COVID-19 cases in the country, the Philippine government announced that it will ease restrictions in most areas, placing NCR and thirty-eight other areas under Alert Level 1 from March 1 to 15, 2022, subject to the imposition of granular lockdowns and without prejudice to minimum public health standards and health and safety protocols issued by national government agencies for specific sectors. NCR and other areas remain in Alert Level 1 until June 15, 2022.

As of the date of this Prospectus, President Marcos has not appointed a Department of Health Secretary. NCR remains under Alert Level 1 while other areas in the Philippines has been declared by as under Alert Level 2. Given the uncertainty of a resurgence of COVID-19 in the Philippines and the inadequate preparation against a possible mutation of COVID-19, Ayala Land's performance and business and financial results may be adversely affected.

Government quarantine measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve. In particular, the ECQ has adversely impacted (a) the completion of Ayala Land's projects as construction is not an activity given priority under the government guidelines, and (b) Ayala Land's ability to collect and generate rental income, which could negatively impact its cash flows. Due to the imposition of an ECQ, foot traffic in malls and occupancies in the Company's hotels have declined. With respect to the Company's malls, only tenants providing essential services, such as pharmacies, food-related outlets and supermarkets, which account for approximately 10% of the gross leasable area, were allowed to remain open in 2020. Only such establishments were able to pay rent during such periods in 2020 when ECQ was implemented. With the reimposition of stricter quarantine restrictions from August 6 to 20, 2021, 75% of the Company's malls gross leasable area will be under under the strictest ECQ classification wherein only essential tenants are allowed to operate. Furthermore, hotels occupancy as of December 31, 2021 was 45%. During the strictest ECQ, these accommodated BPO employees working nearby as well as healthcare professionals. They are also catering to returning overseas Filipinos for quarantine requirements.

As a consequence of COVID-19, sales velocity in 2020 and in first half of 2021 slowed down resulting in the increased inventory. The Company is already prepared to launch ₱100.0 Billion worth of projects this year as velocity improves. However, the Company may decide to reduce the launches if there will be slowdown in demand given the reimposition of stricter quarantine levels. Further, the Company made several adjustments in 2020 to boost productivity in its construction business despite manpower restrictions. The Company started enhancing and intensifying its strategies which improved productivity on several scopes of work from then 60 to 65 % to the current 82 to 85%.

With the continuing threat of the omicron variant of COVID-19, the Company believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain. The possible reimposition of stricter forms of quarantine measures due to rising COVID-19 cases may have an adverse effect on economic activity in the Philippines, and could materially and adversely affect Ayala Land's business, financial condition and results of operations.

The Company has taken measures to manage the risks and uncertainties brought about by the outbreak, including adequate support to safeguard the well-being of its employees, ensuring effective work from home set-up such that the organization is able to function through the quarantine period, working alongside other Ayala Group companies towards the rollout of the Ayala Vaccine and Immunization Program for its employees, continued assessment, monitoring and safeguarding of its overall cash and credit position, and close coordination with the vendors for its projects under construction to manage impact of lockdown procedures. In 2022, 2021 and 2020, the Company granted rent concessions to its tenants which were affected by the community quarantine imposed by the government amounting to ₱2.4 Billion, ₱7.2 Billion and ₱6.2 Billion, respectively.

Ayala Land has acknowledged the effects of COVID-19 as a prominent source of risk which affected its business in 2020 with spillover effects to 2021. The Company, as early as January 2020, has monitored the situation in Wuhan, China and flagged the virus as a potential emerging risk. With the escalation of the COVID-19 pandemic, the Company mobilized the business units to revisit their respective business continuity plans ("BCP") to mitigate the risk impact to operations. Ayala Land observes national and local government advisories and directives as well as the best practices conveyed by the World Health Organization ("WHO") and the Philippine Department of Health ("DOH"). The Company strictly follows the guidelines set by the national and local government agencies to support its endeavor to stem the spread of the COVID-19 virus. Pandemic events usually have a long gestation and pose a greater risk of exposing personnel and negatively impacting business operations. Each business unit reviewed loss scenarios under their business continuity plans such as: (1) loss of premises or day-to-day workplace; (2) loss of critical people; and (3) loss of critical third-party service providers for an extended period of time.

Ayala Land faced 2022 with optimism on the expected return of economic activity as mobility increased. However, the emergence of the COVID-19 Omicron variant in the first quarter created a setback, introducing uncertainty to what could have been a clear growth trajectory. Despite these challenges, the country's successful vaccination campaign led to a significant decrease in COVID-19 cases, allowing the government to ease quarantine restrictions starting in May 22 and allowing the country to return to a path of full reopening.

As quarantines were swiftly loosened, the country was back on track to reopen fully. The full-year GDP growth of 7.6% beat analyst estimates, buoyed by strong domestic consumption. The country also benefitted from Overseas Filipino remittances of US$36.1 Billion, up 4%, and the contribution of BPO revenues of US$32.5 Billion, 10% higher year-on-year. These drivers were offset by high inflation and interest rates, which businesses like ours had to navigate and adjust to.

The macroeconomic headwinds did not deter Ayala Land from posting strong financial results. The reopened economy also allowed us to expand our nationwide footprint by launching two new estates: Areza and Crossroads. Furthermore, we expanded the reach of our Alagang AyalaLand program, which now supports close to 1,600 social enterprises (SEs) across Ayala Malls nationwide.

Ayala Land continues to monitor and evaluate developments relating to COVID-19 to develop contingency measures.

Ayala Land faces a highly competitive business environment

Ayala Land is subject to significant competition in each of its principal businesses. Competitive pressure is expected to remain as large property developers focus on the value-conscious middle market. Sustained demand growth is not likely to occur without real improvement in employment and real incomes. However, Ayala Land believes that, at present, there is no single property company that has a significant presence in all sectors of the property market.

Ayala Land competes with other developers and developments to attract purchasers of land and residential units, office and retail tenants as well as other construction and property management firms, and hotel operators.

To manage this risk, the Company continues its active land acquisition and development activities in key growth centers and its aggressive build-up of recurring income within tried and tested estates through its integrated mixed-use model versus pocket developments. Particular to the leasing business, one of the major drivers of competition is the Company's ability to attract and retain merchants and tenants – which is generally dependent on the location of the leasing properties, price offerings to the tenants and merchants, as well as the quality of service provided by the Company's property management team. And for this, the Company continues to do the following: (1) active land acquisition in key geographies and partnering with other developers; (2) continue current mixed-use model versus pocket developments; (3) gathering market intelligence and translating information into competitive proposals; and (4) strong push for the timely opening of new properties / developments, among other control activities and procedures.

Land, Residential

With respect to land, condominium and office sales, Ayala Land competes for purchasers primarily on the basis of reputation, reliability, price and the quality and location of the community in which the relevant site is located. With respect to its horizontal residential housing developments, Ayala Land competes for buyers based on quality of projects and reasonable pricing of units.

(a) High-end residential

Ayala Land continues to be the leader in the high-end residential market. It competes with a price premium over other high-end developers but justifies it with superior locations, workmanship quality, and overall reputation in the real estate industry. Through these, it has been able to keep well ahead of other high-end players.

Real estate has always been a major investment vehicle for the affluent. However, in a volatile environment, such as the recent financial crisis and the subsequent global economic downturn, the high-end market tends to "wait and see," or they simply choose to place their money in other investment instruments. As of December 31, 2022, AyalaLand Premier ("**ALP**") recorded revenues of ₱21.44 Billion, 4% higher than the previous year, attributed to higher percentage-of-completion ("**POC**") of Andacillo in Nuvali, Lanewood Hills in Silang, Cavite and Parklinks North Tower in Quezon City.

Ayala Land has mitigated the market risks it faces through carefully planned project launches, clear product differentiation, product innovation, and increased market expansion through overseas sales and new segments.

(b) Upscale, residential

In the upscale market segment, Alveo posted revenues of ₱15.52 Billion, an 18% growth from ₱13.12 Billion, owing to higher incremental POC in Corvia at Alviera and Ametrine at Portico, and higher bookings in Parkford Suites in Makati.

(c) Middle-income residential

Avida totaled ₱12.18 Billion in revenues, 10% lower than ₱13.51 Billion due to lower bookings from Avida Towers Sola in Vertis North Quezon City, Riala in Cebu IT Park, Cebu City, Avida Towers Vireo in Arca South, and almost sold-out inventory in Avida Towers Turf in BGC.

(d) Socialized and Economic Housing

Ayala Land entered the socialized housing segment in 2012 with the launch of Amaia Scapes in Laguna under the Company's Subsidiary, Amaia Land Corp., carrying the brand Amaia. For the fiscal year ended December 31, 2022, Amaia meanwhile posted ₱6.90 Billion in revenues, a 52% jump from ₱4.55 Billion due to higher bookings in Scapes General Trias Sectors 3 and 4 in Cavite, Skies Avenida Tower 2 in Sta. Cruz, Manila and Skies Shaw Tower 2 in Mandaluyong City.

In terms of economic housing, Ayala Land formally launched its first socialized housing project in 2012 under the BellaVita brand in Cavite from Subsidiary, BellaVita Land Corp. Ayala Land, through BellaVita, partnered with the Department of Human Settlements and Urban Development (DHSUD) and various local government units to build housing and community-building projects. In partnership with the Department of Agrarian Reform, BellaVita provided 184 houses for the department's BALAI Farmers Housing program. The repair and reconstruction of three mosques in Marawi City, destroyed by Daesh-inspired terrorism in 2017, was undertaken with DHSUD. BellaVita recognized revenues of ₱317 Million, a 72% decline from ₱1.15 Billion due to sold out inventory in its project in Tayabas, Quezon Province and Lipa, Batangas and lower bookings in Cabanatuan.

MCT Bhd contributed revenues of ₱2.76 Billion, 29% lower from ₱3.88 Billion, mainly due to sold out inventory of nearly completed legacy projects and early-stage completion of newly launched projects (Aetas and Casa Bayu).

Positive factors spurring interest because of their long-term effects in the real estate industry are the:

- Infrastructure, highway and railway projects within Metro Manila and nearby provinces;
- Increasing purchases by the overseas-based Filipino market due to marketing and promotions by various developers;
- Availability of financing from the Home Development Mutual Fund ("**Pag-IBIG**"); and
- Relatively low mortgage rates and longer maturities.

Office for Sale

With respect to its office rental properties, Ayala Land competes for tenants primarily based on the quality and location of the relevant building, the reputation of the building owner and operator, the quality of support services provided by the property manager, and rental and other charges. Under the current environment, lease rates and occupancy levels are under pressure in the Makati CBD where Ayala Land office buildings are located.

Revenues from the sale of office units declined by 28% to ₱2.79 Billion in 2022 from ₱3.85 Billion in 2021 due to the full completion of Alveo's Park Triangle Tower at BGC and moderate take-up on remaining inventory.

Commercial and Industrial Lots

Revenues from the sale of commercial and industrial lots surged by 54% to ₱12.65 Billion in 2022 from ₱8.24 Billion due to strong investor demand at Arca South, Nuvali, and Broadfield estates.

Sales Reservations

With resilient demand amid the higher interest-rate environment, the Company registered ₱104.89 Billion in reservation sales, 14% better than last year. Fourth-quarter sales jumped by 24% to ₱27.57 Billion. Sales from local Filipinos comprised 66% of the total at ₱69.19 Billion, 1% higher than last year. This was complemented by sales to overseas Filipinos of ₱23.03 Billion and other nationalities at ₱12.67 Billion, with a 22% and 13% share, respectively. Sales from overseas Filipinos and other nationalities surged by 59% and 39%, respectively. On sales from other nationalities, 63% were sales to Americans at ₱7.95 Billion, 47% higher year-on-year. Meanwhile, sales to Chinese buyers declined by 40% to ₱730 Million, comprising only 6% of sales to other nationalities and only 1% of total sales reservations.

Commercial Leasing

This segment covers the operation of shopping centers, office buildings, hotels and resorts, standard factory buildings and warehouses, and co-working spaces. Total revenues from commercial leasing accelerated by 62% to ₱33.39 Billion with normalized mall rents and foot traffic, the contribution of new office spaces, and higher hotel room rates.

With respect to its retail properties for lease, Ayala Land competes for tenants primarily based upon the ability of the relevant retail center to attract customers, which generally depends on the quality and location of, and mix of tenants in, the relevant retail center and the reputation of the owner and/or operator of the retail center, as well as rental and other charges. Some competing shopping centers are located within relatively close proximity of each of Ayala Land's commercial centers.

Shopping centers

With foot traffic and mobility resurgence shopping centers revenues more than doubled to ₱16.08 Billion. The average occupancy rate for all malls is 81% and 84% for stable malls. Total Malls GLA stands at 2.1 Million sqm.

Offices

Revenues from office leasing grew by 13% to ₱11.12 Billion primarily coming from the revenue contribution of One Ayala East and West Towers. The average occupancy rate for all offices is 88%. Total office leasing GLA is at 1.36 Million sqm.

Hotels and Resorts

Revenues from hotels and resorts also doubled to ₱6.19 Billion boosted by higher room rates. The average occupancy for all hotels and resorts were at 59% and 29%, respectively. The hotels and resorts segment ended 2022 with a total of 4,058 rooms.

The hotels and resorts business manages 660 hotel rooms in its international brand segment – 312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, both of which are in the Ayala Center, Makati CBD.

There are 11 Seda Hotels, operating 2,804 rooms – Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (242); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214). The Circuit Corporate Residences, which falls under a different model and thus, not part of the Seda portfolio, is operating 255 rooms.

El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 70 rooms under its Bed and Breakfast ("B&B") and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 76 B&B rooms.

Services

This is composed mainly of the construction business represented by Makati Development Corporation ("**MDC**"), property management through Ayala Property Management Corporation, and other companies engaged in power services such as Direct Power Services, Inc. ("**DPSI**"), Ecozone Power Management, Inc. ("**EPMI**") and Philippine Integrated Energy Solutions, Inc. ("**PhilEnergy**") and airline for the hotels and resorts business, AirSWIFT. Total revenues amounted to ₱8.42 Billion in 2022, 32% higher than the previous period.

Construction

Ayala Land's construction business is exposed to any potential sector-wide slowdown in construction activities.

Notwithstanding stiff competition in the industry, Ayala Land intends to maintain and enhance its position as the leading property developer in the Philippines by continuing its over-all business strategy of developing large-scale, mixed-use integrated communities within growth centers that perpetuate its strong market presence while ensuring a steady revenue growth for the Company. Ayala Land further intends to diversify its revenue base by expanding its real estate business into different markets, specifically the economic and socialized housing segments where bulk of consumer "end-user" demand lies, and geographic areas and growth centers across the country where there are significant growth opportunities or where its proposed developments complement its existing businesses.

As the Company continues to expand its footprint all over the country, continuing pressures are felt on the following areas, among others: maintaining developmental costs within competitive levels, getting qualified and reliable contractors and suppliers in the market, and ensuring that quality standards are consistently being enforced across all projects in different geographies.

Standardization and streamlining of processes to achieve increased operating efficiencies, complete partnering agreements on critical materials with suppliers, aggregation, advance buying for critical commodities to avoid delays, and continuous external sourcing are among the major mitigation activities being done by the Company to meet project execution and delivery targets.

On top of these, the Company is continuously improving its self-perform and self-manufacture capabilities for better quality control in its developments.

Net construction revenues totaled ₱4.24 Billion in 2022, an increase of 8% from the revenues in 2021 at ₱3.91 Billion.

Property Management, AirSwift and Others

APMC, AirSwift and power services companies combined revenues accelerated by 70% to ₱4.18 Billion due to higher AirSwift patronage, parking usage and retail energy demand.

Industrial Property, Factory Buildings and Warehouse Business

The prospects are bright for industrial and real estate logistics. Ayala Land through its Subsidiary AyalaLand Logistics Holdings Corp. (ALLHC) will aggressively grow this space, expanding warehouses and industrial and logistic hubs in the short term to maintain its leadership in this segment.

Laguna Technopark, a development of Ayala Land's indirect subsidiary, Laguna Technopark, Inc. ("**LTI**"), remains the preferred location for locators and has been successfully expanding its offerings at a time when industrial parks in the Calabarzon area have been experiencing the effects of an oversupply of manufacturing and processing facilities.

Cavite Technopark is the newest industrial park development located in Naic, Cavite, with an initial area of 118 hectares. Similar to Laguna Technopark, Cavite Technopark will cater to manufacturing locators that specialize in electronics, automotive, consumer products, food processing and pharmaceuticals.

At full development, the locator companies of Cavite Technopark are expected to generate employment for over 20,000 employees.

Alviera Industrial Park is an economic zone with first-class facilities that aims to spur economic growth in Central Luzon. Expansion plans for the said industrial park were announced in January 2018 due to strong sales take-up of the industrial lots during the initial phase, growing from 32 to 64 hectares. The industrial park will also now cater to both non-PEZA and PEZA-registered industries. It will feature 16 lots ranging from 1 to 1.4 hectares and 3 clusters of ready-built standard factory buildings. The second phase has 22 one-hectare lots (for a total of 38 locators) that may generate up to 1,500 new jobs, contributing to the ever-growing economy of Pampanga as well as that of Central Luzon.

Both Laguindingan and Pampanga Technoparks were launched in 2019. Laguindingan Technopark in Habini Bay, Misamis Oriental is envisioned to be a new logistics hub in Northern Mindanao while the 192-hectare Pampanga Technopark paves the way in making Mabalacat City a new growth center in Central Luzon.

In May 2022, ALLHC acquired a 55-hectare land parcel in Padre Garcia, Batangas for the development of the future Batangas Technopark, making it ALLHC's fifth industrial estate.

ALLHC continued to expand its ALogis brand of standard factory buildings and warehouses to address the growing demand for industrial ready-built facilities. It added a total 17,000 square meters of GLA in ALogis Biñan at the Laguna Technopark and ALogis Calamba at the Lepanto Industrial Complex, growing its portfolio to 224,000 square meters as of end-2021.ALLHC ended the year with a total warehouse GLA of 309,000 sqm, a 38% growth since last year, with deliveries from ALogis Sto. Tomas and ALogis Naic.

ALLHC broadened its warehouse offering with its entry into cold storage through the ALogis Artico brand. In 2021 it acquired two (2) existing facilities within Laguna Technopark, with a combined pallet position of 7,300 in April and December. In December 2022, ALLHC secured 3,000 pallet positions, increasing its pallet position count by 42% to 10,300. With both cold and dry storage capabilities, ALogis aims to be the full-range brand of choice for real estate logistics.

Ayala Land’s leverage creates a number of operating risks and might affect its ability to repay the Securities

The increase in debt of Ayala Land could have certain adverse consequences. For example, it could:

- reduce Ayala Land’s ability to service its existing debt obligations, including the Securities;
- affect Ayala Land’s ability to obtain additional financing for working capital, capital expenditures, debt service and other purposes;
- require Ayala Land to divert a substantial portion of its cash flow from operations to debt service;
- affect Ayala Land’s flexibility in reacting to and taking advantage of developments and opportunities in the Philippine economy, the Philippine property development industry and its business; or
- place Ayala Land at a competitive disadvantage to its competitors that have less debt.

As of December 31, 2022, Ayala Land’s consolidated short-term and long-term debt amounted to an aggregate of ₱236.04 Billion, ₱119.43 Billion of which were evidenced by public instruments.

Ayala Land’s ability to refinance or repay its debt depends on its successful financial and operating performance, which will be affected by a number of factors, many of which are beyond its control. If Ayala Land is unable to refinance its debt, obtain necessary waivers or obtain new financing under these circumstances, Ayala Land would have to consider other various financing options such as sale of assets, procuring additional capital and other options available to Ayala Land under applicable law. Ayala Land might also have to modify, delay or abandon its development and expansion plans. See discussions under “Management’s Discussion and Analysis of Financial Condition” and “Results of Operation” of this Prospectus.

The Company has stringent monitoring mechanisms in place designed to manage its debt levels and to ensure that these are within sustainable limits. The Company also actively tracks its inventory levels, accounts receivables and its contingent liability, all the while ensuring flexibility in its planned launches to adjust to operating and market conditions.

Ayala Land's business may be affected by the risk posed by an asset price bubble

Inherent to any property market is the risk posed by an asset price bubble. This situation arises when a gross imbalance between demand and supply causes an unusual increase in asset prices and as supply begins to outstrip demand, a drastic drop in prices ensues causing the proverbial bubble to burst.

In the domestic market, the current property boom has been fueled by both business and public confidence which in turn is driven by a number of factors including the robust domestic economy, low interest rates that support both business expansion and domestic consumption underpinned by a young demographic profile, moderate but consistently growing remittances from Overseas Filipino Workers, and the Philippines' success as a choice Business Process Outsourcing destination.

These factors alongside the prudential measures put in place by the Bangko Sentral ng Pilipinas to safeguard the health of the local financial system point to the Philippine property market being adequately protected against a domestic asset price bubble. For its part, the Company has embarked to achieve a balanced portfolio of (i) residential businesses, which thrive on robust economic periods, and (ii) leasing businesses, which have proven to be more resilient across economic cycles thus providing some cushion between periods of economic trough. The Company's expansion of its residential businesses has likewise allowed it to cater to both the economic and socialized housing segments where the country's housing backlog primarily occurs thus tapping into another source of demand for its residential products.

The prospects of Ayala Land may be influenced by major political and economic developments abroad.

The growth and profitability of Ayala Land may be influenced by major political and economic developments, which may have a negative effect on the operations and financial results of Ayala Land and the level of dividends paid and distributions made by Ayala Land's Subsidiaries.

On February 21, 2022, Russian president Vladimir Putin announced that Russia recognizes the independence of two (2) pro-Russian breakaway regions in eastern Ukraine. On February 22, 2022, the Russian Federation Council unanimously authorized the use of military force, and the entry of Russian soldiers into both territories. On February 24, 2022, places across Ukraine, including Kyiv, the national capital, were struck with missiles. The Ukrainian Border Guard reported attacks on posts bordering Russia and Belarus. Shortly afterwards, Russian Ground Forces entered Ukraine prompting Ukrainian President Volodymyr Zelenskyy to enact martial law and general mobilization (the "**Russo-Ukrainian War**"). While the Company does not expect any material impact from the ongoing Russo-Ukrainian War on its current and future businesses, the war may affect oil and commodity prices in the near to medium term.

Any political or economic developments of a local to a global scale could impact prices in general and disrupt supply chains, which could in turn increase the Company's costs for the construction of its future projects. The Company continuously monitors such developments abroad and will assess any direct and indirect impact that the Russo-Ukrainian War and the Philippine elections may have on its current and future businesses.

Further, on May 09, 2022, the Philippines held its national and local elections, which includes most notably the presidential elections. Historically, the Philippine Stock Exchange Index has provided gains to its investors in the six months following a presidential election. However, in the lead up to the 2022 elections, investors saw uncertainty given the highly polarized political environment. Moreover, market sentiment had dampened amidst rate hikes by the US Federal Reserve in early May. Due to political uncertainty many investors are deferring their investment decisions, while some foreign investors have withdrawn from Philippine equities in 2022. Any disruptions of the credit and equity markets may impede or prevent access to the capital markets for additional funding to expand the Company's business and may affect the availability or cost of borrowing. While the Company also seeks to obtain funding from counterparty banks through credit facilities other than capital markets, if the Company is unable to obtain the required funding, the Company will have to adjust its business plans and strategies, which may adversely affect the Company's future prospects, market value and results of operations.

Ayala Land is subject to certain debt covenants

The Bond Agreements and agreements for certain debts of Ayala Land contain covenants that limit its ability to, among other things:

- incur additional long-term debt to the extent that such additional indebtedness results in a breach of a required debt-to-equity ratio;
- materially change its nature of business;
- merge, consolidate, or dispose of substantially all its assets; and
- encumber mortgage or pledge some of its assets.

Complying with these covenants may cause Ayala Land to take actions that it otherwise would not take or not take actions that it otherwise would take. Ayala Land's failure to comply with these covenants would cause a default, which, if not waived, could result in the debt becoming immediately due and payable. In this event, Ayala Land may not be able to repay or refinance such debt on terms that are acceptable to Ayala Land or at all. See discussions under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of the Bonds," of this Prospectus.

Ayala Land has historically taken a prudent stance in managing its debt obligations by ensuring that any corporate act, whether or not performed in the ordinary course of business, does not violate any existing debt covenants. In the event that any significant corporate act or business transaction is seen to potentially affect its debt covenants that would lead to accelerating the payment of existing debt, Ayala Land shall endeavor to obtain the necessary waivers in accordance with relevant debt agreements.

The occurrence of certain events of default under Ayala Land's other debt could affect Ayala Land's ability to repay the Securities

A significant portion of the debt of Ayala Land contains terms which allow a lender to accelerate Ayala Land's debt if any event or change in circumstances occurs which, in the sole opinion of such lender, would materially impair Ayala Land's ability to repay its debt. If any amount outstanding were to be accelerated, it could potentially trigger a cross-default under substantially all of the Company's debt. In which case, it may not be able to perform its payment obligations under the Securities. As of March 31, 2023, ₱186.41 Billion of the Company's outstanding debts (equivalent to 94% of its total debt) contain an acceleration clause.

Ayala Land has not defaulted in any of its debt obligations and has maintained a rating of PRS Aaa with PhilRatings on its bond issuances since 2012. It intends to continue its strategy of compliance with its debt obligations by adopting the necessary internal controls in financial management and adopting good corporate governance policies that will ensure that transactions do not violate debt covenants.

The Securities may be subordinated to other debt

Under Philippine law, in the event a borrower submits to insolvency or liquidation proceedings in which the borrower's assets are liquidated, unsecured debt evidenced by a public instrument, as provided in Article 2244(14) of the Civil Code of the Philippines will rank ahead of unsecured debt not evidenced by a public instrument. Debt becomes evidenced by a public instrument when it has been acknowledged by the creditor and the debtor before a notary or any person authorized to administer oaths in the Philippines. Although the position is not clear under Philippine law, it is possible that a *jurat* (a statement by one party of the circumstances in which an affidavit was made) may also be sufficient to make a document a public instrument. Accordingly, it may be possible for debt to become evidenced by a public instrument through the unilateral action of a creditor without the knowledge of the borrower.

Any such debt may, by mandatory provision of law, rank ahead of the Securities in the event of the insolvency or liquidation of Ayala Land. Ayala Land has secured the waiver by the creditors of such preference in their respective debt instruments. However, should any bank or bondholder hereinafter have a preference or priority over the Securities as a result of notarization, then Ayala Land shall at its option, either procure a waiver of the preference created by such notarization or equally and ratably extend such preference to the Securities as may be practicable.

Notwithstanding the foregoing, investors are assured of Ayala Land's continuing track record of prudent financial management which has allowed it to be in a net debt-to-equity ratio of 0:76:1 as of December 31, 2022. Thus, in the unlikely event that Ayala Land is dissolved, there will be sufficient assets for disposition that will meet all its debt obligations, whether secured or unsecured.

Ayala Land from time to time considers business combination alternatives

Although Ayala Land's loan covenants contain certain restrictions on business combinations, Ayala Land will be able to engage in certain types of combinations. Business combinations involve financial and operational risks and could result in significant changes to Ayala Land's operations, management and financial condition. These changes could adversely affect Ayala Land's ability to fulfill its obligations under the Securities and reduce the value of the Securities.

Ayala Land takes into consideration its existing debt obligations and concomitant debt covenants in making any major business investments or acquisitions. Any financial commitments under such business combinations are evaluated in terms of the inflow of revenues of such projects and their ability to service their own financial requirements once fully operational.

As will be further discussed herein, in view of the usual volume of the Issuer's transactions, mergers or acquisitions, it would be highly likely that the Issuer will meet the notification threshold under the Philippine Competition Act ("PCA") and its Implementing Rules and Regulations, and the Rules on Merger Procedure (collectively the, "Merger Rules").

The restriction on business combination alternatives under Ayala Land's loan agreements, requires the Lender's written consent in case (i) Ayala Land will not be a surviving entity in case of a merger, (ii) dispose of all or substantially all of its assets except in the ordinary course of its business (except when made as a contribution to REIT).

Alternative business combinations which Ayala Land considers from time to time is the consolidation of its businesses, such as merger of Cebu Holdings, Inc., Asian-I-Office Properties, Inc., Arca South Commercial Ventures Corp., and Central Block Developers, Inc. with and into Ayala Land, with the Ayala Land as the surviving entity.

Successful development of Ayala Land's projects is dependent on various factors

There is no certainty that Ayala Land's current and future projects will be implemented as planned and within the projected timetable. Real estate developments are subject to risks such as delays in obtaining financing and/or finalizing project plans and/or obtaining approvals, increases in construction costs, natural calamities and/or market downturns hereinafter described. Ayala Land's future financial performance may be significantly affected by factors that limit its ability to finance and complete its current and future projects in a timely and cost-effective manner and to market them successfully.

Ayala Land continually looks for growth opportunities in different market segments and geographic areas in order that any negative impact on a particular market segment or geographic area by reason of political, economic or other factors will allow it to pursue its projects or other developments not affected thereby, thus, providing it with a steady revenue base.

Ayala Land's business is affected by regulation in the Philippines

Ayala Land operates a material part of its businesses in a regulated environment. Ayala Land is subject to numerous environmental laws and regulations relating to the protection of the environment and human health and safety. These include laws and regulations governing air emissions, water and waste water discharges, odor emissions and the management and disposal of, and exposure to, hazardous materials.

Ayala Land cannot predict what environmental or health and safety legislation or regulations will be amended or enacted in the future; how existing or future laws or regulations will be enforced, administered or interpreted; or the amount of future expenditures that may be required to comply with these environmental or health and safety laws or regulations or to respond to environmental claims.

The Housing and Land Use Regulatory Board ("**HLURB**") Resolution No. 926 series of 2015, or the "Revised Implementing Rules and Regulations to Govern the Time of Completion of Subdivision and Condominium Projects under P.D. No. 957" ("Resolution 926"), was promulgated to narrow the grounds to grant additional time to complete a given project. Ayala Land endeavors to complete its projects within the time granted by HLURB, now Department of Human Settlements and Urban Development ("**DHSUD**") in the Licenses to Sell of the projects.

DHSUD issued Department Order (DO) No. 10-2020, which grants a one-time one-year extension for all projects, which have been delayed or affected by the COVID-19 pandemic, with original completion date of March 2020 onwards. Further, DHSUD issued DO No. 2021-009, providing for an additional period of one (1) year for projection completion, reckoned from the end of the time of completion of the project as indicated in the license to sell or availed under DO No. 10-2020.

Ayala Land, through its construction and property management arms, aims to keep itself abreast of the latest technologies that enable it to implement existing sanitation, environment and safety laws and regulations at cost-efficient means, a strategy which has earned Ayala Land awards from several local and international organizations.

Moreover, through its wholly-owned MDC, Ayala Land is able to rely upon forty-three (43) years of experience in engineering, and an array of construction-related services including construction management, procurement and construction equipment management for the timely delivery of its various projects in accordance with safety and quality specifications.

Ayala Land may be affected by the Comprehensive Tax Reform Program and other tax regulations

On December 19, 2017, the President of the Philippines signed into law the Tax Reform for Acceleration and Inclusion or Republic Act No. 10963 ("TRAIN Law") which took effect on January 1, 2018. The TRAIN Law amends certain provisions of the Tax Code and is the first package of the Comprehensive Tax Reform Program ("CTRP") of the Duterte administration. The relevant changes of the TRAIN Law are incorporated in the section titled "Philippine Taxation" of this Prospectus.

Package 2 under the CTRP is Republic Act No. 11534 otherwise known as the Corporate Recovery and Tax Incentives for Enterprise Act (previously the CITIRA bill or the TRABAHO bill) ("CREATE Act"). The CREATE Act intends to incentivize businesses by reducing corporate income tax, among others. The CREATE Act was signed by the President on March 26, 2021 and became effective on April 11, 2021.

Upon the effectivity of the CREATE Act, the following amendments introduced by the CREATE Act to the Tax Code that will have a material impact on Ayala Land include the following:

a. For domestic corporations with net taxable income of more than ₱5 Million and total assets (excluding land on which the corporation's office, plant, and equipment are situated) of more than ₱100 Million shall be subject to a reduced corporate income tax rate of 25% effective July 1, 2020. Domestic corporations with net taxable income of more than ₱5 Million and total assets (excluding land on which the corporation's office, plant, and equipment are situated) not exceeding ₱100 Million shall be imposed with a corporate income tax of 20% effective July 1, 2020. Prior to the CREATE Law, domestic corporations are subject to a 30% regular corporate income tax rate;

b. Foreign sourced dividends shall only be exempt from taxation if the funds from such dividends actually received or remitted into the Philippines are reinvested in the business operations of the domestic corporation within the next taxable year from the time the foreign-sourced dividends were received and shall be limited to funding the working capital requirements, capital expenditures, dividend payments, investment in domestic subsidiaries, and infrastructure projects; provided that the said domestic corporation holds directly at least 20% of the outstanding shares of the foreign corporation and has held the shares for at least two (2) years at the time of the dividend declaration; and

c. Minimum corporate income tax shall be imposed on domestic and resident foreign corporations at a rate of (i) 1% of gross income effective July 1, 2020 until June 30, 2023, and (ii) 2% thereafter.

Under package 4 of the CTRP, the Department of Finance reportedly proposes to lower the rate of transaction taxes on land, including DST, transfer tax and registration fees, centralize and rationalize valuation of properties, increase valuation of properties closer to market prices, review property valuations every three (3) years and adjust accordingly. While package 4 aims to lower the rate of transaction taxes on land, the increase in valuation could lead to an increase in the taxes to be paid by Ayala Land.

The expiration, non-renewal, revocation or repeal of these tax exemptions and tax incentives, the enactment of any new laws, and any associated impact on Ayala Land, could have an effect on the Ayala Land's business, financial condition and results of operations.

Operational and Physical Risk Factors in Ayala Land's Business

Just like any other business, Ayala Land is not exempt from the various risks associated with property development and operational management. It is however cognizant of the fact that a thorough understanding of risks, its complexities and continuous improvement in design and business operations is key to better abatement of risks and ensuring leadership in the industry.

Since the inception of the Company's risk management program, the Management has consistently emphasized the need for a higher level of safety and security awareness and diligence to ensure customers have pleasant experiences in our shopping centers and other managed properties and estates.

The importance of adequate and effective maintenance practices and procedures is always advocated to prevent serious and unscheduled operational losses such as equipment breakdown and to maintain quality standards in our owned and managed properties. In 2020, MDC and three of its subsidiaries successfully passed their respective surveillance audits for ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management), and ISO 45001:2018 (Occupational Health and Safety). Meanwhile, APMC was recertified for ISO 9001:2015 (Quality) and ISO 14001:2015 (Environmental) and successfully migrated its OHS management system from OHSAS 18001:2007 to ISO 45001:2018, without any exception during the external certification audit. APMC implemented an eight-point program to effectively manage its properties and communities. Called APMC SAFE 8, the program focuses on protecting the property, preparing the workforce, protecting frontliners, contactless access control, social distancing, reduction of touch points, communication, and working with partners and customers.

Product and service quality and safety risks are also relatively high in ongoing construction projects from safety-related incidents up to quality or workmanship issues. In 2020, the Company achieved a 0.1 Total Disabling Injury Rate (TDIR) covering 77 Million total man-hours worked through continuing emphasis on safety. For 2021, MDC is targeting to achieve a TDIR of 2 for every 1 Million man hours, better than the US Bureau of Labor Statistics rate of 3. Likewise, it has attained a 92% Safety Maturity & Engagement, a rating that is higher than global norms, based on Employee Health and Safety survey conducted by Towers Watson. By year-end, 73 projects had achieved at least 1 Million safe man-hours each. Property management and operations achieved zero disabling injuries and an additional 1 Million safe man-hours. This is made possible through the strengthened controls and mitigation activities being employed by the Company.

Among such controls are (1) adequate supervision and safety inspections for all critical and hazardous activities; (2) ensuring that workers are provided with pre-activity trainings on safety before any construction work can commence; (3) empowering the Safety Officers to declare work stoppage and to override project managers if they see that things are not being done in accordance with the Company's safety standards and practices; (4) stricter monitoring of all EHS permits and licenses for all projects; and (5) engagement of MDC for project supervision even for projects that are sub-contracted to third parties.

On May 31, 2013, an explosion occurred inside a residential unit in Section B, Two Serendra. Two Serendra is a district of Serendra, a condominium development of Serendra, Inc., a subsidiary of Ayala Land. It is located at the Bonifacio Global City in Taguig City. The incident claimed the lives of four persons, including the occupant of the unit in Section B. Initial reports indicate that the explosion may have resulted from an improper accumulation of gas inside the unit. A government inter agency task force investigated the incident and its findings, that the explosion was caused by an accumulation of gas inside the unit due to the lack of care by the unit renovation contractor, and the parties possibly responsible, is still pending review by the Department of Justice as of the date of this Prospectus.

Ayala Land's subsidiary, Ayala Property Management Corporation, as the property manager of Serendra, provided support and assistance to the Serendra Condominium Corporation, the affected parties and the investigating units of government.

Natural catastrophes may affect Ayala Land's businesses adversely

The Philippines has experienced a number of major natural catastrophes in recent years, including typhoons, volcanic eruptions, earthquakes, mudslides, and droughts. Natural catastrophes may disrupt the Company's ability to deliver its services and impair the economic conditions in the affected areas, as well as the overall Philippine economy. Furthermore, there is growing political and scientific consensus that emissions of greenhouse gases continue to alter the global atmosphere in ways that are affecting the global climate. These effects may include changes in temperature levels which may in turn bring about changes in weather patterns (including storm frequency and intensities, drought and rainfall levels), and ultimately, changes that may negatively affect global water and food security. Climate change and geohazards also remain as threats as evidenced by the heavy floods brought about by three major typhoons and the eruption of Taal Volcano in 2020. Ayala Land continues to take climate adaptation practices, such as environmental hazards screening, due diligence, management of carbon sinks and site resilient features, into high consideration. Climate mitigation actions such as shifting to renewable energy and investing in resource efficiency programs, are continually undertaken to hasten the company's transition to low-carbon operations.

To mitigate the risk of changing environmental and site conditions, and as part of a more thorough due diligence process, all land acquisitions and project launches undergo a thorough technical due diligence process and environmental scanning to identify all other potential risks that the Company may be exposed to. These technical due diligence reports include, but are not limited to, environmental studies not just for the specific land parcels but for adjacent areas, as well. The Company has established 24/7 Operation Centers all throughout the country that continuously monitor and track weather situations to facilitate early mitigation and quick response during typhoons, flood incidents, earthquakes and other natural or manmade disasters.

To protect the company assets and to ensure cost recovery for property damages other losses during these disasters, the Company maintains comprehensive insurance against catastrophic perils including but not limited to earthquake, typhoon and flood to cover its various developments against physical damage and business interruption based on declared values in each location and on probable maximum loss scenarios. Despite the series of natural disasters that befell the country in 2014 and 2013, including super typhoon Yolanda which caused massive destruction in the Visayan provinces as well as the Bohol earthquake in 2013, there have been no significant impact to the Company's business as proper mitigating measures have been put in place, such as but not limited to, engineering interventions and insurance.

In 2016, a major review of the Company's major business lines was conducted to identify the most critical business activities and the potential business impact on the business unit should these activities be interrupted over varying timeframes. This information is critical in helping the Company determine the timeframes within which critical business activities must be resumed following a disruption, as well as the resources required for business continuity.

Ayala Land's business operations may be affected by any political and military instability in the Philippines

The Philippines has from time to time experienced political and military instability. The Philippine Constitution provides that in times of national emergency, when the public interest so requires, the Government may take over and direct the operation of any privately owned public utility or business.

In addition, the Company may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations that could impact the Company's business.

No assurance can be given that any changes in such regulations or policies imposed by the Government from time to time or the future political environment in the Philippines will be stable or that current or future administrations will adopt economic policies conducive to sustaining economic growth. Political instability in the future could reduce consumer demand for retail and consumer goods to the Company's disadvantage, or result in inconsistent or sudden changes in regulations and policies that affect the Company's business operations, which could have a material adverse impact on the results of operations and financial condition of the Company.

Any economic slowdown or deterioration in economic conditions in the Philippines may adversely affect Ayala Land's business and operations in the Philippines

In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine currency, imposition of exchange controls, debt restructuring and electricity shortages and blackouts.

The regional Asian financial crisis in 1997 resulted in, among others, the depreciation of the Philippine peso, higher interest rates, slower growth and a reduction in the country's credit ratings. Since the Asian financial crisis, the country experienced a ballooning budget deficit, volatile exchange rates and a relatively weak banking sector.

The government instituted several reform measures in the fiscal and banking sectors, among others, that strengthened the country's economic fundamentals, resulting in improved investor confidence and increased economic activities. In 2019, the Philippines' long-term foreign currency-denominated debt was upgraded by S&P Global ("**S&P**"), to BBB+ with stable outlook, while Fitch Ratings ("**Fitch**"), and Moody's Investors Service ("**Moody's**"), affirmed the Philippines' long-term foreign currency-denominated debt to the investment-grade rating of BBB and Baa2, respectively, with a stable outlook. On February 28, 2020, Fitch revised its rating of Philippines long-term foreign currency-denominated debt to BBB, with a positive outlook, following its expectation that sound macroeconomic management will continue to support high growth rates with stable inflation while ongoing tax reforms were expected to improve fiscal finances. In May 2020, S&P and Moody's affirmed its rating of BBB+ and Baa2, with stable outlook, respectively, for the Philippines' long-term foreign currency-denominated debt. On May 7, 2020, Fitch affirmed its rating of Philippines long-term foreign currency-denominated debt to BBB, but revised the outlook to stable, to reflect the deterioration in the Philippines' near term macroeconomic and fiscal outlook as a result of the impact of the COVID-19 pandemic and domestic lockdown to contain the spread of the virus. On July 12, 2021, Fitch affirmed its rating of Philippines' long-term foreign currency-denominated debt to BBB, but revised the outlook to negative, to reflect the increasing risks to the credit profile from the impact of the COVID-19 pandemic and its aftermath on policy-making. In January 2023, Moody's affirmed the country's long-term credit rating at Baa2 with a stable outlook for both the local and foreign currency-denominated debt. While the prolonged lockdowns and effects of the pandemic eroded the assessment of the country's economic strength, Moody's expects that economic rebound will remain strong with a faster growth relative to its peers. S&P upheld the country's BBB+ rating with a stable outlook in November 2022, also citing the country's above-average economic growth potential kept afloat by the resiliency of consumer spending amid high inflation. Meanwhile, Fitch kept its BBB rating with a negative outlook in October 2022, keeping a close eye on the BSP's aggressive interest rate hikes.

However, there is no assurance that Fitch, S&P, Moody's or any other international credit rating agency will not in the future, downgrade the credit ratings of the Philippines, which will affect Philippine companies including our Company. Additionally, there can be no assurance that the Philippines will maintain strong economic fundamentals in the future. Unforeseen economic shifts could lead to economic downturns, which may have an adverse effect on our business or our results of operations.

To mitigate the abovementioned risks, Ayala Land shall continue to adopt what it considers conservative financial and operational controls and policies within the context of the prevailing business, economic, and political environments taking into consideration the interests of its customers, stakeholders and creditors.

RISKS RELATING TO THE SECURITIES

An active or liquid trading market for the Securities may not develop

The Philippine securities markets are substantially smaller, less liquid and more concentrated than major securities markets. The Company cannot guarantee that the market for the Securities will always be active or liquid. Even if the Securities are listed on the PDEx, trading in securities such as the Securities may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets, and the overall market for debt securities among other factors. There is no assurance that the Securities may be easily disposed at prices and volumes at instances best deemed appropriate by their holders.

Holders of the Securities may be unable to reinvest the proceeds of their Securities following redemption by the Issuer.

The Issuer may have the option, but not the obligation, to redeem in whole (and not in part), the outstanding Securities prior to the relevant maturity dates of certain tranches of the Securities. Prior to the Maturity Date, the Issuer has the option, but not the obligation, to redeem in whole (and not in part) the outstanding Bonds on the relevant Call Option Dates (see "Description of the Bonds – Call Option" on page 56 of this Prospectus). In the event that the Company exercises this call option, the relevant series of the Securities, such as the Bonds will be redeemed and the Company will pay the amounts to which holders would be entitled. The date on which the Issuer elects to redeem the Securities may not accord with the preference of individual holders of the Securities. This may be disadvantageous to them in light of market conditions or their individual circumstances. Following such redemption and payment, there can be no assurance that investors in the redeemed Bonds will be able to re-invest such amounts in securities that would offer a comparative or better yield or terms, at such time. No assurance can be given of adequate mitigation of such risk.

Holders of the Securities may face possible gain or loss if the Securities are sold at the secondary market.

As with all fixed income securities, the Securities' market values move (either up or down) depending on the change in interest rates. The Securities when sold in the secondary market are worth more if interest rates decrease since the Securities have a higher interest rate relative to the market. Likewise, if the prevailing interest rate increases, the Securities are worth less when sold in the secondary market. Therefore, holders may either make a gain or incur a loss when they decide to sell the Securities. No assurance can be given of adequate mitigation of such risk.

Holders of the Securities may experience liquidity issues and potential loss of principal value if the Securities are sold at the secondary market.

The market for the Securities may be small and may not be liquid. As with all fixed income securities, the Securities' market values move (either up or down) depending on the change in interest rates. Ordinarily, the value of fixed income instruments is inversely affected by interest rates. If interest rates increase following the Issue Date, the value of Securities on the secondary market would generally be expected to decrease, all other things being equal, since the Securities would then bear a comparatively a lower interest rate as against other instruments of the same tenor reflecting such new interest rates following such an increase in rates. Global events such as the war in Ukraine may give rise to increased volatility for instruments such as the Securities in the secondary market that may result in the decrease in the market value of the Securities or liquidity issues that may prevent the disposal of the Securities. No assurance can be given regarding the liquidity of the market of Philippine debt instruments in general. Such liquidity fluctuations may also arise as a result of temporary exchange closures, defaults, clearing system shut-downs, settlement delays, strikes or civil unrest, among other things. Accordingly, there can be no assurance that a holder of the Securities will be able to dispose of such instruments or direct the sale of the Securities through the PDEx, at prices or at times at which such holder would wish to do so, or at all.

The Securities may not be able to retain its credit rating

There is no assurance that the rating of the Securities will be retained throughout the life of the Securities. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

The Securities have no Preference under Article 2244(14) of the Civil Code

No other loan or other debt facility currently or to be entered into by the Issuer shall have preference of priority over the Securities as accorded to public instruments under Article 2244(14) of the Civil Code of the Philippines, and all banks and lenders under any such loans or facilities that are notarized have waived the right to the benefit of any such preference or priority. However, should any bank or security holder hereinafter have a preference or priority over the Securities as a result of notarization, then the Issuer shall at the Issuer's option, either procure a waiver of the preference created by such notarization or equally and ratably extend such preference to the Securities as may be practicable.

USE OF PROCEEDS

Following the offer and sale of the Bonds in the aggregate principal amount of ₱14.00 Billion with an Oversubscription Option of up to ₱5.00 Billion, ALI expects that the net proceeds of the Offer shall amount to approximately ₱13.82 Billion for a ₱14.00 Billion issue size or ₱18.77 Billion for a ₱19.00 Billion issue size, assuming full exercise of the Oversubscription Option, and after deducting fees, commissions and expenses.

Based on an issue size of ₱14,000,000,000.00:

	Total
Estimated proceeds from the sale of the Bonds	**₱14,000,000,000.00**
Less:	
SEC Registration and Legal Research Fee	6,123,185.00
Documentary Stamp Tax	105,000,000.00
Fees to be paid to the Joint Lead Underwriters and Bookrunners:	
Underwriting fee at a rate of 0.375% on the final aggregate nominal principal amount of the Bonds:	52,500,000.00
Advisory Fees[1]	3,157,900.00
Estimated Professional Expenses and Agency fees[2]	8,420,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket Expenses[3]	1,000,000.00
Listing Fee	200,000.00
Total Estimated Upfront Expenses	**176,401,085.00**
Estimated net proceeds to Ayala Land	**₱13,823,598,915.00**

[1]Advisory Fees will be paid to BPI Capital Corporation for overall issue coordination and transaction structuring advice. BPI Capital Corporation and Ayala Land, Inc are affiliates which are ultimately owned by Ayala Corporation. BPI Capital is 100% owned by the Bank of the Philippine Islands, which is 30.81% owned by Ayala Corporation. On the other hand, as of December 31, 2022, Ayala Land is 50.60% owned by Ayala Corporation with the remainder mainly owned by the public.
[2] This includes accounting (₱2,500,000.00), legal fees of Co Ferrer Ang-Co & Gonzales Law Offices ("CFA Law") (₱2,650,000.00), rating agency (₱2,800,000.00), registry and paying agency (₱350,000.00), and trusteeship (₱120,000.00) upfront fees.
[3] This includes publication fees and out-of-pocket-expenses of ₱500,000.00 each.

Based on an issue size of ₱19,000,000,000.00:

	Total
Estimated proceeds from the sale of the Bonds	**₱19,000,000,000.00**
Less:	
SEC Registration and Legal Research Fee	6,123,185.00
Documentary Stamp Tax	142,500,000.00
Fees to be paid to the Joint Lead Underwriters and Bookrunners:	
Underwriting fee at a rate of 0.375% on the final aggregate nominal principal amount of the Bonds:	71,250,000.00
Advisory Fees[1]	3,157,900.00
Estimated Professional Expenses and Agency fees[2]	9,545,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket Expenses[3]	1,000,000.00
Listing Fee	200,000.00
Total Estimated Upfront Expenses	**233,776,085.00**
Estimated net proceeds to Ayala Land	**₱18,766,223,915.00**

[1]Advisory Fees will be paid to BPI Capital Corporation. BPI Capital Corporation and Ayala Land, Inc are affiliates which are ultimately owned by Ayala Corporation. BPI Capital is 100% owned by the Bank of the Philippine Islands, which is 30.81% owned by Ayala Corporation. On the other hand, as of December 31, 2022, Ayala Land is 50.60% owned by Ayala Corporation with the remainder mainly owned by the public.
[2] This includes accounting (₱2,500,000.00), legal fees of CFA Law (₱2,650,000.00), rating agency (₱3,800,000.00), registry and paying agency (₱475,000.00), and trusteeship (₱120,000.00) upfront fees.
[3]This includes publication fees and out-of-pocket-expenses of ₱500,000.00 each.

Aside from the fees enumerated above, the Company will be paying the following estimated annual fees related to the Bonds:

1. PDEx and PDTC annual listing and registry paying agency maintenance fee of ₱400,000.00
2. Annual Rating Monitoring and Agency fees of ₱250,000.00 plus VAT; and
3. Annual Trustee fees of ₱120,000.00.

Expenses incurred in connection with the offering of the Bonds, including documentary stamp tax, fees of the Trustee, and the Registrar and Paying Agent will be for the account of the Issuer.

Out of the ₱13.82 billion net proceeds from the Base Offer, the Company plans to use approximately ₱3.42 billion to partially refinance the 6.25% p.a ₱5.0 Billion short term loan availed from Bank of the Philippine Islands[7] that was drawn to partially finance the early redemption of the Company's 5.92% per annum ₱10.0 Billion fixed-rate bonds issued in 2018 settled on April 27, 2023 (the "**5.92% p.a. 2018 Bonds**").[8]

The balance of the amount to be refinanced will be funded from internally generated funds and/or other credit facilities, which may include bank borrowings, as the Issuer may consider commercially favorable.

Approximately ₱10.40 Billion of the net proceeds will be used to fund capital expenditures ("**CAPEX**"), including but not limited to the following:

(in Billion Pesos)

Location	Disbursing Company	Total Investment	Total Spent to Date	To Go	Remaining Planned Use in 2023*	Brief Description	Estimated Date of Development/ Completion	POC**
Quezon City	Alveo Land Corporation	3.81	-	3.81	0.45	Land acquisition	2024	N/A
Cavite	Alveo Land Corporation	0.10	0.09	0.01	0.01	Land acquisition	2017	100%
Cavite	Alveo Land Corporation	0.53	0.33	0.20	0.20	Land acquisition	2019	97%
Cavite	Alveo Land Corporation	1.19	-	1.19	0.10	Land acquisition	2023	N/A
Cavite	Alveo Land Corporation	1.38	0.64	0.74	0.20	Land acquisition	2030	N/A
Caloocan City	Ayala Land, Inc.	3.64	-	3.64	1.07	Land acquisition	2024	N/A
Bulacan	Altaraza Development Corporation	18.09	0.10	17.99	0.70	Land acquisition	2022	5%
Tarlac	Ayala Land, Inc.	2.29	1.28	1.02	0.50	Land acquisition	2019	77%
Bulacan	Ayalaland Estates, Inc.	2.15	1.51	0.65	0.40	Land acquisition	2022	5%
Makati	ALI Commercial Center, Inc	10.29	7.78	2.51	0.60	3-tower office development	2023	86%
Makati	ALI Commercial Center, Inc	8.46	6.44	2.01	0.80	51k GLA retail development	2023	87%
Makati	One Makati Hotel Ventures, Inc.	4.87	1.44	3.43	0.60	26-floor hotel	2024	83%
Makati	Crans Montana Property Holdings Corp.	1.25	0.85	0.40	0.22	14-floor dorm/studio/hostel development	2024	75%
Tarlac	Ayala Land, Inc.	8.65	2.53	6.12	1.00	290 ha mixed use development	2023	77%
Cebu	Avida Land Corporation	1.89	1.01	0.88	0.54	36-storey residential tower	2024	60%
Mandaluyong	Avida Land Corporation	1.96	1.44	0.52	0.30	40-storey residential tower	2023	87%
Mandaluyong	Avida Land Corporation	2.09	0.54	1.55	0.50	40-storey residential tower	2025	41%
Makati	Avida Land Corporation	1.86	1.30	0.56	0.40	32-storey residential tower	2023	91%
Makati	Avida Land Corporation	2.23	0.66	1.56	0.60	32-storey residential tower	2026	42%
Tagaytay	Avida Land Corporation	1.43	0.68	0.76	0.50	19-storey residential tower	2024	64%
Tagaytay	Avida Land Corporation	1.35	0.17	1.17	0.21	15-storey residential tower	2026	15%
Davao	Accendo Commercial Corp	1.67	1.13	0.54	0.20	25-storey residential tower	2023	97%
Davao	Accendo Commercial Corp	1.67	0.69	0.98	0.30	26-storey residential tower	2024	49%
Total		**82.85**	**30.61**	**52.24**	**10.40**			

**Refers to the approximate amount intended to be used for each project. The remaining balance of the total investment (after deducting the total amount spent to date and the remaining planned use in 2023 will be funded by operating cash flows. To the extent necessary that is, in the event that the subsidiaries' operating cash flows and external borrowings will be insufficient to cover the development cost, the Company will extend funding to the subsidiaries either through intercompany borrowing or equity infusion. If funding is extended by way of intercompany borrowing, the subsidiaries will repay the relevant amounts to Ayala Land. In the event that Ayala Land extends funding by way of equity infusion, it anticipates that the aforementioned subsidiaries will later return such equity infusion to it by way of dividends.*

** Ayala *Land tracks the percentage of completion ("**POC**") of its launched projects for revenue and expense recognition purposes based on the current construction progress. Unlaunched or projects not yet for sale and have no construction works ongoing do not have POCs.*

[7] Bank of the Philippine Islands and Ayala Land, Inc are affiliates which are ultimately owned by Ayala Corporation. The Bank of the Philippine Islands is 30.81% owned by Ayala Corporation. On the other hand, as of December 31, 2022, Ayala Land is 50.60% owned by Ayala Corporation with the remainder mainly owned by the public.

[8] The prospectus dated April 12, 2018 is posted in the Company's website and can be downloaded https://ir.ayalaland.com.ph/wp-content/uploads/2018/04/P10bn-Fixed-Rate-Bonds-due-2028-Final-Prospectus-dtd-12-April-2018.pdf

If the Oversubscription Option is fully exercised, out of the net proceeds of ₱18.77 billion, approximately (i) ₱10.40 billion will be used to fund the above-mentioned capital expenditures, (ii) ₱8.37 billion will be used to refinance the following short term loans that were drawn to partially finance the early redemption of the Company's 5.92% p.a. 2018 Bonds.[9]

Lender	Principal Amount	Interest Rate
Bank of the Philippine Islands[10]	₱5.0 Billion	6.25% p.a.
Metropolitan Bank and Trust Company	₱2.04 Billion	Blended rate of 6.08% p.a.
Rizal Commercial Banking Corporation	₱1.33 Billion	Blended rate of 6.05% p.a.
Total	₱8.37 Billion	

If any material amounts of other funds are necessary to accomplish the CAPEX funding and debt refinancing, the Issuer shall satisfy the balance from internally generated funds and/or other credit facilities which may include bank borrowings, as the Issuer may consider commercially favorable at the relevant time.

In the event that the Oversubscription Option is not exercised in full or the net proceeds are less than the above total, the Company shall allocate the proceeds in the following order of priority: (i) to fund the above-mentioned capital expenditures and (ii) to partially refinance the short-term loan that will be drawn to finance the early redemption of the Company's 5.92% p.a. 2018 Bonds.

To the extent that the net proceeds exceed the total above and there are changes in capital expenditures, such excess will be used for the Issuer's general corporate purposes including debt refinancing. Correspondingly, if net proceeds are less than the above total, the Issuer shall satisfy the balance of the above from internally generated funds and/or other credit facilities which may include bank borrowings, as the Issuer may consider commercially favorable at the relevant time.

Pending the above use of proceeds, the Company shall invest the net proceeds from the Offer in short-term liquid investments including but not limited to short-term government securities, bank deposits, and money market placements which are expected to earn at prevailing market rates.

No amount of proceeds shall be used to reimburse any officer, director, employee, or stockholder for services rendered, assets previously transferred, money loaned or advanced, or otherwise. Except as disclosed above, no amount of the proceeds will be utilized to pay any outstanding financial obligation to the Joint Lead Underwriters and Bookrunners.

Adjustments in the Use of Proceeds

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event there is any change in the Company's current plans, including force majeure, market conditions and other circumstances, the Company will carefully evaluate the situation and may reallocate the proceeds at the discretion of the Company's management. In the event of any material deviation, reallocation or adjustment in the planned use of proceeds, the Company shall inform the SEC and issue all appropriate disclosures within thirty (30) days prior to its implementation. Any material or substantial adjustment to the use of proceeds, as indicated above, shall be approved by the Board and shall be publicly disclosed through the SEC, PSE, and PDEx.

[9] The prospectus dated April 12, 2018 is posted in the Company's website and can be downloaded from https://ir.ayalaland.com.ph/wp-content/uploads/2018/04/P10bn-Fixed-Rate-Bonds-due-2028-Final-Prospectus-dtd-12-April-2018.pdf.

[10] Bank of the Philippine Islands and Ayala Land, Inc are affiliates which are ultimately owned by Ayala Corporation. The Bank of the Philippine Islands is 30.81% owned by Ayala Corporation. On the other hand, as of December 31, 2022, Ayala Land is 50.60% owned by Ayala Corporation with the remainder mainly owned by the public.

CAPITALIZATION

The following tables set forth the audited consolidated short-term and long-term debt and capitalization of ALI as of December 31, 2022. These tables should be read in conjunction with the more detailed information and audited financial statements, including notes thereto, found in this Prospectus.

(in ₱ Millions)	As of December 31, 2022 (Audited)	Adjustment	Notes	As adjusted for Issue Amount of ₱14.00 Billion (Upon issuance of the Bonds)
Current Liabilities				
Short-term Debt	₱6,547			₱6,547
Accounts and other payables	143,952			143,952
Income tax payable	845			845
Current portion of lease liabilities	710			710
Current portion of long-term debt	19,258			19,258
Deposits and other current liabilities	31,211			31,211
Total Current Liabilities	**202,523**			**202,523**
Non-current Liabilities				
Long-term debt – net of current portion	210,233	14,000	1	224,233
Pension liabilities	1,871			1,871
Lease liabilities – net of Current Portion	17,992			17,992
Deferred tax liabilities – net	5,849			5,849
Deposits and other non-current liabilities	47,520			47,520
Total Non-current Liabilities	**283,465**	**14,000**	**1**	**297,465**
Total Liabilities	**₱485,988**	**14,000**	**1**	**₱499,988**
Equity				
Equity attributable to equity holders of Ayala Land, Inc.				
Paid-up capital	97,637			97,637
Retained earnings	183,536			183,536
Remeasurement loss on defined benefit plans	107			107
Fair value reserve of financial assets at FVOCI	(878)			(878)
Cumulative translations adjustments	438			438
Equity reserves	(6,507)			(6,507)
Treasury Stock	(19,081)			(19,081)
Non-controlling interests	38,412			38,412
Total Equity	**₱293,664**			**₱293,664**
Total Capitalization	**₱779,652**	**14,000**	**2**	**₱793,652**

Notes:

1. *Reflects gross proceeds of ₱14.00 Billion assuming an issue size of ₱14.00 Billion of Bonds.*
2. *Total Capitalization is the sum of Total Liabilities and Total Equity*

(in ₱ Millions)	As of December 31, 2022 (Audited)	Adjustment	Notes	As adjusted for Issue Amount of ₱14.00 Billion (Upon issuance of the Bonds)
Short-term Debt	₱6,547			₱6,547
Current portion of long-term debt	19,258			19,258
Long-term debt – net of current portion	210,233	14,000	1	224,233
Total Debt	**₱236,038**			**₱250,038**
Total Equity	**₱293,664**			**₱293,664**
Debt-to-Equity Ratio	**0.80**			**0.85**

Notes:

1. *Reflects gross proceeds of ₱14.00 Billion assuming an issue size of ₱14.00 Billion of Bonds.*

The following table sets forth the audited consolidated short-term and long-term debt and capitalization of ALI as of December 31, 2022, assuming the full exercise of the Oversubscription Option.

(in ₱ Millions)	As of December 31, 2022 (Audited)	Adjustment	Notes	As adjusted for Issue Amount of ₱19.00 Billion (Upon issuance of the Bonds)
Current Liabilities				
Short-term Debt	₱6,547			₱6,547
Accounts and other payables	143,952			143,952
Income tax payable	845			845
Current portion of lease liabilities	710			710
Current portion of long-term debt	19,258			19,258
Deposits and other current liabilities	31,211			31,211
Total Current Liabilities	**202,523**			**202,523**
Non-current Liabilities				
Long-term debt – net of current portion	210,233	19,000	1	229,233
Pension liabilities	1,871			1,871
Lease liabilities – net of Current Portion	17,992			17,992
Deferred tax liabilities – net	5,849			5,849
Deposits and other non-current liabilities	47,520			47,520
Total Non-current Liabilities	**283,465**	**19,000**	**1**	**302,465**
Total Liabilities	**₱485,988**	**19,000**	**1**	**₱504,988**
Equity				
Equity attributable to equity holders of Ayala Land, Inc.				
Paid-up capital	97,637			97,637
Retained earnings	183,536			183,536
Remeasurement loss on defined benefit plans	107			107
Fair value reserve of	(878)			(878)

financial assets at FVOCI				
Cumulative translations adjustments	438			438
Equity reserves	(6,507)			(6,507)
Treasury Stock	(19,081)			(19,081)
Non-controlling interests	38,412			38,412
Total Equity	**₱293,664**			**₱293,664**
Total Capitalization	**₱779,652**	**19,000**	**2**	**798,652**

Notes:

1. *Reflects gross proceeds of ₱19.00 Billion assuming an issue size of ₱19.00 Billion of Bonds.*
2. *Total Capitalization is the sum of Total Liabilities and Total Equity*

(in ₱ Millions)	As of December 31, 2022 (Audited)	Adjustment	Notes	As adjusted for Issue Amount of ₱19.00 Billion (Upon issuance of the Bonds)
Short-term Debt	₱6,547			₱6,547
Current portion of long-term debt	19,258			19,258
Long-term debt – net of current portion	210,233	19,000	1	229,233
Total Debt	**₱236,038**			**₱255,038**
Total Equity	**₱293,664**			**₱293,664**
Debt-to-Equity Ratio	**0.80**			**0.87**

Notes:

1. *Reflects gross proceeds of ₱19.00 Billion assuming an issue size of ₱19.00 Billion of Bonds*

DETERMINATION OF OFFERING PRICE

The Bonds shall be issued on a fully-paid basis and at an issue price that is at par.

The interest rate per annum of the Series A Bonds was computed based on the simple average of the five (5)-year PHP BVAL reference rates (or if the applicable BVAL is not available or cannot be determined, any such successor rate as determined by the Bankers Association of the Philippines ("**BAP**") or the BSP, as shown on the PDS Group page (or such successor page) of Bloomberg (or such successor electronic service provider) at approximately 5:00 p.m. for the three (3) consecutive Banking Days immediately preceding and ending on the interest rate setting date or June 8, 2023, plus the final spread of twenty-five (25) basis points.

The interest rate per annum of the Series B Bonds was computed based on the simple average of the ten (10)-year PHP BVAL reference rates (or if the applicable BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP, as shown on the PDS Group page (or such successor page) of Bloomberg (or such successor electronic service provider) at approximately 5:00 p.m. for the three (3) consecutive Banking Days immediately preceding and ending on the interest rate setting date or June 8, 2023, plus the final spread of forty (40) basis points.

PLAN OF DISTRIBUTION OF THE BONDS

THE OFFER

The Bonds will be issued with an aggregate principal amount of Fourteen Billion Pesos (₱14,000,000,000.00), with an oversubscription option of up to Five Billion Pesos (₱5,000,000,000.00) to be issued in up to two (2) series, at the discretion of the Issuer. The Base Offer will be comprised of: (i) Four Billion Seven Hundred Fifty Million Pesos (₱4,750,000,000.00) Bonds to be issued as the fourth and final Tranche of the 2021 Program, and (ii) Nine Billion Two Hundred Fifty Million Pesos (₱9,250,000,000.00) Bonds to be issued as the first Tranche under the Issuer's 2023 Program. If exercised, the Oversubscription Option will form part of the first Tranche to be issued under the 2023 Program, which would then be comprised of a total of up to Fourteen Billion Two Hundred Fifty Million Pesos (₱14,250,000,000.00), assuming the full exercise of the Oversubscription Option.

The following summary of the offer does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus.

THE 2021 PROGRAM

On October 11, 2021, the SEC issued an Order rendering effective the Registration Statement of the Company in connection with the offer and sale to the public of Securities under the 2021 Program to be issued in one or more Tranches within a three (3)-year period from its effectivity. On October 11, 2021, the SEC Permit for the first Tranche of the 2021 Program with a principal amount of ₱2.75 Billion was issued. On April 11, 2022, the SEC Permit for the second Tranche of the 2021 Program with a principal amount of ₱9.5 Billion was issued.[11] On June 13, 2022, the SEC Permit for the third Tranche of the 2021 Program with a principal amount of ₱33.0 Billion was issued.

THE 2023 PROGRAM

On March 14, 2023, Ayala Land filed a Registration Statement in connection with the offer and sale to the public of Securities under the 2023 Program to be issued in one or more Tranches within a three (3)-year period from its effectivity.

SHELF REGISTRATION OF SECURITIES NOT COVERED BY THE OFFER

After the close of the Offer and within three (3) years following the effectivity date of the Registration Statement filed for the 2023 Program, Ayala Land may, at its sole discretion, offer any or all of the remaining balance of the aggregate principal amount of Securities covered by such registration statement, in one or more subsequent Tranches under Rule 8.1.2 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code. Such a shelf registration provides Ayala Land with the ability to conduct such an offering within a comparatively short period of time. Ayala Land believes that this provides it with the increased ability to take advantage of opportunities in a volatile debt capital market, as these occur. Any subsequent offering under such rule requires the submission by Ayala Land of the relevant updates and amendments to the registration statement and the issuance of the corresponding SEC Permit by the SEC. As a listed company, Ayala Land regularly disseminates such updates and information in its disclosures to the SEC and PSE.

At any time, which may include periods shortly following the completion of the Offer, Ayala Land may initiate subsequent offers of other Securities in various Tranches from the balance of the aggregate principal amount of Securities that will remain unissued from the 2023 Program, if the Oversubscription Option is not fully exercised. Such subsequent offers may be conducted on different terms and tenors involving different issue managers, underwriters or other transaction parties. Ayala Land regularly considers prevailing market conditions and opportunities in relation to such offers that are permitted within the three (3)-year effectivity of the 2023 Program.

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[11] The principal amount of ₱2.75 Billion issued under the first Tranche of the 2021 Program and the principal amount of ₱9.5 Billion issued under the 2021 Program, were issued together with the unissued portion of the ₱50,000,000,000 securities program covered by the registration statement filed by Ayala Land with the SEC, as the same may be amended or supplemented from time to time, and rendered effective on April 22, 2019.

However, there can be no assurance in respect of: (i) whether Ayala Land will issue any such Securities at all; (ii) the size or timing of any individual issuance or the total issuance of such Securities; or (iii) the tenor, interest rate or other specific terms and conditions of any such issuance. Any decision by Ayala Land to offer such Securities will depend on a number of factors at the relevant time, many of which are not within Ayala Land's control, including but not limited to: prevailing interest rates, the financing requirements of Ayala Land's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

THE JOINT LEAD UNDERWRITERS AND BOOKRUNNERS OF THE BONDS OFFER

BDO Capital, BPI Capital, China Bank Capital, EastWest Bank, First Metro, RCBC Capital and SB Capital, pursuant to an Underwriting Agreement with Ayala Land dated June 8, 2023, (the "**Underwriting Agreement**"), have agreed to act as the Joint Lead Underwriters and Bookrunners for the Offer and as such, offer, distribute and sell the Bonds at the Issue Price, and have also committed jointly, and not solidarily, to underwrite a total of Fourteen Billion Pesos (₱14,000,000,000.00) of the Offer on a firm basis, in either case subject to the satisfaction of certain conditions and in consideration for certain fees and expenses.

For the Offer, the Joint Lead Underwriters and Bookrunners will receive a fee of 0.375% on the underwritten principal amount of the Bonds issued. Such fee shall be inclusive of underwriting fees and/or selling fees of other participating underwriters or selling agents, if any. The amount of the firm commitments of the Joint Lead Underwriters and Bookrunners are as follows:

Joint Lead Underwriters and Bookrunners	Commitment
BDO Capital	₱2,000,000,000.00
BPI Capital	2,000,000,000.00
China Bank Capital	2,000,000,000.00
EastWest	2,000,000,000.00
First Metro	2,000,000,000.00
RCBC Capital	2,000,000,000.00
SB Capital	2,000,000,000.00
Total	**₱14,000,000,000.00**

The Oversubscription Option, once exercised during the Offer Period, shall be deemed firmly underwritten by the Joint Lead Underwriters and Bookrunners, in addition to the amounts above. Any Bonds issued under the Oversubscription Option will be allocated subject to the discretion of the Joint Lead Underwriters and Bookrunners, with the consent of the Issuer.

There is no arrangement for the Joint Lead Underwriters and Bookrunners to return any unsold Bonds to Ayala Land. The Underwriting Agreement may be terminated in certain circumstances prior to payment being made to Ayala Land of the net proceeds of the Bonds.

The Joint Lead Underwriters and Bookrunners, are each duly licensed by the SEC to engage in underwriting or distribution of the Bonds. The Joint Lead Underwriters and Bookrunners and their respective parent banks, as applicable, may, from time to time, engage in transactions with and perform services in the ordinary course of its business for Ayala Land or other members of the Ayala Group.

BDO Capital is the wholly owned investment banking subsidiary of BDO Unibank, Inc., which, in turn, is an associate of the SM Group. BDO Capital is a full-service investment house primarily involved in securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. Incorporated in December 1998, BDO Capital commenced operations in March 1999. It obtained its license to operate as an investment house in 1998 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. As of December 30, 2022, its total assets amounted to ₱4.19 Billion and its capital base amounted to ₱3.84 Billion.

BPI Capital is a corporation organized in the Philippines as a wholly owned subsidiary of the Bank of the Philippine Islands ("**BPI**"). It obtained its license to operate as an investment house in 1994 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. As of

December 31, 2022, its total assets amounted to ₱3.86 Billion and its capital base amounted to ₱3.75 Billion.

China Bank Capital is the wholly owned investment banking subsidiary of China Banking Corporation. It was registered and licensed as an investment house in 2015 as a result of the spin-off of China Banking Corporation's Investment Banking Group. The firm offers a full suite of investment banking solutions that enable clients to achieve their fundraising objectives and strategic goals. The company's services include arranging, managing, and underwriting debt and equity transactions, such as bond offerings, corporate notes issuances, initial public offerings and follow-on offerings of common and preferred shares, private placement of securities, structured loans, project finance, real estate investment trusts, and asset securitizations. China Bank Capital also provides financial advisory services, such as deal structuring, valuation, and execution of mergers, acquisitions, divestitures, joint ventures, and other corporate transactions. As of December 31, 2022, it has total assets of ₱3.09 Billion and a capital base of ₱3.00 Billion.

East West Banking Corporation is a subsidiary of Filinvest Development Corporation. East West Bank is a universal bank providing a wide range of banking services to retail, commercial, and corporate clients. It was established as a commercial bank in July 1994 and received its universal banking license from the BSP in July 2012. East West Bank is licensed by the SEC to engage in the underwriting or distribution of securities to the public. As of December 31, 2022, its total assets amounted to ₱421.37 Billion and its capital base amounted to ₱61.03 Billion.

First Metro is a leading investment bank in the Philippines with nearly sixty years of service in the development of the country's capital markets. It is a wholly-owned subsidiary of Metropolitan Bank & Trust Company and is the investment banking arm of the Metrobank Group, one of the largest financial conglomerates in the country. First Metro is licensed by the Securities & Exchange Commission to engage in underwriting and distribution of securities to the public. First Metro and its subsidiaries offer a wide range of services, from debt and equity underwriting to loan syndication, project finance, financial advisory, government securities and corporate debt trading, equity brokering, online trading, asset management, and research. First Metro has established itself as a leading bond house with key strengths in origination, structuring, and execution. As of December 31, 2022, its total assets stood at ₱31.78 Billion with a capital base amounting to ₱15.59 Billion.

RCBC Capital is a licensed investment house providing a complete range of capital raising and financial advisory services. Established in 1974, RCBC Capital has over 49 years of experience in underwriting of equity, quai-equity and debt securities, as well as in managing and arranging the syndication of loans, and in financial advisory. RCBC Capital is a wholly-owned subsidiary of the Rizal Commercial Banking Corporation and a part of the Yuchengco Group of Companies, one of the country's largest fully integrated financial services conglomerates. As of December 31, 2022, its total assets amounted to ₱3.23 Billion and its capital base amounted to ₱3.16 Billion.

SB Capital is a Philippine corporation organized in October 1995 as a wholly-owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. SB Capital provides a wide range of investment banking services including financial advisory, underwriting of equity and debt securities, project finance, privatizations, mergers and acquisitions, loan syndications and corporate advisory services. SB Capital is also involved in equity trading through its wholly-owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major equity and debt issues, both locally and internationally. As of December 31, 2022, its total assets amounted to ₱1.46 Billion and its capital base amounted to ₱1.43 Billion.

Except for BPI Capital and as otherwise disclosed herein, none of the Joint Lead Underwriters and Bookrunners have any direct or indirect relations with Ayala Land in terms of material ownership by their respective major stockholder/s. BPI Capital is a wholly-owned subsidiary of BPI. Ayala Land and BPI, the major shareholder of BPI Capital, are affiliated companies, each with Ayala Corporation as a major shareholder.[12]

The Joint Lead Underwriters and Bookrunners have undertaken the requisite due diligence over the Issuer as Joint Lead Underwriters and Bookrunners of the Offer. BPI Capital's relationship with the Issuer had no effect in its conduct of due diligence.

Each of the Joint Lead Underwriters and Bookrunners' parent companies is a banking institution regulated by the BSP that has a relationship with the Company and/or its Subsidiaries. These relationships are independent of the engagement of the Joint Lead Underwriters and Bookrunners and are entered into on an arm's length basis in the ordinary course of its banking business. These banking institutions are engaged in transactions with, and have performed various commercial banking and other services for the Company and/or its affiliates in the past and are expected to do so for the Company and/or its affiliates from time to time in the future including, insofar as such bank have affiliates that offer such services, investment banking and underwriting services. However, all services provided by each of the Joint Lead Underwriters and Bookrunners, including in connection with the Offer, have been provided as an independent contractor and not as a fiduciary to the Company. The Joint Lead Underwriters and Bookrunners do not have a contract or other arrangement with the Company under which any of the Joint Lead Underwriters and Bookrunners may return to the Company any unsold securities of the Offer. The Joint Lead Underwriters and Bookrunners do not have any direct or indirect interests in the Company or in any securities thereof including options, warrants or rights thereto. None of the Joint Lead Underwriters and Bookrunners have any right to designate or nominate any member of the Company's Board.

SALE AND DISTRIBUTION

The distribution and sale of the Bonds shall be undertaken by the Joint Lead Underwriters and Bookrunners who shall sell and distribute the Bonds to third party buyers/investors. In the course of the Offer, the Bonds may be offered to domestic insurance companies regulated by the Insurance Commission. Pursuant to the Insurance Commission's Circular Letter No. 2022-23 dated May 18, 2022 specific to the Bonds, such insurance companies may consider their purchase and holdings of the Bonds as admitted assets and allowable investments without needing prior approval from the Insurance Commission. Nothing herein shall limit the rights of the Joint Lead Underwriters and Bookrunners from purchasing the Bonds for their own respective accounts should there be any unsold Bonds after the Offer Period.

The obligations of each of the Joint Lead Underwriters and Bookrunners will be several, and not solidary, and nothing in the Underwriting Agreement shall be deemed to create a partnership or joint venture between and among any of the Joint Lead Underwriters and Bookrunners. Unless otherwise expressly provided in the Underwriting Agreement, the failure by an Underwriter to carry out its obligations thereunder shall neither relieve the other Joint Lead Underwriters and Bookrunners of their obligations under the same Underwriting Agreement, nor shall any Underwriter be responsible for the obligation of another Underwriter.

OFFER PERIOD

The Offer Period shall commence at 9:00 a.m. on June 13, 2023 and ending at 5:00 p.m. on June 19, 2023, or on such other dates as the Issuer and the Joint Lead Underwriters and Bookrunners may agree upon.

[12] BPI Capital Corporation and Ayala Land, Inc are affiliates which are ultimately owned by Ayala Corporation. BPI Capital is 100% owned by the Bank of the Philippine Islands, which is 30.81% owned by Ayala Corporation. On the other hand, as of December 31, 2022, Ayala Land is 50.60% owned by Ayala Corporation with the remainder mainly owned by the public.

APPLICATION TO PURCHASE

Applicants may purchase the Bonds during the Offer Period by submitting to the Joint Lead Underwriters and Bookrunners properly completed Applications to Purchase, whether originally signed or electronically submitted (through the e-Securities Issue Portal ("**E-SIP**") upon and subject to the E-SIP's approval by the SEC), together with all applicable supporting documentation in the prescribed form and submitted in the prescribed manner, with full payment of the purchase price of the Bonds in the manner provided therein. Corporate and institutional applicants may also be required to submit, in addition to the foregoing:

- an original notarized certificate of the corporate secretary or an equivalent officer of the Applicant setting forth resolutions of the board of directors, partners or equivalent body (i) authorizing the purchase of the Bonds indicated in the Application to Purchase and (ii) designating the signatories, with their specimen signatures, for the said purpose;
- copies of its Articles of Incorporation and By-Laws (or the Articles of Partnership, in case of a partnership) and latest amendments thereof, together with the Certificate of Incorporation issued by the SEC or other organizational documents issued by an equivalent government institution, stamped and signed as certified true copies by the SEC or the equivalent government institution, or by the corporate secretary, or by an equivalent officer(s) of the Applicant who is/are authorized signatory(ies);
- two (2) duly accomplished signature cards containing the specimen signatures of the authorized signatories of the Applicant, validated by its corporate secretary or by an equivalent officer(s) who is/are authorized signatory(ies);
- validly issued tax identification number issued by the BIR;
- identification document(s) of the authorized signatories of the Applicant, as specified in item (a) of the immediately succeeding paragraph below; and
- such other documents as may be reasonably required by any of the Joint Lead Underwriters and Bookrunners or the Registrar in the implementation of its internal policies regarding "know your customer" and anti-money laundering.

Individual applicants may also be required to submit, in addition to the accomplished Applications to Purchase and its required attachments:

- identification document ("**ID**") of the Applicant which shall consist of any one of the following valid identification documents bearing a recent photo, and which is not expired: Philippine Identification Card (PhilID), Passport, Driver's License, Professional Regulation Commission ID, National Bureau of Investigation Clearance, Police Clearance, Postal ID, Voter's ID, Barangay Certification, Government Service Insurance System e-Card, Social Security System Card, Senior Citizen Card, Overseas Workers Welfare Administration ID, OFW ID, Seaman's Book, Alien Certification of Registration/Immigrant Certificate of Registration, Government Office and government-owned and controlled corporation ID, e.g., Armed Forces of the Philippines, Home Development Mutual Fund, Certification from the National Council for the Welfare of Disabled Persons, Department of Social Welfare and Development Certification, Integrated Bar of the Philippines ID, company IDs issued by private entities or institutions registered with or supervised or regulated either by the BSP, the SEC or the Insurance Commission, or school ID duly signed by the principal or head of the school (for students who are beneficiaries of remittances/fund transfers who are not yet of voting age);
- two (2) duly accomplished signature cards containing the specimen signature of the Applicant;
- validly issued tax identification number issued by the BIR; and
- such other documents as may be reasonably required by any of the Joint Lead Underwriters and Bookrunners or the Registrar in implementation of its internal policies regarding "know your customer" and anti-money laundering.

An Applicant claiming exemption from any applicable tax, or is subject to a preferential withholding tax rate shall, in addition to the requirements set forth above, be required to submit the following requirements, subject to acceptance by the Issuer, as being sufficient in form and substance:

- a copy of the current and valid tax exemption certificate, ruling or opinion issued by the BIR (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time), addressed to the Bondholder, confirming the exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the Corporate Secretary of the Bondholder as being a true copy of the original on file with the Bondholder. The notarized certification indicates that: (a) the exemption certificate is a true copy of the original; (b) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (c) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting the said certification's validity;

- with respect to tax treaty relief, (a) prior to the payment of the initial interest due, (i) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the Bureau of Internal Revenue, as required under Revenue Memorandum Order No. 14-2021, (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; and (b) prior to the payment of subsequent interests due, (i) three (3) originals of the submitted new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than the 1st day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto; and
- such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities.

Completed Applications to Purchase and corresponding payments must reach the Joint Lead Underwriters and Bookrunners prior to the end of the Offer Period, or such earlier date as may be specified by the Joint Lead Underwriters and Bookrunners. Acceptance by the Joint Lead Underwriters and Bookrunners of the completed Application to Purchase shall be subject to the availability of the Bonds and the acceptance by Ayala Land. In the event that any check payment is returned by the drawee bank for any reason whatsoever, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase is deemed revoked.

MINIMUM PURCHASE

A minimum purchase of ₱50,000.00 shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of ₱10,000.00.

ALLOTMENT OF THE BONDS

If the Bonds are insufficient to satisfy all Applications to Purchase, the available Bonds shall be allotted at the discretion of the Joint Lead Underwriters and Bookrunners, in consultation with the Issuer and subject to Ayala Land's right of rejection.

REFUNDS

If any application is rejected or accepted in part only, the corresponding payment or the appropriate portion thereof shall be returned without interest to such applicant through the Joint Lead Underwriters and Bookrunners from whom such application to purchase the Bonds was made.

UNCLAIMED PAYMENTS

Any payment of interest on, or the principal of the Bonds which remain unclaimed after the same shall have become due and payable, shall be held in trust by the Paying Agent for the Bondholders at the latter's risk.

PURCHASE AND CANCELLATION

The Issuer may at any time purchase any of the Bonds in the open market or by tender or by contract at market price, without any obligation to purchase (and the Bondholders shall not be obliged to sell) the Bonds pro-rata from all Bondholders. Any Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.

SECONDARY MARKET

Ayala Land intends to list the Bonds in the PDEx. Ayala Land may purchase the Bonds at any time in the PDEx trading system without any obligation to make pro-rata purchases of Bonds from all Bondholders. The Bonds shall be traded in denominations of ₱10,000.00 in the secondary market.

REGISTER OF BONDHOLDERS

The Bonds shall be issued in scripless form. A Master Certificate of Indebtedness representing the Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Beneficial title to the Bonds shall be shown in the Register of Bondholders to be maintained by the designated registrar for the Bonds. Initial placement of the Bonds and subsequent transfers of interests in the Bonds shall be subject to applicable Philippine selling restrictions prevailing from time to time. The Issuer will cause the Register of Bondholders to be kept at the specified office of the Registrar. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered in the Register of Bondholders.

DESCRIPTION OF THE BONDS

The following is a description of certain terms and conditions of the Bonds. This description of the terms and conditions of the Bonds set forth herein does not purport to be complete and is qualified in its entirety by reference to the agreements relating to the Bonds, copies of which are available for inspection at the offices of the Trustee. The terms and conditions set out in this section will, subject to amendment, be set out in the Trust Indenture between the Issuer and the Trustee.

Pursuant to the confirmation and certificate of permit to offer securities for sale to be issued by the SEC, the Company will issue fixed-rate bonds with an aggregate principal amount of Fourteen Billion Pesos (₱14,000,000,000.00) (the "**Base Offer**"), with an oversubscription option of up to Five Billion Pesos (₱5,000,000,000.00) (the "**Oversubscription Option**", together with the Base Offer, the "**Offer**" or the "**Bonds**") in up to two (2) series, at the discretion of the Issuer, for public offer and sale in the Philippines under the prospectus dated June 8, 2023.

2021 Program

A registration statement filed by the Issuer covering the 2021 Program was rendered effective by the SEC by its order dated October 11, 2021. The first Tranche of the 2021 Program of Two Billion Seven Hundred Fifty Million Pesos (₱2,750,000,000.00) was issued on October 26, 2021 under the Prospectus. The second Tranche of the 2021 Program of Nine Billion Five Hundred Million Pesos (₱9,500,000,000.00) was issued on May 05, 2022 under the offer supplement dated April 25, 2022. The third Tranche of the 2021 Program of Thirty-three Billion Pesos (₱33,000,000,000.00) was issued on July 4, 2022. The fourth and final Tranche to be issued under the 2021 Program will be comprised of Four Billion Seven Hundred Fifty Million Pesos (₱4,750,000,000.00) forming part of the Base Offer.

2023 Program

On March 14, 2023, Ayala Land applied with the SEC to register up to Fifty Billion Pesos (₱50,000,000,000.00) aggregate principal amount of debt securities, to be issued in one or more Tranches, under a new securities program (the "**2023 Program**"). The first Tranche of the 2023 Program will be comprised of (i) up to Nine Billion Two Hundred Fifty Million Pesos (₱9,250,000,000.00) forming part of the Base Offer, and (ii) the Oversubscription Option. Assuming the full exercise of the Oversubscription Option, a total of Fourteen Billion Two Hundred Million Pesos (₱14,250,000,000.00) will comprise the first Tranche of the 2023 Program.

The Bonds are constituted by a Trust Indenture executed on June 8, 2023 (the "**Trust Indenture**") between the Issuer and Rizal Commercial Banking Corporation – Trust and Investments Group (the "**Trustee**", which term shall, wherever the context permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Indenture). The description of the terms and conditions of the Bonds set out below ("**Terms and Conditions**") includes summaries of, and is subject to, the detailed provisions of the Trust Indenture and the Registry and Paying Agency Agreement executed on June 8, 2023 (the "**Registry and Paying Agency Agreement**") between the Issuer, and the Registrar and Paying Agent.

Philippine Depository & Trust Corp. ("**PDTC**") has no interest in or relation to Ayala Land which may conflict with its roles as Registrar and Paying Agent for the Offer. Rizal Commercial Banking Corporation – Trust and Investments Group has no interest in or relation to Ayala Land which may conflict with its role as Trustee for the Offer. RCBC Capital is a wholly owned subsidiary of Rizal Commercial Banking Corporation.

Copies of the Trust Indenture and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee and the Registrar. The holders of the Bonds (the "**Bondholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Indenture and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

1. Form, Denomination and Title

(a) Form and Denomination

The Bonds are in scripless form, and shall be issued, in denominations of Fifty Thousand Pesos (₱50,000.00) each, as a minimum, and in multiples of Ten Thousand Pesos (₱10,000.00) thereafter and traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

(b) Title

The beneficial interest to the Bonds shall be shown on and recorded in the Register of Bondholders maintained by the Registrar. A notice confirming the principal amount of the Bonds purchased by each applicant in the Offer shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any assignment, title to the Bonds shall pass by recording the transfer from a transferor to the transferee in the Register of Bondholders maintained by the Registrar. Settlement in respect of such transfer or change of title to the Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder.

(c) Bond Rating

The Bonds have been rated PRS Aaa, with a Stable Outlook by Philippine Rating Services Corporation ("**PhilRatings**") on March 23, 2023. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating assigned by PhilRatings. A Stable Outlook, on the other hand, indicates that the rating is likely to be maintained or to remain unchanged in the next 12 months. PhilRatings took into account the following major rating factors in assigning the ratings and the corresponding Outlook: a) a well-diversified portfolio, complemented by strong brand equity; b) an experienced and competent management team and synergies with the Ayala Group; c) the continued rebound in earnings, supporting healthy cash flows; and d) its sound capital structure and well-managed debt portfolio.

PhilRatings shall continuously monitor developments relating to Ayala Land and may change the ratings at any time, should circumstances warrant a change. The rating is subject to annual review, or more frequently as market developments may dictate, for as long as the relevant Bonds are outstanding. After Issue Date, the Trustee shall monitor the compliance of the Bonds with the regular annual reviews.

2. Transfer of the Bonds

(a) Register of Bondholders

The Issuer shall cause the Register of Bondholders to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered into the Register of Bondholders. As required by Circular No. 428, Series of 2004 issued by the BSP*,* the Registrar shall send each Bondholder a written statement of registry holdings at least quarterly (at the cost of the Issuer) and a written advice confirming every receipt or transfer of the Bonds that is effected in the Registrar's system (at the cost of the Issuer). Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfers of the Bonds may be made during the period commencing on a Record Date as defined in the section on "*Interest Payment Date*."

(b) Transfers; Tax Status

Transfers across Tax Categories shall not be allowed except on Interest Payment Dates that fall on a Business Day, provided however that transfers from a tax-exempt category to a taxable tax category on a non-Interest Payment Date shall be allowed using the applicable tax on the PDEx Trading System, ensuring the computations are based on the final withholding tax rate of the taxable party to the trade. Should this transaction occur, the tax-exempt entity shall be treated as being of the same Tax Category as its taxable counterpart for the interest period within which such transfer occurred. For purposes hereof, "Tax Categories" refer to the three (3) final withholding tax categories covering, particularly, tax-exempt entities, 20% tax-withheld entities and 25% tax-withheld entities. This restriction shall be in force until a non-restricted trading & settlement environment for corporate securities is implemented. Transfers taking place in the Register of Bondholders after the Bonds are listed on PDEx may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when allowed under and are in accordance with the relevant rules, conventions and guidelines of PDEx and PDTC. Transfers to or from Bondholders claiming the benefit of any tax treaty which subjects the interest income to a final withholding tax rate other than the final withholding tax categories indicated above shall only be allowed on Interest Payment Dates that fall on a Business Day.

A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under Registry and Paying Agency Agreement upon submission of Account Opening Documents to the Registrar.

(c) Registrar

For transfers and record updates, notices and communication with the Registrar may be made through the following:

Philippine Depository & Trust Corp.
29th Floor BDO Equitable Tower
Paseo de Roxas, Makati City, Metro Manila

Telephone no:	(632) 8884-4425
Fax no:	(632) 8230-3346
E-mail:	baby_delacruz@pds.com.ph
Attention:	Josephine Dela Cruz, Director – Securities Services

(d) Secondary Trading of the Bonds

The Issuer intends to list the Bonds on PDEx for secondary market trading. The Bonds will be traded in a minimum board lot size of Ten Thousand Pesos (₱10,000.00) as a minimum, and in multiples of Ten Thousand Pesos (₱10,000.00) in excess thereof for as long as any of the Bonds are listed on PDEx. Secondary market trading in PDEx shall follow the applicable PDEx rules, conventions, and guidelines governing trading and settlement between Bondholders of different tax status and shall be subject to the relevant fees of PDEx and PDTC, all of which shall be for the account of the relevant Bondholder.

3. Ranking

The Bonds constitute direct, unconditional, and unsecured Peso-denominated obligations of the Issuer and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, other than obligations preferred by the law.

4. Interest

(a) Interest Payment Dates

The Bonds bear interest on its principal amount from and including the Issue Date at the following fixed interest rate per annum from the Issue Date:

Series A Bonds	6.0253%
Series B Bonds	6.2948%

Interest on the Bonds is payable quarterly in arrear on December 26, March 26, June 26 and September 26 of each year while the Bonds are outstanding (each of which, for purposes of this section is an "**Interest Payment Date**") commencing on September 26, 2023. In the event that any of such Interest Payment Dates are not Business Days, such Interest Payment Dates shall be deemed to be the immediately succeeding Business Day without any adjustment to the amount due, provided that if the Issue Date is set at a date other than June 26, 2023, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date. The last Interest Payment Date shall fall on the Maturity Date, or the immediately succeeding Business Day if such date is not a Business Day, without any adjustment to the amount due.

The cut-off date in determining the existing Bondholders entitled to receive interest or principal amount due shall be the day two (2) Business Days prior to the relevant Interest Payment Date (the "**Record Date**"), which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal or any other amount due under the Bonds. No transfers of the Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Date.

(b) Interest Accrual

Each Bond shall cease to bear interest, net of applicable withholding taxes, from and including the Maturity Date, as defined in the discussion on *"Final Redemption",* unless, upon due presentation, payment of the principal in respect of the Bonds then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see *"Penalty Interest"*) shall apply.

(c) Determination of Interest Amount

The interest shall be calculated on the basis of a 360-day year consisting of twelve (12) months of thirty (30) days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of thirty (30) days.

5. Call Option

(a) Call Option

The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding Bonds before the relevant Maturity Date on any one of the following Interest Payment Dates indicated below (the "**Call Option Dates**"), or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

For the Series A Bonds:

Call Option Dates	Call Option Price
8th to 11th Interest Payment Date	101.50%
12th to 15th Interest Payment Date	101.00%
16th to 19th Interest Payment Date	100.50%

For the Series B Bonds:

Call Option Dates	Call Option Price
20th to 23rd Interest Payment Date	102.50%
24th to 27th Interest Payment Date	102.00%
28th to 31st Interest Payment Date	101.50%
32nd to 35th Interest Payment Date	101.00%
36th to 39th Interest Payment Date	100.50%

The amount payable to the Bondholders in respect of any such redemption shall be calculated as the sum of (i) the Call Option Price applied to the principal amount of the then outstanding Bonds being redeemed and (ii) all accrued interest on the Bonds as of the Call Option Date through any of the means prescribed under Paragraph 21 of the Terms and Conditions.

(b) Exercise of a Call Option

Should the Issuer elect to exercise a Call Option, it shall do so by delivery of an original and three (3) copies of a notice of such exercise to the Trustee, submitted during business hours on a date no earlier than sixty (60) days and no later than thirty (30) days prior to the Call Option Date through any of the means prescribed under Paragraph 21 of the Terms and Conditions.

Once executed, completed and delivered to the Trustee, a Call Option notice is irrevocable.

Upon receipt of a Call Option notice fully complying with these Terms and Conditions, the Trustee shall notify the Bondholders thereof by transmitting such notice through any of the means prescribed under Paragraph 21(b) of these Terms and Conditions.

Notwithstanding anything to the contrary, in the event the Issuer has notified the Trustee that it will exercise the Call Option, any interest payment due on the Interest Payment Date immediately preceding the Call Option Date shall be paid on such Call Option Date.

6. Redemption and Purchase

(a) Final Redemption

Unless previously purchased and cancelled, the Bonds shall be redeemed at par or One Hundred percent (100%) of face value on the Maturity Date. However, payment of all amounts due on such date may be made by the Issuer through the Paying Agent, without adjustment to the amount of interest and principal to be paid, on the immediately succeeding Business Day if the Maturity Date is not a Business Day.

(b) Redemption for Taxation Reasons

If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days' prior written notice to the Trustee) at par plus accrued interest, net of applicable withholding taxes.

Upon receipt by the Trustee of a redemption notice from the Issuer hereunder, the Trustee shall transmit the same notice to the Bondholders.

(c) Purchase and Cancellation

The Issuer may at any time purchase any of the Bonds in the open market or by tender or by contract at market price, in accordance with PDEx Rules without any obligation to purchase (and the Bondholders shall not be obliged to sell) Bonds pro-rata from all Bondholders. Any

Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.

(d) Change in Law or Circumstance

The following events shall be considered as changes in law or circumstances ("**Change in Law or Circumstance**") as it refers to the obligations of the Issuer and to the rights and interests of the Bondholders under the Trust Indenture and the Bonds:

(i) Any government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Indenture or the Bonds shall be modified in a manner which, in the reasonable opinion of the Trustee, shall materially and adversely affect the ability of the Issuer to comply with such obligations, or shall be withdrawn or withheld.

(ii) Any provision of the Trust Indenture or any of the related documents is or shall become, for any reason, invalid, illegal or unenforceable to the extent that shall become for any reason unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Indenture or any of the related documents in whole or in part, or any law shall be introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Indenture or any other related documents.

(iii) Any concessions, permits, rights, franchise or privileges required for the conduct of the business and operations of the Issuer shall be revoked, canceled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in such manner as to materially and adversely affect the financial condition or operations of the Issuer.

(iv) The Republic of the Philippines or any competent authority thereof takes any action to suspend the whole or a substantial portion of the operations of the Issuer and to condemn, seize, nationalize or appropriate (either with or without compensation) the Issuer or any material portion of its properties or assets, unless such act, deed or proceedings are contested in good faith by the Issuer.

If any one or more of the events enumerated as a Change of Law or Circumstance shall occur and be continuing for a period of thirty (30) days, the Majority Bondholders, by notice in writing delivered to the Issuer through the Trustee, after the lapse of the said thirty (30) day period, may declare the principal of the Bonds, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, without any prepayment penalty, anything contained in the Trust Indenture or in the Bonds to the contrary notwithstanding, subject to the notice requirements under the discussion on *"Notice of Default."*

7. Payments

The principal or interest and all other amounts payable on the Bonds shall be paid to the Bondholders by crediting of the cash settlement accounts designated by each of the Bondholders. The principal of, and interest on, the Bonds shall be payable in Philippine Pesos.

The Issuer shall ensure that so long as any of the Bonds remains outstanding, there shall at all times be a Paying Agent for the purposes of the Bonds and the Issuer or the Paying Agent may only terminate the appointment of the Paying Agent as provided in the Registry and Paying Agency Agreement. In the event the appointed office of any institution shall be unable or unwilling to continue to act as the Paying Agent, the Issuer shall appoint the Makati City office of such other leading institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

8. Payment of Additional Amounts; Taxation

Interest income on the Bonds is subject to a final withholding tax at rates of between ten percent (10%) and twenty-five percent (25%) depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such final withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following:

(a) The applicable final withholding tax applicable on interest earned on the Bonds prescribed under the National Internal Revenue Code of 1997, as amended and its implementing rules and regulations promulgated by the BIR as may be in effect from time to time (the "**Tax Code**").

An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance:

(i) a copy of the current and valid tax exemption certificate, ruling or opinion issued by the BIR (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time), addressed to the Bondholder, confirming the exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the Corporate Secretary of the Bondholder as being a true copy of the original on file with the Bondholder. The notarized certification indicates that: (a) the exemption certificate is a true copy of the original; (b) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (c) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting said certification's validity;

(ii) with respect to tax treaty relief: (a) prior to the payment of the initial interest due, (i) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the Bureau of Internal Revenue, as required under Revenue Memorandum Order No. 14-2021; (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws; (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer; and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; (b) prior to the payment of subsequent interests due: (i) three (3) originals of the submitted new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable; and (2) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than 1st day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto; and

(iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities.

(b) Gross Receipts Tax under Section 121 of the Tax Code;

(c) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and

(d) Value-added Tax ("**VAT**") under Sections 106 to 108 of the Tax Code, as amended by Republic Act No. 9337 and Republic Act No. 10963.

Documentary stamp tax for the primary issue of the Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer's account.

9. Financial Ratios

The Issuer shall maintain, for as long as any of the Bonds remain outstanding, a Debt to Equity Ratio of not more than 3.0:1.0.

10. Negative Pledge

For as long as any of the Bonds remain outstanding, the Issuer covenants that it shall not, without the prior written consent of the Majority Bondholders, permit any indebtedness for borrowed money to be secured by or to benefit from any mortgage, pledge, security interest, lien or encumbrance constituted on any of the Issuer's properties for the purpose of securing its or its Affiliate's obligation (a "**Security**") in favor of any creditor or class of creditors without providing the Bondholders with a Security, the benefit of which is extended equally and ratably among them to secure the Bonds; provided however that, this restriction shall not prohibit "Permitted Securities," which are:

(a) Any Security over any asset, including, but not limited to assets purchased, leased, or developed in the ordinary course of business, to secure: (i) the payment of the purchase price or cost of leasehold rights of such asset; or (ii) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (iii) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset.

(b) Any Security constituted for any obligation or credit facility incurred for the purpose of pursuing any infrastructure project or investment therein, whether such infrastructure project is undertaken by the Issuer itself, by its Affiliates, and/or by the Issuer or its Affiliates with third parties, and whether the same is carried on separately from or integrated with any of the real estate development of the Issuer, or any Security constituted by the Issuer on its right to receive income or revenues (whether in the form of dividends or otherwise) from infrastructure projects or related investments therein.

(c) Any Security created for the purpose of paying current taxes, assessments or other governmental charges which are not delinquent or remain payable without any penalty; or the validity of which is contested in good faith in appropriate proceedings upon stay of execution of the enforcement thereof and adequate reserves having been provided for the payment thereof.

(d) Any Security to secure, in the normal course of the business of the Issuer or its Affiliates: (i) statutory or regulatory obligations; (ii) surety or appeal bonds; (iii) bonds for release of attachment, stay of execution or injunction; or (iv) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases.

(e) Any Security: (i) imposed by law, such as carrier's, warehousemen's, mechanics' liens and other similar liens arising in the ordinary course of business and not material in amount; (ii) arising out of pledge or deposits under the workmen's compensation laws, unemployment insurance, old age pensions or other social security or retirement benefits or similar legislation; and (iii) arising out of set-off provisions in the normal course of its financing arrangements; provided that, the Bondholders hereunder shall also have to the extent permitted by applicable law, and upon notice to the Issuer, a similar right of set-off.

(f) Any Security in favor of banks, insurance companies, other financial institutions and Philippine government agencies, departments, authorities, corporations or other juridical entities, which secure a preferential financing obtained by the Issuer under a governmental program, and which cover assets of the Issuer which have an aggregate appraised value, determined in accordance with generally accepted appraisal principles and practices consistently applied not exceeding Five Billion Pesos (₱5,000,000,000).

(g) Any Security existing on the date of the Trust Indenture which is disclosed in writing by the Issuer to the Trustee prior to the execution of the Trust Indenture.

(h) Any Security established in favor of insurance companies and other financial institutions in compliance with the applicable requirements of the Office of the Insurance Commission on admitted assets or the requirements of the BSP on loans and financial accommodations extended to directors, officers, stockholders and related interests ("**DOSRI**").

(i) Any Security constituted for the purpose of guaranteeing an Affiliate's obligation in connection with any contract or agreement that has been assigned to such Affiliate by the Issuer.

(j) The assignment, transfer or conveyance of the Issuer's right to receive any of its income or revenues from receivables arising out of the sale of property held for sale by the Issuer in the ordinary course of business (the "**Project Receivables**").

(k) The assignment, transfer or conveyance of the right of the Issuer to receive any income or revenues other than from Project Receivables.

(l) Any Security to be constituted on the assets of the Issuer after the date of the Trust Indenture which is disclosed in writing by the Issuer to the Trustee prior to the execution of the Trust Indenture or any Security for an aggregate loan accommodation not exceeding the equivalent of ten percent (10%) of the market value of the consolidated assets of the Issuer as reflected in the latest appraisal report submitted by an independent and reputable appraiser.

(m) Any Security constituted over the investment of the Issuer in any of its Affiliates, whether such investment is in the form of shares, deposits or advances, to guarantee or secure the obligations of the said Affiliates.

(n) Any Security constituted for the purpose of guaranteeing an Affiliate's obligation in connection with any contract or agreement (other than for borrowed money).

(o) Any title transfer or retention of title arrangement entered into by the Issuer in the normal course of its trading activities on the counterparty's standard or usual terms.

(p) Any Security created over (i) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos ("foreign currency"); or (ii) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purpose of securing loan facilities denominated in Philippine Pesos granted by the Issuer in an aggregate principal amount not exceeding the amount of the deposit of the face amount (or value) of that financial instrument.

(q) Any Security created over cash deposits or marketable investment securities in favor of a bank or financial institution to secure any borrowed money in connection with a treasury transaction; provided that, the aggregate amount of security does not at any time exceed Thirty Million U.S. Dollars (US$30,000,000) or its equivalent. For this purpose, a "treasury transaction" means any currency, commodity, or interest rate purchase, cap or collar agreement, forward rate agreement, future or option contract, swap or other similar agreement, in relation to the Issuer's treasury management.

(r) The assignment, transfer or conveyance by way of Security (in any case without recourse) of the Issuer's right to receive any income or revenues from any asset of the Issuer not used in the ordinary course of business; provided that, the constitution by the Issuer of such Security shall not cause the Issuer to breach the maximum Debt to Equity Ratio of 3.0:1.0.

11. Events of Default

The Issuer shall be considered in default under the Bonds and the Trust Indenture in case any of the following events (each an "**Event of Default**") shall occur and is continuing:

(a) Payment Default

The Issuer fails to pay when due and payable any amount which the Issuer is obliged to pay to the Bondholders under the Trust Indenture and the Bonds, and such failure, if due to causes other than the willful misconduct or gross negligence of the Issuer, is not remedied within five (5) Business Days from receipt by the Issuer of written notice of such non-payment from the Trustee; provided, however, that, the amount due for payment during the said five (5) Business Day remedy period shall be subject to the interest specified in the section "Interest."

(b) Representation/Warranty Default

Any representation and warranty of the Issuer hereof or any certificate or opinion submitted pursuant hereto proves to have been untrue, incorrect or misleading in any material respect as and when made and the circumstances which cause such representation or warranty to be incorrect or misleading continue for not less than fourteen (14) days (or such longer period as the Majority Bondholders shall approve) after receipt of written notice from the Trustee to that effect.

(c) Other Default

The Issuer fails to perform or violates any other provision or term of the Trust Indenture and the Bonds, and such failure or violation is not remediable or, if remediable, continues to be unremedied after the applicable grace period, or in the absence of such grace period, after thirty (30) days from the date of occurrence of the said violation with respect to the covenant to maintain the prescribed financial ratio, (particularly a maximum Debt to Equity Ratio of 3.0:1.0) and within ten (10) Business Days from the date of the occurrence of said violation, with respect to any other covenant or obligation; provided that, the Events of Default constituting insolvency initiated by the Issuer or closure default, or a violation of a negative covenant shall not be remediable.

(d) Cross Default

The Issuer violates any material term or condition of any contract executed by the Issuer with any bank, financial institution or other person, corporation or entity for the payment of borrowed money which constitutes an event of default under said contract, or in general, violation of any, law or regulation which violation, if remediable, is not remedied by the Issuer within ten (10) Business Days from receipt of notice by the Trustee to the Issuer, or which violation is otherwise not contested by the Issuer, and the effect of such violation results in the acceleration or declaration of the whole financial obligation to be due and payable prior to the stated normal date of maturity; and which violation shall, further, in the reasonable opinion of the Trustee, adversely and materially affect the performance by the Issuer of its obligations under the Trust Indenture and the Bonds; provided however that, no event of default shall occur under this paragraph unless the aggregate amount of indebtedness in respect of which one or more of the events above mentioned has/have occurred equals or exceeds Five Hundred Million Pesos (₱500,000,000).

(e) Insolvency Default

The Issuer becomes insolvent or unable to pay its debts when due or commits or permits any act of Bankruptcy, which term shall include, but shall not be limited to: (i) filing of a petition in any Bankruptcy, reorganization (other than a labor or management reorganization), winding-up, suspension of payment or liquidation proceeding, or any other proceeding analogous in purpose and effect; (ii) appointment of a trustee or receiver of all or a substantial portion of its properties; (iii) making of an assignment for the benefit of its creditors; (iv) the admission in writing by the Issuer of its inability to pay its debts; or (v) the entry of any order or judgment of any court, tribunal or administrative agency or body confirming the Bankruptcy or insolvency of the Issuer or approving any reorganization (other than a labor or management reorganization), winding-up, liquidation or appointment of trustee or receiver of the Issuer or a substantial portion of its property or assets.

(f) Judgment Default

Any final judgment, decree or arbitral award for the sum of money, damages or for a fine or penalty in excess of Five Hundred Million Pesos (₱500,000,000) or its equivalent in any other currency is entered against the Issuer and the enforcement of which is not stayed, and is not paid, discharged or duly bonded within thirty (30) calendar days after the date when payment of such judgment, decree or award is due under the applicable law or agreement.

(g) Writ and Similar Process Default

Any judgment, writ, warrant of attachment, injunction, stay order, execution or similar process shall be issued or levied against any material part of the Issuer's assets and such judgment, writ, warrant or similar process shall not be released, vacated or fully bonded within thirty (30) calendar days after its issue or levy.

(h) Closure Default

The Issuer voluntarily suspends or ceases operations of a substantial portion of its business for a continuous period of thirty (30) calendar days except in the case of strikes or lockouts or when necessary to prevent business losses or when due to fortuitous events or force majeure.

12. Notice of Default

The Trustee shall, within thirty (30) days after the occurrence of any Event of Default, give to the Bondholders written notice of such default known to it, unless the same shall have been cured before the giving of such notice; provided that, in the case of Payment Default, as described in "Payment Default," the Trustee shall immediately notify the Bondholders upon the occurrence of such Payment Default. The existence of a written notice required to be given to the Bondholders hereunder shall be published in a newspaper of general circulation in Metro Manila for two (2) consecutive days (at the expense of Ayala Land) further indicating in the published notice that the Bondholders or their duly authorized representatives may obtain an important notice regarding the Bonds at the principal office of the Trustee upon presentment of sufficient and acceptable identification.

13. **Consequences of Default**

(a) If any one or more of the Events of Default shall have occurred and be continuing, either (i) the Trustee, upon the written instruction of the Majority Bondholders, whose written instructions/consents/letters shall be verified by the Registrar against the identification documents or the two-dimensional digital copies thereof in its possession, and by notice in writing delivered to the Issuer, or (ii) the Majority Bondholders, by notice in writing delivered to the Issuer and the Trustee, with a copy furnished to the Paying Agent and Registrar, may declare the principal of the Bonds, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, anything contained in the Trust Indenture or in the Bonds to the contrary notwithstanding.

(b) This provision, however, is subject to the condition that, except in the case of a Writ and Similar Process Default, the Majority Bondholders may, by written notice to the Issuer and the Trustee, during the prescribed curing period, if any, rescind and annul such declaration made by the Trustee pursuant to Condition 13(a), and the consequences of such declaration, upon such terms, conditions and agreement, if any, as they may determine; provided that, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

(c) At any time after any Event of Default shall have occurred, the Trustee may:

(i) by notice in writing to the Issuer, require the Registrar and Paying Agent to:

(aa) act thereafter as agents of the Bondholders represented by the Trustee on the terms provided in the Registry and Paying Agency Agreement (with consequential amendments as necessary and save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agent and the Registrar shall be limited to amounts for the time being held by the Trustee on the trusts of the Trust Indenture in relation to the Bonds and available to the Trustee for such purpose) and thereafter to hold all sums, documents and records held by them in respect of the Bonds on behalf of the Trustee; and/or

(bb) deliver all evidence of the Bonds and all sums, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee shall direct in such notice; provided that, such notice shall be deemed not to apply to any document or record which the Registrar and Paying Agent is not obliged to release by any law or regulation; and

(ii) by notice in writing to the Issuer, require the Issuer to make all subsequent payments in respect of the Bonds to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, and the Issuer's affirmative covenant to pay principal and interest, net of applicable withholding taxes, on the Bonds, more particularly set forth in the Registry and Paying Agency Agreement, shall cease to have effect.

In case any amount payable by the Issuer under the Bonds, whether for principal, interest or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest, net of applicable withholding taxes, and other amounts, pay Penalty Interest on the defaulted amount(s) from the time the amount falls due until it is fully paid.

14. Penalty Interest

In case any amount payable by the Issuer under the Bonds, whether for principal, interest, net of applicable withholding taxes, or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest, net of applicable withholding taxes, and other amounts, pay penalty interest on the defaulted amount(s) at the rate of twelve percent (12%) per annum (the "**Penalty Interest**") from the time the amount falls due until it is fully paid.

15. Payment in the Event of Default

The Issuer covenants that upon the occurrence of any Event of Default, the Issuer shall pay to the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding Bonds with interest at the rate borne by the Bonds on the overdue principal, net of applicable withholding taxes, and with Penalty Interest as described above, and in addition thereto, the Issuer shall pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred without negligence or bad faith by the Trustee hereunder.

16. Application of Payments

Any money collected or delivered to the Paying Agent, and any other funds held by it, subject to any other provision of the Trust Indenture and the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Paying Agent in the order of preference as follows: first, to the payment to the Trustee, the Registrar and Paying Agent, of the costs, expenses, fees and other charges of collection, including reasonable compensation to them, their agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursements made by them, without negligence or bad faith; second, to the payment of the interest, net of applicable withholding taxes, in default, in the order of the maturity of such interest with Penalty Interest, which payment shall be made pro-rata among the Bondholders; third, to the payment of the whole amount then due and unpaid upon the Bonds for principal, and interest, net of applicable withholding taxes, with Penalty Interest, which payment shall be made pro-rata among the Bondholders; and fourth, the remainder, if any shall be paid to the Issuer, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. For this purpose, the Paying Agent shall deliver to the Trustee a joint certification of the funds to be applied for payment, and a schedule of payments to be made in accordance with the Terms and Conditions of the Bonds.

17. Prescription

Claims in respect of principal and interest or other sums payable hereunder shall prescribe unless made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

18. Remedies

All remedies conferred by the Trust Indenture and these Terms and Conditions to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extra judicial proceedings appropriate to enforce the conditions and covenants of the Trust Indenture, subject to the discussion below on “Ability to File Suit.”

No delay or omission by the Trustee or the Bondholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Indenture to the Trustee or the Bondholders may be exercised from time to time and as often as may be necessary or expedient.

19. Ability to File Suit

No Bondholder shall have any right by virtue of or by availing of any provision of the Trust Indenture to institute any suit, action or proceeding for the collection of any sum due from the Issuer hereunder on account of principal, interest, net of applicable withholding taxes, and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (i) such Bondholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the Bonds; (ii) the Majority Bondholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in the latter’s name; (iii) the Trustee, for sixty (60) days after the receipt of such notice and request shall have neglected or refused to institute any such action, suit or proceeding; and (iv) no directions inconsistent with such written request shall have been given under a waiver of default by the Bondholders, it being understood and intended, and being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholders shall have any right in any manner whatever by virtue of or by availing of any provision of the Trust Indenture to affect, disturb or prejudice the rights of the holders of any other such Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all the Bondholders.

20. Waiver of Default by the Bondholders

The Majority Bondholders may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or may, on behalf of the Bondholders waive any past default, except the events of default defined as a payment default, breach of representation or warranty default, insolvency default, or closure default, and its consequences. In case of any such waiver, the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder; provided however that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the Bonds.

21. Trustee; Notices

(a) Notice to the Trustee

All documents required to be submitted to the Trustee pursuant to the Trust Indenture and the Prospectus, and all correspondence addressed to the Trustee shall be delivered to:

To the Trustee:	RIZAL COMMERCIAL BANKING CORPORATION Trust and Investments Group
Attention:	Ryan Roy W. Sinaon
Subject:	ALI Series A and B Bonds due 2028 and 2033
Address:	9th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City
Telephone No.:	8894 – 9000 local 1278
Email:	rwsinaon@rcbc.com

All documents and correspondence not sent to the above-mentioned address shall be considered as not to have been sent at all.

Any requests for documentation or certification and other similar matters must be communicated by the Bondholder to the Trustee in writing and shall be subject to review, acceptance and approval by the Trustee. Upon such acceptance and approval, the Bondholder shall pay to the Trustee upfront a fee of Three Hundred Pesos (₱300) (the "**Activity Fee**") plus the costs of legal review, courier and the like. The Activity Fee may be adjusted from time to time, at the discretion of the Trustee.

In the absence of any applicable period stated elsewhere in these Terms and Conditions, written requests shall be reviewed and, if accepted and approved, addressed by the Trustee within ninety (90) days from receipt. This period may be extended should the Trustee be unable to review and address the requests for causes not attributable to the Trustee.

(b) Notice to the Bondholders

Except where a specific mode of notification is provided for herein, notices to Bondholders shall be sufficient and binding when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) surface mail; (iii) by one-time publication in a newspaper of general circulation in the Philippines; or (iv) personal delivery to the address of record in the Register of Bondholders. The Trustee shall rely on the Register of Bondholders in determining the Bondholders entitled to notice. All notices shall be deemed to have been received (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing, if transmitted by surface mail; (iii) on date of publication or (iv) on date of delivery, for personal delivery.

The publication in a newspaper of general circulation in the Philippines of a press release or news item about a communication or disclosure made by Ayala Land to the SEC on a matter relating to the Bonds shall be deemed a notice to Bondholders of said matter on the date of the first publication.

(c) Binding and Conclusive Nature

Except as provided in the Trust Indenture, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Indenture, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, and all Bondholders and (in the absence as referred to above) no liability to the Issuer, the Paying Agent or the Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under the Trust Indenture.

22. Duties and Responsibilities of the Trustee

(a) The Trustee is appointed as trustee for and on behalf of the Bondholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Indenture. The Trustee shall, in accordance with the terms and conditions of the Trust Indenture, monitor the compliance or non-compliance by the Issuer with all its representations and warranties, and the observance by the Issuer of all its covenants and performance of all its obligations, under and pursuant to the Trust Indenture. The Trustee shall observe due diligence in the performance of its duties and obligations under the Trust Indenture. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Bondholders, and to whom the Bondholders shall communicate with in respect to any matters that must be taken up with the Issuer.

(b) The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Indenture and in the Terms and Conditions. In case of default, the Trustee shall exercise such rights and powers vested in it by the Trust Indenture, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.

(c) None of the provisions contained in these Terms and Conditions or the Prospectus shall require or be interpreted to require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

(d) The Trustee, in the performance of its duties, shall exercise such rights and powers vested in it by the Trust Indenture and the Terms and Conditions of the Bonds, with the care, prudence and diligence necessary under the circumstances then prevailing that a prudent man, acting in like capacity and familiar with such matters, would exercise in the conduct of an enterprise of like character and with similar aims, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.

(e) Unless a fixed period is otherwise specified in the Trust Indenture and in the absence of a period specifically agreed to by the Trustee and Ayala Land and in the case of notices required to be sent by the Trustee to Bondholders, the Trustee must act promptly in the sending of such notices but in any case shall have a period of not more than thirty (30) days to complete the sending of all such notices in the manner allowed by the Trust Indenture.

(f) Notwithstanding the above, the Trustee, on its own discretion, may send notices or disclose to the Bondholders any fact, circumstance or event, which would have the effect of effectively reducing the principal amount of the Bonds outstanding, including changes in Laws.

23. Resignation and Change of Trustee

(a) The Trustee may at any time resign by giving thirty (30) days' prior written notice to the Issuer and to the Bondholders of such resignation.

(b) Upon receiving such notice of resignation of the Trustee, the Issuer shall immediately appoint a successor trustee by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the resigning trustee and one copy to the successor trustee. However, notwithstanding the immediately preceding sentence, in cases where an Event of Default shall have occurred and be continuing, it is the Majority Bondholders, not the Issuer, that shall appoint the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Bondholder who has been a bona fide holder for at least six (6) months (the "**Bona Fide Bondholder**") may, for and in behalf of the Bondholders, petition any such court for the appointment of a successor. Such court may thereupon after notice, if any, as it may deem proper, appoint a successor trustee.

(c) Subject to Section (f) below, a successor trustee must possess all the qualifications required under pertinent laws.

(d) In case at any time the Trustee shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer may within thirty (30) days therefrom remove the Trustee concerned, and appoint a successor trustee, by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee. If the Issuer fails to remove the Trustee concerned and appoint a successor trustee, any Bona Fide Bondholder may petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor trustee. Subject to the provisions of Subsection (e) below, such successor trustee must possess all the qualifications required under pertinent laws.

(e) The Majority Bondholders may at any time remove the Trustee for cause, and appoint a successor trustee, by the delivery to the Trustee so removed, to the successor trustee and to the Issuer of the required evidence under the provisions on Evidence Supporting the Action of the Bondholders in the Terms and Conditions.

(f) Any resignation or removal of the Trustee and the appointment of a successor trustee pursuant to any provisions of the Trust Indenture shall become effective upon the earlier of: (i) acceptance of appointment by the successor trustee as provided in the Trust Indenture; or (ii) effectivity of the resignation notice sent by the Trustee under the Trust Indenture; provided however that, until such successor trustee is qualified and appointed, the outgoing Trustee shall continue to discharge its duties and responsibilities solely as custodian of records for turnover to the successor trustee promptly upon the appointment thereof by the Issuer for which custodial services the Trustee shall be entitled to the same fee it was receiving before its resignation until full and complete release or turnover of the documents, instruments, certifications, and other pertinent documents to the successor trustee; provided finally that, such successor trustee possesses all the qualifications as required by pertinent laws.

(g) In the event of a change in the Trustee, the Trustee shall be given ninety (90) days to prepare documents, records or any other instruments necessary to be transferred to the successor trustee, unless removed for cause, in which case, it shall transfer to such documents, records or other instruments within such period as may be reasonably determined by Ayala Land.

24. Successor Trustee

(a) Any successor trustee appointed shall execute, acknowledge and deliver to the Issuer and to its predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusteeship with like effect as if originally named as Trustee in the Trust Indenture. The foregoing notwithstanding, on the written request of the Issuer or of the successor trustee, the Trustee ceasing to act as such shall execute and deliver an instrument transferring to the successor trustee, all the rights, powers and duties of the Trustee so ceasing to act as such. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers and duties.

(b) Upon acceptance of the appointment by a successor trustee, the Issuer shall notify the Bondholders in writing of the succession of such trustee to the trusteeship. If the Issuer fails to notify the Bondholders within ten (10) days after the acceptance of appointment by the successor trustee, the latter shall cause the Bondholders to be notified at the expense of the Issuer.

25. Reports to the Bondholders

(a) From the relevant Issue Date until full payment of the Bonds, in the event that there are:

(i) property and funds physically in the possession of the Paying Agent held in trust for the Bondholders on the date of such report as confirmed in writing whether in electronic or originally signed form issued by the Paying Agent to the Issuer or Trustee; or

(ii) action/s taken by the Trustee in the performance of its duties under the Trust Indenture which it has not previously reported and which in its opinion materially affects the Bonds, except action in respect of a default, notice of which has been or is to be withheld by it,

the Trustee shall submit to the Bondholders, on or before February 28 of each year, a brief report dated as of December 31 of the immediately preceding year respecting such matters.

(b) The Trustee shall submit to the Bondholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Bondholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, such advance remaining unpaid amounts to at least ten percent (10%) of the aggregate outstanding principal amount of the Bonds at such time.

(c) The following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:

(i) Trust Indenture;
(ii) Registry and Paying Agency Agreement;

(iii) Articles of Incorporation and By-Laws of the Issuer;
(iv) Registration Statement relating to the 2021 Program;
(v) Registration Statement relating to the 2023 Program; and
(vi) Opinions of the legal counsel with respect to the Issuer and the Bonds.

26. Meetings of the Bondholders

A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or in behalf of the Bondholders of any specified aggregate principal amount of Bonds under any other provisions of the Trust Indenture or under the law and such other matters related to the rights and interests of the Bondholders under the Bonds.

(a) Notice of Meetings

The Trustee may at any time call a meeting of the Bondholders, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of Bonds may direct in writing the Trustee to call a meeting of the Bondholders, to take up any allowed action, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Bondholders, setting forth the time and the place of such meeting and the purpose of such meeting in reasonable detail, shall be sent by the Trustee to the Issuer and to each of the registered Bondholders not earlier than forty-five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of the requested meeting shall be reimbursed by the Issuer within ten (10) days from receipt of the duly supported billing statement.

(b) Failure of the Trustee to Call a Meeting

In case at any time, the Issuer, pursuant to a resolution of its board of directors or executive committee, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of the Bonds shall have requested the Trustee to call a meeting of the Bondholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, in accordance with the notice requirements, the notice of such meeting, then the Issuer or the Bondholders in the amount above specified may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof.

(c) Quorum

The Trustee shall determine and record the presence of the Majority Bondholders, personally or by proxy. The presence of the Majority Bondholders, personally or by proxy, shall be necessary to constitute a quorum to do business at any meeting of the Bondholders.

(d) Procedure for Meetings

(i) The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by the Issuer or by the Bondholders, in which case the Issuer or the Bondholders calling the meeting, as the case may be, shall in like manner move for the election of the chairman and secretary of the meeting.

(ii) Any meeting of the Bondholders duly called may be adjourned for a period or periods not to exceed in the aggregate of one (1) year from the date for which the meeting shall originally have been called and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

(e) Voting Rights

To be entitled to vote at any meeting of the Bondholders, a person shall be a registered holder of one or more Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of the said meeting. Bondholders shall be entitled to one (1) vote for every Ten Thousand Pesos (₱10,000) interest. The only persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the persons entitled to vote at such meeting and any representatives of the Issuer and its legal counsel.

(f) Voting Requirement

Except as provided in Condition 29 (Amendments), all matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders present or represented in a meeting at which there is a quorum except as otherwise provided in the Trust Indenture. Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided shall be binding upon all the Bondholders and the Issuer as if the votes were unanimous.

(g) Role of the Trustee in Meetings of the Bondholders

Notwithstanding any other provisions of the Trust Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Bondholders, in regard to proof of ownership of the Bonds, the appointment of proxies by registered holders of the Bonds, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidences of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.

27. Evidence Supporting the Action of the Bondholders

Wherever in the Trust Indenture it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the Bonds may take any action (including the making of any demand or requests and the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing, or (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith; or (iii) a combination of such instrument and any such record of meeting of the Bondholders.

28. Non-Reliance

Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of the Issuer on the basis of such documents and information as it has deemed appropriate and that it has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations hereunder, except for its gross negligence or willful misconduct.

29. Amendments

The Issuer and the Trustee may amend or waive any provisions of the Bond Agreements if such amendment or waiver is of a formal, minor, or technical nature or to correct a manifest error or inconsistency, without prior notice to or the consent of the Bondholders or other parties, provided in all cases that such amendment or waiver does not adversely affect the interests of the Bondholders and provided further that all Bondholders are notified of such amendment or waiver.

The Issuer and the Trustee may amend the Terms and Conditions with notice to every Bondholder following the written consent of the Majority Bondholders (including consents obtained in connection with a tender offer or exchange offer for the Bonds) or a vote of the Majority Bondholders at a meeting called for the purpose. However, without the consent of each Bondholder affected thereby, an amendment may not:

(a) reduce the percentage of principal amount of Bonds outstanding that must consent to an amendment or waiver;

(b) reduce the rate of or extend the time for payment of interest on the Bonds;

(c) reduce the principal of or extend the Maturity Date of the Bonds;

(d) impair the right of any Bondholder to receive payment of principal of and interest on such Bondholder's Bonds on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such Bondholders;

(e) reduce the amount payable upon the redemption or repurchase of the Bonds under the Terms and Conditions or change the time at which the Bonds may be redeemed;

(f) make the Bonds payable in money other than that stated in the Bonds;

(g) subordinate the Bonds to any other obligation of Ayala Land;

(h) release any security interest that may have been granted in favor of the Bondholders;

(i) amend or modify the Payment of Additional Amounts, Taxation, the Events of Default of the Terms and Conditions or the Waiver of Default by the Bondholders; or

(j) make any change or waiver of this Condition 29.

It shall not be necessary for the consent of the Bondholders under this Condition 29 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof. After an amendment under this Condition becomes effective, the Issuer shall send a notice briefly describing such amendment to the Bondholders in the manner provided in the paragraph entitled "Notice to the Bondholders."

30. Governing Law

The Bond Agreements are governed by and are construed in accordance with Philippine law.

31. Venue

Any suit, action, or proceeding against the Issuer with respect to the Bonds or the Bond Agreements or on any judgment entered by any court in respect thereof may be brought in any competent court in the City of Makati, and the parties submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment, the Issuer and Bondholders expressly waiving other venue.

32. Waiver of Preference

The obligation created under the Bond Agreements and the Bonds shall not enjoy any priority of preference or special privileges whatsoever over any indebtedness or obligations of the Issuer. Accordingly, whatever priorities or preferences that this instrument may have or any person deriving a right hereunder may have under Article 2244, paragraph 14 of the Civil Code of the Philippine are hereby absolutely and unconditionally waived and renounced. This waiver and renunciation of the priority or preference under Article 2244, paragraph 14 of the Civil Code of the Philippines shall be revoked if it be shown that an indebtedness of the Issuer for borrowed money has a priority or preference under the said provision.

33. Certain Defined Terms

The following sets forth the respective definitions of certain terms used in this Terms and Conditions. Except as otherwise provided and where context indicates otherwise, defined terms in this Terms and Conditions have the meanings ascribed to them in the Trust Indenture.

(a) **Affiliate** means any corporation, directly or indirectly controlled by the Issuer, whether by way of ownership of at least twenty percent (20%) of the total issued and outstanding capital stock of such corporation, or the right to elect at least twenty percent (20%) of the number of directors in such corporation, or the right to control the operation and management of such corporation by reason of contract or authority granted by said corporation to the Issuer.

(b) **Bankruptcy** means, with respect to a Person, (a) that such Person has (i) made an assignment for the benefit of creditors; (ii) filed a voluntary petition in bankruptcy; (iii) been adjudged bankrupt, or insolvent; or had entered against such Person an order of relief in any bankruptcy or insolvency proceeding; (iv) filed a petition or an answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation or filed an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding of such nature; or (v) sought, consented to, or acquiesced in the appointment of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties; (b) sixty (60) days have elapsed after the commencement of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation and such proceeding has not been dismissed; or (c) sixty (60) days have elapsed since the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties and such appointment has not been vacated or stayed or the appointment is not vacated within sixty (60) days after the expiration of such stay.

(c) **BIR** refers to the Bureau of Internal Revenue of the Republic of the Philippines.

(d) **Debt** includes short-term debt, long-term debt and current portion of long-term debt.

(e) **Debt to Equity Ratio** means the ratio which Total Debt bears to Total Stockholders' Equity.

(f) **Majority Bondholders** means Bondholders representing more than fifty percent (50%) of the outstanding principal amount of the Bonds.

(g) **Security** means any mortgage, pledge, lien or encumbrance constituted on any of the Issuer's properties, for the purpose of securing its or its Affiliates' obligation.

(h) **Total Debt** includes short-term debt, long-term debt and current portion of long-term debt.

(i) **Total Stockholders' Equity** means the aggregate (as of the relevant date for calculation) of the par value of the outstanding common stock, preferred stock, capital surplus, retained earnings appraisal surplus arising from past appraisal and any further appraisal surplus arising from subsequent independent certified appraisal of the property, plant and equipment of the Issuer effected in compliance with the Philippine Financial Reporting Standards, and any reserve for expansion projects, less treasury stocks.

PHILIPPINE TAXATION

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Securities. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Securities and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Securities under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Securities in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus.

The tax treatment of a holder of Securities may vary depending upon such holder's particular situation, and certain holders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a Security Holder.

PROSPECTIVE PURCHASERS OF THE SECURITIES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF A SECURITY, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS.

*The following is a general description of certain Philippine tax aspects of the Bonds. It is based on the present provisions of the National Internal Revenue Code of 1997, as amended by Republic Act No. 10963 and Republic Act No. 11534 (the "**Philippine Tax Code**"), the regulations promulgated thereunder and judicial and ruling authorities in force as of the date of this Prospectus, all of which are subject to changes occurring after such date, which changes could be made on a retroactive basis.*

As used in this section, the term "resident foreign individual" refers to an individual whose residence is within the Philippines and who is not a citizen thereof. A "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien doing business in the Philippines," otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not doing business in the Philippines."

TAXATION OF INTEREST

Interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax. Interest income derived by Philippine citizens, resident foreign individuals, domestic corporations, and resident foreign corporations from the Bonds is subject to final withholding tax rate of 20%. Generally, interest on bonds or other deposit substitutes received by non-resident foreign individuals engaged in trade or business in the Philippines is subject to a 20% final withholding tax while that received by non-resident foreign individuals not engaged in trade or business is taxed at the rate of 25%. Interest income derived by non-resident foreign corporations from the bonds or other deposit substitutes is subject to final withholding tax rate of 25%.

The foregoing rates may be subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident Bondholder. Most tax treaties to which the Philippines is a party generally provide for a reduced tax rate of 15% in cases where the interest arises in the Philippines and is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment.

On March 31, 2021, the BIR issued Revenue Memorandum Order No. 14-2021 ("**RMO 14-2021**"). RMO 14-2021 was issued to streamline the procedures and documents for the availment of the tax treaty benefits. Said issuance will apply to the income derived by the nonresident Bondholder on the interest payments from the Bonds. To avail of the tax treaty relief benefits, the following guidelines and procedures will be observed:

- The nonresident income recipient should submit to the withholding agent or income payor the submitted BIR Form No. 0901-I (Interest Income) or Application Form for Treaty Purposes, Tax Residency Certificate duly issued by the foreign tax authority, and the relevant provision of the applicable tax treaty on whether to apply a reduced rate of, or exemption from, withholding at source on the income derived by the nonresident income recipient. The documents should be submitted to each withholding agent or income payor prior to the payment of income for the first time. The failure to provide the said documents when requested may lead to the withholding using the regular withholding rates without the tax treaty benefit rate.
- When the preferential tax rates have been applied by the withholding agent, it shall file with the International Tax Affairs Division ("**ITAD**") a request for confirmation on the propriety of the withholding tax rates applied by the withholding agent. On the other hand, if the regular withholding rates have been imposed on the income, the nonresident income recipient shall file a tax treaty relief application ("**TTRA**") with ITAD. In either case, each request for confirmation and TTRA shall be supported by the documentary requirements set out in the issuance.
- The request for confirmation shall be filed by the withholding agent at any time after the payment of withholding tax but shall in no case be later than the last day of the fourth month following the close of each taxable year. On the other hand, the filing of the TTRA may be filed by the nonresident income recipient at any time after the receipt of the income.

Other guidelines regarding the TTRA are provided under Revenue Memorandum Circular Nos. 77-2021 and 20-2022. Under Revenue Memorandum Circular No. 20-2022, once a Certificate of Entitlement ("**COE**") has been previously issued to a taxpayer, to allow the ruling to be applied to subsequent or future income payments.

If the BIR determines that the withholding tax rate applied is lower than the rate that should have been applied on an item of income pursuant to the treaty, or that the nonresident income recipient is not entitled to treaty benefits, it will issue a BIR Ruling denying the request for confirmation or TTRA. Consequently, the withholding agent shall pay the deficiency tax plus penalties. On the contrary, if the withholding tax rate applied is proper or higher than the rate that should have been applied, the BIR will issue a certificate confirming the nonresident income recipient's entitlement to the treaty benefits. In this case, the nonresident income recipient may apply for a refund of the excess withholding tax.

The original or certified true copy of the following documents, as may be applicable, shall be submitted to the International Tax Affairs Division of the BIR when claiming the tax treaty relief:

A. General Requirements
   1. Letter-request
   2. Application Form duly signed by the nonresident Bondholder or its/his/her authorized representative
   3. Tax Residency Certificate for the relevant period, duly issued by the tax authority of the foreign country in which the Bondholder is a resident
   4. Bank documents/certificate of deposit/telegraphic transfer/telex/money transfer evidencing the payment/remittance of income
   5. Withholding tax return with Alphalist of Payees
   6. Proof of payment of withholding tax
   7. Notarized Special Power of Attorney issued by the nonresident Bondholder to its/his/her authorized representative(s), which shall expressly state the authority to sign the Application Form as well as to file the tax treaty relief application or request for confirmation

B. Additional general requirements for legal persons and arrangements, and individuals:
   1. Authenticated copy of the nonresident legal person or arrangement's Articles/Memorandum of Incorporation/Association, Trust Agreement, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language
   2. Original copy of the Certificate of Non-Registration of the Bondholder or certified true copy of License to Do Business in the Philippines duly issued by the SEC for legal persons and arrangements, or original copy of the Certificate of Business Registration/Presence duly issued by the Department of Trade and Industry for individuals

C. Additional general requirements for fiscally transparent entities:
   1. A copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the foreign fiscally transparent entity;
   2. List of owners/beneficiaries of the foreign entity;
   3. Proof of ownership of the foreign entity; and
   4. Tax Residency Certificate issued by the concerned foreign tax authority to the owners or beneficiaries of the fiscally transparent entity.

The BIR may require additional documents during the course of its evaluation as it may deem necessary. Upon the confirmation of the entitlement to the tax treaty benefit or confirmation of the correctness of the withholding tax rates applied, the BIR will issue a certification to that effect. Any adverse ruling may be appealed to the Department of Finance within thirty (30) days from receipt.

If the income of the nonresident Bondholder has been subjected to regular withholding rates, the Bondholder may file a claim for refund with the BIR independently of, or simultaneously with, the TTRA. Nonetheless, all claims for refund shall be filed within the two (2)-year prescriptive period provided under Section 229 of the National Internal Revenue Code, as amended.

TAX EXEMPT STATUS

Bondholders who are exempt from, are not subject to final withholding tax, or are subject to a lower rate of final withholding tax on interest income may avail of such exemption or preferential withholding tax rate by submitting the necessary documents. Said Bondholder shall submit the following requirements, in form and substance prescribed by the Issuer, to the Registrar or to the Underwriters or selling agents (together with their completed Application to Purchase) who shall then forward the same to the Registrar:

i. a copy of the current and valid tax exemption certificate, ruling or opinion issued by the BIR (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time), addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the Corporate Secretary of the Bondholder as being a true copy of the original on file with the Bondholder. The notarized certification indicates that: (a) the exemption certificate is a true copy of the original; (b) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (c) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting said certification's validity;

ii. with respect to tax treaty relief, (a) prior to the payment of the initial interest due, (i) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the Bureau of Internal Revenue, as required under Revenue Memorandum Order No. 14-2021, (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; and (b) prior to the payment of subsequent interests due, (i) three (3) originals of the submitted new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the

Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than 1st day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto; and

iii. such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities;

Transfers taking place in the Register of Bondholders after the Bonds are listed in PDEx may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when allowed under, and are in accordance with the relevant rules, conventions and guidelines of PDEx and PDTC. A selling or purchasing Bondholder claiming tax-exempt status is required to submit the following documents to the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under Registry and Paying Agency Agreement upon submission of Account Opening Documents to the Registrar.

DOCUMENTARY STAMP TAX

A documentary stamp tax is imposed upon the issuance of debentures and certificates of indebtedness issued by Philippine companies, such as bonds, notes and other deposit substitutes, at the rate of ₱1.50 for each ₱200, or fractional part thereof, of the issue price of such debt instruments; provided, that for debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be proportionate to the ratio of the debt instrument's term in number of days to 365 days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the Philippines, or where the object of the contract is located or used in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by the Issuer for its own account.

No documentary stamp tax is imposed on the subsequent sale or disposition of bonds or other deposit substitutes; trading of bonds or other deposit substitutes in a secondary market or through an exchange as long as such subsequent sale, disposition or trading is not made in the Philippines or there is no change in the maturity date or the material terms and conditions of the relevant bonds or other deposit substitutes.

TAXATION ON SALE OR OTHER DISPOSITION OF BONDS OR OTHER DEPOSIT SUBSTITUTES

Income Tax

Ordinary asset – The gain is included in the computation of taxable income, which is subject to the following graduated tax rates for Philippine citizens or resident foreign individuals, or non-resident alien engaged in trade or business in the Philippines effective January 1, 2018 until December 31, 2022:

Not over ₱250,000	0%
Over ₱250,000 but not over ₱400,000	20% of the excess over ₱250,000
Over ₱400,000 but not over ₱800,000	₱30,000 + 25% of the excess over ₱400,000
Over ₱800,000 but not over ₱2,000,000	₱130,000 + 30% of the excess over ₱800,000
Over ₱2,000,000 but not over ₱8,000,000	₱490,000 + 32% of the excess over ₱2,000,000
Over ₱8,000,000	₱2,410,000 + 35% of the excess over ₱8,000,000

and effective January 2, 2023 and onwards:

Not over ₱250,000	0%
Over ₱250,000 but not over ₱400,000	15% of the excess over ₱250,000
Over ₱400,000 but not over ₱800,000	₱22,500 + 20% of the excess over ₱400,000
Over ₱800,000 but not over ₱2,000,000	₱102,500 + 25% of the excess over ₱800,000
Over ₱2,000,000 but not over ₱8,000,000	₱402,500 + 30% of the excess over ₱2,000,000
Over ₱8,000,000	₱2,202,500 + 35% of the excess over ₱8,000,000

For non-resident alien not engaged in trade or business, the gain shall be subject to the 25% final withholding tax.

Capital asset – Gains shall be subject to the same rates of income tax as if the bonds or other deposit substitutes were held as ordinary assets, except that if the gain is realized by an individual who held the bonds or other deposit substitutes for a period of more than twelve (12) months prior to the sale, only 50% of gain will be recognized and included in the computation of taxable income. If the bonds or other deposit substitutes were held by an individual for a period of twelve (12) months or less, 100% of gain is included.

Gains derived by domestic or resident foreign corporations on the sale or other disposition of the bonds or other deposit substitutes are subject to regular corporate income tax at a rate of 20% for corporations with a net taxable income not exceeding ₱5 Million and with total assets not exceeding ₱100 Million or 25% for all other corporations, or minimum corporate income tax ("**MCIT**") at a rate of (i) 1% of gross income effective July 1, 2020 until June 30, 2023 and (ii) 2% thereafter. Gross income derived by non-resident foreign corporations on the sale or other disposition of the bonds or other deposit substitutes is subject to a 25% income tax unless a preferential rate is allowed under a tax treaty subject to such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

Any gains realized by non-residents on the sale of the bonds or other deposit substitutes may be exempt from Philippine income tax under an applicable tax treaty subject to such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

Any gains realized from the sale, exchange or retirement of bonds, debentures and other certificate of indebtedness with a maturity of more than five (5) years are not subject to income tax.

Estate and Donor's Tax

Beginning January 1, 2018, the transfer of bonds or other deposit substitutes upon the death of an individual holder to his heirs by way of succession, whether such holder was a citizen of the Philippines or an alien and regardless of residence, is subject to Philippine taxes at a fixed rate of 6% based on the value of the decedent's net estate.

Beginning January 1, 2018, individual and corporate holders, whether or not citizens or residents of the Philippines, who transfer bonds by way of gift or donation are liable to pay Philippine donors' tax at the fixed rate of 6% based on the total gifts in excess of ₱250,000 exempt gifts made during the calendar year.

The estate tax and the donor's tax, in respect of bonds or other deposit substitutes, shall not be collected (a) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allow a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

Value- Added Tax

Gross receipts derived by dealers in securities from the sale of bonds or other deposit substitutes in the Philippines, equivalent to the gross selling price less the acquisition cost of bonds or other deposit substitutes sold, shall be subject to value-added tax of 12%.

"Dealer in securities" means a merchant of stock or securities, whether an individual partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers, that is, one who as a merchant buys securities and sells them to customers with a view to the gains and profits that may be derived therefrom.

INDEPENDENT AUDITORS AND COUNSEL

LEGAL MATTERS

All legal opinion/matters in relation to the Offer will be passed upon by Romulo Mabanta Buenaventura Sayoc & de los Angeles ("**Romulo**") for the Joint Lead Underwriters and Bookrunners. Certain matters relating to the legality of the Offer and tax matters were passed upon by Co Ferrer Ang-Co & Gonzales Law Offices ("**CFA Law**") for the limited purpose of issuing an opinion required by the SEC. Neither Romulo nor CFA Law have any direct or indirect interest in the Company.

INDEPENDENT AUDITORS

SyCip Gorres Velayo & Co. ("**SGV & Co.**"), independent auditors and a member firm of Ernst & Young Global Limited audited Ayala Land, Inc. and Subsidiaries' annual consolidated financial statements as at December 31, 2022, 2021, 2020, and 2019, and for each of the four (4) years in the period ended December 31, 2022 as included in this Prospectus.

There is no arrangement that independent auditors will receive a direct or indirect interest in the Issuer or was a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

a. Audit and Audit-Related Fees

Ayala Land and its Subsidiaries paid its independent auditors the following fees in the past two (2) years: *(in ₱ Million)*

Year	Audit & Audit-related Fees	Tax Fees	Other Fees
2021	34.61*	–	13.13**
2022	34.54*	–	8.48**

** Pertains to audit fees.*
***SGV & Co. fees for the validation of stockholders' votes during annual stockholders' meetings and other assurance fees*

Under paragraph D.3.1 of the Ayala Land Audit and Risk Committee Charter, the Audit Committee (composed of Cesar V. Purisima, Chairman, and Rex Ma. A. Mendoza, and Antonino T. Aquino) recommends to the Board the appointment of the external auditor and the audit fees.

b. Tax Fees

As and when applicable, tax consultancy services are secured from entities other than the appointed independent auditors.

CHANGES IN AND DISAGREEMENTS WITH INDEPENDENT AUDITORS

The Company has not had any changes in or disagreements with its independent auditors on any matter relating to financial or accounting disclosures.

DESCRIPTION OF BUSINESS

This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Prospectus carefully, including the section entitled "Risk Factors and Other Considerations" and the audited consolidated financial statements and the related notes to those statements included in this Prospectus.

Overview

As of December 31, 2022, Ayala Corporation's effective ownership in Ayala Land is 50.60% while 48.34% is owned by the public. As of December 31, 2022, Ayala Land has 15,064,662,731 outstanding common shares and 12,442,524,224 outstanding voting preferred shares. 14,554,334,801 common shares are listed with the PSE. Foreign equity ownership is 14.30% composed of 3,878,693,663 outstanding common shares and 54,979,729 voting preferred shares as of December 31, 2022. Equity attributable to equity holders of Ayala Land amounted to ₱225.3. Ayala Land has a total market capitalization of ₱397,767,952,921.50 based on the closing price of ₱26.50 per common share on March 31, 2023, the last trading day of the said month.

Ayala Land's Businesses

Ayala Land is the largest and most diversified real estate conglomerate in the Philippines. It is engaged in land acquisition, planning, and development of large scale, integrated, mixed-use, and sustainable estates, industrial estates, development and sale of residential and office condominiums, house and lots, and commercial and industrial lots, development and lease of shopping centers and offices, co-working spaces, and standard factory buildings and warehouses, and the development, management, and operation of hotels and resorts and co-living spaces. The Company is also engaged in construction, property management, retail electricity supply and airline services. It also has investments in AyalaLand Logistics Holdings Corp., Cebu Holdings, Inc., Ortigas Land Corp., MCT Bhd., Qualimed and Merkado Supermarket. Ayala Land has 49 estates, is present in about 57 growth centers nationwide and has a total land bank of approximately 12,273.8 hectares as of December 31, 2022 composed of about 234.8 hectares in Metro Manila, around 9,809 hectares in other areas in Luzon and about 2,230 hectares in Visayas and Mindanao.

Property Development

Property Development is composed of the Strategic Landbank Management Group, Visayas-Mindanao Group, Residential Business Group and MCT Bhd. ("**MCT**"), Ayala Land's listed Subsidiary in Malaysia.

Strategic Land Bank Management handles the acquisition, planning and development large scale, mixed-use, and sustainable estates, and the development and the sale, or lease of its commercial lots in its estates in Metro Manila and the Luzon region.
The Visayas-Mindanao Group handles the acquisition, planning and development of large scale, mixed-use and sustainable estates in its key cities in the Visayas and Mindanao regions.

The Residential Business Group handles the development and sale of residential and office condominiums and house and lots for the luxury, upscale, middle-income, affordable and socialized housing segments, and the development and sale of commercial lots under the following brands: AyalaLand Premier ("**ALP**") for luxury lots, residential and office condominiums, Alveo Land Corp. ("**Alveo**") for upscale lots, residential and office condominiums, Avida Land Corp. ("**Avida**") for middle-income lots, house and lot packages, and residential and office condominiums, Amaia Land Corp. ("**Amaia**") for affordable house and lot packages and residential condominiums, and BellaVita Land Corp. ("**BellaVita**") for the socialized house and lot packages.

Commercial Leasing

Commercial Leasing involves the development and lease of shopping centers through Ayala Malls, and offices, through Ayala Land Offices, co-working spaces through the “Clock-In” brand, and standard factory buildings and warehouses under the “ALogis” brand, and the development, management, and operation of hotels and resorts through AyalaLand Hotels and Resorts, Inc. and co-living spaces through “The Flats” brand.

Services

Services include construction, property management, retail electricity supply and airline services.

Construction of Ayala Land and third-party projects and land development is done through Makati Development Corporation. Property Management is done through Ayala Property Management Corporation. Retail electricity supply is done through Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy). Airline service is done through AirSWIFT for Ayala Land’s tourism estates in Lio, Palawan and Sicogon Island resort through its fleet of four (4) modern turbo-prop aircrafts.

Strategic Investments

Ayala Land’s strategic investments include AREIT, Inc. (66.00%), AyalaLand Logistics Holdings Corp. (71.46%), MCT Bhd. (66.25%), Merkado Supermarket (50.00%), and OCLP Holdings, Inc. (21.10%).

Vision

Ayala Land’s vision and mission is to enhance its standing and reputation as the Philippines’ leading real estate developer, and to be a strong partner in nation building. By developing integrated, masterplanned and sustainable mixed-use communities in vibrant growth centers all over the country, it strives to continually elevate the quality of life for all of its customers.

Ayala Land shall be a responsible corporate citizen, and act with integrity, foresight and prudence. It shall empower its employees to deliver products that exceed its customers’ expectations and build long-term value for its shareholders.

In 2015, Ayala Land aligned its four sustainability focus areas to the United Nations Sustainable Development Goals (UN SDGs) introduced that year.

Overall, the company’s vision of enhancing land and enriching lives for more people aligns with SDG 11 on sustainable cities and communities, aiming to “make cities and human settlements inclusive, safe, resilient and sustainable.” Our integrated, mixed-use estates provide a safe and secure environment with maintained access to essential goods and services, factors that have become all the more relevant in light of the COVID-19 pandemic.

As a champion of SDG 11, Ayala Land contributes to the Ayala Sustainability Blueprint, the Ayala group’s master plan to provide meaningful contribution to the UN SDGs. Aside from SDG 11, each of the focus areas is mapped according to relevant SDGs.

Competitive Strengths

Proven Track Record. With over eight (8) decades of experience together with Ayala Corporation, Ayala Land is the largest and most experienced real estate developer in the Philippines. Combining leading-edge product innovation with prudent and effective risk management practices, the Company has the ability to manage across a complex portfolio of projects and developments and is able to thrive and prosper through the cyclical nature of the industry. Ayala Land’s proven track record includes the development of Makati as the country’s premier CBD and Ayala Alabang as a prestigious suburban residential community. It is replicating these successes in areas such as BGC, Cebu, and NUVALI in Canlubang as well as recently launched estates in Abreeza Davao, Centrio Cagayan de Oro, Arca South Taguig, Circuit Makati and Vertis North Quezon City.

Strong Brand Reputation. The Ayala Land name is synonymous with quality and prestige and is the most widely trusted brand in Philippine real estate. Ayala Land maintains leadership in most of its product lines – residential subdivision and high-rise residential condominiums, shopping centers, office buildings, hotels and resorts – and across a broad spectrum of price-points and geographies.

Because of its strong brand reputation, Ayala Land is also the partner of choice for strategic partners and landowners who want to make significant new investments in the country and help prime the Company's strategic growth centers. Added to this, many of the best names in local and international retailing prefer to be located in its shopping centers while top multinationals either set up base in its headquarter-type offices or locate in its BPO facilities.

Anchored on shared values and a long-term orientation, Ayala Land builds strong relationships with its business partners, landowners, tenants, employees, customers, the local government, non-government organizations ("**NGO**") and communities. This allows the Company to enhance its position as the leading property developer in the Philippines.

Substantial and Strategically Located Landbank. With control of 12,273 hectares of land across various strategic locations in the Philippines, Ayala Land is a primary beneficiary of the country's asset reflation story. Ayala Land is well positioned to take advantage of the growth prospects in the real estate sector in the Philippines. It is currently present across 57 identified growth centers in the country.

Well-Managed, Highly Capable and Professional Organization**.** Combining leading-edge product innovation with prudent and effective risk management practices, the Company has the ability to manage across a complex portfolio of projects and developments and is able to thrive and prosper through the cyclical nature of the industry. The Company employs a proven and highly-credible management, architectural and engineering talent pool across all levels of the organization, most with experience across multiple business lines. Ayala Land also consistently ranks among the top Philippine companies in terms of corporate governance standards and best practices.

Ayala Land also draws on the competitive advantage provided by its wholly-owned subsidiaries, MDC and APMC, which are the country's largest and most experienced construction and property management companies, respectively.

Sustainable Practices*.* Over the years, Ayala Land has been intensifying the integration of sustainability principles in every step of its business processes. ALI's entire business process, from acquisition, assessment, planning, design, construction, delivery and property management focus on long-term benefits and shared value for stakeholders while foreseeing and managing risks and protecting all investments. Ayala Land has sustainability and risk management policies in place to protect projects from flooding and other geohazards. Technical due diligence is an integral part of site assessment, while flood and erosion control measures are built into masterplans, through site designs that include retention and detention basins, biodiversity (native vegetation) conservation where applicable. Projects are also designed to serve the needs of the commuting and walking public. Ayala Land also has set greenhouse gas emission intensity reduction targets and monitors energy, water and waste metrics in the properties it continues to manage.

Solid Balance Sheet and Strong Shareholder Base. The Company has a strong balance sheet, supportive strategic shareholders, a variety of available funding sources that strengthens its capability to undertake both pocket-sized and large-scale projects or investments that balance the need for sustained earnings growth and long-term net asset value accretion.

Growth Drivers of the Philippine Economy. The Philippine real estate industry offers rich opportunities across all its sub-sectors. Its bright prospects are anchored on stable fundamentals: a robust economy, rising foreign inflows, particularly from OFWs, increased affordability and the availability of attractive financing from banks, resilient consumption spending in retail, and encouraging long-term prospects for office space in the BPO sector.

A Strong Sense of Malasakit (Compassion). Ayala Land cares enough to go the extra mile. Despite this period of difficulty, Ayala Land remained committed to support its stakeholders. The Company believes that a strong sense of malasakit drive its leadership teams and associates to adapt and meaningfully assist its employees, partners, government, and the public-at-large in any and every way it could.

Strategy

Ayala Land has long enjoyed leadership in the traditional markets it serves, leveraging on long term relationships with customers, landowners, tenants, its employees, the local government and NGO communities, and providers of capital. Ayala Land shares values and a common long-term orientation that allows all parties concerned to prosper over time. Many of the best names in local and international retailing anchor its shopping centers while top multinationals either set up base in its HQ-type offices or locate in its BPO facilities. Ayala Land is also the partner of choice for strategic new partners, such as the Shangri-La and Holiday Inn groups, which want to make significant new investments in the country and help prime the Company's strategic growth centers.

Ayala Land will continue to develop large-scale, mixed-use integrated communities while diversifying its revenue base across its wide portfolio of businesses. Ayala Land has identified the following three major pillars in implementing its strategies:

- *Brand.* The company values the trust customers place on its brand and their confidence in the quality of its differentiated and innovative products and services. It continues to evolve its offerings to ensure market relevance and strives to build communities that live up to the Ayala Land brand.

- *Business Model.* The company operates the business with a clear model and strategy for growth, guided by its core values and sustainability principles. By building sustainable mixed-use estates in key growth centers in the Philippines, it creates platforms to expand the reach of its products and services while generating opportunities that consequently improve the quality of life of many Filipinos. It continues to be driven by a deep understanding of the market and a commitment to enhance processes and efficiently use company resources.

- *Bench.* Ayala Land has a committed team focused on achieving company goals. Through regular learning opportunities and enriching work experiences, the company nurtures competent and reliable employees and teams who execute its strategies and transform its vision into action.

COVID-19 caused massive disruptions to businesses across the country and throughout the world. When countries started to go into lockdown and the pandemic's far-reaching effects were becoming apparent, Ayala Land's management team effectively concluded its 2020-40 plan, which had set an aggressive ₱40-Billion net income goal by 2020. Up until then, the company was on track to achieving this target.

Ayala Land shifted to addressing the impacts of the pandemic, and drew up a five-point action plan to ensure the survival of the company, assist its stakeholders in coping with numerous challenges, and prepare the organization for recovery.

Anchoring the plan is financial sustainability to ensure that the company had ample liquidity to weather the crisis no matter how long it took. This was achieved through tight liquidity management, squaring of operating cashflows, and strengthening the balance sheet.

Second, protecting the workforce. A task force was created to implement health and safety protocols across the organization. Employees were given access to healthcare services and working from home was enabled through digital platforms.

Third, continue serving our customers. Critical platforms across the various business lines were set up for customers through Aprisa and Amicassa. All the business units have also maximized the use of digital platforms to ensure continued service and engagement. Commercial leasing assets were kept open. Malls provided access to essential products and services, offices and warehouses continued operations, and hotels provided housing to BPO employees. A total of 5,000 APMC personnel also ensured that 253 managed properties were kept safe throughout the pandemic.

Fourth, helping the community. Financial support was provided to medical institutions and organizations. In addition, MDC constructed COVID-19 facilities and swabbing booths in key locations.

Lastly, after successfully assuring financial sustainability and caring for its stakeholders, Ayala Land is now preparing for a V-shaped recovery—it is expected that it would take two (2) to three (3) years to bring profitability back to 2019 levels. To reach this goal, the organization is preparing plans and strategies to strengthen its brand positioning and reinvent some business models to adapt to the new environment. It will take advantage of the prospects created by the crisis, and focus on business continuity, stabilization, and growth opportunities.

For estates, the pandemic highlighted the benefits of living in integrated communities. Ayala Land will continue to develop more estates across the nation to accelerate growth and provide more Filipinos with the option of living in such a sustainable environment.

For property development, the strategy is to continue to launch various products under the five residential brands and ensure sufficient inventory to address all market segments.

For malls, operations remain clearly challenged given quarantine restrictions. The priority at present is to continue stabilizing occupancy and rent—recovery of this segment is expected to take some time. And recognizing changing consumer behavior, the company is carefully studying its current tenant mix. Appropriate changes and innovations addressing the needs of consumers and shoppers under this new normal will be implemented.

For offices, growth is keeping pace with demand, which is expected to remain resilient even as headwinds from the POGO sector are anticipated.

The pandemic has heavily affected the hotels and resorts business. In the short term, the goal is to achieve cash flow break-even to sustain operations and facilities.

Meanwhile, the prospects are bright for industrial and real estate logistics. Ayala Land through its subsidiary ALLHC will aggressively grow this space, expanding warehouses and industrial and logistic hubs in the short term to maintain its leadership in this segment.

Lastly, given the capacity and operational constraints faced by the construction business due to quarantine restrictions, MDC is pursuing industrialization for better safety, quality, and timely delivery by expanding its prefabricated, prefinished, and volumetric production to make up for manpower challenges.

Products / Business and Recent Updates

To carry on its business in an organized and efficient manner, Ayala Land structured its operations into key strategic business lines such as Property Development, Commercial Leasing, Services and Strategic Investments. Currently, ALI has 196 projects pending, domestically and internationally.

PROPERTY DEVELOPMENT

Residential Development

The Residential Business Group handles the development and sale of residential and office condominiums and house and lots for luxury, upscale, middle-income, affordable, and socialized housing segments, and the development and sale of commercial lots. It caters to domestic and overseas Filipino markets across the high-end, middle-income and affordable segments.

In recent years, overall growth of the residential market has been strong largely as a result of a huge housing backlog of 3.9 Million units and affordable mortgage loans. On the international front, the continued growth of OFW remittances has injected new demand into the residential market. In response to these opportunities, Ayala Land will continue to grow its residential business line, which accounted for 55%, 58%, 60%, and 64% of consolidated revenues (which includes real estate sales, interest income from real estate sales, equity in net earnings, interest and investment income and other income) as of December 2019, December 31, 2020, December 31, 2021 and December 31, 2022, respectively.

A robust project pipeline will enable the Company to expand its product offerings in existing areas and accelerate geographic expansion, aided by strategic landbanking and mixed-use development and project management projects.
The Company will strengthen and provide clear differentiation across its five residential brands, each targeting a distinct segment of the market: ALP for the high-end segment, Alveo for the upscale market; Avida for the middle-income housing segment; Amaia for the affordable housing segment; and BellaVita for the socialized housing segment.

To be more competitive, the Company will continue to enhance margins by leveraging its brand and track record to maximize pricing power where possible, along with managing construction costs and streamlining the project delivery process.

The Company's ongoing residential projects under the ALP brand include Park Central Towers North & South, Andacillo, One Vertis Plaza and Ayala Greenfield Estates. These projects are currently under construction and are in various stages of completion ranging from 65% to 81%. Under the Alveo brand, key ongoing projects include Broadfield, Corvia, Cerule in Solinea and Callisto Tower 2. These projects are currently under construction and are in various stages of completion ranging from 45% to 72%. Under the Avida brands, key ongoing projects include Averdeen Estates Phase 1, Avida Settings Alviera Phase 3, Cloverleaf Tower 2 and Verge Tower 1. These projects are currently under construction and are in various stages of completion ranging from 50% to 90%. Under the Amaia brand, key ongoing projects include Skies Shaw Tower 2, Scapes General Trias, Skies Avenida T2, and Series Vermosa S1. These projects are currently under construction and are in various stages of completion ranging from 48% to 98%. Under the Bellavita brand, key ongoing projects include BV Naga, BV Cabanatuan 2 and BV Alaminos 2. These projects are currently under construction and are in various stages of completion ranging from 25% to 98%.

International Sales accounted for 34% of total sales for the fiscal year ended December 31, 2022.

Aside from the expansion of sales efforts into other US states, Ayala Land is also looking at increasing its penetration in other markets such as Europe, the Middle East, and other fast growing markets like Singapore, China and Australia.

Strategic Landbank Management

SLMG is involved in the acquisition and development of large, mixed-use, masterplanned communities and serves as platform for all of the Company's developments – residences, malls, offices, and all the services that make up a vibrant and sustainable community.

With a long-term horizon, SLMG views its key landbank areas as launching pads for decades of development. Its approach to landbanking is oriented towards value creation and realization. SLMG applies financial discipline with a focus on yields, cashflows, and the judicious buying and selling of lots at the opportune time. The group develops, updates and refines masterplans, providing clear framework for decision making. It also engages community-based stakeholders such as local government units and other government entities to assure that vital infrastructure is in place to support the long-term development plans. Embedded in all these, and central to value creation and retention over time, is the concept of sustainability.

As of December 31, 2022, Ayala Land's land bank portfolio of approximately 12,273.8 hectares is composed of 234.8 hectares in Metro Manila, 9,809 hectares in other areas in Luzon and 2,230 hectares in Visayas and Mindanao.

COMMERCIAL LEASING

Shopping Centers

AMG is involved in the development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities and carparks in these shopping centers; and management and operations of malls which are co-owned with partners.

Ayala Land operates movie theater complexes with more than 50 screens situated in its shopping centers. The movie theaters are operated primarily as a means of attracting customers to its shopping centers. The theaters are managed by Ayala Theaters Management, Inc. and Five Star Cinema, Inc., wholly-owned Subsidiaries of Ayala Land.

Leases for retail space within the shopping centers are generally short-term, ranging from one to five years for the initial lease, renewable annually. Land leases, on the other hand, have longer terms, usually up to 50 years in the case of hotel tenants. In general, rental rates for retail space equal the higher of (i) a basic rent plus a percentage of the tenant's gross sales, or (ii) a specified minimum amount. Rental rates for leases on hotel and department store sites are generally based on a percentage of gross sales.

Ayala Land's large-scale mixed-use developments that feature a retail component are greatly enhanced by the quality and distinctiveness of the retail concepts conceived and implemented by AMG. At the BGC, for instance, Serendra, BHS and BHS Central are priming the development in its City Center. Serendra's retail zone complements the suburban lifestyle of the residential development with authentic and unique restaurants and shops.

Recognizing the impact of COVID-19 on its merchants, Ayala Malls provided rent condonation and subsidy for the duration of the various community quarantines. In 2020, the total support extended amounted to ₱6.2 Billion and in 2021 and 2022, the total support extended amounted to ₱7.2 Billion and approximately ₱2.9 Billion, respectively. Health and safety measures were strictly implemented in accordance with government protocols to protect mall patrons.

Ayala Malls also focused on various digital initiatives in response to the new operating landscape. Z!ng, its digital concierge and loyalty app, was further enhanced to include a virtual mall with 61 merchants and an eGift Marketplace. It also rolled out the AyalaMalls Neighborhood Assistant (ANA), a personal shopper service for mall patrons. Other initiatives introduced were Live Online Shopping at Pasyal TV and DriveBuy, a curbside pick-up facility for callers and online shoppers.

Offices Group

Ayala Land Offices Group is involved in the development and lease or sale of office buildings and fee-based management and operations of office buildings.

Ayala Land aims to be the leading provider of office space for BPOs and significantly built up its BPO portfolio from end-2007 levels of 35,803 sqm of GLA. The build-up involved a variety of offerings - in very choice locations - covering stand-alone, build-to-suit office buildings, integrated nodes within large-mixed used developments such as Glorietta 5, Glorietta 1 & 2, and Vertex One in San Lazaro, and entire self-contained BPO and IT campuses like the UP-Ayala Land TechnoHub, One and Two Evotech Buildings in NUVALI, and the AyalaLand Baguio TechnoHub, to name a few.

While Makati has been well established as the country's premier CBD for decades, the prospects are bright for BGC to mirror Makati's success in the future. Large corporates have purchased land and have chosen to build or relocate their offices in BGC.

The office leasing business remained resilient on the back of sustained BPO and headquarter-type operations. Despite restrictions on construction, Ayala Land Offices (ALO) added two (2) new office buildings to its portfolio, with BGC Corporate Center 2 with 27,000 sqm and Central Block Corporate Center 2 in Cebu with 39,000 sqm of GLA.

All office properties adhered to IATF health and safety guidelines. Service personnel were housed on-site at the height of the pandemic to protect their health and safety as well as assure the continued operations of all buildings. To support BPO tenants, accommodations at Seda Hotels were arranged for their employees.

Hotels and Resorts

Ayala Land is also involved in the development, operation and management of branded and boutique/businessman's hotels and eco-resorts.

In 2010, Ayala Land successfully ventured into eco-tourism via the partnership with the Ten Knots Group for a 60% stake in the world-famous El Nido Resorts in Palawan. As of end of 2016, there are 213 island resort rooms available from Miniloc, Lagen, Apulit (previously Club Noah), and Pangulasian Islands in the province of Palawan.

In 2012, the Hotels and Resorts Group consolidated its ownership by completing the acquisition of the remaining 80% stake in Fairmont Hotels and Raffles Suites and Residences from Kingdom Hotels, Inc.

In 2013, the Hotels and Resorts Group signed an agreement with Asian Conservation Company to acquire its 40% stake in El Nido Resorts.

In response to the new business landscape, the hotels group offered lodging for quarantine requirements of returning overseas Filipinos. It also launched “Food-To-Go,” a food take-out service for ala carte, food trays, and volume orders. Meanwhile, the resorts group, in close coordination with the Department of Tourism and the local government of El Nido, Palawan, launched travel bubbles for local tourists.

The hotels and resorts group received notable citations amidst the pandemic. These include the 2020 World Travel Award’s leading hotel group in the Philippines, for Seda Hotels, for the seventh consecutive year; top hotel in the Philippines and among the top 20 hotels in Asia, for Raffles Makati; and top resorts in Asia for Apulit, Lagen, and Pangulasian, from the Condé Nast Traveler Readers’ Choice Awards.

Emerging Leasing Formats

Co-Living Space (The Flats)
The Flats, launched its Safe Co-Living campaign showcasing its different safety measures, including frequent sanitation of common areas, UV disinfection, free sanitation kits, and monitored resident access. It offered flexible and affordable accommodation packages to help address the needs of the workforce seeking safe lodging during this time.

The Flats currently has two (2) branches located in the Makati CBD and BGC, with a total bed count of 2,032 as of end-2022. More branches are being planned for opening in the next few years to offer affordable residential leasing arrangements for professionals in city centers.

Co-Working Space (Clock In)
Clock In provides flexible, co-working and serviced office facilities to start-ups, small, and mid-sized enterprises. With eight facilities located in the Makati CBD, BGC, Quezon City, Pasig City, Alabang, and Lio Palawan. Clock In offers a total of 1,411 seats as of end-2022.

Factory Buildings and Warehouses (ALogis)
Standard Factory Buildings and Warehouses (ALogis) Listed Subsidiary AyalaLand Logistics Holdings Corp. (ALLHC) established the ALogis brand for its industrial leasing business. It has standard factory buildings that cater to locators that need ready-built industrial facilities. As of December 31, 2022, total GLA of ALogis reached 309,000 sqm.

SERVICES

Its support businesses include construction of Ayala Land and third-party projects, hotels development and management, property management, chilled water supply and retail of electricity.

Construction

A wholly-owned Subsidiary of Ayala Land, MDC is engaged in engineering, design and construction of vertical and horizontal developments including roads, bridges and utilities. MDC is responsible for horizontal construction works at Ayala Land’s land developments and is likewise engaged in private industrial and government infrastructure projects. MDC also developed residential condominium buildings and mall projects. It continued to service site development requirements of Ayala-related projects while it provided services to third-parties in both private and public sectors. MDC collaborated with First Balfour, Inc. to build the state-of-the-art 600-bed St. Luke's Medical Center at BGC, which was completed in November 2009 and was opened to the public in January 2010.

MDC's outstanding workmanship was demonstrated by the Leadership in Energy and Environmental Design (LEED) Gold Certification by the U.S. Green Building Council for the design and construction of the US Embassy expansion project in Manila – the first for a non-American contractor.

MDC Build Plus was likewise formed, a 100% subsidiary of MDC, which caters primarily to projects focusing on the lower end of the base of the pyramid, particularly the residential brands Amaia and BellaVita.

Property Management

APMC, a wholly-owned Subsidiary of Ayala Land, is engaged in property management, principally for Ayala Land and its Subsidiaries. It also provided its services to third-party clients.

APMC guarantees worry-free ownership and helps property owners over the long haul in such areas as water, power and telecommunications, security, sustainable design and best practices aligned with green buildings, and assistance in managing the properties of owners living elsewhere. It offers a full suite of services not only to Ayala property owners and lessees but also to third party clients, including a centralized 24/7 concierge service as well as manages third party-carparks and is considered one of the largest third-party carpark operators in the country today. Among its key third-party clients are the Makati Medical Center, Philippine Heart Center, Exim 2, Dusit Carpark and ABS-CBN.

Power Distribution
Power distribution Subsidiaries provided uninterrupted service to the commercial leasing assets and industrial park locators during the quarantine. Direct Power Services, Inc. (DPSI), Ecozone Power Management Inc. (EPMI), and Philippine Integrated Energy Solution Inc. (PhilEnergy) altogether served approximately 122 customers in 2022 and delivered about 865.8 gigawatts (GW) of electricity, achieving net revenues of around ₱1.1 Billion. DPSI served around 78 clients and delivered 427.4 GW; EPMI, 39 clients and 399.5 GW; and PhilEnergy, about five clients and 38.9 GW.

AirSWIFT
AirSWIFT primarily serves the aircraft transportation requirements of El Nido Resorts. At the onset of the pandemic, it immediately implemented health and safety protocols which are constantly updated to align with national and local government guidelines. The airline took on a crucial role of transporting tourists who were in a number of island resorts when hard lockdowns were implemented in the country. In cooperation with the Department of Tourism and various embassies, AirSWIFT launched 75 sweeper flights ferrying 4,113 stranded tourists to Manila and Clark. AirSWIFT was the first domestic airline to mandate the use of face masks and face shields by all passengers and crew members. It was also the first domestic airline to set up seat barriers approved by the Civil Aviation Authority of the Philippines.

To this day, passengers and crew members are required to undergo RT-PCR testing before boarding any AirSWIFT flight.

STRATEGIC INVESTMENTS
Ayala Land's strategic investments provide new growth channels and expansion opportunities.

AREIT
Listed on the PSE on August 13, 2020, Ayala Land-sponsored AREIT, Inc. is the country's first real estate investment trust (REIT) following the enactment of the REIT Law in 2009. AREIT's successful launch generated net proceeds of ₱12.3 Billion, introducing a new asset class that will further develop and deepen the domestic capital market.

AREIT debuted with three prime Makati-based commercial assets, namely Solaris One, Ayala North Exchange, and McKinley Exchange. AREIT used a tenth of the IPO proceeds to purchase its fourth office asset, Teleperformance Cebu, in September.

In 2020, AREIT recorded revenues of ₱2.0 Billion and EBITDA of ₱1.6 Billion, 3% and 4% higher than its REIT plan, respectively. The company's full-year net income ended at ₱1.2 Billion on account of stable operations during the pandemic. It ended the year with a total GLA of 170,848 sqm. Demonstrating its commitment to deliver value to its shareholders, AREIT declared full-year dividends of ₱1.32 per share, slightly higher than its REIT plan projection during its IPO. The AREIT IPO has been recognized by various award-giving bodies after it garnered the Best IPO in the Philippines at The Asset 2020 Country Awards, Equity Market Deal of the Year at the 5th Annual ALB Philippine Law Awards 2020, and Equity Deal of the Year at the Annual International Finance Law Review (IFLR) Awards.

In 2021, AREIT recorded revenues of ₱3.3 Billion and EBITDA of ₱2.4 Billion, 65% and 50% higher than the revenues and EBITDA recorded in 2020 respectively. The company's full-year net income ended at ₱2.4 Billion as a result of stable operations with a 98% occupancy and 98% rental collection rate. It ended the year with a total portfolio size of 549,000 sqm, which is now 3.6 times larger than its initial size of only 153,000 sqm during the IPO. This includes the recently concluded asset infusion via property-for-share swap approved by the SEC on October 7, 2021. All income from the parties accrued to AREIT beginning October 1, 2021. The property-for-share swap transaction added 205 thousand sqm of new GLA in AREIT's portfolio covering Vertis North Commercial Development (Vertis), BPI-Philam Makati, BPI-Philam Alabang, Bacolod Capitol Corporate Center (Bacolod Capitol), Ayala Northpoint Technohub (Ayala Northpoint), and One Evotech and Two Evotech (collectively called Evotech) buildings.

In 2022, recorded revenues of ₱5.1 Billion and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of ₱3.6 Billion in 2022, 53% and 52% higher year-on-year, respectively, because of stable operations with a 98% occupancy and strong collection performance. The company's full-year net income reached ₱2.9 Billion, inclusive of a net fair value change in investment properties of (₱549 Million) on account of the higher interest rate environment. Excluding the net fair value change in investment properties, net income registered at ₱3.4 Billion, 55% higher year-on-year.

AREIT received the Securities and Exchange Commission's (SEC) approval last December 2022 for the property-for-share swap with ALI, in exchange for six Cebu-based office buildings, particularly eBloc Towers 1 to 4 located at Cebu IT Park, ACC Tower and Tech Tower located at Ayala Center Cebu. The recognition of income from these new assets accrued beginning October 01, 2022, capping the year with a total GLA of 673 thousand sqm from 549 thousand sqm and Assets Under Management ("**AUM**") of ₱64 Billion from ₱53 Billion in 2021. With the recently concluded acquisition, AREIT outperformed its target to reach ₱60 Billion in AUM by 2022 but maintains its aspiration to further grow its asset portfolio at an average of 100,000 sqm of GLA from 2023 to 2025, translating to an increase of ₱10-15 Billion in its AUM annually during the period. The company maintains its thrust to grow and diversify its asset portfolio by sector, location, and income contribution and achieve a total shareholder return range of 10-12%.

AREIT was awarded Best Premier REIT and Most Innovative REIT Offering in the Philippines by International Finance Awards 2022 and received a two golden arrow award from the Institute of Corporate Directors based on the 2021 ASEAN Corporate Governance Scorecard. AREIT became the first Philippine REIT included in the FTSE EPRA Nareit Asia ex-Japan REITs 10% capped Index in 2021. It is a constituent of the MSCI Philippine Small Cap Index, the FTSE Small Cap Index and the Philippine Property Index.

ALLHC
AyalaLand Logistics Holdings Corporation (ALLHC) registered sustained growth on account of resilient operations and the country's reopened economy in 2022. The company posted a net income of ₱1.01 Billion, 29% higher year-on-year, and consolidated revenues of ₱4.20 Billion.

In May 2022, ALLHC acquired a 55-hectare land parcel in Padre Garcia, Batangas for the development of the future Batangas Technopark, making it ALLHC's fifth industrial estate.

ALLHC continued to expand its ALogis brand of standard factory buildings and warehouses to address the growing demand for industrial ready-built facilities. It added a total 17,000 square meters of GLA in ALogis Biñan at the Laguna Technopark and ALogis Calamba at the Lepanto Industrial Complex, growing its portfolio to 224,000 square meters as of end-2021.ALLHC ended the year with a total warehouse GLA of 309,000 sqm, a 38% growth since last year, with deliveries from ALogis Sto. Tomas and ALogis Naic.

ALLHC broadened its warehouse offering with its entry into cold storage through the ALogis Artico brand. In 2021 it acquired two (2) existing facilities within Laguna Technopark, with a combined pallet position of 7,300 in April and December. In December 2022, ALLHC secured 3,000 pallet positions, increasing its pallet position count by 42% to 10,300. With both cold and dry storage capabilities, ALogis aims to be the full-range brand of choice for real estate logistics. Embracing digitalization, ALLHC also launched a number of online platforms, namely virtual tours for prospective locators, and TutuBuy and ANA South Park Personal Shopper for retail customers. ALLHC extended assistance to its affected stakeholders and communities. It granted rent reprieve to mall merchants and provided assistance to its employees and frontliners throughout the year. Aside from pledging donations to ALI Pays It Forward campaign and raising funds for Project Ugnayan, ALLHC also assisted in the procurement of medical equipment and supplies for designated COVID-19 referral hospitals.

Earlier in the year 2020, ALLHC supported relief operations for victims of the eruption of Taal Volcano, distributing relief packages in Batangas to over 1,000 affected families. Additionally, in celebration of its 30th anniversary in November, ALLHC subsidiary Laguna Technopark, Inc. (LTI) donated grocery packs to households in communities surrounding its properties—Barangay Tabun in Mabalacat, Pampanga; Barangay Sabang in Naic, Cavite; and Barangays Moog and Tubajon in Laguindingan, Misamis Oriental. Meanwhile, in partnership with the City of Manila and other Ayala Group companies, ALLHC constructed and donated public convenience facilities in the Kartilya ng Katipunan Shrine for the benefit of the local community. ALLHC also provides monthly in-kind support to the Missionaries of Charity Home for the Sick Children in Tondo, Manila.

Last February 4, 2022, ALLHC acquired a 64,000 sqm ready-built facility in Sto. Tomas, Batangas, the company’s first industrial property in the province. It will carry the brand name “ALogis Sto. Tomas.” As of date, ALLHC’s warehouse leasing portfolio is at 288,000 sqm.

MCT Bhd
MCT Berhad (Malaysia) contributed revenues of ₱2.76 Billion, 29% lower than ₱3.88 Billion the previous year, due to inventory sellout of nearly completed legacy projects and incremental POC of newly launched projects (Aetas and Casa Bayu).

Merkado
Merkado, Ayala Land’s 50-50 joint venture with Puregold, with three stores in UP Town Center, Vertis North, and Avida Asten in Makati City. Conveniently located as a retail amenity, these stores serve the consumer needs in our developments across Ayala Malls nationwide. It recorded average daily sales of ₱1.0 Million, 36% lower than the previous year, across its three operating branches in Vertis North and UP Town Center, both in Quezon City, and Avida Towers Asten in Makati City. Avida Towers Asten branch opened in December 2021.

Ortigas
Ortigas Land Corp. (OLC) generated revenues and a net income of ₱11.0 Billion and ₱2.6 Billion, posting solid growth rates of 32% and 48%, respectively, driven by the higher incremental POC of its residential business, supplemented by higher mall sales owing to the economic reopening.

Sales reservations grew by 20% to ₱2.0 Billion as OLC focused on selling its existing inventory. During the year, two projects were completed and turned over to buyers: The Imperium, located at Capital Commons and The Glaston Tower at Ortigas East, both in Pasig City.

Other Revenue

In addition to the above business lines, Ayala Land also derives income from its investment activities and sale of non-core assets.

Contributions to Revenue

The table below illustrates the amounts of revenue, profitability, and identifiable assets attributable to domestic and foreign operations for the years ended December 31, 2022, 2021, 2020, and 2019:

	Dec 2022	Dec 2021	Dec 2020	Dec 2019

	In ₱'000	In %	In ₱'000	In %	In ₱'000	In %	In ₱'000	In %
Revenues								
Domestic	121,749,465	97.81%	99,908,093	96.26%	90,342,858	94.9%	160,143,686	96.1%
Foreign	2,731,641	2.19%	3,880,333	3.74%	4,811,872	5.1%	6,561,646	3.9%
Total	124,481,107	100.00%	103,788,427	100.00%	95,154,730	100.0%	166,705,332	100.0%
Net operating income								
Domestic	41,568,898	99.95%	32,386,064	99.32%	30,342,384	99.6%	61,357,618	98.0%
Foreign	19,158	0.05%	221,984	0.68%	127,350	0.4%	1,228,417	2.0%
Total	41,588,056	100.00%	32,608,048	100.00%	30,469,734	100.0%	62,586,035	100.0%
Net Income Attributable to Equity Holders of ALI								
Domestic	18,703,909	100.47%	12,341,379	100.93%	9,157,663	104.9%	32,321,166	97.4%
Foreign	(86,675)	(0.47%)	(113,231)	(0.93%)	(430,508)	(4.9%)	867,233	2.6%
Total	18,617,234	100.00%	12,228,148	100.00%	8,727,155	100.0%	33,188,399	100.0%
Total Assets								
Domestic	749,404,896	96.12%	712,602,771	95.59%	685,707,254	95.0%	678,162,085	95.0%
Foreign	30,249,624	3.88%	32,861,591	4.41%	35,787,120	5.0%	35,761,193	5.0%
Total	779,654,520	100.00%	745,464,363	100.00%	721,494,374	100.0%	713,923,278	100.0%

The table below presents the top contributors to revenue (before elimination of intercompany transactions) for the year ended December 31, 2022, 2021, 2020, and 2019:

(in thousand Pesos)	**Dec 2022 Audited*/ Unaudited**	**Dec 2021 Audited**	**Dec 2020 Audited**	**Dec 2019 Audited**
Ayala Land Inc.[1]	52,456,280*	28,599,729	23,459,789	40,052,606
Makati Development Corporation[1]	39,748,475*	37,402,698	34,207,866	60,886,129
Alveo Land Corporation[1]	14,958,381*	11,914,656	8,243,681	19,352,516
Amaia Land Corporation[1]	6,949,672*	4,509,850	4,580,443	6,859,802
Avida Land Corporation[1]	6,762,162	37,402,698	7,930,030	14,677,374
Ayala Hotels Inc.	5,751,930*	5,273,791	3,866,293	6,006,642
MDBI Construction Corp.	5,386,267*	6,119,130	5,759,687	9,358,614
ALI Commercial Center, Inc. [1]	4,694,848	1,958,981	1,773,410	4,829,325
AREIT, Inc.	5,072,847*	3,316,464	1,951,625	1,563,081
MDC Build Plus, Inc.	3,750,573*	3,529,661	2,219,513	4,934,906
Nuevocentro, Inc. [1]	3,815,038	3,133,533	2,397,971	4,020,835
MDC Conqrete, Inc.	3,074,674*	2,795,822	1,651,178	3,278,477
MCT Bhd (Malaysia)	2,780,914*	4,014,589	5,503,016	5,369,675
CECI Realty Corp.	2,079,195*	1,546,090	3,345,693	1,472,915
Ayala Property Management Corporation[1]	2,020,222*	1,580,476	1,586,582	2,009,187
AyalaLand Offices, Inc. [1]	869,863*	871,671	1,129,353	1,564,473
Ayala Greenfield Development Corp	1,591,541*	2,769,107	1,585,498	1,101,773
Ayalaland Estates, Inc. [1]	1,501,649*	1,471,901	1,462,761	2,115,238
North Eastern Commercial Corp.	834,935*	1,612,903	2,011,308	2,364,581
BG West Properties, Inc	610,053*	2,007,451	932,098	4,100,029
Ecozone Power Management, Inc.	495,321	1,115,251	1,568,434	2,395,977

[1]Pertains to revenues of the parent entity only

Material Reclassification, Merger, Consolidation, or Purchase or Sale of a Significant Amount of Assets over the past three (3) years

2023:

On March 29, 2023, the Company sold 205,000,000 shares (Offer Shares) of AREIT at a transaction price of ₱32.10 per share, equivalent to ₱6,580,500,000 (exclusive of fees and taxes), in relation to its ₱22.5 Billion property-for-share swap transaction with AREIT. The Offer Shares were offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and within the United States to qualified institutional buyers as defined in, and in reliance on, Rule 144A under the U.S. Securities Act. The said shares were also offered and sold in the Philippines in transactions that do not require registration under the Philippine Securities Regulation Code ("SRC"), specifically Section 10.1(l) of the SRC and Rule 10.1.3 of the implementing rules and regulations of the SRC. The proceeds from the block sale was settled on April 3, 2023.

On March 7, 2023, the Related Party Transactions Review Committee of the Company approved and endorsed the subscription of ALI and its subsidiaries, Ayalaland Malls, Inc. ("**ALMI**") and Northbeacon Commercial Corporation ("**NBCC**") to 607,559,380 primary common shares of AREIT, in exchange for the transfer to AREIT, Inc. of identified key commercial properties valued at ₱22,479,697,060, under a property-for-share swap transaction at a final transaction price of ₱37.00 per share, set at a 3% premium over the 30-day VWAP or the market price of ₱35.85 ("**AREIT Property-for-Share Swap Transaction**"), as validated by a third-party Fairness Opinion issued by FTI Consulting Philippines, Inc.. ("**FTI Consulting**"), an independent fairness opinion provider accredited by both the SEC and PSE. The Executive Committee of the Company, by unanimous vote likewise approved the transaction on even date. On April 26, 2023, the AREIT Property-for-Share Swap Transaction was ratified by the stockholders of the Company. A copy of the Fairness Opinion and the Valuation Reports may be accessed through the link https://ir.ayalaland.com.ph/wp-content/uploads/2023/03/AREIT-Swap-Fairness-Opinion-and-Appraisal-Reports-2023-03-15.pdf.

Under the AREIT Property-for-Share Swap Transaction, the Company, ALMI, and NBCC shall transfer to AREIT, Inc. the following properties valued at Twenty-Two Billion Four Hundred Seventy-Nine Million Six Hundred Ninety-Seven Thousand Sixty Pesos (₱22,479,697,060.00):

Property	Registered Owner	Transaction Value (in ₱)
Glorietta BPO 1	ALI	3,090,625,614
Glorietta BPO 2	ALI	3,265,229,909
One Ayala West Tower	ALMI*	4,955,177,233
One Ayala East Tower	ALMI*	5,670,733,294
Glorietta Mall 1 and 2	ALI	3,448,776,031
Marquee Mall	NBCC*	2,049,154,979
Total		**₱22,479,697,060**
**ALMI and NBCC are wholly-owned subsidiaries of ALI. (collectively, the "Properties")*		

The properties to be infused have been evaluated by AREIT Fund Managers, Inc., and have been appraised by Cuervo Appraisers, Inc. ("**Cuervo**"). The Properties will be used as the Company's payment for the 607,559,380 primary common shares of AREIT, Inc.

On April 26, 2023, AREIT obtained the approval of the stockholders on its Property-for-Share Swap Transaction with the Company. The exchange of shares for the Properties will qualify as a tax-free exchange under Section 40(C)(2) of the Tax Code, as amended, which provides:

> (2) Exception. - * * *
> No gain or loss shall also be recognized on a corporation or on its stock or securities if such corporation is a party to a reorganization and exchanges property in pursuance to a plan of reorganization solely for stock or securities in another corporation that is a party to the reorganization. A reorganization is defined as: XXX

> No gain or loss shall also be recognized if property is transferred to a corporation by a person alone or together with others, not exceeding four (4) persons, in exchange for stock or unit of participation in such a corporation of which as a result of such exchange the transferor or transferors, collectively, gains or maintains control of said corporation: Provided, That stocks issued for services shall not be considered as issued in return for property. XXX"

Section 40 (C) (2) of the Tax Code, as amended, has been interpreted by the Supreme Court in the case of Commissioner of Internal Revenue vs. Filinvest Development Corporation (G.R. No. 167689, July 9, 2011), to mean that a tax-free exchange applies when the controlling person gains "further control" or transfers where the exchanger already has control of the corporation at the time of the exchange.

On April 26, 2023, AREIT obtained the approval of the stockholders on its Property-for-Share Swap Transaction with the Company. AREIT expects to execute the Deed of Exchange and file the application for approval of the original issuance of shares with the SEC within May 2023, and the issuance of CAR with the relevant Revenue District Office of the BIR within the first quarter of 2024. The SEC's approval of the Transaction and the BIR's issuance of a CAR are expected to be issued within the year. AREIT shall likewise apply for the additional listing of shares with the Exchange by the first quarter of 2024. The indicative timetable for implementation of the Transaction is as follows:

Indicative Timeline for Implementation

Deed of Exchange Execution	May 2023
SEC Approval (Issuance of Shares and Transaction)	Q2 to Q4 2023
Issuance of CAR	Q1 2024
PSE Listing of Additional Shares	Q1 2024

On February 21, 2023, the Board of Directors, at its regular board meeting approved the decrease in ALI's authorized capital stock by ₱62,397,053.60, from ₱21,500,000,000.00 to ₱21,437,602,946.40, through the retirement of its redeemed voting preferred shares as of January 31, 2023, and any additional redeemed voting preferred shares until April 25, 2023, as well as the corresponding amendment of the Seventh Article of its Articles of Incorporation. The decrease in authorized capital stock and the amendment of the Seventh Article will be presented to its stockholders for approval at their annual meeting on April 26, 2023.

The Board likewise approved adoption of the 2023 stock option program pursuant to our Employee Stock Ownership Plan (the "**Plan**") which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 20,200,407 common shares at a subscription price of ₱24.68 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 5-day trading as of February 13, 2023, less a prescribed discount.

2022:

On January 4, 2022, 609,626,351 ALI common shares have been issued to the stockholders of the Absorbed Corporations as consideration of the merger. Out of the said 609,626,351 shares, 118,318,715 shares are outstanding and 491,307,636 shares are held as Treasury Shares (inclusive of 1,261 fractional shares as a result of the merger).

On January 20, 2022, the Board of Directors approved a property-for-share swap with Ayala Corporation ("**AC**") and Mermac, Inc. ("**Mermac**"). Under the transaction, AC and Mermac will transfer assets to ALI in exchange for its primary common shares. Subject to regulatory approvals, AC will subscribe to 309, 597, 711 primary common shares for assets valued at ₱17,275,552,274, and Mermac will subscribe to 1,982,289 primary common shares for assets worth ₱110,611,726, totaling

311,580,000 primary common shares at a value of ₱55.80 per share, as validated by a third-party fairness opinion.

Under the ALI Asset-for-Share Swap Transaction, AC and Mermac shall transfer to the Company the following properties valued at Seventeen Billion Three Hundred Eighty-Six Million One Hundred Sixty Four Thousand Pesos (₱17,386,164,000.00):

Asset	Registered Owner	Transaction Value (in ₱)
50% ownership in Ayala Hotels, Inc. (Owner of the Manila Peninsula property and ALI partner in Ayalaland Premier's Park Central Towers Project)	AC	13,198,623,695.00
100% ownership in Darong Agricultural and Development Corp (an operating company with land assets)	AC	1,722,601,620.00
Office units and parking slots at Tower One 32nd to 35th floors (One floor is 62.65% owned by AC, 37.35% Mermac)	AC and Mermac	1,283,128,273.80 110,611,726.20
Honda Pasig Property	AC	993,135,000.00
Calauan Property	AC	78,063,685.00
Total		**17,386,164,000.00**

The properties to be infused have been appraised by Cuervo Appraisers, Inc. ("**Cuervo**"). The Assets will be used as AC and Mermac's payment for the total 311,580,000 primary common shares of the Company. A copy of the Fairness Opinion and the Valuation Reports may be accessed through the link https://ir.ayalaland.com.ph/wp-content/uploads/2022/04/AC-ALI-Property-for-Share-Swap-Fairness-Opinion-Appraisal-and-Valuation-Reports.pdf

The primary common shares to be issued by the Company to AC and Mermac will come from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of Ayala Land, Inc. The exchange of shares for the Assets will qualify as a tax-free exchange under Section 40(C)(2) of the Tax Code, as amended, which provides:

> (2) Exception. - * * *
>
> No gain or loss shall also be recognized on a corporation or on its stock or securities if such corporation is a party to a reorganization and exchanges property in pursuance to a plan of reorganization solely for stock or securities in another corporation that is a party to the reorganization. A reorganization is defined as: XXX
> No gain or loss shall also be recognized if property is transferred to a corporation by a person alone or together with others, not exceeding four (4) persons, in exchange for stock or unit of participation in such a corporation of which as a result of such exchange the transferor or transferors, collectively, gains or maintains control of said corporation: Provided, That stocks issued for services shall not be considered as issued in return for property. XXX"

Section 40 (C) (2) of the Tax Code, as amended, has been interpreted by the Supreme Court in the case of Commissioner of Internal Revenue vs. Filinvest Development Corporation (G.R. No. 167689, July 9, 2011), to mean that a tax-free exchange applies when the controlling person gains "further control" or transfers where the exchanger already has control of the corporation at the time of the exchange. Even prior to the Transaction, AC (directly) and Mermac (indirectly) already have control of ALI.

The Company executed the Deed of Exchange on January 31, 2022 and filed the application for confirmation of the valuation of the properties which will be the consideration for its original issuance of shares, with the SEC on February 3, 2022. After SEC approves the Transaction, applications for Certificates Authorizing Registration ("**CAR**") to be issued by BIR will be made. The Company shall likewise apply for the additional listing of shares with the Exchange upon CAR issuance.

On February 24, 2022, Board of Directors approved and ratified the following:

1. Raising of up to ₱45.0 Billion in debt capital to refinance maturing debt and partially finance general corporate requirements through the issuance of retail bonds and/or corporate notes for listing on the PDEx and/or execution of bilateral term loans.

2. The 2022 stock option program under ALI's Plan which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 17,250,890 common shares at a subscription price of ₱30.29 per share, which is the average price of our common shares at the PSE over the last 30-day trading period as of February 14, 2022, less a 15% discount.

3. The adoption of the Money Laundering and Terrorism Financing Prevention Program as endorsed by our Board Risk Oversight Committee.

4. The amendments to the Audit Committee Charter, as endorsed by our Audit Committee, and the Charter of the Board of Directors, Manual of Corporate Governance, and Insider Trading Policy, as endorsed by our Corporate Governance and Nomination Committee.

On March 9, 2022, the Related Party Transactions Review Committee of the Company, approved and endorsed the subscription of ALI to 252,136,383 primary common shares of AREIT, Inc. in exchange for the transfer to AREIT, Inc. of identified key commercial properties valued at Eleven Billion Two Hundred Fifty-Seven Million Eight Hundred Eighty-Nine Thousand Five Hundred Thirty-Five and 91/100 Pesos (₱11,257,889,535.91) under a property-for-share swap transaction at a final transaction price of ₱44.65 per share ("**AREIT Property-for-Share Swap Transaction**"), as validated by the third-party Fairness Opinion issued by Isla Lipana & Co. ("**Isla Lipana**"), an independent fairness opinion provider accredited by both the SEC and PSE. The Executive Committee of the Company, by unanimous vote likewise approved the transaction on even date. A copy of the Fairness Opinion and the Valuation Reports may be accessed through the link:
https://ir.ayalaland.com.ph/wp-content/uploads/2022/03/ALI-AREIT-Fairness-Opinion-and-Valuation-Report.pdf.

Under the AREIT Property-for-Share Swap Transaction, the Company shall transfer to AREIT, Inc. the following properties valued at Eleven Billion Two Hundred Fifty-Seven Million Eight Hundred Eighty-Nine Thousand Five Hundred Thirty-Five and 91/100 Pesos (₱11,257,889,535.91):

Property	**Registered Owner**	**Transaction Value (in ₱)**
eBloc 1	Ayala Land, Inc.	2,120,348,829.91
eBloc 2	Ayala Land, Inc.	2,659,373,160.10
eBloc 3	Ayala Land, Inc.	1,384,962,336.23
eBloc 4	Ayala Land, Inc.	1,748,801,500.40
ACC Tower	Ayala Land, Inc.	2,185,801,355.37
Tech Tower	Ayala Land, Inc.	1,158,602,353.92
Total		**11,257,889,535.91**

The properties to be infused have been evaluated by AREIT Fund Managers, Inc., and have been appraised by Asian Appraisal Company, Inc. ("**Asian Appraisal**"). The Properties will be used as the Company's payment for the 252,136,383 primary common shares of AREIT, Inc.

The AREIT Property-for-Share Swap is subject to the approval of AREIT, Inc.'s stockholders at its annual stockholders' meeting on April 21, 2022. The exchange of shares for the Properties will qualify as a tax-free exchange under Section 40(C)(2) of the Tax Code, as amended, which provides:

> (2) Exception. - * * *
>
> No gain or loss shall also be recognized on a corporation or on its stock or securities if such corporation is a party to a reorganization and exchanges property in pursuance to a plan of reorganization solely for stock or securities in another corporation that is a party to the reorganization. A reorganization is defined as: XXX
>
> No gain or loss shall also be recognized if property is transferred to a corporation by a person alone or together with others, not exceeding four (4) persons, in exchange for stock or unit of participation in such a corporation of which as a result of such exchange the transferor or transferors, collectively, gains or maintains control of said corporation: Provided, That stocks issued for services shall not be considered as issued in return for property. XXX"

Section 40 (C) (2) of the Tax Code, as amended, has been interpreted by the Supreme Court in the case of Commissioner of Internal Revenue vs. Filinvest Development Corporation (G.R. No. 167689, July 9, 2011), to mean that a tax-free exchange applies when the controlling person gains "further control" or transfers where the exchanger already has control of the corporation at the time of the exchange.

AREIT expects to execute the Deed of Exchange and file the application for approval of the original issuance of shares with the SEC within May 2022, and the issuance of CAR with the relevant Revenue District Office of the Bureau of Internal Revenue ("**BIR**") within the fourth quarter of 2022. The SEC's approval of the Transaction and the BIR's issuance of a CAR are expected to be issued within the year. AREIT shall likewise apply for the additional listing of shares with the Exchange by the first quarter of 2023. The indicative timetable for implementation of the Transaction is as follows:

Indicative Timetable for Implementation

AREIT Annual Stockholders' Meeting	April 21, 2022
Deed of Exchange Execution	May 2022
SEC Approval (Issuance of Shares, and Transaction)	Q2 to Q3 2022
Issuance of CAR	Q4 2022
PSE Listing of Additional Shares	Q1 2023

On April 27, 2022, Ayala Land, Inc. sold 87,370,000 shares of AREIT, Inc. at a transaction price of ₱39.70 per share, equivalent to ₱3.47 Billion (exclusive of fees and taxes), in relation to its property-for-share swap transaction with AREIT. The proceeds from the block sale were settled on May 2, 2022, under the Placement Agreement between the ALI and AREIT, and the required Reinvestment Plan detailing the use of proceeds obtained from the share sale transaction has been submitted.

2021:

On January 5, 2021, AREIT purchased 9.8 hectares of land owned by Technopark Land, Inc., a subsidiary of Ayala Corporation, in Laguna Technopark through a deed of sale for ₱1.1 Billion, VAT-inclusive. The purchase is payable in cash upon execution of the deed of sale and on January 21, 2021.

The land is composed of four (4) parcels which is being leased by Integrated Micro-Electronics, Inc. ("**IMI**"), a related party, for its manufacturing operations for the next seven years from January 1, 2021 until December 31, 2027 with annual escalation rate of 5%.

On January 15, 2021, Ayala Land entered into a Deed of Sale with AREIT, Inc. for the disposition of The 30th Commercial Development for ₱5.1 Billion (VAT inclusive). Located along Meralco Avenue in Pasig City, it is a building with a total GLA of 75,000 sqm composed of an office tower and a retail podium.

On February 23, 2021, the Board of Directors approved the merger of the Company and its listed Subsidiary, CHI as well as its other subsidiaries, AiO, ASCVC and CBDI, with Ayala Land as the surviving entity. Ayala Land has a 71% stake in CHI. ASCVC is Ayala Land's wholly-owned subsidiary, while AiO is a wholly-owned subsidiary of CHI. CBDI is 55% owned by CHI and 45% owned by ALI. The merger is an internal restructuring as well as a consolidation of Ayala Land's Cebu portfolio under one listed entity. The merger is expected to result in operational synergies, efficient funds management and simplified reporting to government agencies. The plan of merger was executed on April 5, 2021, and the articles of merger was executed on April 28, 2021.

On February 26, 2021 Ayala Land completed the sale of the shares of White Knight Holdings, Inc. in Mercado General Hospital, Inc. to Healthway Philippines, Inc. White Knight Holdings, Inc., a wholly-owned Subsidiary of Ayala Land, entered into a Share Purchase Agreement with Healthway Philippines, Inc., a wholly-owned subsidiary of Ayala Healthcare Holdings, Inc. to sell the former's 39.20% share in the outstanding capital stock of Mercado General Hospital, Inc., the holding company for the QualiMed healthcare network of hospitals and clinics.

On April 30, 2021, ALI sold 44,000,000 shares of AREIT at a transaction price of ₱32.00 per share, equivalent to ₱1.4 Billion (exclusive of fees and taxes). This transaction was executed in relation to the property-for-share swap between ALI, and its Subsidiaries, Westview Commercial Ventures Corp (Westview), and Glensworth Development, Inc. (Glensworth), and AREIT. As disclosed by AREIT last March 16, 2021, under the property-for-share swap, AREIT will issue 483,254,375 primary common shares of stock (swap shares) to ALI, Westview, and Glensworth, at an issue price of ₱32.00 per share, in exchange for identified ALI properties valued at ₱15,464,140,000, in accordance with the Fairness Opinion issued by PwC – Isla Lipana & Co. The swap shares will be issued from AREIT's increased authorized capital stock of ₱29.5 Billion. On June 8, 2021, ALI, Westview, and Glensworth executed the Deed of Exchange with AREIT on the property-for-share swap transaction. The property-for-share swap is intended to be completed by the end of the year.

On May 3, 2021, 156 ESOWN grantees subscribed to a total of 11,389,265 common shares at ₱33.29 per share with the subscriptions becoming effective on the same day. The option price is the average price of common shares at the PSE over the last five trading days as of February 22, 2021, less a 15% discount. As a result of the subscriptions, ALI outstanding common shares increased to 14,711,784,864.

On June 8, 2021, ALI, Westview, and Glensworth executed the Deed of Exchange with AREIT on the property-for-share swap transaction. Following the execution of the Deed of Exchange, the involved parties will submit the application for the increase in authorized capital stock, and the property-for-share swap, specifically the request for confirmation of valuation, and exemption from registration, to the SEC. Once approved, the parties shall apply for the Certificate Authorizing Registration with the BIR, and the listing of the additional shares with the PSE, within the year.

On October 8, 2021, ALI and AREIT received the approval of the SEC of the property-for-share swap, specifically the subscription of ALI and its Subsidiaries, Westview Commercial Ventures Corp. and Glensworth Development, Inc. (collectively referred to as Subsidiaries) to 483,254,375 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, pursuant to the Deed of Exchange dated June 8, 2021. In line with this, the parties have executed an Amendment to Section 4.2 of the Deed of Exchange on October 7, 2021 so that the recognition of income from the new assets will accrue to AREIT beginning October 1, 2021, instead of November 1, 2021. This will enable shareholders to fully benefit from the contribution of the new assets starting in the fourth quarter of the year.

On December 16, 2021, the SEC approved and made effective the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "**Merger**"). ALI shall be the surviving entity in the Merger and shall possess all the rights, privileges and immunities of CHI, AiO, ASCVC and CDBI (the "**Absorbed Corporations**"), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed. ALI shall secure PSE approval for the additional listing of shares to cover the shares to be issued pursuant to the Merger. Though not a condition precedent to the effectivity of the Merger, ALI shall secure from the BIR the Certificates Authorizing Registration (CAR) for the registration in its name, of the real properties and shares of stock of the absorbed corporations, as applicable. ALI endeavors to complete the process of securing the PSE approval for the additional listing of shares and secure from the BIR the CARs within the first half of 2022.

2020:

AREIT (formerly One Dela Rosa Property Development, Inc.) was incorporated on September 4, 2006 and was listed on the PSE on August 13, 2020. Effectively, ALI's effective ownership is now at 66.11%. The company was organized primarily as a real estate investment trust, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations and other applicable laws.

Swift Aerodrome Services, Inc. was incorporated on January 20, 2020 and is 100% owned by ALI Capital Corporation (ALICAP), a wholly owned Subsidiary of ALI. The company was organized primarily to manage and operate airports owned by ALI.

Altaraza Development Corporation was incorporated on May 27, 2020 and is 51% owned by ALI and 49% owned by Gregorio Araneta, Inc. and Araza Resources, Inc. ("**Araneta Group**"). The company was organized primarily to acquire and develop or hold land for investments in Altaraza Estate in Bulacan.

Reinvestment Plan

Pursuant to the REIT Law, the Company is required to submit a Reinvestment Plan with the SEC with a firm undertaking to reinvest (a) any proceeds realized by the Company from the sale of its shares in AREIT, Inc. or issued in exchange for income-generating real estate transferred to AREIT, and (b) any money raised by the Company from the sale of its income-generating real estate to the REIT, in any real estate, including any redevelopment thereof, and/or infrastructure projects in the Philippines. The reinvestment shall be made within one (1) year from date of receipts of proceeds or money by the Company.

Since AREIT's initial public offering, ALI has raised a total of ₱22.22 Billion from the secondary offering of its shares in AREIT during the initial public offering, sale of assets Teleperformance Cebu and The 30th Commercial Development, and the sale of ALI's 44 Million and 87.37 Million shares in AREIT last May 2021 and May 2022, respectively. As of December 31, 2022, ALI has already reinvested 100%, of the proceeds in various real estate investments in the Philippines. To date, ALI has been compliant with the requirement to reinvest the proceeds within one year from date of receipt.

Description of Proceeds	Date Received	End of Reinvestment Period	Total Proceeds (In ₱ Millions)
1. IPO Primary Proceeds	13-Aug-20	12-Aug-21	11,350
2. TP Cebu Sale	24-Sep-20	12-Sep-21	290
	07-Oct-20	06-Oct-21	1,160
3. The 30th Sale	15-Jan-21	14-Jan-22	913
	29-Jan-21	28-Jan-22	3,651
4. AREIT Shares Block Sale	05-May-21	04-May-22	1,408
5. AREIT Shares Block Sale 2	02-May-22	01-May-23	3,444
TOTAL			**22,216**

Copies of Ayala Land's Reinvestment Plans and Progress Reports can be accessed through:
https://ir.ayalaland.com.ph/category/disclosures/other-disclosures/

Distribution Methods of Products

The Company's residential products are distributed to a wide range of clients through various sales groups.

Ayala Land (parent company) has its own in-house sales team. In addition, it has a wholly-owned subsidiary, ALSI, which employs mission-based sales people. Ayala Land uses a sales force of about 11,000 brokers and sales agents guided by a strict Code of Ethics.

The OFW market is being pursued through award-winning websites, permanent sales offices or broker networks, and regular roadshows with strong follow-through marketing support in key cities abroad. ALISI, created in March 2005, leads the marketing, sales and channel development activities and marketing initiatives of the three residential brands abroad. ALISI has established Marketing Offices in Northern California, specifically in Milpitas in 2012, its first branch, and in San Francisco in March 2014. Marketing Offices were also set up in Singapore in September 2013, Hong Kong in February 2014, and a Representative office in Dubai in 2013. ALISI also assumed the operations of AyalaLand International Marketing, Inc. in Italy and London. In addition, One Ayala program, which bundles the products and services of Ayala Land, BPI and Globe Telecom, gives access to potential Ayala Land clients overseas, i.e. through BPI's 17 overseas offices and 81 tie-ups. In addition, the Ayala Land-BPI Dream Deals program aims to generate additional sales from local market.

Separate sales groups have also been formed for certain subsidiaries which cater to different market segments under Amaia (economic housing), Avida (affordable housing), Alveo (middle-income housing) and BellaVita (socialized housing). To complement these sales groups, Ayala Land and its subsidiaries also tap external brokers.

Effective second half of 2008, residential sales support transactions of ALP, Alveo, and Avida is being undertaken by the shared services company APSI put up by the Company. In 2010, APRISA completed its full roll-out to handle transactional accounting processes across the Ayala Land Group.

The residential brands maximized digital assets to reach out to buyers. This resulted in 17% of reservation sales originating from online channels in 2020. To adapt to the changing environment, ALP launched new digital initiatives to continue serving its customers. These include 360-degree virtual tours of residences, interactive brochures, and online lifestyle events. In 2020, Alveo completed its full transition to digital selling, rolling out new sales materials and activities including virtual property tours, and 360-degree interactive tours of model units and project amenities. ALVEO increased the number of its digital and mobile transactions, including online reservations and digital bookings and offered the option for virtual turnover to buyers. ALVEO's website was optimized for both desktop and mobile use, and its social media assets were utilized to provide information on its various projects. Investment and lifestyle webinars were held regularly to cater to the diverse interests of potential buyers. For Avida, the pandemic provided an opportunity to pivot to online operations, facilitating contactless interaction and transactions for the safety and convenience of its customers, employees, and business partners. Key online activities were immediately enforced across all touchpoints, from digital sales, marketing and online appointments, to virtual turnovers.

As part of Ayala Land's thrust on becoming digital-first, it has recently launched a ground-breaking innovation that will change the way home seekers and discerning investors search and reserve their property investments in an integrated and seamless experience.

The ReserveNow Portal is a digital platform dedicated for buyers who are interested to search for Ayala Land properties and its available units in thriving locations.

With Avida Land pioneering the launch of the said platform, new features have been added to ease the selection of a property. First, buyers can compare 2 - 3 units of their preferred property at the same time to help with their decision on which unit best suits their needs and lifestyles. Second, OFWs and foreign investors can access currency conversions that will convert the selling price into currencies that apply to them. Third, buyers can easily upload the reservation requirements such as valid IDs, and they can electronically sign the documents to complete their reservation. Lastly, the ReserveNow Portal is seamlessly integrated to multiple payment channels to accommodate the reservation fee via credit card, PayPal, Maya, GCash, and BPI online at their most convenient time.

Competition

Ayala Land is the only full-line real estate developer in the Philippines with a major presence in almost all sectors of the industry. Ayala Land believes that, at present, there is no other single property company that has a significant presence in all sectors of the property market. Ayala Land has different competitors in each of its principal business lines.

With respect to its mall business, Ayala Land's main competitor is SM Prime Holdings, Inc. whose focus on mall operations gives SM Prime Holdings, Inc. some edge over the Company in this line of business. Nevertheless, Ayala Land is able to effectively compete for tenants primarily based on its ability to attract customers – which generally depends on the quality and location of its shopping centers, mix of tenants, reputation as a developer, rental rates and other charges.

For office rental properties, Ayala Land sees competition in smaller developers such as Kuok Properties (developer of Enterprise Building), Robinsons Land (developer of Robinsons Summit Center) and non-traditional developers such as the AIG Group (developer of Philam Towers) and RCBC (developer of RCBC towers). For BPO office buildings, Ayala Land competes with the likes of Megaworld, SM Prime and Robinsons Land. Ayala Land is able to effectively compete for tenants primarily based upon the quality and location of its buildings, reputation as a building owner, and quality of support services provided by its property manager, rental and other charges.

With respect to residential lot and condominium sales, Ayala Land competes with developers such as Megaworld, DMCI Homes, Robinsons Land, and SM Development Corporation. Ayala Land is able to effectively compete for purchasers primarily on the basis of reputation, price, reliability, and the quality and location of the community in which the relevant site is located.

For the middle-income/affordable housing business, Ayala Land sees the likes of SM Development Corp, Megaworld, Robinsons Land and DMCI Homes as key competitors. Alveo and Avida are able to effectively compete for buyers based on quality and location of the project and availability of attractive in-house financing terms. However, for horizontal residential development, key competitors include Century Properties and Vista Land.

For the economic housing segment, Amaia competes 8990 Holdings, Cebu Landmasters and Camella Homes.

BellaVita, a relatively new player in the socialized housing market, will continue to aggressively expand its geographical footprint with product launches primarily located in provincial areas.

Capital Expenditures (Consolidated)

Capital expenditures reached ₱64.0 Billion for the full year of 2022, mainly to support the buildout of our residential and commercial leasing assets. 50% was spent on residential projects, 19% for land acquisition, 11% for commercial leasing projects, 16% for estate development and 4% was spent for other investments.

Subsidiaries, Associates and Joint Ventures

As of December 31, 2022, there are several companies which are either Subsidiaries or associates and joint ventures of Ayala Land. Certain details and the percentage of ownership held by Ayala Land of each of these companies are described below.

Subsidiaries

	Date of Incorporation	Effective Ownership (%)*
Real Estate:		
Alveo Land Corporation (Alveo)	September 29, 1995	100
Serendra, Inc.	June 7, 1994	39
Solinea, Inc. (Solinea)	April 2, 2007	65
BGSouth Properties, Inc. (BGS)	August 10, 2011	50
Portico Land Corp. (Portico)	October 2, 2013	60
Serendra, Inc.	June 7, 1994	28
Amorsedia Development Corporation (ADC)	March 6, 1996	100
OLC Development Corporation and Subsidiary	June 28, 1996	100
HLC Development Corporation	June 28, 1996	100
Allysonia International Ltd.	February 18, 2000	100
Avida Land Corporation (Avida)	October 30, 1990	100
Buklod Bahayan Realty and Development Corp.	November 5, 1996	100
Avida Sales Corp. and Subsidiaries	December 22, 2004	100
Amicassa Process Solutions, Inc.	June 2, 2008	100
Avencosouth Corp. (Avencosouth)	April 26, 2012	70
BGNorth Properties, Inc. (BGN)	August 5, 2011	50
Amaia Land Co. (Amaia)	May 29, 2000	100
Amaia Southern Properties, Inc. (ASPI)	February 12, 2013	65
AyalaLand Premier, Inc.	July 7, 2017	100
Ayala Land International Sales, Inc. (ALISI)	March 29, 2005	100
Ayala Land International Marketing, Inc. (AIMI)	February 28, 2012	100
Ayala Land International (Singapore) Pte. Ltd	July 4, 2013	100
Ayala Land International Marketing (Hong Kong) Ltd	November 20, 2013	100
Ayala Land International Marketing, SRL	April 9, 2014	100
Ayala Land International Marketing, London	December 10, 2014	100
Ayala Land Sales, Inc.	March 6, 2002	100
Southportal Properties, Inc. (Southportal)	December 1, 2014	100
Buendia Landholdings, Inc.	October 27, 1995	100
Crans Montana Holdings, Inc.	December 28, 2004	100
Crimson Field Enterprises, Inc.	October 26, 1995	100
Ecoholdings Company, Inc. (ECI)	September 25, 2008	100
NorthBeacon Commercial Corporation (NBCC)	August 13, 1970	100
Red Creek Properties, Inc.	October 17, 1994	100
Regent Time International, Limited (Regent Time) (British Virgin Islands)	March 28, 2003	100
North Eastern Commercial Corp. (NECC) (formerly Asterion Technopod, Incorporated (ATI))	July 8, 2008	100
Westview Commercial Ventures Corp. (Westview) (formerly Crestview E-Office Corporation)	July 8, 2008	100
North Ventures Commercial Corp. (formerly Fairview Prime Commercial Corp.) (formerly Gisborne Property Holdings, Inc.)	August 24, 2007	100
Hillsford Property Corporation (HPC)	August 24, 2007	100
Primavera Towncentre, Inc. (PTI)	December 18, 2009	100
Summerhill Commercial Ventures Corporation (Summerhill)	July 7, 2008	100
Sunnyfield E-Office Corporation (Sunnyfield)	July 7, 2008	100
Subic Bay Town Centre, Inc. (SBTCI)	March 9, 2010	100
Regent Wise Investments Limited (Regent Wise) (Hongkong Company)	May 12, 2010	100
AyalaLand Real Estate Investments, Inc. (Canada)	February 4, 2013	100
AyalaLand Advisory Broadway, Inc. (Canada)	February 4, 2013	100
AyalaLand Development (Canada), Inc.	February 15, 2013	100

AyalaLand OpenAsia Holdings PTE, Limited (Singapore)	July 6, 2012	100
Blue Horizons Holdings PTE, Limited	September 20, 2013	100
Modular Construction Technology (MCT) Bhd. (Malaysia)	April 6, 2015	66
AREIT, Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	September 30, 2010	100
Arvo Commercial Corporation (Arvo)	June 23, 2011	100
BellaVita Land Corporation (BellaVita)	March 21, 1995	100
Nuevo Centro, Inc. (Nuevo Centro)	April 15, 2011	54
Alviera Country Club, Inc. (Alviera)	July 9, 2014	50
Cavite Commercial Town Center, Inc. (CCTCI)	July 31, 2009	100
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.)	September 4, 2006	66
AyalaLand Offices, Inc. (ALO) (formerly ALI Property Partners Corp. (APPCo))	July 26, 2006	100
First Gateway Real Estate Corp.	September 4, 2006	100
Glensworth Development, Inc. (Glensworth)	August 23, 2007	100
UP North Property Holdings, Inc.	March 26, 2007	100
ALO Prime Realty Corporation	April 23, 2008	100
Makati Cornerstone Leasing Corp. (MCLC)	June 5, 2017	100
Capitol Central Commercial Ventures Corp.	December 4, 2017	100
Bay City Commercial Venture Corp. (BCCVC)	November 3, 2017	100
Aurora Properties Incorporated	December 3, 1992	81
Soltea Commercial Corp.	June 13, 2013	16
Vesta Property Holdings, Inc. (VPHI)	October 22,1993	84
Altaraza Prime Realty Corporation	March 9, 2016	100
Altaraza Development Corporation	May 27, 2020	51
Prow Holdings, Inc.	May 24, 2013	55
Station Square East Commercial Corporation (SSECC)	March 17, 1989	69
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.)	May 4, 2015	100
Accendo Commercial Corp. (Accendo)	December 17, 2007	67
Avencosouth Corp.	April 26, 2012	20
Aviana Development Corporation	September 17, 2013	7
Aviana Development Corporation	September 17, 2013	50
Cagayan de Oro Gateway Corp. (CDOGC)	March 3, 2010	70
Ceci Realty, Inc. (Ceci)	August 22, 1974	60
Soltea Commercial Corp.	June 13, 2013	12
Soltea Commercial Corp.	June 13, 2013	60
CMPI Holdings, Inc.	May 30, 1997	60
ALI-CII Development Corporation (ALI-CII)	August 6, 1997	50
Roxas Land Corporation (RLC)	March 18, 1996	50
Adauge Commercial Corporation (Adauge)	September 5, 2012	60
Ayalaland Estates, Inc. (formerly Southgateway Development Corp. (SDC))	October 19, 2012	100
Prima Gaedi Development Corp	May 29, 2014	100
Redheap Holdings Inc.	December 29, 2016	100
Rookwood Properties, Inc.	June 3, 2014	100
Wedgemore Property Inc	October 18, 2011	100
Javantiger, Inc.	May 19, 2014	100
Ayalaland MetroNorth, Inc. (AMNI)	November 29, 2012	100
Verde Golf Development Corporation	August 8, 2013	100
North Triangle Depot Commercial Corporation (NTDCC)	March 20, 2001	73
Ayalaland-Tagle Properties, Inc.	August 27, 2021	55
BGWest Properties, Inc. (BGW)	August 5, 2011	50
Lagdigan Land Corp. (Lagdigan)	March 17, 2014	60
Central Bloc Hotel Ventures, Inc.	October 28, 2019	100
Cebu Leisure Company, Inc.	January 31, 1994	100

CBP Theatre Management Inc.	February 1, 1994	100
Taft Punta Engaño Property, Inc. (TPEPI)	September 8, 2011	55
Cebu Insular Hotel Company, Inc. (CIHCI)	April 6, 1995	37
Solinea, Inc.	April 2, 2007	35
Amaia Southern Properties, Inc. (ASPI)	February 12, 2013	35
Alabang Commercial Corporation (ACC)	June 28, 1978	50
South Innovative Theater Management (SITMI)	February 2, 2001	50
ALI Commercial Center, Inc.	October 13, 2014	100
AMC Japan Concepts, Inc.	November 15, 2018	75
AyalaLand Malls Vismin, Inc.	October 15, 2015	100
AyalaLand Logistics Holdings Corp. (formerly Prime Orion Philippines Inc.)	May 19, 1989	71
A-Flow Land I Corp.	August 2, 2022	60
Orion Solutions, Inc.	October 12, 1994	71
Orion I Holdings Philippines, Inc.	March 9, 1993	71
OE Holdings, Inc.	August 6, 1993	71
Orion Land, Inc.	April 22, 1996	71
Lepanto Ceramics, Inc.	March 26, 1990	71
Laguna Technopark, Inc. (LTI)	November 15, 1990	71
Unity Realty & Development Corp. (URDC)	April 11, 1997	71
FLT Prime Insurance Corporation	February 22, 1977	56
Ayalaland Malls Synergies, Inc.	June 1, 2016	100
Ayala Malls Zing (AMZING), Inc.	December 3, 2021	100
Ayalaland Malls, Inc. (formerly Solerte, Inc.)	February 19, 2013	-
Ayalaland Malls Vismin, Inc.	October 15, 2015	-
Ayalaland Malls Northeast, Inc.	October 15, 2015	-
Construction:		
Makati Development Corporation (MDC)	August 15, 1974	100
MDC Subic, Inc.	June 28, 2010	100
MDC Build Plus, Inc.	October 17, 2011	100
MDC Conqrete, Inc. (MCI)	August 12, 2013	100
MDC Equipment Solutions, Inc. (MESI)	September 16, 2013	100
MDBI Construction Corp. (formerly MDC Triangle, Inc.)	March 1, 2017	67
Hotels and Resorts:		
Ayala Hotels, Inc. (AHI)	April 11, 1991	100
AyalaLand Hotels and Resorts Corporation (AHRC) and Subsidiaries	September 21, 2010	100
ALI Makati Hotels & Residences, Inc. (formerly KHI-ALI Manila, Inc.)	January 30, 2007	80
ALI Makati Hotel Property, Inc. (formerly KHI Manila Property, Inc.)	August 13, 2007	80
Ten Knots Phils., Inc. (TKPI)	November 22, 1979	40
Ten Knots Development, Corp. (TKDC)	August 26, 1992	40
Regent Horizons Conservation Company, Inc. (formerly Asian Conservation Company Limited and Subsidiary)	March 22, 2001	100
Enjay Hotels, Inc. (Enjay)	July 12, 1990	100
Greenhaven Property Ventures, Inc. (GPVI)	July 9, 2008	100
Cebu Insular Hotel Company, Inc. (CIHCI)	April 6, 1995	63
Bonifacio Hotel Ventures, Inc.	October 13, 2010	100
Southcrest Hotel Ventures, Inc.	October 18, 2010	67
Northgate Hotel Ventures, Inc.	October 18, 2010	70
North Triangle Hotel Ventures, Inc.	October 18, 2010	100
Ecosouth Hotel Ventures, Inc.	May 19, 2011	100
Sentera Hotel Ventures, Inc.	June 19, 2014	100

Econorth Resorts Ventures, Inc.	October 8, 2014	100
ALI Triangle Hotel Ventures, Inc.	March 4, 2014	100
Circuit Makati Hotel Ventures, Inc.	October 20, 2014	100
Capitol Central Hotel Ventures, Inc.	October 20, 2014	100
Arca South Hotel Ventures, Inc.	October 17, 2014	100
Sicogon Town Hotel, Inc.	September 29, 2015	100
Bay Area Hotel Ventures, Inc.	September 6, 2017	100
Makati North Hotel Ventures, Inc. (MNHVI)	October 10, 2017	100
One Makati Hotel Ventures, Inc. (OMHVI)	September 28, 2017	100
Sicogon Island Tourism Estate, Corp.	July 8, 2015	77
Asiatown Hotel Ventures, Inc.	December 17, 2018	100
One Makati Residential Ventures, Inc.	September 12, 2018	100
ALI Makati Hotels & Residences, Inc. (formerly KHI-ALI Manila, Inc.)	January 30, 2007	20
ALI Makati Hotel Property, Inc. (formerly KHI Manila Property, Inc.)	August 13, 2007	20
Ten Knots Phils., Inc. (TKPI)	November 22, 1979	60
Bacuit Bay Development Corporation	April 28, 1997	60
Lio Resort Ventures, Inc.	October 27, 2015	60
North Liberty Resort Ventures, Inc.	October 27, 2015	60
Turista.ph (formerly Paragua Eco-Resort Ventures, Inc.)	October 27, 2015	60
Lio Tourism Estate Management Corp.	October 10, 2016	60
Ten Knots Development Corp. (TKDC)	August 22, 1992	60
Chirica Resorts Corp.	September 25, 2009	60
Kingfisher Capital Resources Corp.	August 20, 2002	60
Pangulasian Island Resort Corporation	September 18, 2015	60
Integrated Eco-resort Inc.	May 27, 2015	100
Property Management:		
Ayala Property Management Corporation (APMC)	July 25, 1951 (Extended for another term of 50 years as approved on October 13, 2003)	100
Prime Support Services, Inc.	October 14, 2015	100
Ayala Theatres Management, Inc. and Subsidiaries	August 10, 1984	100
DirectPower Services, Inc. (DirectPower)	September 14, 2011	100
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	September 21, 2010	100
Entertainment:		
Five Star Cinema, Inc.	December 18, 2000	100
Leisure and Allied Industries Philippines, Inc. (LAIP)	October 10, 1997	50
Others:		
ALInet.com, Inc. (ALInet)	May 5, 2000	-
Darong Agricultural Development Corporation (DADC)		100
First Longfield Investments Limited (First Longfield)	October 23, 2006	100
Green Horizons Holdings Limited	October 25, 2006	100
Aprisa Business Process Solutions, Inc. (Aprisa)	September 21, 2010	100
AyalaLand Club Management, Inc.	December 26, 2011	100
ALI Capital Corp. (formerly Varejo Corp.)	June 25, 2012	100
Airswift Transport Inc. (formerly Island Transvoyager, Inc.) (Airswift)	October 2, 2002	100
Swift Aerodrome Services, Inc.	January 20, 2020	100
Arca South Integrated Terminal, Inc.	November 27, 2015	100
Whiteknight Holdings, Inc. (WHI)	May 14, 2013	100

Ayalaland Medical Facilities Leasing Inc.	April 13, 2015	100
Anvaya Cove Beach and Nature Club, Inc. (Anvaya Cove Beach)**	March 28, 2005	73
Anvaya Cove Golf and Sports Club, Inc. (Anvaya Cove Golf)**	September 21, 2010	76

** Includes Ayala Land and its Subsidiaries' percentage and effective ownership*
***Not consolidated because these are only investment in joint ventures.*

Consolidation of entities in which the Group holds only 50% or less than majority of voting rights

The Group considers that it controls the following entities even though it owns 50% or less than majority of the voting rights. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

ACC
For ACC, ALI holds 50% of the voting rights, and is also the single largest shareholder and the remaining 50% of the equity shares are held by several shareholders. The second largest stockholder of ACC holds 8.3% share while the other shareholders' equity interest ranges from 2.1% to 8.3%. In addition, ALI has an existing management services agreement with ACC which gives ALI the exclusive control and decision over the relevant activities of ACC.

BG Entities (BGWest, BGNorth and BGSouth) and Alviera
For the BG entities and Alviera, wherein ALI and the other shareholder each own 50% of the voting rights, ALI controls the investee through exercise of its exclusive project development and marketing agreement as well as the ability to decide on the financing, operating and strategic policies of the investees. This enabled ALI to conclude that it has control.

RLC, ALI-CII and LAIP
ALI has an existing management services agreement with RLC, ALI-CII and LAIP which gives ALI the exclusive control and decision over the relevant activities of RLC, ALI-CII and LAIP.

Joint Ventures

	Date of Incorporation	**Effective Ownership (%)***
Emerging City Holdings, Inc. (ECHI)	September 29, 1995	50
ALI-ETON Property Development Corporation (ALI ETON)	March 13, 2016	50
AKL Properties, Inc. (AKL)	May 28, 2018	50
Berkshires Holdings, Inc. (BHI)	December 4, 2002	50
Cebu District Property Enterprise, Inc. (CDPEI)	February 20, 2014	35
Alveo-Federal Land Communities, Inc.	June 16, 2015	50
AyaGold Retailers, Inc. (AyaGold)	October 2, 2013	50
BYMCW, Inc.	August 2, 2017	30
SIAL Specialty Retailers, Inc. (SIAL Specialty)	September 27, 2012	50
A-FLOW Properties I Corp	August 2, 2022	50

** Includes Ayala Land and its Subsidiaries' related percentages of ownership*

Associates

	Date of Incorporation	Effective Ownership (%)*
OCLP Holdings, Inc.(OHI)	September 29, 1995	21
Bonifacio Land Corp. (BLC)	October 20, 1994	10
Rize-Ayalaland (Kingsway) GP, Inc. (Rize-Ayalaland)	January 25, 2013	49
Tianjin Eco-City Ayala Land Development Co., Ltd (Tianjin Eco-City)	November 17, 2010	40
Lagoon Development Corporation	August 27, 1996	30

Suppliers

The Company has a broad base of suppliers, both local and foreign. The Company is not dependent on one or a limited number of suppliers.

Customers

Ayala Land has a broad market base including local and foreign individual and institutional clients. The Company does not have a customer that will account for twenty percent (20%) or more of its revenues.

Research and Development

While the Company engages in research and development activities, the expenses incurred in connection with these activities are not material.

Employees

Ayala Land had a total workforce of 278 regular employees as of December 31, 2022.

The breakdown of ALI's employees according to category is as follows:

Senior Management	30
Middle Management	196
Staff	52
Total	278

Ayala Land anticipates that it will have a total workforce of 272 regular employees by the end of December 31, 2023.

All regular employees receive life insurance, in-patient and out-patient health coverage, disability and invalidity coverage, retirement benefits, and medical allowances. Project employees are provided with health insurance coverage and are entitled to service incentive leaves and overtime pay.

Ayala Land has an employee compensation and rewards policy that helps propel business performance. In particular, the Employee Stock Ownership ("**ESOWN**") plan gives select employees the opportunity to participate in the growth of the company and instills a sense of personal accountability for its growth. The Company also provides variable pay such as the performance-based cash bonus directly linked to an individual's key deliverables established at the start of the year.

Employees take pride in being an ALI employee because of the Company's long history of bringing high quality developments to the Philippines. With the growth of the business, career advancement opportunities are created for employees. These attributes positively affect employee engagement and retention.

The Company aims that its leadership development program and other learning interventions reinforce ALI's operating principles and provide participants with a set of tools and frameworks to help them develop skills and desired qualities of an effective leader. The programs are also venues to build positive relations and manage networks within the ALI Group.

ALI has a healthy relation with its employees' union. Both parties openly discuss employee concerns without necessity of activating the formal grievance procedure.

Further, employees are able to report fraud, violations of laws, rules and regulations, or misconduct in the organization through reporting channels under the ALI Business Integrity Program.

ALI's Rank & File employees form the collective bargaining unit. ALI's current collective bargaining agreement covers the period January 1, 2023 to December 31, 2024. There have been no strikes in the last two (2) years.

Intellectual Property

Intellectual Property

The Company has a License Agreement with its parent holding company, Ayala Corporation, whereby it was granted the license to use the composite marks "Ayala Land" and "AyalaLand". However, except for certain cases as stated in the License Agreement, the Company cannot use the mark "Ayala" without the prior written consent of Ayala Corporation.

Ayala Land (by itself or through its subsidiaries) has secured trademark registrations for its major residential brands Ayala Land Premier, Alveo, Avida, Amaia, BellaVita, and its commercial business group, including major brands in its Ayala Malls group, Hotels and Resorts, AyalaLand Logistics, and AREIT.

The registered trademarks of the Company and its subsidiaries are valuable intellectual property assets, the continued use and ownership of which by the Company and its subsidiaries represent the long-standing goodwill and brand reputation associated with these registered trademarks. The following are the major registered trademarks owned by the Company and its subsidiaries:

Registered Owner	Registered Trademark	Date of Registration
Ayala Land, Inc.	AyalaLand	August 7, 2014
Ayala Land, Inc.	AyalaLand	October 16, 2014
Ayala Land, Inc.	AyalaLand Premier	August 2, 2018
Ayala Land, Inc.	AyalaLand PREMIER	September 13, 2018
Ayala Land, Inc.	Garden Towers	February 14, 2020
Ayala Land, Inc.	GARDEN TOWERS	
Ayala Land, Inc.	ARBOR LANES ARCA	June 18, 2015
Ayala Land, Inc.	Ayala Malls	November 3, 2019
Ayala Land, Inc.	Ayala Malls	November 3, 2019

Ayala Land, Inc.	BellaVita	March 29, 2012
Ayala Land, Inc.	Nuvali	December 28, 2018
Ayala Land, Inc.	NUVALI EVOLIVING	March 8, 2018
Ayala Land, Inc.	NUVALI EVOLIVING	Dec 28, 2017
Ayala Land, Inc.	Andacillo	March 9, 2019
Ayala Land, Inc.	ANDACILLO NUVALI	March 9, 2019
Ayala Land, Inc.	Lanewood Hills	August 1, 2022
Ayala Land, Inc.	LANEWOOD HILLS	August 1, 2022
Ayala Land, Inc.	ALTARAZA	May 24, 2018
Alveo Land Corp.	Alveo	March 12, 2015
Alveo Land Corp.	ALVEO	June 22, 2017
Alveo Land Corp.	High Park	December 29, 2016
Alveo Land Corp.	High Park	October 12, 2017
Alveo Land Corp.	Orean Place	September 14, 2017
Alveo Land Corp.	THE RESIDENCES	May 25, 2017
Alveo Land Corp.	Venido	November 29, 2018
Alveo Land Corp.	venido	November 29, 2018
Alveo Land Corp.	Corvia (Alviera)	August 6, 2021
Alveo Land Corp.	The Ametrine (Portico)	March 10, 2019
Alveo Land Corp.	Parkford Suites	December 29, 2019
Avida Land Corp.	**Avida**	October 2, 2014
Avida Land Corp.	Avida	September 14, 2017
Avida Land Corp.	Avida	September 14, 2017
Avida Land Corp.	Avida Towers Asten	August 10, 2017
Avida Land Corp.	Avida Towers Asten	August 10, 2017
Avida Land Corp.	Avida Towers Sola	October 12, 2017
Avida Land Corp.	Avida Northdale Settings Nuvali	August 4, 2019
Avida Land Corp.	Avida NorthdaleSettings ALVIERA	August 4, 2019

Avida Land Corp.	Avida Towers Vireo	September 11, 2020
Avida Land Corp.	Avida Towers Vireo	September 11, 2020
Avida Land Corp.	Avida Towers Prime Taft	March 24, 2019
Avida Land Corp.	Avida Towers Prime Taft	March 24, 2019
Avida Land Corp.	Avida Towers Prime Taft	April 11, 2020
Avida Land Corp.	Avida Towers Riala	October 6, 2019
Avida Land Corp.	Avida Towers Riala	October 6, 2019
BG North Properties, Inc.	Avida Towers Turf	August 4, 2019
BG North Properties, Inc.	Avida Towers Turf BGC	March 30, 2020
Amaia Land Corp.	Amaia Skies	March 12, 2015
Amaia Land Corp.	Amaia Skies	April 16, 2015
Amaia Land Corp.	Amaia Skies	March 12, 2015
Alveo Land Corp.	Broadfield	December 29, 2019
Alveo Land Corp.	Evo City	April 13, 2017
AyalaLand Logistics Holdings Corp.	AyalaLand Logistics Holdings Corp.	January 2, 2020
AyalaLand Logistics Holdings Corp.	AyalaLand LOGISTICS HOLDINGS CORP.	November 28, 2019
AyalaLand Logistics Holdings Corp.	ALogis	June 11, 2021
AyalaLand Logistics Holdings Corp.	ALogis	June 11, 2021
AyalaLand Logistics Holdings Corp.	AyalaLand Logistics Holdings Laguna Technopark Inc.	March 21, 2021
AyalaLand Logistics Holdings Corp.	LOGISTICS HOLDINGS LAGUNA TECHNOPARK	March 21, 2021

Licenses

Phenix Building System, a 50%-50% joint venture between Maison Individuelles, S.A. ("**MISA**") of France and Avida was organized in June 1998 and subsequently registered with the SEC as Laguna Phenix Structures Corporation ("**LPSC**") in July 1999.

LPSC is primarily engaged in the business of manufacturing, installation, erection and construction, marketing and promotion, and wholesaling of buildings, houses and other structures and accessories using the "Phenix" technology (for which a patent has been registered and issued in the Philippines under RP Patent No. 29862). Both MISA and Avida assigned their respective license rights to LPSC since the latter's incorporation.

Regulations

Presidential Decree No. 957, as amended, Republic Act No. 4726, as amended, Batas Pambansa Bilang 220 ("**BP 220**"), and Republic Act No. 7279, as amended, are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. Presidential Decree No. 957, as amended, covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes, and condominium projects for residential or commercial purposes.

On February 14, 2019, Republic Act No. 11201, also known as the "Department of Human Settlements and Urban Development Act," which consolidated the Housing and Urban Development Coordinating Council ("**HUDCC**") and HLURB. The following functions of the HLURB were transferred to the DHSUD:

a. The land use planning and monitoring function, including the imposition of penalties for noncompliance to ensure that local government units ("**LGUs**") follow the planning guidelines and implement their Comprehensive Land Use Plan ("**CLUP**") and zoning ordinances are transferred to the DHSUD;

b. The regulatory function, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums and similar real estate developments are transferred to DHSUD;

c. The registration, regulation and supervision of homeowners' associations are transferred to DHSUD; and

d. The adjudicatory mandate is hereby transferred to the Commission.

DHSUD, being the primary national government entity responsible for the management of housing, human settlement and urban development, is the administrative agency of the government which enforces the foregoing decree, and has jurisdiction to regulate the real estate trade and business.

In this regard, all subdivision plans and condominium project plans of the Company are required to be filed with, and approved by, the DHSUD and the relevant LGU of the area where the project is situated. Approval of such plans is conditional on, among other things, the Company's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant local government unit. The Company, as owner of and dealer in real estate projects, is required to obtain licenses to sell ("**LTS**") before making sales or other dispositions of lots or real estate projects.

Subdivision or condominium units may be sold or offered for sale only after an LTS has been issued by the DHSUD. As a requisite for the issuance of an LTS by the DHSUD, developers are required to file with the DHSUD security (in the form of a surety bond, mortgage, or any other form of security) to guarantee the completion of the development and compliance with the applicable laws, rules and regulations.

Project permits and licenses to sell may be suspended, cancelled or revoked by the DHSUD by itself or upon complaint from an interested party. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the DHSUD's rules of procedure and other applicable laws.

Under the law, should the owner/dealer sell or offer to sell subdivision lots or condominium units without obtaining a certificate of registration and LTS, or violate any other provision under Presidential Decree No. 957, the owner/dealer may be subject to an administrative fine imposed by the DHSUD, or to criminal penalty of a fine of not more than Twenty Thousand Pesos (₱20,000.00) and/or imprisonment of not more than ten (10) years. In case of corporations, the president, manager or administrator or the person who has charge of the administration of the business shall be criminally responsible.

The Supreme Court has affirmed that while the law penalizes the selling of subdivision lots or condominium units without a certificate of registration and LTS, it does not provide that the absence thereof will automatically render a contract void.

Dealers, brokers and salesmen of real estate projects of ALI are also required to register with the Professional Regulation Commission, as provided under the Real Estate Service Act of the Philippines or Republic Act No. 9646 (“**RESA**”). The unauthorized practice of real estate service or any other violation of the RESA shall be meted the penalty of a fine of not less than One Hundred Thousand Pesos (₱100,000.00) and/or imprisonment of not less than two (2) years. In case the violation is committed by a corporation, the president, director, or manager who has committed or consented to or knowingly tolerated such violation shall be held directly liable and responsible for the acts as principal or as a co-principal with the other participants, if any.

ALI has been able to maintain these permits and licenses.

Under current regulations, ALI as developer of subdivision projects having an area of one (1) hectare or more is required to reserve at least thirty percent (30%) of the gross land area of such subdivision for open space for common uses, which include roads and recreational facilities. ALI, as a developer of subdivision projects with twenty (20) lots and below per hectare, is required to reserve at least 3.5% of the gross land area for parks or playgrounds. ALI has been compliant with these requirements.

Under the agrarian reform law and the regulations issued thereunder by the Department of Agrarian Reform (“**DAR**”), land classified for agricultural purposes as of or after June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR. Republic Act No. 9700, the law extending the term of the comprehensive agrarian reform program for another five (5) years, was signed into law on August 7, 2009, and expired on June 30, 2014. Prior to undertaking any development of agricultural lands, ALI obtains the necessary permits from the relevant government agencies.

While the 1987 Philippine Constitution prohibits foreigners from owning land, there is generally no prohibition against foreigners owning buildings and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to forty percent (40%).

Republic Act No. 7279, or the Urban Development and Housing Act of 1992, as amended by Republic Act No. 10884, requires developers of proposed subdivision and condominium projects to develop an area for socialized housing equivalent to at least fifteen percent (15%) of the total subdivision area or total subdivision project cost, and at least five percent (5%) of condominium area or project cost, at the option of the developer, and in accordance with the standards as provided by law. ALI has been compliant with this requirement in accordance with the Implementing Rules and Regulations of Republic Act No. 7279, as amended by Republic Act No. 10884.

On January 29, 2021, Republic Act No. 11521, which amended Republic Act No. 9160 or otherwise known as the Anti-Money Laundering Act of 2001 (“**AMLA**”), was passed into law, which included real estate developers and brokers as covered persons. Thus, ALI, and its relevant subsidiaries engaged in development of real estate for sale and/or lease became covered persons under the AMLA. Covered persons are required to register with the Anti-Money Laundering Council (“**AMLC**”), and report single cash transaction involving an amount in excess of Seven Million Five Hundred Thousand Pesos (₱7,500,000.00) and suspicious transactions. ALI and its relevant subsidiaries have been taking steps to ensure compliance with AMLC rules.

Construction

The construction industry in the Philippines is subject to regulation by the Government as described below.

Licenses. A regular contractor's license is required to be obtained from the Philippine Contractors Accreditation Board (“**PCAB**”). In granting such license, the PCAB takes into consideration the applicant-contractor's qualifications and compliance with certain minimum requirements in the following criteria: (i) financial capacity, (ii) equipment capacity, (iii) experience of firm, and (iv) experience of technical personnel. Philippine laws also require a contractor to secure construction permits and environmental clearances from appropriate government agencies prior to actually undertaking each project. MDC is duly accredited by the PCAB as a licensed contractor and maintains all required qualifications in compliance with the PCAB's requirements.

Under the Contractors' License Law or Republic Act No. 4566, as amended by Republic Act No. 11711, a contractor that operates without first securing a license shall be penalized according to the Contractors' License Law depending on the act committed.

Minimum Philippine Ownership Requirement. Under Philippine law, in order to bid on publicly funded government contracts, a contractor must be at least 75%-owned by Philippine nationals. In this connection, ALI has maintained at least 60% ownership by Philippine nationals. As of March 31, 2023, ALI's foreign ownership is at 14.5%.

Real Estate Sales on Installments

The provisions of Republic Act No. 6552, otherwise known as Realty Installment Buyer Act ("**Maceda Law**"), apply to all transactions or contracts involving the sale or financing of real estate on instalment payments (including residential condominium units but excluding industrial lots and commercial buildings and sales to tenants under Republic Act No. 3844, as amended). Under the provisions of the Maceda Law, where a buyer of real estate has paid at least two (2) years of instalments, the buyer is entitled to the following rights in case of a default in the payment of succeeding instalments:

- To pay, without additional interest, the unpaid instalments due within the total grace period earned by him, which is fixed at the rate of one (1) month grace period for every one (1) year of instalment payments made. However, this right may be exercised by the buyer only once every five (5) years during the term of the contract and its extensions, if any.

- If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to fifty percent (50%) of the total payments made, and in cases where five (5) years of instalments have been paid, an additional five percent (5%) every year (but with a total not to exceed 90% of the total payments). However, the actual cancellation of the contract shall take place after thirty (30) days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act and upon full payment of the cash surrender value to the buyer.

In the event that the buyer has paid less than two (2) years of instalments, the seller shall give the buyer a grace period of not less than sixty (60) days from the date the instalment became due. If the buyer fails to pay the instalments due at the expiration of the grace period, the seller may cancel the contract after thirty (30) days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act.

Shopping Malls

Shopping mall centers are regulated by the LGU of the city or municipality where the establishment is located. In line with this, mall operators must secure the required mayor's permit or municipal license before operating. In addition, no mall shall be made operational without complying first with the provisions of RA 9514, otherwise known as the "Fire Code" and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a sanitary permit from the Department of Health. It is also compulsory for shopping malls discharging commercial wastewater to apply for a wastewater discharge permit from the DENR and to pay the fee incidental to the permit.

Material Permits and Licenses

As of the date of this Prospectus, the Company and its subsidiaries' material permits and licenses of projects indicated in this Prospectus, are as follows:

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
Ayala Land, Inc.	SEC	Certificate of Incorporation	June 30, 1988	Not Applicable
	BIR	Certificate of Registration	December 1, 1997	Not Applicable
	LGU of Makati City	Business Permit	January 30, 2023	December 31, 2023
	DHSUD	License to Sell for the following Projects:		
		· West Gallery Place in BGC	July 1, 2016	Not Applicable
		· Garden Tower 2 in Makati CBD	September 3, 2013	Not Applicable
		· Arbor Lanes in Arca South	February 25, 2014	Not Applicable
		· Altaraza	February 13, 2018	Not Applicable
		· Arcilo in Nuvali	January 25, 2023	Permanent LTS: Not Applicable
		· Ciela at Aéra Heights in Carmona, Cavite	Phase 1 LTS: November 17, 2021 Phase 2 TLTS: November 11, 2022	Phase 1 LTS: Not Applicable Phase 2 TLTS: November 10, 2023
		· Miravera in Altaraza, Bulacan	Phase 1 LTS: December 1, 2022	Phase 1 LTS: Not Applicable
		· Andacillo in Nuvali, Laguna	September 19, 2019	Not Applicable
		· Lanewood Hills in Silang, Cavite	Phase 1A-1B LTS: February 10, 2021 Phase 2 LTS: August 6, 2021 Phase 3A LTS: December 9, 2022 Phase 3B LTS: November 4, 2022	Not Applicable
		· Parklinks North Tower in Quezon City	November 6, 2018	Not Applicable
		Arca South (Commercial Lots)		
		Nuvali (Commercial Lots)		
	DENR EMB	Environment Compliance Certificate		
		· West Gallery Place in BGC	August 27, 2015	Not Applicable
		· Garden Tower 2 in Makati CBD	October 18, 2012	Not Applicable
		· Arbor Lanes in Arca South	February 9, 2018	Not Applicable
		· Altaraza	February 19, 2013	Not Applicable
		· Arcilo in Nuvali	April 8, 1996	Not Applicable
		· Ciela at Aéra Heights in Carmona, Cavite	Phase 1 ECC: November 29, 2021 Phase 2 ECC: July 26, 2022	Not Applicable

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
		· Miravera in Altaraza, Bulacan	February 5, 2016	Not Applicable
		· Andacillo in Nuvali, Laguna	September 23, 2019	Not Applicable
		· Lanewood Hills in Silang, Cavite	Phase 1 ECC: March 22, 2019 Phase 2 ECC: April 21, 2019 Phase 3 ECC: May 22, 2019	Not Applicable
		· Parklinks North Tower in Quezon City	September 18, 2018	Not Applicable
Alveo Land, Corp.	SEC	Certificate of Incorporation	September 29, 1995	Not Applicable
	BIR	Certificate of Registration	January 1, 1997	Not Applicable
	LGU of Taguig City	Business Permit	February 21, 2023	December 31, 2023
	DHSUD	License to Sell for the following Projects:		
		· High Park 2 in Vertis North	May 18, 2016	Not Applicable
		· Orean Place 1 & 2 in Vertis North	October 19, 2018	Not Applicable
		· The Residences at Evo City	Ph1 : May 05, 2017 Ph2 : Oct 17,2019 Ph3 : Jul 13, 2020 Ph4 : Nov 18, 2020 Ph5 : Nov 23, 2021	Ph1 : Nov 2020* Ph2 : Dec 31, 2022* Ph3 : Dec 31, 2022* Ph4 : Dec 31, 2022* Ph5 : Mar 31, 2024
		· Venido in Biñan Laguna	August 28, 2018	Not Applicable
		· Alveo Financial Tower in Makati CBD	September 22, 2016	Not Applicable
		Verdea in Silang, Cavite		
		South Palmgrove in Lipa, Batangas	TLS: Nov. 24, 2022	TLS: Nov. 23, 2023
		· Corvia at Alviera	Feb 18, 2021	Not Applicable
		· Ametrine at Portico	December 21, 2018	Not Applicable
		· Parkford Suites in Makati	Sept. 27, 2019	Feb. 28, 2026
		Broadfield Estates		
	DENR EMB	Environment Compliance Certificate		
		· High Park 2 in Vertis North	July 11, 2019	Not Applicable
		· Orean Place 1 & 2 in Vertis North	November 21, 2016	Not Applicable
		· The Residences at Evo City	December 4, 2019	Not Applicable
		· Venido in Biñan Laguna	February 23, 2005	Not Applicable

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
		· Alveo Financial Tower in Makati CBD	June 17, 2015	Not Applicable
		Verdea in Silang, Cavite		
		South Palmgrove in Lipa, Batangas	June 18, 2021	Not Applicable
		· Corvia at Alviera	Mar 3, 2021	Not Applicable
		· Ametrine at Portico	August 20, 2018	Not Applicable
		· Parkford Suites in Makati	June 6, 2019	Not Applicable
		Broadfield Estates		
Avida Land, Corp.	SEC	Certificate of Incorporation	October 30, 1990	Not Applicable
	BIR	Certificate of Registration	January 1, 1997	Not Applicable
	LGU of Taguig City	Business Permit	January 23, 2023	December 31, 2023
	DHSUD	License to Sell for the following Projects:		
		· Asten 3 in Makati	January 31, 2017	Not Applicable
		· Avida Towers Sola 1	October 27, 2016	Not Applicable
		· Avida Towers Sola 2 in Vertis North	February 22, 2018	Not Applicable
		· Avida Southdale Settings in Nuvali	June 21, 2021	Not Applicable
		· Avida Towers Vireo 1 in Arca South	July 30, 2019	Not Applicable
		· Avida Towers Prime Taft 3 in Manila	August 26, 2015	Not Applicable
		· Avida Towers Riala in Cebu IT Park, Cebu City	Riala T1 - Sept 18, 2013 Riala T2 - June 9, 2015 Riala T3 - Oct 27, 2015 Riala T4 - Sept 04, 2017 Riala T5 - July 20, 2022	Not Applicable
		· Avida Towers Turf in BGC	Turf T1 - Dec 31, 2019 Turf T2 - Oct 31, 2021	Not Applicable
	DENR EMB	Environment Compliance Certificate		
		· Asten 3 in Makati	February 23, 2013	Not Applicable
		· Avida Towers Sola 1 and 2 in Vertis North	June 4, 2014	Not Applicable
		· Avida Southdale Settings in Nuvali	September 20, 2019	Not Applicable
		· Avida Towers Vireo 1 in Arca South	September 27, 2016	Not Applicable
		· Avida Towers Prime Taft 3 in Manila	August 27, 2011	Not Applicable

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
		· Avida Towers Riala in Cebu IT Park, Cebu City	Sept 12, 2011	Not Applicable
		· Avida Towers Turf in BGC	Aug 20, 2014	Not Applicable
Amaia Land Corp.	SEC	Certificate of Incorporation	May 29, 2000	Not Applicable
	BIR	Certificate of Registration	June 13, 2000	Not Applicable
	LGU of Muntinlupa City	Business Permit	January 20, 2023	December 31, 2023
	DHSUD	License to Sell for the following Projects:		
		· Skies Cubao Tower 2	November 26, 2015	Not Applicable
		· Skies Shaw Tower 1	May 29, 2014	Not Applicable
		· Skies Sta. Mesa	January 24, 2013	Not Applicable
		· Skies Avenida Tower 1	September 2, 2020	Not Applicable
		· Skies Avenida Tower 2	December 13, 2019	Not Applicable
		· Skies Shaw Tower 2	September 27, 2019	Not Applicable
		· Scapes General Trias Sectors 3 and 4	October 30, 2020	Not Applicable
	DENR EMB	Environment Compliance Certificate		
		· Skies Cubao Tower 2	June 13, 2011	Not Applicable
		· Skies Shaw Tower 1	May 17, 2013	Not Applicable
		· Skies Sta. Mesa	February 16, 2012	Not Applicable
		· Skies Avenida Tower 1	February 16, 2012	Not Applicable
		· Skies Avenida Tower 2	February 16, 2012 (ECC covers 2 blds)	Not Applicable
		· Skies Shaw Tower 2	May 17, 2013 (ECC covers 3 blds)	Not Applicable
		· Scapes General Trias Sectors 3 and 4	S3 – April 4, 2019 S4 – July 22, 2020	Not Applicable
Makati Development Corporation	SEC	Certificate of Incorporation	August 15, 1974	Not Applicable
	BIR	Certificate of Registration	December 9, 2021	Not Applicable
	LGU of Taguig City	Business Permit	February 7, 2023	December 31, 2023
MBDI Construction Corp.	SEC	Certificate of Incorporation	March 1, 2017	Not Applicable
	BIR	Certificate of Registration	May 20, 2019	Not Applicable
	LGU of Taguig City	Business Permit	January 30, 2023	December 31, 2023

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
MDC Buildplus, Inc.	SEC	Certificate of Incorporation	October 17, 2011	Not Applicable
	BIR	Certificate of Registration	May 16, 2019	Not Applicable
	LGU of Taguig City	Business Permit	January 20, 2023	December 31, 2023
MDC Conqrete, Inc.	SEC	Certificate of Incorporation	August 12, 2013	Not Applicable
	BIR	Certificate of Registration	May 16, 2019	Not Applicable
	LGU of Taguig City	Business Permit	January 20, 2023	December 31, 2023
Ayala Property Management Corporation	SEC	Certificate of Incorporation	July 25, 1951	July 24, 2051
	BIR	Certificate of Registration	December 24, 1997	Not Applicable
	LGU of Makati City	Business Permit	January 27, 2023	December 31, 2023
Ayala Hotels Inc.	SEC	Certificate of Incorporation	April 11, 1991	Not Applicable
	BIR	Certificate of Registration	October 12, 1990	Not Applicable
	LGU of Makati City	Business Permit	February 4,2023	December 31, 2023
	DHSUD	License to Sell for the following Projects:		
		· Park Central South Tower	October 3, 2017	Not Applicable
	DENR EMB	Environment Compliance Certificate	October 2, 2017	Not Applicable
Ecozone Power Management Inc.	SEC	Certificate of Incorporation	August 20, 2010	Not Applicable
	BIR	Certificate of Registration	October 28, 2010	Not Applicable
	LGU of Binan City	Business Permit Biñan Laguna	January 23, 2023	December 31, 2023
AyalaLand Malls, Inc. (formerly ALI Commercial Center, Inc.)	SEC	Certificate of Incorporation	October 13, 2014	Not Applicable
	BIR	Certificate of Registration	October 23, 2014	Not Applicable
	LGU of Makati City	Business Permit		
		GB Carpark Business	February 13, 2023	December 31, 2023
		GB Complex	February 13, 2023	December 31, 2023
		GLO Carpark Business	February 13, 2023	December 31, 2023
		GLO Complex	February 13, 2023	December 31, 2023

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
		One Ayala Avenue Mall and Carpark	February 13, 2023	December 31, 2023
AyalaLand Offices, Inc.	SEC	Certificate of Incorporation	July 26, 2006	Not Applicable
	BIR	Certificate of Registration	August 23, 2006	Not Applicable
	LGU of Quezon City	Business Permit	January 31, 2022	December 31, 2023
North Eastern Commercial Corp.	SEC	Certificate of Incorporation	July 8, 2008	Not Applicable
	BIR	Certificate of Registration	July 8, 2008	Not Applicable
	LGU:	Business Permit		
	Makati City	Corporate	February 1, 2023	December 31, 2023
	Pasig City	The 30th	January 19, 2023	December 31, 2023
	Quezon City	Cloverleaf	August 13, 2022	August 13, 2023
		Vertis North	April 26, 2022	April 26, 2023
AREIT Inc.	SEC	Certificate of Incorporation	September 4, 2006	Not Applicable
	BIR	Certificate of Registration	September 4, 2006	Not Applicable
	LGU of Makati City	Business Permit	February 1, 2023	December 31, 2023
Ayala Greenfield Development Corp.	SEC	Certificate of Incorporation	July 17, 1997	Not Applicable
	BIR	Certificate of Registration	December 9, 1999	Not Applicable
	LGU of Taguig City	Business Permit	January 19, 2023	December 31, 2023
	LGU of Calamba City	Business Permit	February 1, 2023	December 31, 2023
CECI Realty Corp.	SEC	Certificate of Incorporation	August 22, 1974	Not Applicable
	BIR	Certificate of Registration	June 17, 1994	Not Applicable
	LGU of Makati City	Business Permit	CECI Realty Corp.	December 31, 2023
Nuevocentro Inc.	SEC	Certificate of Incorporation	April 15, 2011	Not Applicable
	BIR	Certificate of Registration	April 15, 2011	Not Applicable
	LGU of Makati City	Business Permit	February 3, 2023	December 31, 2023
Ayalaland Estates, Inc.	SEC	Certificate of Incorporation	October 19, 2012	Not Applicable
	BIR	Certificate of Registration	November 12, 2012	Not Applicable
	LGU of Makati City	Business Permit	February 3, 2023	December 31, 2023
MCT Bhd (Malaysia)	SEC	Certificate of Incorporation	December 8, 2009	Not Applicable

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
	BIR	Certificate of Registration	Not Applicable	Not Applicable
	LGU Majilis Bandaraya Subang jaya (MY headquarters)	Business Permit	April 17, 2024	Not Applicable
BellaVita Land Corp.	SEC	Certificate of Registration	March 21, 1995	N/A
	BIR	Certificate of Registration	January 19, 1996	N/A
	LGU of Makati	Business Permit	January 26, 2023	December 31,2023
		DHSUD		
		Tayabas, Quezon Province	October 30, 2020	
		Lipa, Batangas	February 11, 2020	
		Cabanatuan	July 22, 2016	
		DENR EMB		
		Tayabas, Quezon Province	June 10, 2022	
		Lipa, Batangas	November 21, 2013	
		Cabanatuan	May 26, 2022	
AyalaLand Logistics Holdings, Corp.	SEC	Certificate of Registration	5/9/2019	N/A
	BIR	Certificate of Registration	6/23/1989	N/A
	LGU of Makati	Business Permit	01/20/2023	12/31/2023
Laguna Technopark, Inc.	SEC	Certificate of Registration	November 15, 1990	Not applicable
	BIR	Certificate of Registration	February 27, 1997	Not applicable
	LGU of Binan	Business Permit	January 26, 2023	December 31, 2023
AirSwift, Inc.	SEC	Articles of Incorporation	February 18, 2016	Not Applicable
	BIR	Certificate of Registration	October 17, 2002	Not Applicable
	LGU of Parañaque	Business Permit: Mayor's Permit	January 20, 2023	January 31, 2024
	Civil Aviation Authority of the Philippines	AIR Operator Certificate	January 17, 2021	January 16, 2026
	Civil Aviation Board	Certificate of Public Convenience & Necessity	March 29, 2022	March 28, 2027
Ayala Hotels Inc.	SEC	Certificate of Incorporation	11-Apr-91	Not Applicable
	BIR	Certificate of Registration	12-Oct-90	Not Applicable

Company Name	Regulatory Body	Type of License	Date of Issuance	Expiry Date
	LGU of Makati City	Business Permit	February 4, 2023	Dec. 31, 2023
AKL	SEC		May 28,2018	Not Applicable
	BIR		May 31,2018	Not Applicable
	LGU of Makati City		January 31,2023	December 31,2023
	LGU of Carmona		January 19,2023	December 31,2023
BG West Properties, Inc.	SEC	Certificate of Incorporation	Aug. 5, 2011	Not Applicable
	BIR	Certificate of Registration	Aug. 5, 2011	Not Applicable
	LGU of Cebu City	Business Permit	no project in Cebu & not registered in Cebu	no project in Cebu & not registered in Cebu
	LGU of Makati City	Business Permit	Feb. 4, 2023	Dec. 31, 2023
	LGU of Taguig City	Business Permit	Jan. 20, 2023	Dec. 31, 2023

***** *Under DHSUD Order No. 2021 and D.O. 2021-009, DHSUD granted two (2) year extension to complete projects with completion date of March 2020 onwards. Alveo has also applied for extension of time to complete the project within the reglementary period as indicated under said Department Orders, which DHSUD is currently processing. For Phase 1, the project has been completed and we are in the process of securing the Certificate of Completion with the DHSUD as advised by the latter.*

Property Laws

Land Registration

The Philippines has adopted a system of land registration which conclusively confirms land ownership which is binding on all persons, including the Government. Once registered, title to registered land can no longer be challenged except with respect to claims annotated on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription.

Unregistered land may be brought under the system via administrative or judicial proceeding. For judicial proceedings, proper surveying, application, publication, service of notice and hearing, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment within 15 days to the Court of Appeals. After the lapse of the period of appeal, the Registry of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration.

Any subsequent transfer or encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and issuance of a new title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

In accordance with the said system of land registration, ALI ensures that all properties held or developed are properly covered by valid and subsisting certificates of title.

Zoning

Land use may be limited by zoning ordinances enacted by provinces, cities or municipalities. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. All developments of ALI comply with the applicable zoning classification.

Subdivisions and Condominiums

All subdivision lots and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the local government unit in which the project is situated. The development of subdivision lots and condominium projects can commence only after the local government unit has issued the development permit.

Subdivision lots or condominium units may be sold or offered for sale only after a license to sell has been issued by the DHSUD. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision lot or condominium project and compliance with applicable laws and regulations. All documents evidencing conveyances of subdivision and condominium units should be registered with the relevant Registry of Deeds.

Title to the subdivision lot or condominium unit must be delivered to the purchaser upon full payment of the purchase price.

The foregoing permits, licenses and approvals are secured by ALI for its subdivision and condominium developments.

Special Economic Zone

The Fiscal Incentives and Review Board (FIRB) exercises policy making and oversight functions on all Registered Business Enterprises (RBE) and Investment Promotion Agencies (IPA). One of such IPA is the Philippine Economic Zone Authority (PEZA). PEZA operates, administers and manages Ecozones around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the Government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA-registered enterprises located in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays (ITH), special corporate income tax rate (SCIT) of 5%, Enhanced Deductions (ED), and duty free importation of equipment, machinery and raw materials.

Enterprises offering IT services (such as call centers and other BPO firms using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructures and other support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located in or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and the DENR.

Certain of ALI's properties are registered with PEZA, and this provides significant benefits to ALI's tenants. PEZA registration provides significant tax incentives to those of ALI's customers that are PEZA-registered (they can, for example, avail themselves of income tax incentives such as ITH, 5% SCIT or ED under the CREATE Law), thereby making tenancy in ALI's PEZA-registered buildings potentially more attractive to them.

Property Taxation

Real property taxes are payable annually based on the property's assessed value. Assessed values are determined by applying the assessment levels (set by ordinances of the concerned Sanggunian) against the fair market values of real property. The assessed value of property and improvements vary depending on the location, use and the nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed at up to 80% of their fair market value; and machinery may be assessed at 40% to 80% of its fair market value. Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas.

A province or city, or a municipality within Metro Manila may also levy and collect an annual tax of one percent (1%) on the assessed value of real property which shall be in addition to the basic real property tax to accrue exclusively to the Special Education Fund of the local government unit where the property is located. ALI promptly pays the real estate taxes and assessments on the properties it owns.

Environmental Laws

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate ("**ECC**") prior to commencement. As a requisite for the issuance of an ECC, an environmentally critical project must prepare an Environmental Impact Statement ("**EIS**"), while a project in an environmentally critical area must prepare an Initial Environmental Examination ("**IEE**"), without prejudice to the power of the DENR to require a more detailed EIS. In case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandated.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, as a minimum, it contains all relevant information regarding the project's environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("**EGF**") when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment. The EGF is intended to answer for damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund ("**EMF**") when an ECC is eventually issued. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

In addition to the requirement for the issuance of an ECC, all public and private proponents of subdivision development projects, housing projects and other land development and infrastructure projects are required to undertake an Engineering Geological and Geohazard Assessment ("**EGGA**"). The EGGA is undertaken in order that project proponents can adequately and comprehensively address and mitigate the possible effects/impacts of geologic hazards. To comply with this requirement, the proponent causes the preparation of an Engineering Geological and Geohazard Assessment Report ("**EGGAR**") including the conduct of all site specific specialized Technical Due Diligence studies that are applicable in order to validate all identified geologic and hydrologic hazards in EGGAR, as prescribed by the DENR- Mines and Geosciences Bureau ("**MGB**"). The EGGAR shall be subject to review/verification by DENR-MGB and for appropriate transmittal or endorsement to the DENR-EMB and other concerned government Agencies. The EGGAR is used as an institutional planning tool to safeguard development projects from the hazards caused by geological phenomena. ALI undertakes the EGGA and secures ECCs prior to commencement of its real estate projects and exerts best efforts to comply with the conditions specified therein. Real Estate projects are also required to secure relevant local permits and abide by requirements specific to local zoning ordinances, and, if applicable, protected area guidelines. ALI secures the necessary permits and keeps track of national and local regulatory developments.

In general, there have been no materially significant or extraordinary costs incurred by ALI and its subsidiaries, taken as a whole, in respect of environmental compliance. ALI and its subsidiaries' costs of compliance with applicable environmental laws and regulations vary from project to project depending on various factors, especially local conditions. However, none of such costs have been material in respect of their finances as a whole.

Anti-Trust Laws

The Philippine Competition Act

The law authorizes the PCC to review mergers and acquisitions to ensure compliance with the PCA. The Merger Rules provides for mandatory notification to the PCC of any merger or acquisition within thirty (30) days of signing any definitive agreement relating to the transaction.

Compulsory notification shall be required if the value of such transaction exceeds Two Billion Nine Hundred Million Pesos (₱2,900,000,000.00), and where the size of the ultimate parent entity of either party exceeds Seven Billion Pesos (₱7,000,000,000.00). The parties may not consummate the transaction prior to receiving PCC approval or the lapse of the period stated in the Merger Rules. A merger or acquisition that meets the thresholds under the Merger Rules but was not notified to the PCC, or notified but consummated, in whole or in part, prior to the expiration of the waiting period, is considered void and will subject the parties, and will subject the parties to a fine between one percent (1.00%) to five percent (5.00%) of the value of the transaction.

Given the usual volume of the Issuer's transactions, mergers or acquisitions undertaken by the Issuer would likely meet the notification threshold under the PCA and its Implementing Rules and Regulations ("**IRR**"). The Issuer will comply with the requirements of the PCA and its IRR.

Data Privacy Laws

Data Privacy Act

RA No. 10173, otherwise known as the Data Privacy Act of 2012 ("**Data Privacy Act**"), was signed into law on August 15, 2012, to govern the processing of all types of personal information (i.e., personal, sensitive, and privileged information) in the hands of the government or private natural or juridical person through the use of Information and Communications System ("**ICT**"), which refers to a system for generating, sending, receiving, storing or otherwise processing electronic data messages or electronic documents and includes the computer system or other similar device by or which data is recorded, transmitted or stored and any procedure related to the recording, transmission or storage of electronic data, electronic message, or electronic document. While the law expressly provides that it does not apply to certain types of information, including those necessary for banks and other financial institutions under the jurisdiction of BSP to comply with the AMLA and other applicable laws, the said law applies to all other personal information obtained by banks for other purposes.

It mandated the creation of a National Privacy Commission, which shall administer and implement the provisions of the Data Privacy Act and ensure compliance of the Philippines with international standards set for data protection. The Philippines recognizes the need to protect the fundamental human right of privacy and of communication, while ensuring free flow of information to promote innovation and growth. It also identifies the vital role of information and communications technology in nation building and its inherent obligation to ensure that personal information in ICT in the government and in the private sector are secured and protected.

The Data Privacy Act seeks to protect the confidentiality of "personal information", which is defined as "any information, whether recorded in material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual." The law provides for certain rights of a data subject or an individual whose personal information is being processed. The law imposes certain obligations on "personal information controllers" and "personal information processors". It also provides for penal and monetary sanctions for violations of its provisions.

Electric Commerce

Electronic Commerce Act

Republic Act No. 8792 or the Electronic Commerce Act of 2000 ("**R.A. No. 8792**") aims to facilitate domestic and international dealings, transactions, arrangement agreements, contracts and exchanges and storage of information through the utilization of electronic, optical and similar medium to promote the universal use of electronic transaction in the government and general public.

R.A. No. 8792 restricts access to an electronic file, or an electronic signature of an electronic data message or electronic document only in favor of the individual or entity having a legal right to the possession or the use of plaintext, electronic signature or file and solely for the authorized purposes. The law also ensures confidentiality and prohibits any person who obtains access to any electronic key, electronic data message, electronic document, book, register, correspondence, information, or other material pursuant to any powers conferred under the said law, from convening to or sharing the same with any other person, except for purposes expressly authorized by law. The implementing rules of the law provides that the electronic key for identity or integrity shall not be made available to any person or party without the consent of the individual or entity in lawful possession of that electronic key. The law clarifies that violations of the Consumer Act of the Philippines or Republic Act No. 7394 and other related laws through transactions covered by or using electronic data messages or electronic documents shall be penalized with the same penalties as provided therein.

Corporate Law

Revised Corporation Code

Republic Act No. 11232, also known as the Revised Corporation Code, was signed into law on February 20, 2019 and took effect on February 23, 2019. Among the notable amendments in the Revised Corporation Code are as follows: (i) corporations are now generally given a perpetual existence; (ii) a new section on one-person corporation was added; (iii) the requirement that at least 25% of the authorized capital stock must be subscribed, and at least 25% of the subscribed shares must be paid-up upon incorporation was removed; (iv) stockholders can now vote in absentia; (v) incorporators now include any person, partnership, association or corporation; and (vi) the powers of the SEC to prosecute and investigate offenses under the Revised Corporation Code has been expanded.

The Revised Corporation Code refers to the Philippine Competition Act in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

DESCRIPTION OF PROPERTIES

The following section discusses updates to the Description of Properties after the date of the Prospectus and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement.

LAND BANK / PROPERTIES WITH MORTGAGE OF LIEN

The following table provides summary information on ALI Group's estimated land bank (areas shown in hectares ("**Ha.**") as of December 31, 2022. Properties included are either wholly owned or part of a joint venture and free of lien unless noted.

In Estates	Location	Hectares	Outside Estates	Hectares
Metro Manila		**171.3**	**Metro Manila**	**63.5**
Makati CBD	Makati City	46.0	Las Pinas	42.0
BGC	Taguig City	27.0	Quezon	8.8
Arca South	Taguig City	21.0	Pasig	4.9
Circuit Makati	Makati City	20.1	Paranaque	4.4
Ayala Alabang	Muntinlupa City	17.6	Makati	2.0
Parklinks	Quezon City - Pasig City	15.6	Mandaluyong	0.8
Cloverleaf	Quezon City	7.8	Pasay	0.3
Vertis North	Quezon City	7.0	Manila	0.3
The Junction Place	Quezon City	3.7		
Cerca	Muntinlupa City	3.2		
Southpark District	Muntinlupa City	1.6		
Portico	Pasig City	0.7		
Luzon		**5,994.0**	**Luzon**	**3,815.0**
Nuvali	Sta. Rosa, Laguna	1,378.0	Cavite	2,243.0
Alviera	Porac, Pampanga	1,130.0	Batangas	669.0
Altaraza	San Jose Del Monte, Bulacan	864.0	Laguna	550.0
Lio	El Nido, Palawan	762.0	Bulacan	164.0
Ayala Greenfield Estates	Calamba, Laguna	359.0	Quezon	48.0
Anvaya Cove	Morong, Bataan	356.0	Pampanga	42.0
Vermosa	Imus, Cavite	340.0	Camarines Sur	27.0
Areza	Lipa, Batangas	291.0		
Cresendo	Tarlac City, Tarlac	239.0	Cagayan-Tuguegarao	25.0
Evo City	Kawit, Cavite	157.0	Rizal	15.0
Crossroads	Plaridel, Bulacan	81.0		
Broadfield	Binan, Laguna	29.0	Isabela	10.0
Marquee	Angeles, Pampanga	8.0	Bataan	7.0
			Tarlac	7.0
			Nueva Ecija	6.0
			Pangasinan	2.0
Visayas		**872.0**	**Visayas**	**375.0**
Sicogon Island Resort	Iloilo	810.0	Cebu	170.0
North Point	Talisay, Negros Occidental	21.0	Negros Occidental	119.0
Cebu Park District	Cebu City, Cebu	12.0	Iloilo	86.0
Atria Park District	Mandurriao, Iloilo	8.0		
Gatewalk Central	Mandaue, Cebu	7.0		
Southcoast City	Cebu City, Cebu	7.0		
Seagrove	Mactan Island, Cebu	6.0		
Capitol Central	Talisay, Negros Occidental	1.0		
Mindanao		**476.0**	**Mindanao**	**507.0**
Habini Bay	Laguindingan, Misamis Oriental	452.0	Davao Del Sur	377.0
Azuela Cove	Davao City, Davao del Sur	15.0	Misamis Oriental	130.0
Abreeza	Davao City, Davao del Sur	6.0		
Centrio	Cagayan de Oro, Misamis Oriental	3.0		
2022 Land Bank: 12,273.8		**7,513.3**		**4,760.5**

LEASED PROPERTIES

The Company has an existing contract with the Bases Conversion and Development Authority ("**BCDA**") to develop, under a lease agreement a mall with an estimated gross leasable area of 152,000 sqm on a 9.8-hectare lot inside Fort Bonifacio. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounts to ₱106.5 Million while the variable rent ranges from 5% to 20% of gross revenues. Subsequently, the Company transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity.

On January 28, 2011, a notice was given to the Company, that as the bidder with the highest responsive bid, it has been awarded the ₱4.0 Billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. The Company signed a 25-year lease contract for the property on June 22, 2011, with an option to renew for another 25 years by mutual agreement of the parties. Subsequently, in 2015, the Company assigned the lease to Ayalaland Metro North, Inc. (AMNI). As of end 2022, the retail establishment has a gross leasable area of approximately 63,000 sqm of available gross leasable area and a combination of headquarter-and-BPO-type buildings with an estimated 8,000 sqm of GLA have been constructed. Monthly rent is equal to the higher of either: (i) ₱215.65/sqm of the Gross Useable Area, subject to annual escalation at the rate of five percent (5%) (Minimum Guaranteed Rent); or (ii) seventeen percent (17%) of the gross rental income.

RENTAL PROPERTIES

The Company's properties for lease are largely shopping centers, office buildings and hotels and resorts. As of December 31, 2022, rental revenues from these properties amounted to ₱33.4 Billion equivalent to 26% of consolidated revenues. This is 62% higher than ₱20.6 Billion recorded in 2021. Lease terms vary depending on the type of property and tenant.

PROPERTY ACQUISITIONS

With approximately 12,273.8 hectares in its land bank as of December 31, 2022, Ayala Land believes that it has sufficient properties for development in the next 25 years.

Nevertheless, the Company continues to seek new opportunities for additional, large-scale, master-planned developments in order to replenish its inventory and provide investors with an entry point into attractive long-term value propositions. The focus is on acquiring key sites in the Mega Manila area and other geographies with progressive economies that offer attractive potential and where projected value appreciation will be fastest.

Except for ongoing acquisitions as disclosed in the ALI Sponsor Reinvestment Plans dated April 3, 2023 and January 9, 2023 (in connection with sale of AREIT shares), new acquisitions or planned acquisitions in the next 12 months are subject to negotiations and not final until execution of the implementing agreements, and generally subject to non-disclosure agreements.

On July 19, 2019, AyalaLand Logistics Holdings, Corp. (ALLHC), formerly Prime Orion Philippines, Inc. acquired 100% ownership of Unity Realty & Development Corporation (URDC). URDC owns a 192-hectare property in Mabalacat City, Pampanga which will be developed into an industrial park.

On April 4, 2018, ALI signed a Deed of Absolute Sale with Central Azucarera de Tarlac, Inc. for the acquisition of several parcels of land with an aggregate area of approximately 290 hectares located in Barangay Central, City of Tarlac, Province of Tarlac.

On February 20, 2018, the Philippine Competition Commission (PCC) approved the setting up of a joint venture between the Company and Royal Asia Land, Inc. to acquire, own, and develop a 936-hectare commercial and residential project in Silang and Carmona, Cavite. Both firms will own 50% equity in the joint venture vehicle while Royal Asia Land will receive a consultation fee of 2% of the joint venture firm's gross revenue for its participation in the planning and development of the property. ALI, meanwhile, will develop and market the project and receive a management fee of 12% and sales and marketing fee of 5% of the gross revenue. The PCC has deemed that the transaction does not result in a substantial lessening of competition because it will not have a structural effect on the market.

In June 2015, ALI, through SM-ALI Group consortium, participated and won in the bidding for Lot No. 8-B-1, containing an area of 263,384 sqm, which is a portion of Cebu City-owned lot located at the South Road Properties, Cebu City covered by Transfer Certificate of Title No. 107-2011000963 (the "**Property**"). SM-ALI Group consortium is a consortium among SM Prime Holdings, Inc. ("**SM**"), Ayala Land, and Cebu Holdings, Inc. ("**CHI**", together with ALI collectively referred to as the "**ALI Group**"). The SM-ALI Group will co-develop the property pursuant to a joint master plan.

In April 2015, ALI purchased all of the 8.2 Million common shares of Aegis PeopleSupport Realty Corporation amounting to ₱435 Million. Aegis PeopleSupport Realty Corporation is a PEZA-registered entity and the owner of Aegis building along Villa Street, Cebu IT Park, Lahug, Cebu City. The building is a certified LEED-Gold Office with a gross leasable area of 18,092 sqm and is largely occupied by Teleperformance under a long-term lease.

On February 6, 2015, ALI purchased the combined remaining interest of Allante Realty and Development Corporation (Allante) and DBH, Inc. (DBH) in North Triangle Depot Commercial Corporation (NTDCC) consisting of 167,548 common shares and 703,904 preferred shares amounting to ₱229 Million. This brings ALIC) consisting of 167,548 common shares and 703,904 total outstanding capital stock of NTDCC.

In January 2014, ALI entered and signed into a 50-50% joint venture agreement with AboitizLand, Inc. for the development of a 15-hectare mixed-use community in Mandaue City, Cebu. The first project of this joint venture will involve the construction of a mall and a residential condominium unit with an estimated initial cost of ₱3 Billion.

On November 23, 2013, ALI, through its wholly-owned subsidiary, Ayala Hotels and Resorts Corp, (AHRC) signed an agreement to acquire 100% interest in Asian Conservation Company, Inc. (ACCI) which effectively consolidates the remaining 40% interest in Ten Knots Development Corp. (TKDC) and Ten Knots Philippines Inc. (TKPI) (60%-owned subsidiary of the Company prior to this acquisition). The agreement resulted in the Company effectively obtaining 100% interest in TKPI and TKDC.

On April 16, 2013, ALI entered into a Sale and Purchase Agreement (SPA) with Global International Technologies Inc. (GITI) to acquire the latter's 32% interest in ALI Property Partners Co. (APPCo) for ₱3.52 Billion. GITI is a 100% owned company of the Goldman Sachs Group Inc. The acquisition increased ALI's stake in APPCo from 68% to 100%. APPCo owns BPO buildings in Makati, Quezon City and Laguna with a total gross leasable area of around 230,000 sqm. The carrying amount of the non-controlling interest is reduced to nil as APPCo became wholly owned by the Company. The difference between the fair value of the consideration paid and the amount by which the non-controlling interest is adjusted is recognized in equity attributable to the Company amounting to ₱2,722.6 Million.

MORTGAGE, LIEN OR ENCUMBRANCE OVER PROPERTIES

In compliance with BSP rules on directors, officers, stockholders and related interests, and affiliates, certain long-term debt with BPI with a carrying value of ₱2,999.0 Million as of March 31, 2023 are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall.

The mortgagor is required to preserve and maintain the properties in good condition, pay all lawful taxes and assessments on the properties, and maintain insurance against loss or damage by fire and earthquake for full insurable value.

The properties may not be disposed of by Ayala Land without written consent of the Lender.

CERTAIN LEGAL PROCEEDINGS

This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. Prospective investors should read the entire Prospectus carefully, including the section entitled "Risk Factors and Other Considerations", the reviewed unaudited interim condensed consolidated financial statements, and the audited consolidated financial statements and the related notes to those statements included in this Prospectus.

As of December 31, 2022, ALI, its subsidiaries, and its affiliates, are not involved in any litigation regarding an event which occurred during the past five (5) years that they consider material.

However, there are certain litigations ALI is involved in which it considers material, and though the events giving rise to the said litigation occurred beyond the five (5) year period, the same are still unresolved, as follows:

Las Piñas Property

Certain individuals and entities have claimed an interest in certain of ALI's properties located in Las Piñas, Metro Manila.

Prior to purchasing the aforesaid properties, ALI conducted an investigation of titles to the properties and had no notice of any title or claim that was superior to the titles purchased by ALI. ALI traced its titles to their original certificates of title and ALI believes that it has established its superior ownership position over the said parcels of land. ALI has assessed these adverse claims and believes that its titles are in general superior to the purported titles or other evidence of alleged ownership of these claimants. On this basis, beginning October 1993, ALI filed petitions in the RTC of Makati and Las Piñas for quieting of title to nullify the purported titles or claims of these adverse claimants. These cases are at various stages of trial and appeal. Some of these cases have been decided by the Supreme Court ("**SC**"). These include decisions affirming the title of ALI to some of these properties, which have been developed and offered for sale to the public as Sonera, Ayala Southvale. The SC issued a decision adverse to ALI's title over these properties dated July 26, 2017 and denied ALI's motions for reconsideration.

ALI has made no allowance in respect of such actual or threatened litigation expenses. ALI sees no adverse and material impact on its business operations as the properties involved do not constitute a substantial area of ALI's total landbank for development.

The land constitutes less than 1% of ALI's landbank and will not materially affect ALI's business, operations and financials.

Tomas R. Osmeña vs. City of Cebu

ALI is a respondent to a case for Declaratory Relief with Prayer for Temporary Restraining Order and Writ of Preliminary Injunction, filed by the petitioner, former Cebu City Mayor Tomas R. Osmena, seeking among others, to nullify the purchase by ALI, then Cebu Holdings, Inc. (CHI)[13], SM Prime Holdings, Inc. and the Consortium (composed of ALI, CHI, and SMPHI), purchase of the 26-hectare property located in South Road Properties 2, Cebu City from the Local Government Unit of Cebu City. In an Order dated January 13, 2021, the Regional Trial Court ordered the dismissal of the case and on June 10, 2021 denied the motion for reconsideration of the petitioner. Petitioner appealed to the Court of Appeals (CA) where the case is presently pending.

ALI participated in the public bidding of these properties in accordance with applicable laws, rules and regulations. In the unlikely event that the prayer of the petitioner for Declaratory Relief, Temporary Restraining Order and Writ of Preliminary Injunction be granted by the courts, there will be delay in the development of the South Road Properties 2. ALI sees no adverse and material impact on its business operations as this property does not constitute a substantial area of ALI's total landbank for development.

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[13] On December 16, 2021, the SEC approved and made effective the merger of CHI with and into ALI as the surviving entity.

MARKET PRICE OF AND DIVIDENDS ON AYALA LAND'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The following section discusses updates to Market Price of and Dividends on Ayala Land's Common Equity and Related Stockholder Matters after the date of the Prospectus, and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Prospectus carefully, including the section entitled "Risk Factors and Other Considerations" and the audited consolidated financial statements and the related notes to those statements included in this Prospectus.

Ayala Land was incorporated in June 1988 and was listed on the PSE in July 1991.

Market Information

Ayala Land common shares are listed on the PSE.

Stock Prices (in ₱/share)

	High				Low				Close			
	2022	2021	2020	2019	2022	2021	2020	2019	2022	2021	2020	2019
First Quarter	39.80	42.00	45.30	45.75	33.55	33.80	19.44	40.60	35.05	34.35	30.20	44.90
Second Quarter	35.60	38.35	38.30	52.50	25.50	31.00	28.20	44.40	25.50	36.05	33.80	50.80
Third Quarter	30.55	33.60	37.70	53.85	22.35	32.90	26.50	46.30	22.85	33.50	29.70	49.45
Fourth Quarter	31.70	36.70	42.10	49.90	22.35	34.60	29.00	42.55	30.80	36.70	40.90	45.50

The market capitalization of ALI as of April 28, 2023, based on the closing price of ₱26.65/share on April 28, 2023 (the last trading day of the said month), was ₱399.35 Billion.

Stockholders

The following are the top 20 direct holders of the common and preferred shares of the Company:

Common Shares: There are approximately 13,172 registered holders of common shares of the Company as of April 30, 2023:

	Stockholder Name	No. of Common Shares	Percentage (of common shares)
1.	Ayala Corporation	7,622,336,690	50.8665%
2.	PCD Nominee Corporation (Non-Filipino)	3,877,134,144	25.8734%
3.	PCD Nominee Corporation (Filipino)	3,141,742,370	20.9659%
4.	The Province of Cebu	15,682,093	0.1047%
5.	ESOWN Administrator 2020	14,600,991	0.0974%
6.	ESOWN Administrator 2022	14,160,730	0.0945%
7.	0.0801%ESOWN Administrator 2015	11,999,340	0.0801%
8.	Social Security System	11,576,800	0.0773%
9.	ESOWN Administrator 2021	11,360,124	0.0758%
10	ESOWN Administrator 2016	10,912,697	0.0728%
11.	ESOWN Administrator 2013	10,386,543	0.0693%
12.	ESOWN Administrator 2019	9,958,734	0.0665%
13.	ESOWN Administrator 2017	9,489,521	0.0633%
14.	ESOWN Administrator 2014	9,128,988	0.0609%
15.	ESOWN Administrator 2018	8,175,165	0.0546%
16.	Antonino T. Aquino	7,411,065	0.0495%

17.	Emilio Lolito J. Tumbocon	7,340,134	0.0490%
18.	Vincent Y. Tan	5,969,832	0.0398%
19.	Estrellita B. Yulo	5,732,823	0.0383%
20.	Social Security System Assigned To Mandatory Provident Fund	4,690,800	0.0313%

Voting Preferred Shares:

There are approximately 2,671 registered holders of voting preferred shares of the Company as of April 30, 2023:

	Stockholder Name	**No. of Voting Preferred Shares**	**Percentage (of voting preferred shares)**
1.	Ayala Corporation	12,163,180,640	97.7550%
2.	Government Service Insurance System	156,350,871	1.2566%
3.	HSBC Manila OBO 026-174698-564	15,051,000	0.1210%
4.	SCB OBO SSBTC Fund OD67 Acct 000260708171	13,670,744	0.1099%
5.	SCB OBO SSBTC FA2O Acct 000260705401	3,951,800	0.0318%
6.	First Metro Securities Brokerage Corporation	3,842,045	0.0309%
7.	Investors Securities, Inc.	3,722,480	0.0299%
8.	SCB OBO SSBTC Fund FA2N Acct 000260705403	3,534,608	0.0284%
9.	Ansaldo, Godinez & Co., Inc.	3,388,848	0.0272%
10.	CBNA FAO 6002079572 CITIMNIFOR	2,725,700	0.0219%
11.	Juan Miguel De Vera Yulo	2,500,000	0.0201%
12.	Edan Corporation	2,302,153	0.0185%
13.	SCB OBO BNYM as AGTCLTS Non-Treaty Acct 135715700001	2,183,400	0.0175%
14.	Makati Supermarket Corporation	1,943,758	0.0156%
15.	Col Financial Group, Inc.	1,867,960	0.0150%
16.	Pllim Insurance Agency and Investments, Inc.	1,805,400	0.0145%
17.	Eddie Lim Hao	1,570,301	0.0126%
18.	SCB OBO SSBTC Fund NYMN Acct 000260701786	1,405,900	0.0113%
19.	Eastern Securities Development Corporation	1,341,997	0.0108%
20.	Litonjua Securities, Inc.	1,331,764	0.0107%

Dividends

STOCK DIVIDEND (Per Share)			
PERCENT	DECLARATION DATE	RECORD DATE	PAYMENT DATE
20%	Feb.1, 2007	May 22, 2007	Jun. 18, 2007

CASH DIVIDEND (Per Common Share)			
PESO AMOUNT	DECLARATION DATE	RECORD DATE	PAYMENT DATE
0.2520	Feb. 20, 2018	Mar. 12, 2018	Apr. 3, 2018
0.2520	Aug. 17, 2018	Sept. 6, 2018	Oct. 2, 2018
0.2600	Feb. 27, 2019	Mar. 13, 2019	Mar. 29, 2019
0.2600	Oct. 31, 2019	Nov. 15, 2019	Nov. 29, 2019
0.2680	Feb. 20, 2020	Mar. 06, 2020	Mar. 20, 2020
0.1358	Feb. 23, 2021	Mar. 10, 2021	Mar. 25, 2021
0.1360	Oct. 19,2021	Nov. 3, 2021	Nov. 18, 2021

CASH DIVIDEND (Per Common Share)			
0.1352	Feb. 24, 2022	Mar. 11, 2022	Mar. 25, 2022
0.1355	Oct. 21, 2022	Nov. 8, 2022	Nov. 18, 2022
0.1495	Feb. 21, 2023	Mar. 7, 2023	Mar. 23, 2023

CASH DIVIDEND (Per Voting Preferred Share)			
PESO AMOUNT	DECLARATION DATE	RECORD DATE	PAYMENT DATE
0.00474786	Feb. 20, 2018	Jun. 15, 2018	Jun. 29, 2018
0.00474786	May 24, 2019	Jun. 7, 2019	Jun. 21, 2019
0.00474786	May 26,2020	Jun. 9, 2020	Jun. 25, 2020
0.00474786	May 27, 2021	Jun. 10, 2021	Jun. 25,2021
0.00474786	May 31, 2022	Jun. 9, 2022	Jun. 24, 2022
0.00632862	May 30, 2023	Jun. 13, 2023	Jun. 27, 2023

Dividend policy

Dividends declared by the Company on its shares of stocks are payable in cash or in additional shares of stock. The payment of dividends in the future will depend upon the earnings, cash flow and financial condition of the Company and other factors. The same applies to the declaration of dividends by the Company's Subsidiaries and Affiliates.

Special cash dividends are declared depending on the availability of cash, taking into account the Company's capital expenditures and project requirements and the progress of its ongoing asset rationalization program.

Cash dividends are subject to approval by the Company's Board but no stockholder approval is required. Property dividends which may come in the form of additional shares of stock are subject to approval by both the Company's Board of Directors and the Company's stockholders. In addition, the payment of stock dividends is likewise subject to the approval of the SEC and PSE.

The Company has no fixed dividend policy. Currently, our internal policy is to show year on year growth in dividends, aligned with our net income performance.

Recent Sale of Securities

For the past three (3) years, common shares were issued representing the exercise of stock options by the Company's executives under the Executive Stock Option Plan ("**ESOP**") and the subscription to the common shares under the ESOWN as follows:

Year	ESOWN
	(subscribed)
2020	14.8 Million
2021	11.4 Million
2022	14.2 Million*

**10.01 Million were issued on May 19, 2022; the remainder will become available upon approval by the Securities and Exchange Commission of the Corporation's application for exemption from the registration requirements*

The aforesaid issuance of shares was covered by the Commission's approval of the Company's Stock Option Plan on July 1991 and the subsequent issuances of shares covered by the Commission's approval of the exemption from the registration requirements in March 2006, September 2017 and September 2022 for a total of 600,000,000 shares pursuant to Section 10.2 of the Securities Regulation Code.

Preferred Shares

The Company's preferred shares prior to 2012 were subscribed and issued through a stock rights offer with the following features: (a) non-voting; (b) dividend rate of 4.6% p.a., payable annually, noncumulative; (c) nonparticipating; (d) convertible at the option of the holder at a ratio of one (1) preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (e) no pre-emptive rights; (f) non-redeemable; (g) non-listed; and, (h) preferred in liquidation to the extent of par value.

The dividends for preferred shares are declared upon the sole discretion of the Board.

On February 20, 2012, the Board approved the following restructuring exercise in order to comply with the regulatory requirement on Filipino-ownership following the Supreme Court's ruling that nonvoting shares do not count as equity when computing for a parent company's Filipino-ownership level:

(a) Redemption and retirement of the 13.0 Billion outstanding preferred shares with par value of ₱0.10.
(b) Reclassification of the 1,970.0 Million unissued preferred shares to voting preferred shares through an amendment of Article Seventh of the Articles of Incorporation.
(c) Increase in authorized capital stock by ₱1,300.0 Million creating new voting preferred shares and a stock rights offer of 13,000 Million voting preferred shares from the increase in the authorized capital stock.

On April 18, 2012, the stockholders ratified the Board resolution on the capital restructuring. The voting preferred shares shall have the following features, rights, and privileges:
(a) voting;
(b) dividend rate of 4.7% per annum, equivalent to 90.0% of the 10-year PDST R2 (repriced every ten (10) years from issue date), payable annually, non-cumulative;
(c) convertible at the option of the holder at a ratio of one (1) voting preferred share to one (1) common share commencing on the 10th year from issue date, at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; no pre-emptive rights;
(d) redeemable at par at the sole option of the corporation;
(e) non-listed; and
(f) preferred in liquidation to the extent of par value.

The SEC approved on January 31, 2013 the following:

(a) The decrease in authorized capital stock by ₱1,303.5 Million, the aggregate par value of the 13,034.6 Million preferred shares which have been redeemed and retired, from ₱22,803.5 Million to ₱21,500.0 Million, and
(b) The amendments to Articles of Incorporation reflecting the decrease in capital stock.

On February 24, 2022, the Board approved the approved and ratified the redemption of the outstanding voting preferred shares, the guidelines for the conversion of the voting preferred shares into common shares and the benchmark rate to be used when repricing the dividend rate.

(a) Redemption of the outstanding voting preferred shares, the guidelines for the conversion of the voting preferred shares into common shares and the benchmark rate to be used when repricing the dividend rate.
    - The Company is exercising its option to redeem the outstanding voting preferred shares held by stockholders as of record date March 11, 2022, at ₱0.10 per share, plus accrued dividends. The offer period is from March 24, 2022, until May 24, 2022. Settlement is on June 24, 2022.
    - Commencing June 29, 2022, the remaining voting preferred shares holders may convert their shares into common shares at a conversion ratio of 1 voting preferred

shares to 1 common share at a price which shall be the higher of (i) the average closing price for the immediately preceding 30 trading days less the par value of the voting preferred shares of ₱0.10 per share or (ii) the closing price immediately preceding the conversion date less the par value of the voting preferred shares of ₱0.10 per share.

- Voting preferred shares holders were notified and provided with a copy of the terms of the redemption offer and the conversion guidelines beginning March 18, 2022.
- All redeemed and converted voting preferred shares will be retired.
- On June 2022, the dividend rate was repriced from 4.74786% to 6.32862%, which is equal to 90% of the 10-year PHP BVAL Reference Rate as of June 29, 2022, and will be payable annually. The new dividend rate will be applicable until June 29, 2032, the next repricing date.
- The Board of Directors of the Company, at its meeting on February 21, 2023, approved the decrease in its authorized capital stock ("**ACS**") by ₱62,397,053.60, from ₱21,500,000,000.00 to ₱21,437,602,946.40, through the retirement of our redeemed voting preferred shares as of January 31, 2023, and any additional redeemed voting preferred shares until April 25, 2023, as well as the corresponding amendment of the Seventh Article of its Articles of Incorporation. The decrease in the ACS and the amendment of the Seventh Article will be presented to the stockholders for approval at the 2023 Annual Stockholders' Meeting.
- As of March 31, 2023, the Company had converted a total of 588,376 VPS into common shares.
- Adoption of the 10-year PHP BVAL Reference Rate as the successor benchmark rate to replace the previous mark-to-market benchmark of 10-year PDST-R2 when resetting the dividend rate on June 29, 2022, being the 10th year from the issue date of the voting preferred shares. In this regard, the new dividend rate shall be equivalent to 90% of the 10-year PHP BVAL Reference Rate prevailing as at June 29, 2022, payable annually.

As of March 31, 2023, the Company's authorized and outstanding voting preferred shares issued on June 29, 2012 amounted to ₱1,306.6 Million at ₱0.10 par value per share.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Plan of Operations

Ayala Land's performance will continue to hinge on the overall economic performance of the country. Interest rate movements may affect the performance of the real estate industry, including the Company.

Principles of Consolidation

The audited consolidated financial statements represent the consolidation of the financial statements of Ayala Land and its subsidiaries as at and for the year ended December 31, 2022 and 2021.

Review of December 2022 operations vs December 2021 operations

(in Million Pesos, except Earnings Per Share (EPS))	For the years ended December 31 2022[1] Audited	2021[2] Audited	Change In Pesos	In %
Income Statement Data				
Revenue				
Real estate Sales	₱116,356	₱96,145	₱20,211	21%
Interest income from real estate sales	6,695	6,801	(106)	-2%
Equity in net earnings of associates and joint ventures	1,430	843	587	70%
	124,481	103,789	20,692	20%
Interest and investment income	387	253	134	53%
Other income	1,688	2,101	(413)	-20%
	2,075	2,354	(279)	-12%
	126,556	106,143	20,413	19%
Costs and expenses				
Cost of real estate sales	75,629	64,642	10,987	17%
General and administrative expenses	7,264	6,539	725	11%
Interest and other financing charges	11,447	11,038	409	4%
Other expenses	3,996	3,637	359	10%
	98,336	85,856	12,480	15%
Income before income tax	28,220	20,287	7,933	39%
Provision for income tax				
Current	6,943	5,985	958	16%
Deferred	(1,247)	(1,356)	109	-8%
	5,696	4,629	1,067	23%
Net Income	₱22,524	₱15,658	₱6,865	44%
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	18,617	12,228	6,389	52%
Non-controlling interests	3,907	3,431	476	14%
Unappropriated retained earnings				
Balances, beginning of year	143,981	152,816	(8,835)	-6%
Cash dividends				
Common share	(4,000)	(4,001)	1	0%
Preferred share	(62)	(62)	-	-
Net Income attributable to equity holders of Ayala Land, Inc.	18,617	12,228	6,389	52%
Appropriation during the year	-	(17,000)	17,000	-100%
Balance at end of period	158,536	143,981	14,555	10%
Basic Earnings per share	₱1.25	₱0.83	₱0.42	51%
Diluted Earnings per share	₱1.25	₱0.83	₱0.42	51%

[1]In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this

Prospectus.
[2]Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus, for the effect of the adoption of PFRS 16.

(in Million Pesos)	Dec 2022[1] Audited	Dec 2021[2] Audited	Change In Pesos	In %
Selected Balance Sheet Data				
Cash and cash equivalents and other assets [3]	₱12,508	₱14,998	(₱2,490)	-17%
Financial asset at fair value through profit and loss	292	701	(409)	-58%
Real estate inventories	180,348	148,157	32,191	22%
Noncurrent accounts and notes receivable	49,033	43,664	5,369	12%
Financial assets at fair value through other comprehensive income (FVOCI)	1,033	981	52	5%
Investments in associates and joint ventures	31,917	28,153	3,764	13%
Property and equipment	36,154	41,778	(5,624)	-13%
Deferred tax assets	13,889	12,890	999	8%
Other noncurrent assets	29,826	33,891	(4,065)	-12%
Total assets	779,655	745,464	34,191	5%
Short-term debt	6,547	16,783	(10,236)	-61%
Account and other payables	143,952	136,690	7,262	5%
Income tax payable	845	507	338	67%
Current portion of lease liability	710	599	111	18%
Current portion of long term debt	19,258	26,174	(6,916)	-26%
Deposits and other current liabilities	31,211	27,471	3,740	14%
Long-term debt – net of current portion	210,233	180,140	30,093	17%
Pension liabilities	1,871	2,104	(233)	-11%
Deferred tax liabilities	5,849	6,520	(671)	-10%
Deposits and other noncurrent liabilities	47,520	60,736	(13,216)	-22%
Total liabilities	485,990	474,962	11,028	2%
Paid up capital	97,637	79,897	17,739	22%
Retained earnings	183,536	168,981	14,555	9%
Remeasurement loss on defined benefit plans	107	(33)	140	421%
Cumulative translation adjustments	438	262	176	67%
Equity reserves	(6,507)	1,290	(7,797)	605%
Treasury stocks	(19,081)	(16,894)	(2,18)	13%
Equity attributable to equity holders of Ayala Land, Inc.	255,252	232,621	22,631	10%
Non-controlling interests	38,412	37,881	531	1%
Total equity	₱293,664	₱270,502	₱23,162	9%

[1]In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus.
[2]Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus, for the effect of the adoption of PFRS 16.
[3]Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL for 2022 and 2021

Ayala Land, Inc. bounced back strongly in 2022 on the strength of the Philippines' reopened economy since the 2020 pandemic. Its diversified real-estate portfolio generated a net income of ₱18.62 Billion, 52% higher, while consolidated revenues grew to ₱126.56 Billion, 19% more year-on-year.

Real Estate revenues (composed of Property Development, Commercial Leasing, and Services) amounted to ₱116.36 Billion, 21% higher than ₱96.15 Billion in the previous year, led by solid commercial lot sales and recovery in commercial leasing.

Capital expenditures reached ₱72.38 Billion to support the residential and commercial project buildup.

The Company maintained a net gearing ratio of 0.76:1 as it managed debt and liquidity tightly to support the balance sheet.

Business Segments

The details of the performance of each business segment are as follows:

Property Development. This segment includes sales of residential lots and units, office spaces, commercial and industrial lots, and operations of MCT Bhd, Ayala Land's consolidated subsidiary based in Malaysia. The Company recorded ₱74.55 Billion in property development revenues, 8% higher year-on-year, led by solid commercial lot sales.

Residential. Revenues from sales of residential lots and units and MCT Bhd's operations reached ₱59.11 Billion, 4% higher from ₱57.05 Billion last year on construction progress and bookings.

AyalaLand Premier (ALP) recorded revenues of ₱21.44 Billion, 4% higher than ₱20.85 Billion in the previous year, attributed to the incremental percentage-of-completion (POC) of Andacillo in Nuvali, Lanewood Hills in Silang, Cavite and Parklinks North Tower in Quezon City.

Alveo posted revenues of ₱15.52 Billion, an 18% growth from ₱13.12 Billion, owing to the higher POC of Corvia at Alviera and Ametrine at Portico and higher bookings from Parkford Suites in Makati.

Avida totaled ₱12.18 Billion in revenues, 10% less than ₱13.51 Billion, due to lower bookings owing to Avida Towers Sola in Vertis North Quezon City, Riala in Cebu IT Park, Cebu City, Avida Towers Vireo in Arca South, and almost sold-out inventory at Avida Towers Turf in BGC.

Amaia posted ₱6.90 Billion in revenues, a 52% jump from ₱4.55 Billion due to higher bookings attributed to Scapes General Trias Sectors 3 and 4 in Cavite, Skies Avenida Tower 2 in Sta. Cruz, Manila and Skies Shaw Tower 2 in Mandaluyong City.

BellaVita recognized revenues of ₱317 Million, a 72% decline from ₱1.15 Billion due to inventory sellout of projects at Tayabas, Quezon Province, and Lipa, Batangas, and lower bookings from the project in Cabanatuan.

MCT Bhd contributed revenues of ₱2.76 Billion, 29% lower than ₱3.88 Billion, due to inventory sellout of nearly completed legacy projects and incremental POC of newly launched projects (Aetas and Casa Bayu).

Office for Sale. Revenues from sales of office units declined by 28% to ₱2.79 Billion from ₱3.85 Billion due to the full completion of Alveo's Park Triangle Tower at BGC and moderate take-up on remaining inventory.

Commercial and Industrial Lots. Revenues from commercial and industrial lot sales surged 54% to ₱12.65 Billion from ₱8.24 Billion due to strong investor demand at Arca South, Nuvali, and Broadfield estates.

Reservation Sales. With resilient demand amid the higher interest-rate environment, the Company registered ₱104.89 Billion in reservation sales, 14% better than last year. Fourth-quarter sales jumped by 24% to ₱27.57 Billion. Sales from local Filipinos totaled ₱69.19 Billion, comprising 66% of the total, 1% higher than last year, complemented by sales from overseas Filipinos of ₱23.03 Billion and other nationalities at ₱12.67 Billion, with a 22% and 13% share, respectively. Sales from overseas Filipinos and other nationalities surged by 59% and 39%, respectively. On sales from other nationalities, 63% or ₱7.95 Billion were to Americans at ₱7.95 Billion, 47% higher year-on-year. Meanwhile, sales to Chinese buyers declined by 40% to ₱730 Million, comprising only 6% of sales to other nationalities and only 1% of consolidated reservation sales.

Project Launches. ALI launched ten residential developments in the fourth quarter, bringing the consolidated value to ₱91.42 Billion totaling 30 projects by yearend. These include ALP's Ciela Phase 2A Batch 1 at Carmona, Cavite, Miravera at Altaraza, Bulacan, and Arcilo at Nuvali, Laguna; and Alveo's Verdea at Silang, Cavite, and South Palm Grove at Areza in Lipa, Batangas.

Commercial Leasing. This segment involves the operation of shopping centers, office buildings, hotels and resorts, standard factory buildings and warehouses, and co-working spaces. Commercial leasing revenues accelerated by 62% to ₱33.39 Billion with normalized mall rents and foot traffic, the contribution of new office spaces, and higher hotel room rates.

Shopping Centers. With foot traffic and mobility resurgence, shopping centers revenues more than doubled to ₱16.08 Billion. The average occupancy rate for all malls is 81%. The total mall gross leasable area (GLA) is 2.1 Million square meters.

Offices. Revenues from office leasing grew by 13% to ₱11.12 Billion, primarily from the revenue contribution of One Ayala East and West Towers. The average occupancy rate for all offices is 88%. The total office GLA is 1.4 Million square meters.

Hotels and Resorts. Revenues from hotels and resorts also doubled to ₱6.19 Billion, boosted by higher room rates. The average occupancy of hotels was 59%, and 29% in resorts. This segment has a total of 4,058 rooms.

The hotels and resorts business manages 660 hotel rooms in its international brand segment—312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, both of which are in the Ayala Center, Makati CBD.

There are 11 Seda Hotels, operating 2,804 rooms—Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (242); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214); and Circuit Corporate Residences (255).

El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 70 rooms under its Bed and Breakfast (B&B) and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 76 B&B rooms.

Services. This segment is composed of the Company's construction business through Makati Development Corporation (MDC), property management through Ayala Property Management Corporation (APMC), and other companies engaged in power services such as Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy) and airline for the hotels and resorts business, AirSWIFT. Total revenues amounted to ₱8.42 Billion, 32% higher than the previous period.

Construction. Net construction revenues totaled ₱4.24 Billion, 8% higher, owing to the contribution of external projects.

Property Management, AirSWIFT, and Others. APMC, AirSWIFT, power services companies, and combined revenues accelerated by 70% to ₱4.18 Billion on higher AirSWIFT patronage, parking usage, and retail energy demand.

Equity in Net Earnings of Investees, Interest, Fees, Investment, and Other Income

Equity in net earnings of associates and JV companies jumped by 70% to ₱1.43 Billion due to higher revenues of FBDC companies, Ortigas Land, and the joint venture with Royal Asia, and the absence of losses from Qualimed's operations since its sale in 2021.

Interest income from real estate sales declined 2% to ₱6.69 Billion from ₱6.80 Billion due to lower accretion income. Meanwhile, interest and investment income increased by 53% to ₱387 Million on higher interest earned from installment sales, yield from short-term investments, and cash deposits.

Other income, mainly marketing and management fees from JVs, amounted to ₱1.69 Billion, 20% lower than ₱2.10 Billion in 2021, which included the sale of the Company's 39.2% interest in Qualimed to Ayala Corporation.

Expenses

Expenses totaled ₱98.34 Billion, 15% more than last year since operations normalized. Real estate expenses reached ₱75.63 Billion, up 17%, while general and administrative expenses came 11% higher to ₱7.26 Billion. With higher revenues, the GAE ratio settled at 5.7%, better than 6.2% in 2021. EBIT margin stood at 30.6% from 28.2% in the earlier period.

Interest expense, financing, and other charges, which include interest expense related to PFRS 16 (Leases), totaled ₱15.44 Billion, 5% more than last year due to the higher discounting cost on receivable sales and interest expense on the higher average debt daily balance. The average cost of debt stood at 4.4%, the same level at the end of 2021. Of the total debt, 90% is locked-in with fixed rates; 97% was contracted long-term.

Capital Expenditures

Capital expenditures totaled ₱72.38 Billion in 2022, mainly for residential projects, estate development, and commercial leasing assets. 50% was spent on residential and 11% on commercial leasing projects. 19% was spent on land acquisition, 16% on estate development, and 4% on other general use.

Financial Condition

The Company's balance sheet remains strong to ensure financial sustainability during the crisis.

Cash and cash equivalents, including short-term investments and UITF investments classified as FVPL, stood at ₱12.51 Billion, resulting in a current ratio of 1.78:1.

Borrowings totaled ₱236.04 Billion, translating to a debt-to-equity ratio of 0.80:1 and a net debt-to-equity ratio of 0.76:1.

Return on equity was 7.63% as of December 31, 2022.

Causes for any material changes (+/- 5% or more) in the financial statements

***Income Statement items* – For the year ended December 31, 2022 and 2021**

Real estate and hotel revenues improved by 21% driven by higher commercial lot sales and recovery of leasing business.

Equity in net earnings increased by 70% mainly higher earnings of FBDC COs, Ortigas Group, AKL and properties and the absence of losses of WhiteKnight following the sale of Qualimed shares in 2021; partially offset by lower contribution from Alveo Federal Land.

Interest and investment income up by 53% driven by higher yield from short term investments and cash in bank due to higher ADB

Other Income declined by 20% mainly from one time gain on sale of Qualimed hospital buildings in 2021 mitigated by gain on sale of Nacpan-2 plus higher marketing fees.

Cost of real estate sales escalated by 17% due increase in economic activities: improvement in leasing operations and pick up of hotel occupancy as domestic and international travel rebounded.

General administrative expenses grew by 11% mainly from manpower costs, taxes, profession fees and other overhead expenses.

Other expenses went up by 10% due to higher discounting cost on AR sale

Provision for income tax increased by 23% due to higher taxable income.

<u>Balance Sheet items</u> - As at December 2022 versus 2021

Cash and cash equivalents decreased by 15% mainly due to share buy-backs, payments of financing costs, cash dividends, and CAPEX; partially offset by net cash inflow from operations.

Financial asset at fair value through profit and loss down by 58% due to unrealized loss from market revaluation of investments in UITF.

Real estate inventories increased by 22% due to transfers from investment properties and additions coming from land acquisitions and project construction completion of condominium units.

Noncurrent accounts and notes receivable up by 12% driven by higher revenues across all segments.

Financial assets at FVOCI grew by 5% from unrealized gain as a result of market revaluation of investments.

Investments in associates and joint ventures increased by 13% owing to the increase in investments in ALI-ETON, a joint venture, and equity in net earnings for the period net of dividend received.

Property, plant and equipment down by 13% mainly from transfers to investment properties.

Deferred tax assets went up by 8% coming from higher provision related to difference between tax and book basis of accounting for real estate transactions.

Other noncurrent assets decreased by 12% mainly from reclassification of noncurrent investments in bond to current and from decrease in prepaid expenses.

Short-term debt dropped by 61% due to repayments.

Account and other payables rouse by 5% due to increase in trade and accrued payables driven by the ramp up of operating activities across all segments.

Income tax payable increased by 67% from higher revenues resulting to higher net taxable income.

Current portion of lease liabilities up by 18% due to accretion of interest on lease liability.

Current portion of long-term debt decreased by 26% attributable to lower maturing bonds and bank loans within 12 months.

Deposits and other current liabilities grew by 14% mainly from reclassification of real estate customer's deposit, which have not reached the 10% threshold, from noncurrent to current.

Long-term debt – net of current portion went up by 17% from various availments during the year.

Pension liabilities decreased by 11% mainly due to change in actuarial assumptions.

Deferred tax liabilities went down by 10% mainly due to timing difference between tax and book basis of accounting for real estate transactions.

Deposit and other noncurrent liabilities declined by 22% mainly from security deposits from tenants, reclassification of noncurrent to current real estate customer's deposit, and settlements of parcels of land on installment.

Paid up Capital increased by 22% due to issuance of shares in exchange for properties.

Retained Earnings grew by 9% due to NIAT for the period net of cash dividends.

Remeasurement loss on defined benefit plans escalated by 421% due to change of actuarial assumptions.

Cumulative translation adjustments increased by 67% mainly due to translation gain on financial statements of MCT Bhd.

Equity reserves decreased by 605% due to the property-for-share swap between ALI, AC and Mermac Inc. plus the acquisition of noncontrolling interest of Vesta Properties Holdings, Inc

Treasury Stock went up by 13% coming from buy-back of ALI shares.

The Group has various contingent liabilities arising from the ordinary conduct of business. The opinion of management and its legal counsel is that these will not have a material or adverse effect on the Group's financial position and results of operations in the eventual liability under these lawsuits or claims, if any. Accordingly, no provision for any liability has been made in the consolidated financial statements. Further, the Company has no off-balance sheet transactions, arrangements, or obligations for 2022.

No known trends, events, uncertainties, or seasonalities are expected to affect the Company's continuing operations apart from the impact of the ongoing COVID-19 pandemic. There are no material commitments for capital expenditures except those disclosed in Note 35 of the audited financial statements.

The table below sets forth the comparative performance indicators of the Company and its Subsidiaries:

	End-December 2022	**End-December 2021**
Current ratio [1]	1.78:1	1.58:1
Debt-to-equity ratio [2]	0.80:1	0.82:1
Net debt-to-equity ratio [3]	0.76:1	0.77:1
Profitability Ratios:		
Return on assets [4]	2.95%	2.13%
Return on equity [5]	7.63%	5.37%
Asset to Equity [6]	2.65:1	2.76:1
Interest Rate Coverage [7]	4.83:1	4.01:1

[1]*Current assets / current liabilities*
[2]*Total debt / consolidated stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)*
[3]*Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)*
[4]*Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)*
[5]*Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI (Average total stockholders' equity attributable to equity holders of ALI means the average of the amounts from the beginning and end of the same period)*
[6]*Total assets / total stockholders' equity*
[7]*EBITDA / interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.*

There are no events that will trigger direct or contingent financial obligations that are material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created in FY 2022.

Material Changes in Liquidity and Cash Reserves – December 2022 versus December 2021

ALI Group ended a net cash outflow of ₱2.11 Billion for year ended December 31, 2022 mainly from net cash outflow from investing activities, payments of cash dividends, acquisition of treasury shares and settlements of noncurrent liabilities; partly funded by net cash inflow from operating activities, net debt availments, and proceeds from sale of noncontrolling interest in AREIT, Inc. and Vesta Property Holdings Inc, and exercise of stock options.

Net cash provided by operating activities for the period posted at ₱26.35 Billion net cash inflow higher compared to ₱7.93 Billion net cash inflow in the same period last year driven by higher operating income plus higher changes in working capital, and lower net interest expense and income taxes paid.

Investing activities used ₱22.9 Billion cash during the period which is lower versus ₱26.2 Billion in the same period last year mainly from proceeds from disposals of properties & equipment and from investment properties and the decrease in noncurrent assets.

Cash used in financing activities for the period amounted to ₱5.5 Billion net cash outflow versus ₱14.8 Billion net cash inflow provided for in the same period last year due to the decrease in deposits and other noncurrent liabilities, higher purchase of treasury shares and higher dividends payment; partially offset by increase in equity reserves as a result of sale of noncontrolling interest in AREIT, Inc and Vesta Property Holdings Inc.

Net decrease in Cash and cash equivalents as of December 31, 2022 resulted to ₱2.11 Billion which is ₱1.35 Billion lower than ₱3.46 Billion as at December 31, 2021.

Key Financial Ratios of the Top Twenty (20) Majority-Owned Subsidiaries

Makati Development Corporation

	End-December 2022	***End-December 2021***	***End-December 2020***
	Audited	Audited	Audited
Current ratio [1]	1.28:1	1.19:1	1.24:1
Debt-to-equity ratio [2]	nil	nil	nil
Net debt-to-equity ratio [3]	-0.15:1	-0.07:1	-0.09:1
Profitability Ratios:			
Return on assets [4]	4.67%	6.00%	1.31%
Return on equity [5]	28.42%	33.00%	8.02%
Asset to Equity ratio [6]	4.59:1	4.88:1	5.86:1
Interest Rate Coverage Ratio [7]	nil	nil	nil

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Alveo Land Corporation

	End-December 2022	***End-December 2021***	***End-December 2020***
	Audited	Audited	Audited
Current ratio [1]	2.22:1	2.49:1	2.51:1
Debt-to-equity ratio [2]	0.19:1	0.18:1	0.18:1
Net debt-to-equity ratio [3]	0.19:1	0.17:1	0.17:1
Profitability Ratios:			

Return on assets [4]	5.42%	2.00%	2.10%
Return on equity [5]	10.88%	4.00%	4.10%
Asset to Equity ratio [6]	2.00:1	2.0:1	1.92:1
Interest Rate Coverage Ratio [7]	31.56	20.02	7.96

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Avida Land Corporation

	End-December 2022	***End-December 2021***	***End-December 2020***
	Audited	Audited	Audited
Current ratio [1]	2.99:1	2.79:1	3.34:1
Debt-to-equity ratio [2]	0.66:1	0.38:1	0.42:1
Net debt-to-equity ratio [3]	0.64:1	0.36:1	0.4:1
Profitability Ratios:			
Return on assets [4]	-1.52%	1.00%	2.20%
Return on equity [5]	-3.58%	3.00%	4.78%
Asset to Equity ratio [6]	2.49:1	2.25:1	2.13:1
Interest Rate Coverage Ratio [7]	-0.13	4.25	5.66

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

MDBI Construction Corp.

	End-December 2022	***End-December 2021***	***End-December 2020***
	Audited	Audited	Audited
Current ratio [1]	1.59:1	1.17:1	1.19:1
Debt-to-equity ratio [2]	nil	nil	nil
Net debt-to-equity ratio [3]	-0.10:1	-0.22:1	-0.21:1
Profitability Ratios:			
Return on assets [4]	11.69%	21.00%	12.57%
Return on equity [5]	86.35%	217.00%	197.58%
Asset to Equity ratio [6]	6.19:1	15.86:1	15.22:1
Interest Rate Coverage Ratio [7]	nil	nil	nil

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

MCT Bhd (Malaysia)

	End-December 2022	***End-December 2021***	***End-December 2020***
	Audited	Audited	Audited
Current ratio [1]	2.41:1	1.18:1	2.27:1
Debt-to-equity ratio [2]	0.04:1	0.00:1	0.03:1
Net debt-to-equity ratio [3]	-0.10:1	-0.49:1	-0.66:1
Profitability Ratios:			
Return on assets [4]	-0.25%	1.61%	0.52%
Return on equity [5]	0.04%	2.57%	1.14%
Asset to Equity ratio [6]	1.60:1	1.82:1	2.22:1
Interest Rate Coverage Ratio [7]	3.41	5.31	2.27

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Amaia Land Corporation

	End-December 2022	***End-December 2021***	***End-December 2020***
	Audited	Audited	Audited
Current ratio [1]	2.92:1	2.96:1	2.61:1
Debt-to-equity ratio [2]	0.50:1	0.39:1	0.45:1
Net debt-to-equity ratio [3]	0.48:1	0.37:1	0.44:1
Profitability Ratios:			
Return on assets [4]	2.87%	2.00%	1.21%
Return on equity [5]	6.63%	4.00%	2.74%
Asset to Equity ratio [6]	2.29:1	2.33:1	2.3:1
Interest Rate Coverage Ratio [7]	6.56	4.10	3.38

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)

[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Ayala Hotels, Inc.

	End-December 2022	***End-December 2021***	***End-December 2020***
	Audited	Audited	Audited
Current ratio [1]	2.63:1	2.85:1	1.93:1
Debt-to-equity ratio [2]	nil	nil	nil
Net debt-to-equity ratio [3]	-0.02:1	-0.02:1	-0.03:1
Profitability Ratios:			
Return on assets [4]	6.55%	10.40%	7.28%
Return on equity [5]	6.66%	13.24%	24.77%
Asset to Equity ratio [6]	1.84:1	2.21:1	2.99:1
Interest Rate Coverage Ratio [7]	nil	nil	nil

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

CECI Realty Corp.

	End-December 2022	***End-December 2021***	***End-December 2020***
	Audited	Audited	Audited
Current ratio [1]	7.39:1	8.58:1	9.18:1
Debt-to-equity ratio [2]	nil	nil	nil
Net debt-to-equity ratio [3]	-0.01:1	-0.01:1	nil
Profitability Ratios:			
Return on assets [4]	14.70%	16.37%	33.80%
Return on equity [5]	23.86%	16.84%	57.48%
Asset to Equity ratio [6]	1.60:1	1.64:1	1.77:1
Interest Rate Coverage Ratio [7]	nil	nil	nil

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and

other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Nuevocentro, Inc.

	End-December 2022	***End-December 2021***	***End-December 2020***
	Unaudited	Audited	Audited
Current ratio [1]	1.48:1	1.50:1	1.28:1
Debt-to-equity ratio [2]	0.17:1	0.08:1	0.08:1
Net debt-to-equity ratio [3]	0.13:1	0.05:1	0.02:1
Profitability Ratios:			
Return on assets [4]	7.47%	7.00%	5.10%
Return on equity [5]	12.45%	11.00%	12.30%
Asset to Equity ratio [6]	3.10:1	2.96:1	3.09:1
Interest Rate Coverage Ratio [7]	101.67	270.96	38.40

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity

MDC Build Plus, Inc.

	End-December 2022	***End-December 2021***	***End-December 2020***
	Audited	Audited	Audited
Current ratio [1]	1.12:1	1.11:1	1.19:1
Debt-to-equity ratio [2]	0:1	0:1	6.5:1
Net debt-to-equity ratio [3]	-0.28:1	-0.30:1	5.92:1
Profitability Ratios:			
Return on assets [4]	5.67%	6.64%	1.80%
Return on equity [5]	86.31%	100.94%	34.70%
Asset to Equity ratio [6]	10.03:1	13.38:1	18.55:1
Interest Rate Coverage Ratio [7]	nil	nil	4.90

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

AyalaLand Offices, Inc.

	End-December 2022	***End-December 2021***	***End-December 2020***
	Audited	Audited	Audited
Current ratio [1]	3.79:1	3.42:1	1.69:1
Debt-to-equity ratio [2]	nil	nil	nil
Net debt-to-equity ratio [3]	Nil	nil	nil
Profitability Ratios:			
Return on assets [4]	5.25%	5.69%	12.00%
Return on equity [5]	5.72%	6.17%	13.05%
Asset to Equity ratio [6]	1.10:1	1.08:1	1.13:1
Interest Rate Coverage Ratio [7]	nil	nil	nil

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

North Eastern Commercial Corp.

	End-December 2022	***End-December 2021***	***End-December 2020***
	Audited	Audited	Audited
Current ratio [1]	1.42:1	1.24:1	1.29:1
Debt-to-equity ratio [2]	nil	nil	nil
Net debt-to-equity ratio [3]	-0.07:1	-0.03:1	-0.02:1
Profitability Ratios:			
Return on assets [4]	2.24%	4.07%	19.08%
Return on equity [5]	4.33%	8.15%	37.95%
Asset to Equity ratio [6]	1.90:1	1.96:1	2.04:1
Interest Rate Coverage Ratio [7]	nil	nil	nil

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

ALI Commercial Center, Inc.

	End-December 2022	***End-December 2021***	***End-December 2020***
	Unaudited	Audited	Audited
Current ratio [1]	0.52:1	0.41	0.49:1
Debt-to-equity ratio [2]	0:00	0:00	nil
Net debt-to-equity ratio [3]	0.0024	-0.02	-0.09:1
Profitability Ratios:			
Return on assets [4]	15.99%	3.00%	2.85%
Return on equity [5]	37.77%	9.00%	6.22%
Asset to Equity ratio [6]	2.17	2.65	2.30:1
Interest Rate Coverage Ratio [7]	nil	nil	nil

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

AREIT, Inc.

	End-December 2022	***End-December 2021***	***End-December 2020***
	Audited	Audited	Audited
Current ratio [1]	0.43:1	0.67:1	3.72
Debt-to-equity ratio [2]	0.06:1	0.08:1	nil
Net debt-to-equity ratio [3]	0.05:1	0.08:1	nil
Profitability Ratios:			
Return on assets [4]	4.65%	5.31%	9.22%
Return on equity [5]	5.30%	3.27%	10.61%
Asset to Equity ratio [6]	1.13:1	1.16:1	1.19:1
Interest Rate Coverage Ratio [7]	15.71	29.57	nil

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization

Ayala Greenfield Development Corp.

	End-December 2022	*End-December 2021*	*End-December 2020*
	Audited	Audited	Audited
Current ratio [1]	1.65:1	0.74:1	0.91:1
Debt-to-equity ratio [2]	nil	0.00:1	0.18:1
Net debt-to-equity ratio [3]	nil	-0.03:1	0.12:1
Profitability Ratios:			
Return on assets [4]	5.79%	13.00%	5.92%
Return on equity [5]	6.49%	9.00%	15.89%
Asset to Equity ratio [6]	2.24:1	2.25:1	2.68:1
Interest Rate Coverage Ratio [7]	nil	nil	16.69

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

MDC Conqrete, Inc.

	End-December 2022	*End-December 2021*	*End-December 2020*
	Audited	Audited	Audited
Current ratio [1]	1.74:1	1.80:1	1.76:1
Debt-to-equity ratio [2]	nil	0.0:1	0:1
Net debt-to-equity ratio [3]	-0.19:1	-0.15:1	-0.18:1
Profitability Ratios:			
Return on assets [4]	8.93%	20.00%	1.68%
Return on equity [5]	22.43%	37.00%	3.25%
Asset to Equity ratio [6]	2.28:1	1.90:1	1.83:1
Interest Rate Coverage Ratio [7]	nil	nil	17.19

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Ayala Property Management Corporation

	End-December 2022	*End-December 2021*	*End-December 2020*
	Audited	Audited	Audited
Current ratio [1]	1.46:1	1.48:1	1.25:1
Debt-to-equity ratio [2]	nil	nil	nil
Net debt-to-equity ratio [3]	-0.14:1	-0.12:1	-0.08:1
Profitability Ratios:			
Return on assets [4]	19.76%	23.00%	15.78%
Return on equity [5]	60.20%	80.00%	62.15%
Asset to Equity ratio [6]	3.07:1	3.02:1	4.16:1
Interest Rate Coverage Ratio [7]	nil	nil	nil

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Ecozone Power Management, Inc.

	End-December 2022	*End-December 2021*	*End-December 2020*
	Unaudited	Audited	Audited
Current ratio [1]	1.0:1	0.83:1	1.07:1
Debt-to-equity ratio [2]	1.54:1	nil	nil
Net debt-to-equity ratio [3]	1.50:1	-0.02:1	-0.82:1
Profitability Ratios:			
Return on assets [4]	6.02%	1.90%	7.38%
Return on equity [5]	28.95%	5.63%	74.03%
Asset to Equity ratio [6]	5.97:1	3.24:1	22.17:1
Interest Rate Coverage Ratio [7]	16.08	nil	nil

[1] Current assets / current liabilities
[2] Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
[3] Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
[4] Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)
[5] Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)
[6] Total Assets / Total stockholders' equity
[7] EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.

Ayalaland Estates, Inc.

	End-December 2022	*End-December 2021*	*End-December 2020*
	Audited	Audited	Audited
Current ratio [1]	1.92:1	2.03:1	0.81:1
Debt-to-equity ratio [2]	nil	nil	nil
Net debt-to-equity ratio [3]	-0.02:1	-0.01:1	-0.02:1
Profitability Ratios:			
Return on assets [4]	-0.14%	3.00%	3.74%
Return on equity [5]	-0.26%	6.00%	7.52%
Asset to Equity ratio [6]	2.09:1	1.76:1	1.9:1
Interest Rate Coverage Ratio [7]	nil	nil	nil

[1] *Current assets / current liabilities*
[2] *Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)*
[3] *Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)*
[4] *Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)*
[5] *Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)*
[6] *Total Assets / Total stockholders' equity*
[7] *EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization.*

BG West Properties, Inc.

	End-December 2022	*End-December 2021*	*End-December 2020*
	Audited	Audited	Audited
Current ratio [1]	1.98:1	1.60:1	1.60:1
Debt-to-equity ratio [2]	nil	0.32:1	0.19:1
Net debt-to-equity ratio [3]	0.04	0.27	0.14
Profitability Ratios:			
Return on assets [4]	-1.88%	-1.62%	-3.09%
Return on equity [5]	-3.40%	-4.45%	-7.63%
Asset to Equity ratio [6]	2.57:1	5.75:1	5.23:1
Interest Rate Coverage Ratio [7]	nil	-2.02	-36.67

[1] *Current assets / current liabilities*
[2] *Total debt / stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)*
[3] *Net debt / stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)*
[4] *Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)*
[5] *Net income attributable to equity holders of the subsidiary / average total stockholders' equity attributable to equity holders of the subsidiary (Average total stockholders' equity attributable to equity holders of the subsidiary means the average of the amounts from the beginning and end of the same period)*
[6] *Total Assets / Total stockholders' equity*
[7] *EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization*

Review of FY 2021 operations vs FY 2020

(in Million Pesos, except Earnings Per Share (EPS))	For the years ended December 31 2021[1] Audited	2020[2] Audited	Change In Pesos	In %
Income Statement Data				
Revenue				
Real estate Sales	₱96,145	₱85,965	₱10,179	12%
Interest income from real estate sales	6,801	8,603	(1,802)	-21%
Equity in net earnings of associates and joint ventures	843	587	256	44%
	103,788	95,155	8,633	9%
Interest and investment income	253	395	-142	-36%
Other income	2,101	723	1,378	191%
	2,354	1,118	1,236	258%
	106,142	96,273	9,869	19%
Costs and expenses				
Cost of real estate sales	64,642	56,673	7,969	14%
General and administrative expenses	6,539	8,012	(1,473)	-18%
Interest and other financing charges	11,038	12,746	(1,708)	-13%
Other expenses	3,637	3,789	(152)	-4%
	85,855	81,219	4,636	6%
Income before income tax	20,287	15,053	5,234	35%
Provision for income tax				
Current	5,985	4,688	1,296	28%
Deferred	(1,356)	(629)	(727)	116%
	4,629	4,059	570	14%
Net Income	₱15,659	₱10,994	₱4,665	42%
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	12,228	8,727	3,501	40%
Non-controlling interests	3,431	2,267	1164	51%
Unappropriated retained earnings				
Balance, beginning of year	153,661	148,940	4,721	3%
Effect of adoption of new accounting standards	(845)	-	(845)	-
Balances as restated	152,816	148,940	3,876	3%
Cash dividends				
Common share	(4,001)	(3,945)	(56)	1%
Preferred share	(62)	(62)	-	-
Net Income attributable to equity holders of Ayala Land, Inc.	12,228	8,727	3,501	40%
Appropriation during the year	(17,000)	-	(17,000)	-
Balance at end of period	143,981	153,661	(9,680)	-6%
Basic Earnings per share	₱0.83	₱0.59	₱0.24	41%
Diluted Earnings per share	₱0.83	₱0.59	₱0.24	41%

[1]In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus.
[2]Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus, for the effect of the adoption of PFRS 16.

(in Million Pesos)	Dec 2021[1] Audited	Dec 2020[2] Audited	Change In Pesos	In %
Selected Balance Sheet Data				
Cash and cash equivalents and other assets [3]	₱14,998	₱18,361	(₱3,363)	-18%
Short-term investments	326	358	(32)	-9%
Financial assets at fair value through profit and loss	701	965	(264)	-27%
Other current assets	65,301	58,021	7,280	13%
Noncurrent accounts and notes receivable	43,664	46,021	2,358	-5%
Financial assets at fair value through other	981	1,511	(530)	-35%

comprehensive income (FVOCI)				
Investments in associates and joint ventures	28,153	26,601	1,552	6%
Right of use assets	12,156	13,008	(852)	-7%
Investment properties	243,398	222,685	20,713	9%
Deferred tax assets	12,890	12,122	768	6%
Other noncurrent assets	33,891	31,828	2,063	6%
Total assets	745,464	721,494	23,970	3%
Short-term debt	16,783	9,131	7,652	84%
Accounts and other payables	136,690	144,626	(7,936)	-5%
Income tax payable	507	1,456	(949)	-65%
Current portion of lease liability	599	467	132	28%
Current portion of long-term debt	26,174	18,732	7,442	40%
Deposits and other current liabilities	27,471	25,317	2,154	9%
Pension liabilities	2,104	3,021	(917)	-30%
Deferred tax liabilities	6,520	7,148	(628)	-9%
Deposits and other noncurrent liabilities	60,736	50,040	10,696	21%
Total liabilities	474,962	461,315	13,647	3%
Paid up capital	79,897	62,954	16,943	27%
Retained earnings	168,981	161,661	7,320	5%
Remeasurement loss on defined benefit plans	(33)	(818)	785	96%
Fair value reserve of financial assets at FVOCI	(881)	(748)	(133)	-18%
Cumulative translation adjustment	261	167	94	56%
Equity reserves	1,289	585	704	120%
Treasury stocks	(16,894)	(1,261)	(15,633)	1,240%
Equity attributable to equity holders of Ayala Land, Inc.	232,621	222,540	10,081	5%
Non-controlling interests	37,882	37,639	243	1%
Total equity	₱270,502	₱260,179	₱10,323	4%

[1]In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus.
[2]Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus, for the effect of the adoption of PFRS 16.
[3]Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL for 2021 and 2020

Ayala Land posted total revenues of ₱106.14 Billion and net income of ₱12.23 Billion, a year-on-year growth of 10% and 40%, respectively, on account of resilient operations, supported by relaxed quarantine restrictions in the 4th quarter of 2021.

Real Estate revenues (composed of Property Development, Commercial Leasing, and Services) totaled ₱96.15 Billion, 12% higher than ₱85.97 Billion in 2020, driven by construction progress and higher bookings that compensated for limited commercial leasing operations most of the year due to quarantine measures.

Capital expenditures amounted to ₱63.98 Billion, supporting the buildup of residential and commercial projects.

The Company closed the year with a net gearing ratio of 0.77:1, an average borrowing cost of 4.4%, and maturity of 5.3 years.

Business Segments

The details of the performance of each business segment are as follows:

Property Development. This segment includes the sale of residential lots and units, office spaces, commercial and industrial lots, and operations of MCT Bhd, Ayala Land's consolidated subsidiary based in Malaysia. Due to construction progress and higher bookings, property development revenues grew 19% to ₱69.14 Billion from ₱57.86 Billion.

Residential. Revenues from the sale of residential lots and units and MCT Bhd's operations totaled ₱57.05 Billion, 19% higher from ₱47.79 Billion last year owing to higher bookings and project completion.

AyalaLand Premier (ALP) recorded revenues of ₱20.85 Billion, 39% higher than ₱15.01 in 2020, driven by higher project bookings from Ayala Greenfield Estates in Laguna, Cerilo in Nuvali, Laguna, Anvaya Cove in Bataan, and the Enclaves in Cebu. In addition, incremental percentage-of-completion (POC) of Andacillo in Nuvali, The Courtyards in Vermosa, Cavite, West Gallery Place in BGC, and Park Central North and South Towers in Makati City contributed to revenue growth.

ALVEO posted revenues of ₱13.12 Billion, a 63% growth from ₱8.05 Billion, on higher bookings from Hillside Ridge in Cavite and Corvia in Alviera, Pampanga, and incremental POC of Ardia Phase 3 in Vermosa, Cavite, The Greenways in Alviera, Pampanga, and The Residences at Evo City Phase 2 in Cavite.

Avida totaled ₱13.51 Billion in revenues, 6% lower than ₱14.42 Billion due to lower bookings from Avida Towers Sola in Vertis North Quezon City, Vireo in Arca South, Taguig, Riala in Cebu IT Park, Cebu City, Abreeza Tower 2 in Davao City and Avida Towers Prime Taft Tower 2 in Pasay City.

Amaia generated ₱4.55 Billion in revenues, a 3% decrease from ₱4.69 Billion on lower bookings from projects with high POC such as Steps Alabang Delecia in Las Pinas, Series Bulacan S3A, and Series Nova in Quezon City.

BellaVita recognized revenues of ₱1.15 Billion, a 45% jump from ₱0.79 Million on higher bookings and incremental POC from projects in Tayabas Quezon, Porac, Pampanga, and Alaminos, Laguna.

MCT Bhd posted revenues of ₱3.88 Billion, 20% less than ₱4.85 Billion last year, as revenues from projects under its middle-income brand, Market Homes, and new projects, Aetas, Casa Bayu Townhouse and Apartment, and Park Place were lower than the revenues generated by completed and sold-out projects in 2020.

Office for Sale. Revenues from the sale of office units rose 10% to ₱3.85 Billion from ₱3.51 Billion, on higher completion of ALVEO's Stiles and Tryne Enterprise Plazas in Circuit Makati and Arca South, respectively, and ALP's One Vertis Plaza in Vertis North.

Commercial and Industrial Lots. Revenues from the sale of commercial and industrial increased by 26% to ₱8.24 Billion from ₱6.56 Billion on take-up of commercial lots at South Coast City, Nuvali, and Vermosa and industrial lots at Pampanga Technopark.

Sales Reservations. For the full year of 2021, sales reservations amounted to ₱92.21 Billion, 13% higher year-on-year, primarily due to the strong demand for horizontal products in Southern Luzon by ALP and ALVEO. Take-up from our horizontal products alone jumped 36% to ₱41.49 Billion. Sales reservation in the 4th quarter reached ₱22.14 Billion, 5% better than the same quarter last year.

Local and overseas Filipinos accounted for 90% of total sales, with a balance of 10% from other nationalities. Sales from local Filipinos, which comprise 74%, amounted to ₱69.84 Billion, 13% higher, while sales from overseas Filipinos, which represented 16% of the total, amounted to ₱14.52 Billion, a 15% uplift year-on-year. Meanwhile, sales to other nationalities amounted to ₱9.31 Billion, up 3% from last year.

Project Launches. Reflective of confidence in the residential market, Ayala Land launched 22 projects worth ₱75.26 Billion during the year. This figure was more than seven times the launch value in 2020. 48% are horizontal projects, while the rest are vertical projects. Launches in the fourth quarter include ALP's Ciela Heights Phase 1 in Carmona, Cavite; ALVEO's Sentrove Tower 1 in Cloverleaf, Quezon City; and Amaia's Scapes Bulacan S4B in Santa Maria, Bulacan and Steps Two Capitol Tower 1 in Capitol Central, Bacolod City.

Commercial Leasing. This segment includes the operation of Shopping Centers, Office Buildings, and Hotels and Resorts. Total revenues from commercial leasing amounted to ₱20.63 Billion, a 6% decline from a ₱21.86 Billion year ago as given restricted operations for most of the year.

Shopping Centers. Revenues from shopping centers declined 13% to ₱7.92 Billion. With improved mobility in the fourth quarter, revenues reached ₱3.0 Billion, double the level generated in the same quarter in 2020. The average occupancy rate for all malls is 81% and 84% for stable malls. Total Malls GLA stands at 2.12 Million square meters.

Offices. Revenues from office leasing grew 5% from last year to ₱9.87 Billion as BPO and HQ office operations remained stable throughout the period. The average occupancy rate for all offices is 81% and 86% for stable offices. Total office leasing GLA increased to ₱1.32 Million square meters with the completion of One Ayala Tower 1 in December 2021.

Hotels and Resorts. Revenues from hotels and resorts ended 17% lower to ₱2.83 Billion from ₱3.39 Billion, an improvement from the first nine months as resort operations were able to host 35 travel bubbles in the fourth quarter, partially cushioning travel restrictions and lower hotel occupancy earlier in the year. The average occupancy for all hotels and stable hotels was 53%. Meanwhile, the average occupancy for all resorts is 17% and 15% for stable resorts. In close coordination with the Department of Tourism and the Local government, 120 travel bubbles were held during the year at El Nido Resorts and Lio estate. The hotels and resorts segment ended in 2021 with 4,030 rooms in its portfolio.

The hotels and resorts business manages 660 hotel rooms in its international brand segment—312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, both in the Ayala Center, Makati CBD.

There are 11 Seda Hotels, operating 2,712 rooms—Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (150); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214); and Circuit Corporate Residences (255).

El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 132 rooms under its Bed and Breakfast (B&B) and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 78 B&B rooms.

Services. This segment is composed mainly of the construction business through Makati Development Corporation (MDC), property management, through Ayala Property Management Corporation (APMC), and businesses engaged in power services such as Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy) and AirSWIFT, the airline for the hotels and resorts in Palawan and Sicogon. Total revenues amounted to ₱6.38 Billion, 2% higher mainly due to MDC's completion progress of projects with unconsolidated JVs and external clients.

Construction. Net construction revenues rose 19% to ₱3.91 Billion from ₱3.28 Billion last year as construction activities continued despite the lockdowns.

Property Management and Others. APMC, power services companies, and AirSWIFT registered revenues of ₱2.47 Billion, a 17% decline from ₱2.97 Billion due to lower power consumption of customers and limited AirSWIFT operations.

Equity in Net Earnings of Investees, Interest, Fees, Investment and Other Income

Equity in net earnings of associates and JV companies rose 44% to ₱842.56 Million from ₱586.50 Million on higher contributions from Ortigas Land's projects The Galleon and Empress, and ALVEO-Federal joint ventures Aveia and Venido.

Interest income from real estate sales declined 21% to ₱6.80 Billion from ₱8.60 Billion due to lower accretion income recognized. Meanwhile, interest and investment income declined by 36% to ₱253.11 Million from ₱394.70 Million on lower interest income, yield, and average daily balance on cash and short-term investments.

Other income, composed mainly of marketing and management fees from joint ventures, among others, nearly tripled to ₱2.10 Billion from ₱0.72 Billion, recording a ₱1.37 Billion gain from the sale of Ayala Land's 39.2% economic interest in Qualimed and its hospital buildings last February

Expenses

Total expenses registered at ₱85.86 Billion, 6% higher than last year, driven by real estate expenses which increased by 14% to ₱64.64 Billion as operations continued to ramp up this year.

Due to reduced corporate operations and cost-saving initiatives, general and administrative expenses declined 18% to ₱6.54 Billion from ₱8.01 Billion. It resulted in a GAE ratio of 6.2% and an EBIT margin of 28.2%.

Interest, other financing charges, and other expenses (including interest expense related to PFRS 16 (Leases) totaled ₱14.68 Billion, 11% less than ₱16.54 Billion last year due to the lower average borrowing rate and debt balance. The average cost of debt registered at 4.4%, 30 basis points lower than 4.7% at the end of December 2020. Of the total, 91% is locked in fixed rates, while 92% is contracted long-term.

Capital Expenditures

Capital expenditures reached ₱63.98 Billion for the entire year of 2021, mainly to support the buildout of our residential and commercial leasing assets. 52% was spent on residential projects, 17% for land acquisition, 15% for commercial leasing, and 14% for estate development.

Financial Condition

The Company's balance sheet stands strong with a net gearing ratio of 0.77:1.

Cash and cash equivalents, including short-term and UITF investments classified as FVPL, stood at ₱15.00 Billion, resulting in a current ratio of 1.58:1.

The total borrowings registered at ₱223.10 Billion. Debt-to-equity ratio is at 0.82:1, and net debt-to-equity ratio is at 0.77:1.

Return on equity was at 5.37% as of December 31, 2022.

The Group has various contingent liabilities arising in the ordinary conduct of business including a case related to property restriction violation. The estimate of the probable cost for the resolution of the claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. Accordingly, no provision for any liability has been made in the consolidated financial statements. Further, the company has no off-balance sheet transactions, arrangements or obligations for the full-year 2021.

There are no known trends, events, uncertainties or seasonalities that are expected to affect the Company's continuing operations apart from the impact of the ongoing COVID-19 pandemic. There are no material commitments for capital expenditures except for those disclosed in Note 35 of the audited financial statements.

	End-December 2021	*End-December 2020*
Current ratio [1]	1.58:1	1.62:1
Debt-to-equity ratio [2]	0.82:1	0.81:1
Net debt-to-equity ratio [3]	0.77:1	0.74:1
Profitability Ratios:		
Return on assets [4]	2.13%	1.53%
Return on equity [5]	5.37%	4.03%
Asset to Equity ratio [6]	2.76:1	2.77:1
Interest Rate Coverage Ratio [7]	4.01	2.96

1 Current assets / current liabilities
2 Total debt/ consolidated stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
3 Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)
4 Net income / average total assets
5 Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI
6 Total Assets /Total stockholders' equity
7 EBITDA/Interest expense

Causes for any material changes (+/- 5% or more) in the financial statements

Income Statement items* – *For the year ended December 31, 2021 and 2020

Real estate and hotel revenues improved by 12% driven by higher sales bookings and incremental project completion, and construction service revenues.

Equity in net earnings increased by 44% mainly due to higher contribution from Ortigas Group, Alveo Federal Land and AKL properties; partially offset by lower contribution from FBDC COs and ALI-ETON.

Interest income from real estate sales decreased by 21% lower accretion from AR sale

Interest and investment income decreased by 36% driven by lower yield, and lower short-term investments and cash balance

Other Income increased by 191% due to higher Marketing and management fees from FBDC COs, Cathay Land and BPI; Gain on sale of Investment in MGHI and Qualimed Buildings; Gain from sales cancellations, forfeited deposits, and deferred credits; and, NAV gain from Arch fund. Partially offset by forex loss from USD loan (MBTC)

Cost of real estate sales increased by 14% due to higher booking and incremental completion; partially offset by limited operations, low rent and foot traffic of malls.

General administrative expenses decreased by 18% mainly from manpower costs including security and janitorial, rent and dues and fees, transportation and travel, and other overhead expenses.

Interest, other financing charges and other expenses decreased by 11% due to Lower interest expense from borrowings and lower provision for doubtful accounts and other losses; partially offset by increase in bank charges on prepayment of debts, and AR sale restructuring.

Provision for income tax increased by 14% due to higher taxable income.

Balance Sheet items - As at December 2021 versus 2020

Cash and cash equivalents - decreased by 18% Mainly due to payments of financing costs, cash dividends, shares buy-backs, and CAPEX; partially offset by net cash inflow from operations.

Short-term investments decreased by 9% due to Investment of excess USD.

Financial asset at fair value through profit and loss decreased by 27% due to maturities of investment in UITF.

Other current assets increased by 13% mainly due to payment of advances to contractors and suppliers, input VAT and deferred expenses.

Noncurrent accounts and notes receivable decreased by 5% due to collection

Financial assets at FVOCI decreased by 35% due to lower valuation for the period.

Investments in associates and joint ventures increased by 6% owing to the increase in investments in joint ventures ((mainly from AWLI-ETON, CEBU District, and AKL Properties), and equity in net earnings for the period net of dividend received.

Right of Use Assets decreased by 7% percent due to depreciation for the period.

Investment properties Increased by 9% due to project construction completion of Shopping Center, Offices, Land acquisitions, and capitalized borrowing cost.

Deferred tax assets increased by 6% coming from higher taxable income over accounting income for the period.

Other noncurrent assets Increased by 6% mainly of prepaid expenses and leasehold rights, partially offset by recoupment of advances to contractors and suppliers and decrease in deferred input VAT and

Short-term debt Increased by 84% due to various loan Availments during the year.

Account and other payables decreased by 5% due to payments of accounts payable and accrued operating expenses, lower interest payable, and other accrued expenses.

Income tax payable decreased by 65% due to lower taxable income.

Current portion of lease liabilities Increased by 28% due to accretion of lease liability.

Current portion of long-term debt increased by 40% attributable to maturing bonds and bank loans within 12 months.

Deposits and other current liabilities increased by 9% mainly from realization of revenues from sale of receivables and collections.

Pension liabilities decreased by 30% mainly due to change in actuarian assumptions.

Deferred tax liabilities decreased by 9% mainly due to timing difference between tax and book basis of accounting for real estate transactions and change in POC.

Deposit and other noncurrent liabilities increased by 21% mainly coming from acquisition of parcel of land on installment, unrealized revenues from collected receivables and security deposits from tenants.

Paid up Capital increased by 27% due to Issuance of shares to ALI equity holders as a result of merger of 4 subsidiaries.

Retained Earnings increased by 5% due to NIAT for the period and retroactive effect of change in accounting policy for borrowing costs (PAS 23); partially offset by change in POC computation under SEC MC No. 8.; partially offset by payments of cash dividends.

Remeasurement loss on defined benefit plans increased by 96% due to change of actuarian assumptions.

Fair value reserve of financial assets at FVOCI decreased by 18% attributable to unrealized fair value loss from cash flow hedging of loans bearing interest at floating rate.

Cumulative translation adjustments Increased by 56% mainly due to translation gain on financial statements of MCT Bhd.

Equity reserves increased by 120% attributable to gain from block sale of investment in AREIT and acquisition of NCI from LTI

Treasury Stock increased by 1240% as a result of merger of 4 subsidiaries and buy-back of ALI share

Review of December 2020 operations vs December 2019 operations

	For the years ended December 31			
(in Million Pesos, except Earnings Per Share (EPS))	**2020[1] Audited**	**2019[2] Audited**	**Change In Pesos**	**In %**
Income Statement Data				
Revenue				
Real estate Sales	₱85,965	₱157,849	(₱71,884)	(46%)
Interest income from real estate sales	8,603	7,891	712	9%
Equity in net earnings of associates and joint ventures	587	966	(379)	(39%)
	₱95,155	₱166,706	(₱71,551)	(43%)
Interest and investment income	395	930	(535)	(58%)
Other income	723	1,158	(435)	(38%)
	1,118	2,088	(970)	(46%)
	96,273	168,794	(72,521)	(43%)
Costs and expenses				
Cost of real estate sales	56,673	94,752	(38,079)	(40%)
General and administrative expenses	8,012	9,367	(1,355)	(14%)
Interest and other financing charges	12,746	12,200	546	4%
Other expenses	3,789	1,645	2,144	130%
	81,219	117,964	(36,745)	(31%)
Income before income tax	15,053	50,830	(35,777)	(70%)
Provision for income tax				
Current	4,688	12,455	(7,767)	(62%)
Deferred	(629)	860	(1,489)	(173%)
	4,059	13,315	(9,256)	(70%)
Net Income	₱10,994	₱37,515	(₱26,521)	(71%)
Net Income attributable to:				
Equity holders of Ayala, Land Inc.	8,727	33,188	(24,461)	(74%)
Non-controlling interests	2,267	4,327	(2,060)	(48%)
Unappropriated retained earnings				
Balance, beginning of year	148,940	124,090	24,850	20%
Effect of adoption of new accounting standards	-	(617)	-	-
Balances as restated	148,940	123,473	25,467	21%
Cash dividends				
Common share	(3,945)	(7,659)	3,714	(48%)
Preferred share	(62)	(62)	0	0%
Net Income attributable to equity holders of Ayala Land, Inc.	8,727	33,188	(24,461)	(74%)
Appropriation during the year	-	-		
Balance at end of period	153,661	148,940	4,721	3%
Basic Earnings per share	₱0.59	₱2.25	(₱1.66)	(74%)
Diluted Earnings per share	₱0.59	₱2.25	(₱1.66)	(74%)

[1]In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus.
[2]Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus, for the effect of the adoption of PFRS 16.

(in Million Pesos)	Dec 2020[1]	Dec 2019[2]	Change	
	Audited	Audited	In Pesos	In %
Selected Balance Sheet Data				
Cash and cash equivalents and other assets [3]	₱18,361	₱21,516	(₱3,155)	(15%)
Investment properties	222,685	243,043	(20,358)	(8%)
Total assets	721,494	713,923	7,571	1%
Current portion of long term debt	18,732	17,251	1,481	9%
Long term debt - net of current portion	184,087	175,813	8,274	5%
Total liabilities	461,315	471,218	(9,903)	(2%)
Equity attributable to equity holders of				
Ayala Land, Inc.	222,540	211,050	11,490	5%
Non-controlling interests	37,639	31,656	5,983	19%
Total equity	₱260,179	₱242,706	₱17,473	7%

[1]In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of certain provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus.
[2]Ayala Land adopted PFRS 16, Leases using modified retrospective approach of adoption with the initial date of application of January 1, 2019. Please refer to Note 2 of Ayala Land's audited consolidated financial statements, which are included as an Annex to this Prospectus, for the effect of the adoption of PFRS 16.
[3]Includes Cash and Cash Equivalents, Short-term Investments, financial assets at FVPL for 2020 and 2019

Ayala Land endured the severe impact of COVID-19 in 2020 recording a 43% decline in consolidated revenues (which include real estate revenue, interest from real estate sales, interest and investment income, equity in net earnings, and other income) to ₱96.27 Billion from ₱168.79 Billion and a 74% drop in net income attributable to equity holders of ALI to ₱8.73 Billion from ₱33.19 Billion. Key indicators improved steadily from the third quarter to the fourth quarter reflecting a 49% growth in total revenues to ₱32.95 Billion and a 28% jump in net income to ₱2.36 Billion, sustaining the momentum for recovery.

Real Estate revenues, composed of Property Development, Commercial Leasing, and Services registered at ₱85.97 Billion, a 46% decline from ₱157.85 Billion due to construction restrictions, lower bookings and restrained mall and hotel operations.

Actual capital expenditures amounted to ₱63.67 Billion, within the revised full-year budget of ₱70.00 Billion, as financial sustainability initiatives strengthened the balance sheet with the net debt-to-equity ratio improving to 0.74:1 from 0.78:1 in FY 2019.

There are no significant elements of income or loss that did not arise from the registrant's continuing operations. The Company is not aware of any seasonal aspects that have had a material effect on its financial condition or results of operations.

BUSINESS SEGMENTS

Property Development. This includes the sale of residential lots and units, office spaces, and commercial and industrial lots, and operations of MCT Bhd., Ayala Land's consolidated subsidiary based in Malaysia. The Property Development business generated revenues of ₱57.86 Billion, a 47% dip from ₱109.69 Billion due to construction restrictions and lower bookings.

Residential. Revenues from the sale of residential lots and units and MCT Bhd.'s operations declined 44% to ₱47.79 Billion from ₱86.09 Billion, however, in the fourth quarter, this amounted to ₱21.6 Billion, a 54% improvement from the third quarter.

AyalaLand Premier posted revenues of ₱15.01 Billion, 39% lower than ₱24.45 Billion, due to lower incremental percentage of completion (POC) of West Gallery Place in BGC, Park Central South Tower and Garden Tower 2 in Makati CBD and Arbor Lanes in Arca South and lower bookings and POC of The Alcoves in Cebu and Cerilo in Nuvali.

ALVEO recorded revenues of ₱8.05 Billion, a decline of 58% from ₱19.00 Billion owing to lower POC of High Park 2 in Vertis North and Park Triangle Residences in BGC, lower bookings from Orean Place 1 & 2 in Vertis North, The Residences at Evo City 1, Venido in Biñan Laguna, and combined lower bookings and POC of Travertine in Portico.

Avida meanwhile registered revenues of ₱14.42 Billion, a 47% decrease from ₱27.36 Billion, attributed to lower bookings of The Montane in BGC, Avida Towers Asten 3 in Makati, Avida Towers Sola 1 and 2 in Vertis North, Avida Northdale Settings in Nuvali, Avida Towers Vireo 1 in Arca South and Avida Towers Prime Taft 3 in Manila.

Amaia reached ₱4.69 Billion in revenues, a 36% reduction from ₱7.37 Billion relating to lower bookings from Skies Cubao Tower 2, Shaw Tower 1, Skies Sta. Mesa and Skies Avenida Tower 1.

BellaVita meanwhile recognized revenues of ₱790.65 Million, 34% less than ₱1.20 Billion because of lower bookings of projects in Cagayan de Oro, Batangas and Laguna.

MCT Bhd. contributed ₱4.85 Billion in revenues, a 28% decline from ₱6.71 Billion as the inventory of projects in Lakefront and Cybersouth are almost sold-out and construction activities in the second quarter and fourth quarter were limited under Malaysia's movement control order (MCO). These factors offset the contribution from projects under Market Homes, its affordable housing segment.

Office for Sale. Revenues from the sale of office units dropped by 72% to ₱3.51 Billion from ₱12.34 Billion, owing to limited inventory and lower incremental completion of remaining projects such as Alveo Financial Tower in Makati CBD, Park Triangle Corporate Plaza, Park Triangle Tower and High Street Corporate Plaza 2, all in BGC.

Commercial and Industrial Lots. Revenues from the sale of commercial and industrial decelerated by 42% to ₱6.56 Billion from ₱11.27 Billion mainly due to slower take-up of inventory in Broadfield and limited inventory in Altaraza, Evo City and Nuvali.

Sales Reservations. Despite limited mobility, sales reservations registered at ₱81.90 Billion, 56% of the level in 2019. This translates to an average of ₱6.82 Billion in monthly sales. Fourth quarter sales reservations reached 55-75% of pre-COVID levels due to sustained property demand, totaling ₱21.08 Billion, equivalent to an average of ₱7.03 Billion in monthly sales.

Local and overseas Filipinos accounted for 89% of total sales with the balance of 11% from other nationalities. Sales from local Filipinos which comprise 74% amounted to ₱60.41 Billion, 42% lower year-on-year, while sales from overseas Filipinos which represented 15% of the total, amounted to ₱12.61 Billion, a decline 35% year-on-year. Meanwhile, sales to other nationalities amounted to ₱8.87 Billion, a 60% drop, primarily as sales to mainland Chinese buyers, which comprise 28% decreased by 70% to only at ₱2.52 Billion.

Project Launches. A total of 13 projects totaling ₱10.59 Billion were launched in 2020. In the first quarter, Ayala Land was able to launch five (5) projects with a total value of ₱4.99 Billion. These are Avida Greendale Settings at Alviera in Pampanga, Amaia Steps at The Junction Place in Quezon City, Amaia Scapes Cabuyao Series 3 Area 2, and Bellavita Alaminos 2, both in Laguna. No new residential projects were launched in the second quarter of 2020. However, with improving demand in the third quarter, three (3) sequel projects were launched amounting to ₱2.19 Billion. These are Andacillo Phase 3A in Nuvali, Laguna, Amaia Scapes Series 4A in

Sta. Maria, Bulacan and Bellavita Alaminos 2. Meanwhile, five (5) sequel projects amounting to ₱3.41 Billion were launched in the fourth quarter. These are Andacillo Phase 4 in Nuvali, Laguna, Amaia Scapes Gen. Trias S3 and S4 in Cavite, and two (2) tranches of additional units in Bellavita Alaminos 2 in Laguna.

Commercial Leasing. This includes the operation of Shopping Centers, Office Buildings and Hotels and Resorts. Total revenues from commercial leasing declined by 44% to ₱21.86 Billion from ₱39.31 Billion.

Shopping Centers. Revenues from shopping centers dropped 59% to ₱9.06 Billion from ₱22.02 Billion. Operating GLA and foot traffic as a percentage of pre-COVID levels improved towards the end of 2020. In the fourth quarter, operating GLA reached 64% from 62% in the third quarter. Likewise, foot traffic reached 35-45% in the fourth quarter from 30-35% in the third quarter as the less strict general community quarantine restriction was maintained, boosted by the holiday season. These improvements resulted in ₱1.69 Billion in mall revenues in the fourth quarter, a 10% recovery from the third quarter of 2020. Average tenant sales also improved quarter-on-quarter reaching 53% in the fourth quarter from 41% in the third quarter. The average occupancy rate for all malls is 85% and 90% for stable malls. Total Malls GLA stands at 2.12 Million sqm.

Offices. Revenues from office leasing was sustained at ₱9.41 Billion from ₱9.67 Billion on account of continuing BPO and HQ office operations. The average occupancy rate for all offices is 88% and 94% for stable offices. Total office leasing GLA increased to 1.23 Million sqm with the completion of BGC Corporate Center 2 and Central Bloc Corporate Center 2 in October and December, respectively.

Hotels and Resorts. Revenues from hotels and resorts ended 56% lower to ₱3.39 Billion from ₱7.62 Billion. The average occupancy for all hotels was 41% and was 44% for stable hotels. Meanwhile, the average occupancy for all and stable resorts stood at 16%. In the fourth quarter, El Nido Resorts and the Lio Estate were able to host more travel bubbles to the public, in close coordination with the Department of Tourism and the local government. From only four (4) in the third quarter, a total of 37 travel bubbles were launched in the fourth quarter, driving a 52% increase in revenues to ₱786.74 Million from the third quarter. The hotels and resorts segment ended 2020 with a total of 4,030 rooms in its portfolio with the completion of 345 rooms in the first half as it opened Seda Central Bloc in Cebu and additional rooms in Seda Residences Ayala North Exchange and Seda BGC.

The hotels and resorts business manages 660 hotel rooms in its international brand segment—312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, both of which are in the Ayala Center, Makati CBD.

There are 11 Seda Hotels, operating 2,712 rooms – Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (150); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214). Circuit Corporate Residences operates 255 rooms.

El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 132 rooms under its Bed and Breakfast ("**B&B**") and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 78 B&B rooms.

Services. This is composed mainly of the Company's construction business through Makati Development Corporation ("**MDC**"), property management, through Ayala Property Management Corporation ("**APMC**"), and businesses engaged in power services such as Direct Power Services, Inc. ("**DPSI**"), Ecozone Power Management, Inc. ("**EPMI**"), and Philippine Integrated Energy Solutions, Inc. ("**PhilEnergy**") and AirSWIFT, the airline for the hotels and resorts in Palawan and Sicogon. Total revenues amounted to ₱6.25 Billion, 29% lower than ₱8.85 Billion due to restricted construction activity of MDC, lower power consumption of power subsidiary customers during the lock down, and very operations of AirSWIFT.

Construction. Net construction revenues totaled ₱3.28 Billion lower than ₱3.40 Billion in 2019.

Property Management and Others. APMC, power services companies and AirSWIFT registered revenues of ₱2.97 Billion, 46% less than ₱5.45 Billion.

Blended EBITDA margins of the Services segment stood at 7%, lower than 10% in 2019 owing to COVID-19 related expenses.

Equity in Net Earnings of Investees, Interest, Fees, Investment and Other Income

Equity in net earnings of associates and JV companies, particularly Ortigas and FBDC companies, declined 39% to ₱586.50 Million from ₱965.79 Million.

Interest income from real estate sales increased 9% to ₱8.60 Billion from ₱7.89 Billion in 2019 driven by increased sale of real estate receivables. Meanwhile, Interest and investment income registered a 58% drop to ₱394.70 Million from ₱930.45 Million owing to lower balances and yields from short term investments.

Other income (composed mainly of marketing and management fees from joint ventures, among others) decreased 38% to ₱723.27 Million from ₱1,157.94 Million. This decline was largely due to the higher base in 2019 given the gain recognized from the sale of Vertex One office building in Santa Cruz, Manila to Manila Jockey Club, Inc.

Expenses

Total expenses stood at ₱81.22 Billion, 31% lower than ₱117.96 Billion as real estate expenses decreased by 40% to ₱56.67 Billion from ₱94.75 Billion.

General and Administrative Expenses ("**GAE**") declined 14% to ₱8.01 Billion from ₱9.37 Billion, on account of lower topline. This resulted in a GAE ratio of 8.3% and an EBIT Margin of 25.9%.

Interest expense, financing and other charges, which includes interest expense related to PFRS 16 (Leases) totaled ₱16.53 Billion. This was a 19% increase from ₱13.84 Billion due to the higher discounting cost related to the sale of accounts receivables, interest expense from the higher average loan balance and bank charges related to loan prepayments. The average cost of debt registered at 4.7%, lower than 5.2% at the end of December 2019. Of the total debt, 95% is locked in fixed rates, while 96% is contracted for a long-term basis.

Capital Expenditures

Capital expenditures reached ₱63.67 Billion in 2020, mainly for residential developments, followed by commercial leasing assets. 45% was spent on residential projects, 23% on commercial projects, 15% for land acquisition, 14% for the development of estates and 3% for other investments. The full year capex estimate was reduced to ₱70.0 Billion from the original estimate of ₱110.00 Billion.

Financial Condition

Financial stability initiatives strengthened the balance sheet with the net debt-to-equity ratio improving to 0.74:1 from 0.78:1 in FY 2019. Total borrowings registered at ₱211.95 Billion which translated to a debt-to-equity ratio of 0.81:1 from 0.87:1.

Cash and cash equivalents, including short-term investments and financial assets at fair value through profit or loss stood at ₱18.36 Billion resulting in a current ratio of 1.62:1.

Return on equity was at 4.03% as of December 31, 2020.

	End-December 2020	*End-December 2019*
Current ratio [1]	1.62:1	1.30:1
Debt-to-equity ratio [2]	0.81:1	0.87:1
Net debt-to-equity ratio [3]	0.74:1	0.78:1
Profitability Ratios:		
Return on assets [4]	1.53%	5.43%
Return on equity [5]	4.03%	16.66%
Asset to Equity ratio [6]	2.77:1	2.94:1
Interest Rate Coverage Ratio [7]	2.96:1	6.27:1

[1] *Current assets / current liabilities*
[2] *Total debt / consolidated stockholders' equity (Total debt includes short-term debt, long-term debt and current portion of long-term debt)*
[3] *Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through FVPL)*
[4] *Net income / average total assets (Average total assets means the average of the amounts from the beginning and end of the same period)*
[5] *Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI (Average total stockholders' equity attributable to equity holders of ALI means the average of the amounts from the beginning and end of the same period)*
[6] *Total Assets / Total stockholders' equity*
[7] *EBITDA / Interest expense on short-term and long-term debt. EBITDA is computed as Income before income tax + Interest and other financing charges and Other expenses - Interest and investment income and Interest on Real Estate Sales + Depreciation and amortization*

There are no events that will trigger direct or contingent financial obligations that are material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created in FY 2022.

Causes for any material changes (+/- 5% or more) in the financial statements

<u>Income Statement items</u> – For the year ended December 31, 2020 and 2019

Real estate and hotel revenues decreased by 46% due to construction restrictions, lower bookings, and restrained mall and hotel operations.

Equity in net earnings decreased by 39% mainly due to lower income contributions from Ortigas Land Corporation (OLC) and Fort Bonifacio Development Corp. (FBDC).

Interest income from real estate sales increased by 9% owing to higher sale of real estate receivables.

Interest and investment income decreased by 58% driven by lower balance and lower yield from short-term investments.

Other Income decreased by 38% due to higher gain recognized in 2019 from the sale of Vertex One building in Santa Cruz, Manila.

Cost of real estate sales decreased by 40% due to lower real estate and hotel revenues.

General administrative expenses decreased by 14% mainly from manpower costs including security and janitorial, rent and dues and fees, transportation and travel, and other overhead expenses.

Interest, other financing charges and other expenses increased by 19% due to higher discounting cost related to sale of trade receivables, interest expense from higher average loan balance, and bank charges related to loan repayments.

Provision for income tax decreased by 70% due to lower taxable income.

Balance Sheet items **– As at December 2020 versus December 2019**

Cash and cash equivalents – decreased by 17% mainly due to lower collection from customers, payments of capital expenditures, interest expense from borrowings, and cash dividends, partially offset by proceeds from initial public offering of AREIT, Inc., sale of trade receivables, and loan availments.

Short-term investments decreased by 42% due to reallocation to investments with higher yield.

Financial asset at fair value through profit and loss increased by 99% attributable to increase in investments in UITF and treasury bills.

Real Estate Inventories increased by 22% driven by land acquisitions, incremental POC, reclassification from investment property, partially offset by lower real estate sales.

Other current assets increased by 19% mainly due to payment of advances to contractors and suppliers, payment of CWT, and building classified as held for sale.

Investments in associates and joint ventures increased by 5% owing to the increase in investments in joint ventures, and equity in net earnings for the period net of dividends received.

Investment properties decreased by 8% due to reclassification of land to inventory, and depreciation expense for the period.

Deferred tax assets increased by 5% coming from accrued expenses, allowances for probable losses, and NOLCO.

Other noncurrent assets decreased by 9% mainly from recoupment of advances to contractors and suppliers, partially offset by increase in deferred input VAT.

Short-term debt decreased by 49% due to various payments during the year.

Account and other payables decreased by 11% due to payments of accounts payable and accrued operating expenses, lower taxes payables and interest payable, and other accrued expenses.

Income tax payable decreased by 31% due to lower taxable income.

Current portion of lease liabilities decreased by 36% due to payments to lessors.

Current portion of long-term debt increased by 9% attributable to maturing bonds and bank loans within 12 months.

Long-term debt – net of current portion increased by 5% due to increase in bond issuances and bank loans.

Pension liabilities increased by 52% mainly due to increase in benefit obligation and remeasurement loss for the current period.

Deferred tax liabilities increased by 17% mainly due to the timing difference between tax and book basis of accounting for real estate transactions and right-of-use assets.

Deposit and other noncurrent liabilities increased by 14% mainly coming from unrealized revenues from collected receivables and security deposits from tenants, partially offset by payment for contractors payable, purchased land and collected output VAT.

Stock options outstanding decreased by 49% attributable to exercise of stock options.

Remeasurement loss on defined benefit plans increased by 143% due to actuarial loss from change in pension liability assumptions.

Fair value reserve of financial assets at FVOCI increased by 64% attributable to unrealized fair value loss from cash flow hedging of loans bearing interest at floating rate.

Cumulative translation adjustments decreased by 33% mainly due to translation loss on financial statements of MCT Bhd.

Equity reserves increased by 108% attributable to gain on sale ownership in AREIT, Inc. to Non-controlling Interest (NCI).

Treasury Stock increased by 14% as a result of share buy-backs during the year.

Non-controlling interests increased by 19% as a result of public listing of AREIT, Inc.

<u>Material Changes in Liquidity and Cash Reserves</u> – December 2020 versus December 2019

ALI Group ended a net decrease in Cash and cash equivalents of ₱3.05 Billion for the year ended December 31, 2020 mainly due to net cash used by operating activities, investing activities, and payment of cash dividends; partially offset by net cash provided by financing activities mainly from sale of noncontrolling interest in AREIT, Inc. and increase in deposits and other noncurrent liabilities.

Net cash used by operating activities ended at ₱12.51 Billion during the period versus net cash inflow of ₱36.01 Billion last year mainly due to lower operating income before changes in working capital and increase in working capital. This is partially offset by lower income tax payment during the period.

Investing activities used ₱3.22 Billion cash during the period which is significantly lower than last year at ₱42.57 Billion net cash outflow mainly due to lower net expenditures in investment properties, property and equipment, and decrease in noncurrent accounts and notes receivables accounts and notes receivable – nontrade and other noncurrent assets.

Financing activities ended at ₱12.67 Billion net cash inflow during the year; significantly higher than ₱3.75 Billion net cash inflow last year primarily due to sale of noncontrolling interest in AREIT, Inc. during initial public offering and decrease in acquisition of noncontrolling interests, increase in deposits and other noncurrent liabilities, and lower payment of cash dividends and treasury shares. This is partially offset by lower net availment of short and long-term debt during the period.

CHANGES IN ACCOUNTING AND FINANCIAL DISCLOSURES

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the Company's consolidated financial statements are consistent with those of the previous financial year except for the adoption of the following new accounting pronouncements which became effective January 1, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

<u>Adoption of New and Amended Accounting Standards and Interpretations</u>
The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year except for the adoption of the following new accounting pronouncements which became effective January 1, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, Provisions, Contingent Liabilities and Contingent Assets or Philippine-IFRIC 21, Levies, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16 , *Plant and Equipment: Proceeds before Intended Use*
  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

- Annual Improvements to PFRSs 2018-2020 Cycle
  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
  The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*
  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*
  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
  The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted.

The new standard is not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

Deferred Effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  The Group is currently assessing the impact of adopting these amendments.

- Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)
  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023. The PIC Q&A provisions covered by the SEC deferral that the Group availed in 2021 follows:

	Deferral Period
Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023

  The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

  a. The accounting policies applied.
  b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
  c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
  d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

  After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

  The Group availed of the SEC relief on the accounting for significant financing component of PIC Q&A No. 2018-12. Had this provision been adopted, the Group assessed that the impact would have been as follows:

The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements. Adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable, provision for deferred income tax, deferred tax asset or liability for all years presented, and the opening balance of retained earnings. These would have impacted the cash flows from operations and cash flows from financing activities for all years presented. While there may be instances that the performance obligation differs from the buyer's amortization schedule, initial calculation showed SFC but the consolidated impact is expected to be not material to the Group. Assumptions are still under assessment and evaluation, and the refinement to the calculation to determine the SFC is ongoing.

DIRECTORS, EXECUTIVE OFFICERS AND CONTROL PERSONS

As of April 26, 2023

The Directors shall hold office for one (1) year and until their successors are elected and qualified in accordance with the Corporation's By-Laws. The write-ups below include positions currently held by the directors and executive officers, as well as positions held during the past five (5) years.

Board of Directors

Jaime Augusto Zobel de Ayala	Daniel Gabriel M. Montecillo*
Bernard Vincent O. Dy	Rex Ma. A. Mendoza
Cezar P. Consing	Surendra M. Menon
Arturo G. Corpuz	Cesar V. Purisima
Mariana Zobel de Ayala	

**Lead Independent Director effective April 26, 2023*

Jaime Augusto Zobel de Ayala, Filipino, 63, has served as a Director of ALI since June 1988. He is the Chairman of Ayala Corporation since April 2006. He was the Chief Executive Officer from 2006 to April 2021. He is also the Chairman of the other publicly listed companies of the Ayala Group, namely Globe Telecom, Inc. and Bank of the Philippine Islands. He is the Chairman of AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.), AC Industrial Technology Holdings, Inc., AC Infrastructure Holdings Corporation, Ayala Healthcare Holdings, Inc., and Asiacom Philippines, Inc.; Co-Chairman of Ayala Foundation, Inc.; Director of AC Ventures Holding Corp., Alabang Commercial Corporation, , Light Rail Manila Holdings, Inc. and AG Holdings Ltd. Outside the Ayala Group, he is a Director of Temasek Holdings (Private) Limited and a member of various business and socio- civic organizations in the Philippines and abroad, including the JP Morgan International Council, JP Morgan Asia Pacific Council, and Mitsubishi Corporation International Advisory Council. He is a member of the Board of Governors of the Asian Institute of Management, the Advisory Board of Asia Global Institute (University of Hong Kong) and of various advisory boards of Harvard University, including the Global Advisory Council, Asia Center Advisory Committee, HBS Board of Dean's Advisors, and HBS Asia- Advisory Committee. He sits on the Board of Singapore Management University (SMU) and is a Chairman of SMU International Advisory Council in the Philippines. He is a member of the Asia Business Council, Asean Business Club Advisory Council, Leapfrog Investment Global Leadership Council, The Council for Inclusive Capitalism, and Word Wildlife Philippines National Advisory Council. He is Co-Vice Chairman of the Makati Business Club, Chairman of Endeavor Philippines, and Trustee Emeritus of Eisenhower Fellowships. He was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with rank of Grand Commander in 2010, and the Order of Mabini with rank of Commander in 2015 by the President of the Philippines in recognition of his outstanding public service. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer by the UN Global Compact for his work in sustainable business strategy and operations. The first recipient of the award from the Philippines, he was one of 10 individuals recognized for championing sustainability and the pursuit of the 17 SDGs in business. He graduated with B.A. in Economics (Cum Laude) from Harvard College in 1981 and obtained an MBA from the Harvard Graduate School of Business in 1987.

Cezar P. Consing, Filipino, 63, has served as the Vice Chairman of the Board of Directors of ALI since April 26, 2023. He is the President and Chief Executive Officer of Ayala Corporation effective September 27, 2022 and has been a Director since December 3, 2020. He has been a member of the Ayala Group Management Committee since April 2013. He is also a Director of the publicly-listed subsidiaries of Ayala Corporation: Bank of the Philippine Islands (BPI), Globe Telecom, Inc. and ACEN Corporation. He is also advisor of the board of Ayala Land, Inc. He is the Chairman of Philippine Dealing System Holdings and its three operating subsidiaries since 2010. He is also a Director of the Myanmar listed First Myanmar Investment Public Company Limited. Concurrently, he is the Vice Chairman of AC Infrastructure Holdings Corporation, AC Industrial Technology Holdings, Inc., AC Energy and Infrastructure Corporation, and Ayala Healthcare Holdings, Inc., and a Director in Asiacom Philippines, Inc. Mr. Consing is Vice Chairman of BPI's executive committee, and a board director of its investment bank, microfinance bank and asset management company. He is currently a board trustee of the Philippine-American Educational Foundation, which selects the Fulbright scholars, a member of the National Mission Council of De La Salle Philippines, a board trustee of College of St. Benilde, and a board trustee of the Manila Golf Club Foundation. He is a board director of Filgifts.com. He has been a member of the Trilateral Commission since 2014. Mr. Consing was a Senior Managing Director of Ayala Corporation and President and CEO of BPI from 2013 to 2021. In the latter capacity, he served as the chairman of BPI's thrift bank, investment bank, UK-registered bank, microfinance bank, property and casualty insurance joint venture and leasing and rental joint venture and board director of its asset management company and its life insurance joint venture. He served as Chairman and President of the Bankers Association of the Philippines from 2019 – 2021, and President of Bancnet, Inc. from 2017 – 2021. Mr. Consing was a Partner of The Rohatyn Group from 2004 – 2013. He headed its Hong Kong Office and its private investing business in Asia and was a board director of its real estate and energy and infrastructure private equity investing subsidiaries. He worked for J.P. Morgan & Co. in Hong Kong and Singapore from 1985 – 2004. He headed the firm's investment banking business in Asia Pacific (ex-Japan) from 1997 – 2004 and served as President of J.P. Morgan Securities (Asia Pacific) Ltd. As a senior Managing Director, Mr. Consing was a member of the firm's Global Investment Banking Management Committee, its Asia Pacific Management Committee, and its Global Managing Director Selection Committee. Further, he worked for BPI from 1981 – 1985, joining as a management trainee and eventually rising to Assistant Vice President. During this period, and on a part-time basis, he taught Economics in the MBA program of De La Salle University. Mr. Consing has served as an independent board director of four publicly listed companies in Asia: Jollibee Foods Corporation (2010 – 2021), CIMB Group Holdings (2006 – 2013), First Gen Corporation (2005 – 2013), and National Reinsurance Corporation (2014 – 2019), where he also served as Chairman (2018 – 2019). He has served as a board director of the Singapore-based SQREEM Technologies, the Singapore-listed Yoma Strategic Holdings Ltd, the Hongkong-based Asian Youth Orchestra, the US-Philippines Society, Endeavor Philippines and La Salle Greenhills. Mr. Consing received an A.B. Economics degree (Accelerated Program), magna cum laude, from De La Salle University in 1979. He obtained an M.A. in Applied Economics from the University of Michigan in 1980.

Bernard Vincent O. Dy, Filipino, 59, is the President and CEO of ALI since April 2014. He is a Senior Managing Director of Ayala Corporation, and a member of the Ayala Group Management Committee since April 2014. He is also the Chairman of AyalaLand Logistics Holdings Corp. and Director of AREIT, Inc., and MCT Bhd of Malaysia., the publicly listed subsidiaries of ALI. Concurrently, he is the Chairman of Alviera Country Club, Inc., Alveo Land Corporation, Altaraza Development Corporation, Amaia Land Corporation, Amicassa Process Solutions, Inc., Avencosouth Corp., Aviana Development Corp., Ayagold Retailers, Inc., Ayala Property Management Corporation, Ayalaland-Tagle Properties, Inc., Bellavita Land Corporation, BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Cagayan De Oro Gateway Corp., Makati Development Corporation, Portico Land Corporation, Station Square East Commercial Corporation, and Vesta Property Holdings, Inc.; Vice Chairman of Aurora Properties Incorporated, Ayalaland Premier, Inc., Ceci Realty Inc., and Ayala Greenfield Development Corporation, and Director of Accendo Commercial Corp., AKL Properties, Inc., ALI Eton Property Development Corporation, Avida Land Corp., AyalaLand Medical Facilities Leasing, Inc., Nuevocentro, Inc., Philippine Integrated Energy Solutions, Inc., Serendra, Inc., and Whiteknight Holdings, Inc. He is also the President and CEO of Berkshires Holdings, Inc., Bonifacio Land Corporation, Columbus Holdings, Inc., Emerging City Holdings, Inc., and Fort Bonifacio Development Corporation; President of, Alabang Commercial Corporation, Bonifacio Art Foundation, Inc., and Hero Foundation Inc.; member of the Board of Trustees of Ayala Foundation, Inc. and Ayala Group Club, Inc., advisor of Alveo-Federal Land Communities, Inc.; and, Director of the Junior Golf Foundation of the Philippines since 2010 and Vice Chairman since 2017. Mr. Dy earned a degree of BBA in Accountancy from the University of Notre Dame in 1985, an MBA in 1997, and Masters in International Relations in 1989 from the University of Chicago.

Mariana Beatriz Zobel de Ayala, Filipino, 34, has been a director of the Company since October 21, 2022. She is Director of AREIT. She is Senior Vice President at Bank of the Philippine Islands (BPI) driving Marketing and Digital Platforms for the Consumer Bank. She also serves as a board director and/or advisory committee member for several Ayala Group companies, across Ayala Land, AC Health, Ayala Group's ACTIVE Fund and BPI's Asset Management and Trust Company. She was named a board advisor for Asia Partners, a Singapore-based private equity firm with over USD500mn in funding, focused on enabling the next generation of high-growth technology companies in Southeast Asia. She also serves on the global board of U-Go, which looks to drive education equality in emerging markets by providing scholarship grants to women looking to pursue university education. Together with John Wood, founder of Room to Read, Ms. Zobel de Ayala helped establish the Philippines as the 7th beneficiary market for U-Go. In partnership with Ayala Foundation, U-Go Philippines will aim to enable 1,000 young Filipina women scholars in their pursuit of university education, by 2025. Before BPI, Ms. Zobel de Ayala was Deputy Head of Ayala Malls, a subsidiary of Ayala Land responsible for just under two (2) Million square meters in leasable retail space around the country. In addition to driving Leasing Strategy & Development across the malls, Ms. Zobel de Ayala was responsible for the build-out of Ayala Malls Labs / Digital & Data -- a new unit focused on commercializing synergistic opportunities leveraging technology and data. Prior to this, she worked in Project Development for Alveo Land, and as a Corporate Strategy and Business Development Associate with Ayala Corporation, where she supported portfolio review across the conglomerate and business development interest in the healthcare sector. Ms. Zobel de Ayala started her career at J.P. Morgan in New York City. She graduated from Harvard College with a BA in Social Studies (Philosophy, Politics, and Economics), and a received a Masters in Business Administration (MBA) from INSEAD.

Arturo G. Corpuz, Filipino, 67, has served as a Director of ALI since April 2016 to present. He was a member of the Management Committee of ALI from 2008 to December 31, 2016. He is also a member of the Board of Ceci Realty, Inc. Aurora Properties, Inc., Vesta Properties Holdings, Inc., Nuevocentro, Inc., and Alviera Country Club, Inc. He is a former President of the Philippine Economic Society and a Trustee of the Foundation for Economic Freedom and the Philippine Institute of Environmental Planning. Mr. Corpuz received his baccalaureate degree in Architecture from the University of the Philippines in 1977 and his masteral and doctoral degrees in urban and regional planning from Cornell University in 1984 and 1989.

Daniel Gabriel M. Montecillo[14] Filipino, 66, has served as the Lead Independent Director of ALI since April 26, 2023. He was the Executive Vice President and Group Head of Corporate Clients of the Bank of the Philippine Islands from. Immediately prior to this role, he was President of BPI Capital Corporation for 4 ½ years. Prior to returning to the Philippines, he was also the Chief Executive Officer (CEO) and Managing Equity Partner of Diamond Dragon Advisors and CEO of Fidelis Holdings. He has 21 years of international investment banking experience, having worked at Bankers Trust Company in New York and at Credit Suisse and Morgan Stanley in Hong Kong. He is an independent director of the Bank of Commerce (universal banking), RASLAG Corporation (renewable energy), Metro Pacific Health (hospital management), and Maybank Investment Banking Group (investment banking), where he serves as Chair of the Corporate Governance, Environmental, Social, Governance and Audit Committees. He is also on the global board of directors of International Care Ministries and the United Nations Global Compact Network (Philippine chapter). He is a certified coach
(ACC designation from the International Coaching Federation), leadership development speaker and facilitator, as well as senior consultant to the International Finance Corporation and to private Philippine companies. He obtained his Master of Business Administration and Master of Arts from Stanford University. He obtained his Bachelor of Science in Management of Financial Institutions and Bachelor of Arts in Behavioral Sciences (*magna cum laude*) from De La Salle University.

Rex Ma. A. Mendoza, Filipino, 60, has served as the Independent Director of ALI since April 22, 2020. He is the Chairman of Rampver Financials, a dynamic player in financial services specializing in investments, and one of the biggest distributors of mutual funds in the Philippines. He currently serves as the lead independent director of Globe Telecom, Inc., a publicly listed company, and an independent director of the National Reinsurance Corporation of the Philippines and AyalaLand Logistics Holdings Corporation, (ALLHC) also publicly listed companies. He is the chairman of the board of Singapore Life, the Soldivo Bond Fund, Inc. and the Soldivo Strategic Growth Fund, Inc. He is also the lead independent director of Anvaya Cove Beach and Nature Club, Inc. and G Exchange Inc. (GXI, or GCash). He is a director of FLT Prime Insurance Corp., Cullinan Group, Esquire Financing, Inc., Mobile Group, Inc., Seven Tall Trees Events Company, Inc., and TechnoMarine Philippines. He is a member of Bro. Bo Sanchez' Mastermind Group, and is cited by many as one of the best leadership, business strategy, investments, marketing and sales speakers in the country. He is the author of two (2) books, Trailblazing Success and Firing on All Cylinders, both certified national bestsellers. He served as the President & CEO of Philam Life, one of the country's most trusted financial services conglomerates and was

[14] Mr. Daniel Gabriel M. Montecillo was inadvertently referred to by his nickname "Dennis" even as his official name is stated above. He is one and the same person.

Chairman of its affiliates and subsidiaries. He was Senior Vice President and Chief Marketing and Sales Officer of ALI. He was also Chairman of Ayala Land International Sales, Inc., President of Ayala Land Sales, Inc., and Avida Sales Corporation. He has a Master's Degree in Business Management with distinction from the Asian Institute of Management. He was one of the 10 Outstanding Graduates of his batch at the University of the Philippines where he obtained a BSBA degree with a double major in marketing and finance. He was awarded Most Distinguished Alumnus of the UP Cesar Virata School of Business. He is also a Fellow with Distinction at the Life Management Institute of Atlanta, Georgia, USA, a Registered Financial Planner (RFP) and a four-time member of the Million Dollar Round Table (MDRT). He was a professor of Marketing and Computational Finance at the De La Salle University Graduate School of Business. He taught strategic marketing, services marketing and services strategy. He has served as Chairman of the Marketing Department and was awarded as one of the University's most outstanding professors.

Surendra M. Menon, Singaporean, 64, has served as an Independent Director of ALI since April 26, 2023. He was the Chief Executive Officer of BPI AIA Life Assurance Corporation. He was also the Regional Head, Bancassurance Group Partnership Distribution of the AIA Group from 2012 to 2016. He served as Vice President Director and Chief Distribution Officer, Director Bancassurance from and Vice President Business Development AIA Financial (formerly known as AIG Life and AIG Lippo) for the period beginning 2003 to 2016. He was the Vice President, Bancassurance from 1999 to 2003 of DBS Bank – Singapore. He was also the Company Head/Advisor to Owner of PT Binadaya Nusaindah (BDNI Life) (currently called Equity Financial) from 1991 to 1999 while he was Head/Advisor Dana Pensiun Lembaga Keuangan BDNI Bank from 1994 to 1998 PT Bank Dagang National Indonesia (BDNI), and Director of PT GTAsset Management of BDNI from 1995 to 1998. He held various positions at The Insurance Corporation of Singapore (now Aviva Singapore) from 1982 to 1991. He obtained his Bachelor of Arts degree majoring in actuarial sciences from Macquarie University in 1981. He became an Associate in financial planning and a member of the Financial Planning Association of Singapore in 2000. He has been a Penasehat Investor (Investment Manager's License) of BEPEPAM (Indonesian Stock Exchange) since 1995. He completed an Advance Life Assurance Course from Munich Re in 1985 and obtained a Certificate in Actuarial Techniques from the Institute of Actuaries (London) in 1993.

Cesar V. Purisima, Filipino, 62, has served as an Independent Director of ALI in April 18, 2018. He is an Asia Fellow of Milken Institute, a global non-profit, non-partisan think tank. He is a founding partner at IKHLAS Capital, a pan-ASEAN private equity platform. He currently serves on the boards of the AIA Group, Ayala Corporation, Universal Robina Corporation, Jollibee Foods Corporation, Bank of the Philippine Islands, BPI Capital Corporation, member of the Board of Trustees of International School of Manila and member of the Board of Advisors of ABS-CBN. He is a member of Sumitomo Mitsui Banking Corporation's Global Advisory Council and Singapore Management University's International Advisory Council in the Philippines. From 2010 to 2016, Purisima was the Secretary of Finance of the Philippines and the Chair of Economic Development Cluster of the President's Cabinet. He briefly served as Finance Secretary in 2005 and Trade and Industry Secretary from 2004 to 2005. Additionally, he was a member of the Monetary Board of the Philippines Central Bank, and the Governor for the Philippines at the Asian Development Bank and the World Bank. He served as Alternate Governor for the Philippines at the International Monetary Fund. Under his leadership, the Philippines received its first investment-grade ratings. He was named Finance Minister of the Year seven times in six consecutive years by a number of publications, a first for the Philippines. Prior to his stints in the government service, he was the Chairman & Country Managing Partner of the Philippines' largest professional services firm SGV & Co., and was a member of the Global Executive Board and Global Practice Council of Ernst & Young. Purisima obtained his Bachelor of Science degree in Commerce Major in Accounting and Financial Institutions from De La Salle University in 1979. He earned his Master of Business Administration degree from Kellogg School of Management, Northwestern University, Illinois in 1983. He was conferred a Knight in the National Order of the Legion of Honour by the French Republic (Chevalier dans l'Ordre National de la Legion d'Honneur) in 2017. In 2016, Purisima was awarded the Order of Lakandula with the rank of Grand Cross (Bayani) for his contributions to the Philippine economy. The Order of Lakandula is one of the highest civilian honors conferred by the President of the Republic of the Philippines and the Chevalier de l'Ordre national du Merite (Knight of the National Order of Merit) by the President of the French Republic in 2001.

Board Committees

The Board of Directors is assisted by following eight committees with delegated functions in accordance to the Corporation's By-Laws. Each committee has a board-approved charter that outlines its powers, duties, and responsibilities. The charter states the committee's composition, powers, duties, and responsibilities. The board may delegate some of its powers, duties, and responsibilities to any of the board committees.

Executive Committee
Jaime Augusto Zobel de Ayala – Chairman
Cezar P. Consing – Member
Bernard Vincent O. Dy – Member
Cesar V. Purisima – Member
Mariana Beatriz Zobel de Ayala – Member
Rex Ma. A. Mendoza – Member

Corporate Governance and Nomination Committee
Daniel Gabriel M. Montecillo - Chairman
Cesar V. Purisima - Member
Rex Ma. A. Mendoza - Member

Personnel and Compensation Committee
Rex Ma. A. Mendoza – Chairman
Cezar P. Consing – Member
Cesar V. Purisima – Member

Related Party Transactions Review Committee
Rex Ma. A. Mendoza – Chairman
Daniel Gabriel M. Montecillo – Member
Surendra M. Menon - Member

Audit Committee
Cesar V. Purisima – Chairman
Rex Ma. A. Mendoza – Member
Daniel Gabriel M. Montecillo – Member

Sustainability Committee
Arturo G. Corpuz – Chairman
Mariana Beatriz Zobel de Ayala – Member
Bernard Vincent O. Dy – Member

Risk Oversight Committee
Surendra M. Menon – Chairman
Cesar V. Purisima – Member
Mariana Beatriz Zobel de Ayala – Member

Inspector of Proxies and Ballots Committee
Solomon M. Hermosura – Chairman
Annabeth R. Bernardo – Member
Ma. Luisa D. Chiong – Member

Management Committee Members / Key Executive Officers

Bernard Vincent O. Dy*	President and Chief Executive Officer
Anna Ma. Margarita B. Dy**	Executive Vice President & Chief Operating Officer
Dante M. Abando	Senior Vice President
Augusto D. Bengzon	Senior Vice President, Chief Finance Officer & Treasurer
Jose Emmanuel H. Jalandoni	Senior Vice President
Robert S. Lao	Senior Vice President
Laurent P. Lamasuta	Senior Vice President
Lyle A. Abadia	Vice President
Amelia Ann T. Alipao	Vice President, Chief Information Officer & Data Protection Officer
Aniceto V. Bisnar, Jr.	Vice President
Ma. Luisa D. Chiong	Vice President & Controller
Raquel S. Cruz	Vice President
Dindo R. Fernando	Vice President
Rufino Hermann S. Gutierrez	Vice President
Javier D. Hernandez	Vice President
Joseph Carmichael Z. Jugo	Vice President
Stephanie J. Lingad	Vice President
Christopher B. Maglanoc	Vice President
Michael F. Magpusao	Vice President
Ferdie M. Mangali	Vice President
Romeo T. Menpin, Jr.	Vice President

Carol T. Mills	Vice President
Rodelito J. Ocampo	Vice President
Mary Grace Santos-Ontiveros***	Vice President
Jose C. Platero, Jr.****	Vice President
Roscoe M. Pineda***	Vice President
Alfonso Javier D. Reyes****	Vice President
Darwin L. Salipsip	Vice President
Ma. Clavel G. Tongco****	Vice President
Jennylle S. Tupaz	Vice President
Richard T. Yap	Vice President
Annabeth R. Bernardo	Chief Audit Executive
Maphilindo S. Tandoc	Assistant Vice President & Chief Risk Officer
Solomon M. Hermosura	Group General Counsel & Corporate Secretary
Ma. Florence Therese dG. Martirez-Cruz*****	Assistant Corporate Secretary/Alternate Compliance Officer for AML

*Member of the Board of Directors
**Effective January 1, 2023 and April 26, 2023
***Effective March 1, 2023
****Effective January 1, 2023
*****Effective April 26, 2023

Anna Ma. Margarita Bautista Dy, Filipino, 53, is the Executive Vice President and Chief Operating Officer effective January 1, 2023 and April 26, 2023, respectively. She was Senior Vice President from January 1, 2015 until December 31, 2022 and a member of the Management Committee of Ayala Land, Inc. (ALI) since August 2008. She is the Head of the Residential Business Group of ALI effective July 1, 2022 and Head of the Malls Group effective January 1, 2023. Her other significant positions are: Chairman of Amaia Southern Properties, Inc., Ayalaland Premier, Inc., Ayala Land International Sales, Inc., Avida Land Corp., Bonifacio Estate Services Corporation, and Solinea, Inc. ; Vice Chairman of Alveo-Federal Land Communities Inc.; Director and Executive Vice President of Bonifacio Land Corporation, AKL Properties, Inc., Avencosouth Corp., and Portico Land, Inc.; Director of Accendo Commercial Corp., Alveo Land Corp., ALI Eton Property Development Corporation, Altaraza Development Corporation, Amaia Land, Inc., Amicassa Process Solutions, Inc., Anvaya Cove Golf and Sports Club, Inc., Aurora Properties, Inc., Avida Sales Corp., Ayala Greenfield Development Corporation, Ayala Property Management Corporation, Ayalaland-Tagle Properties, Inc., BGWest Properties, Inc., BGNorth Properties, Inc., Bellavita Land Corp., Berkshires Holdings, Inc., Buklod Bahayan Realty & Development Corporation, Cagayan de Oro Gateway Corp., Columbus Holdings, Inc., Emerging City Holdings, Inc., CECI Realty, Inc., Fort Bonifacio Development Corporation, Nuevocentro, Inc., Serendra, Inc., and Vesta Properties Holdings, Inc.; and, Trustee and Treasurer of Bonifacio Art Foundation, Inc. Prior to joining ALI, she was a Vice President of Benpres Holdings Corporation. She graduated magna cum laude from Ateneo De Manila University with BS of Arts Degree in Economics Honors Program in 1990. She earned her Master's degree in Economics from London School of Economics and Political Science in 1991 and MBA at Harvard Graduate School of Business Administration in Boston in 1996.

Dante M. Abando, Filipino, 58, is a Senior Vice President and Member of the Management Committee of ALI. He is the President and CEO of Makati Development Corporation. He is also the Chairman of MDC BuildPlus, Inc., MDC Concrete, Inc., MDC Equipment Solutions, Inc. and MDBI Construction Corp., a joint venture of Makati Development Corporation and Bouygues Batiment International. He was the past President and now a Board Member of Alveo Land Corporation. He is currently a Board Member of Avida Land Corporation, Anvaya Cove Golf & Sports Club, Inc., and Serendra, Inc. He was the Chairman and President of the Philippine Constructors Association (PCA) in 2016-2017 and a member of the Board of Trustees of the University of the Philippines Alumni Engineers (UPAE) since 2015-2018. He graduated with a degree in Bachelor of Science in Civil Engineering from the University of the Philippines in 1986 and earned his Master's degree in Business Administration in 1995 from the same university. In 2012, he completed the Executive Program on Real Estate Management at Harvard University Graduate School of Business.

Augusto D. Bengzon, Filipino, 60, joined ALI in December 2004 and currently serves as its Senior Vice President, Chief Finance Officer & Treasurer. He is a Director of AREIT, Inc. and Treasurer of Cebu Holdings Inc. and AyalaLand Logistics Holding Corp., the publicly listed companies under the Ayala Group. His other significant positions include: Chairman of Aprisa Business Process Solutions Inc., Anvaya Cove Golf and Sports Club, Inc. and Anvaya Cove Beach and Nature Club, Inc.; Director and Chief Finance Officer of Altaraza Development Corporation; Director and Treasurer of ALI Eton Property Development Corp., Aurora Properties Inc., AyalaLand-Tagle Properties, Inc., Ceci Realty Inc., Philippine Integrated Energy Solutions Inc. and Vesta Property Holdings Inc.; Director of AG Counselors Corporation, Alviera Country Club Inc., Amicassa Process Solutions, Inc., Makati Development Corp., Northgate Hotel Ventures, Inc., Station Square East Commercial Corp. and Southcrest Hotel Ventures, Inc.; Comptroller of Nuevocentro, Inc.; Treasurer and Chief Finance Officer of Portico Land Corp.; Treasurer of Alabang Commercial Corporation, AKL Properties, Inc., Alveo Land Corp., Amaia Land Corp., Avida Land Corp., AyalaLand Premier Inc., Ayala Property Management Corporation, Bellavita Land Corp., BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Serendra Inc., The Suites at One Bonifacio High Street Condominium Corp. and Hero Foundation, Inc.; Assistant Treasurer of Ayala Greenfield Golf & Leisure Club, Inc. and Ayala Greenfield Development Corporation; Trustee of Philippine National Police Foundation, Inc. He received his Bachelor of Science degree in Business Management from the Ateneo de Manila University and is a graduate of the Philippine Trust Institute. He was granted the Andres K. Roxas scholarship at the Asian Institute of Management where he received his Masters in Business Management degree.

Jose Emmanuel H. Jalandoni, Filipino, 55, is a Senior Vice President and a member of the Management Committee of ALI. He is the Group Head of commercial businesses including malls, offices, hotels, resorts. He is the Chairman of AREIT, Inc. and President and Chief Executive Officer of AyalaLand Logistics Holdings Corporation, publicly listed subsidiaries of ALI. His other significant positions are: Chairman, President and Chief Executive Officer of Northgate Hotel Ventures, Inc. and Southcrest Hotel Ventures, Inc. He is Chairman of the Board of ALI Commercial Center, Inc., ALI Makati Hotel and Residences, Inc., ALI Makati Hotel Property, Inc., ALI Triangle Hotel Ventures, Inc., ARCA South Hotel Ventures, Inc., AsiaTown Hotel Ventures, Inc., AyalaLand Hotels and Resorts Corporation, AyalaLand Medical Facilities Leasing, Inc., AyalaLand Offices, Inc., Bacuit Bay Development Corporation, Bay Area Hotel Ventures, Inc., Bonifacio Hotel Ventures, Inc., Capitol Central Hotel Ventures, Inc., Cebu Insular Hotel Company, Inc., Central Bloc Hotel Ventures, Inc. Chirica Resorts Corporation, Circuit Makati Hotel Ventures, Inc., Direct Power Services, Inc., Ecoholdings Company Inc., Econorth Resort Ventures, Inc., Ecosouth Hotel Ventures, Inc., Enjay Hotels, Inc., Greenhaven Property Ventures, Inc., Integrated Eco-Resort, Inc., Lio Resort Ventures, Inc., Makati North Hotel Ventures, North Liberty Resort Ventures, Inc., North Triangle Hotel Ventures., Inc., One Makati Hotel Ventures, Inc., One Makati Residential Ventures, Inc., Pangulasian Island Resort Corporation, Paragua Eco-Resort Ventures, Inc., Regent Horizons Conservation Company, Inc., Sentera Hotel Ventures, Inc., Sicogon Island Tourism Estate Corporation, Sicogon Town Hotel, Inc., Estate Corporation,Ten Knots Development Corporation, Ten Knots Philippines, Inc., Whiteknight Holdings, Inc. and One Makati Residential Ventures, Inc. He is also Director of the following companies: ALI Capital Corporation, Anvaya Cove Golf and Sports Club, Inc., Ayagold Retailers, Inc., Ayala Hotels, Inc., Ayala Property Management Corporation, Cagayan de Oro Gateway Corporation, Columbus Holdings, Inc., Fort Bonifacio Development Corporation, Lio Tourism Estate Association, Makati Cornerstone Leasing Corporation, Makati Development Corporation, Philippine FamilyMart CVS, Inc., Philippine Integrated Energy Solutions, Inc., SIAL CVS, Inc., SIAL Specialty Retailing, Inc., AirSWIFT Transport, Inc., DirectPower Services, Inc., AyalaLand Medical Facilities, Inc., WhiteKnight Holdings, Inc., Station Square East Commercial Corporation. He joined ALI in 1996 and held various positions in the Company. He graduated with a degree of Bachelor of Science in Legal Management from Ateneo de Manila University. He earned his Master's Degree in Business Administration from Asian Institute of Management. He is a Chartered Financial Analyst.

Laurent P. Lamasuta, Filipino, 56, was designated as Senior Vice President of ALI since 2021 and is currently the President and Chief Executive Officer of Ayala Property Management Corporation (APMC) and the Chairman and President of Prime Support Services, Inc. Prior to joining APMC, he was President and CEO of Ten Knots Development Corporation, developer, operator and manager of El Nido Resorts comprising of four eco-tourism island resorts in Palawan. Mr. Lamasuta has had several posts with the international luxury hotel industry with stints in independent top properties like The Ritz in Paris, the Dorchester in London, The Manila Hotel in Manila as well as international brands like Intercontinental Hotels, Ritz-Carlton Hotels and Le Meridien Hotels. . Previously he was a Senior

Advisor of Ayala Land for member and customer relations of its Residential Business Group. He joined Ayala Land in 2005 to open Ayala Greenfield Golf and Leisure Club, Inc. and Anvaya Cove Beach and Nature Club. He graduated from Collège “La Rostagne,” in Antibes, France, and further gained a degree in tourism and hotel management in 1985 with the following qualifications: Certificat d’Aptitude Professionnelle (C.A.P.), Brevet d’Enseignement Professionel (B.E.P.), and Brevet de Technicien Hôtelier (B.T.H.) from the Lycée d’Hôtellerie et de Tourisme, in Nice, France. He is a recipient of the Hotel and Catering International Management Association (HCIMA) Certificate and License in Hotel Management given by the Westminster College in London, England.

Robert S. Lao, Filipino, 48, has been Senior Vice President of ALI and a member of the Management Committee of Ayala Land, Inc. since April 19, 2017. He is also the Group Head of Ayala Land’s Estates Group and Central Land Acquisition Unit. He is concurrently the President and director of Accendo Commercial Corp., ALI ETON Property Development Corporation, Altaraza Development Corporation, AKL Properties Inc., Amaia Southern Properties, Inc., Aurora Properties Incorporated, Aviana Development Corp., CECI Realty Inc., and Nuevocentro, Inc.; Chairman of the Board and President of Adauge Commercial Corporation and Bonifacio Global City Estate Association Inc.; Chairman of the Board of Alagang Ayala Land Foundation Inc., Altaraza Prime Realty Corporation, Amicassa Process Solutions, Inc., Amorsedia Development Corporation, Arca South Integrated Terminal, Inc., AyalaLand Estates, Inc., Buendia Landholdings, Inc., Crans Montana Property Holdings Corporation, Crimson Field Enterprises, Inc., HLC Development Corporation, Red Creek Properties, Incorporated, and Lagdigan Land Corporation; Vice Chairman and President of Vesta Property Holdings, Inc.; Director and Executive Vice President of Fort Bonifacio Development Corporation; and, Director of Alveo-Federal Land Communities Inc., Alveo Land Corp., Amaia Land Corp., Avida Land Corp., Ayala Greenfield Development Corporation, Ayala Land International Sales, Inc., AyalaLand Premier, Inc., Ayala Property Management Corporation, Bellavita Land Corp., Berkshires Holdings, Inc., Cagayan de Oro Gateway Corp., Columbus Holdings Inc., Emerging City Holdings, Inc., Portico Land Corp., Serendra, Inc., Solinea, Inc., and Soltea Commercial Corp. Prior to joining Ayala Land, Inc., he served as a Senior Process Engineer of Fujitsu Computer Products Corporation of the Philippines (FCPP) and Lead Process Engineer of PT. Quantum Electronics in Indonesia. He studied at the University of Santo Tomas (UST) and graduated cum laude in Bachelor of Science in Industrial Engineering in 1995. He completed his Master’s in Business Management (MBM) degree in 2001 from the Asian Institute of Management (AIM) and attended the International Student Exchange Program from University of Cologne in Germany.

Lyle A. Abadia, Filipino, 65, has served as Vice President of ALI since November 2016. Currently, he is the Head of Special Projects reporting to the Office of the President of ALI. Likewise, he is a Director of ALI’s wholly-owned Subsidiary, Amicassa Process Solutions, Inc. Prior to joining Ayala Land, Inc. in 2004, he held various executive positions in two (2) ALI’s subsidiaries, commencing in 1982 under Ayala Theatres Management, Inc. and moved to join Laguna Technopark, Inc. in 1991 as one of the pioneering executive officers who crafted the successful transformation of the 650 hectares former sugarcane plantation into what is now known as one of the word- class industrial estates in the country. He likewise set up BellaVita Land Corporation, a socialized housing arm of ALI, and took the helm as President from 2011 to 2017. Mr. Abadia holds a degree in Bachelor of Science in Commerce, Major in Accounting at the Colegio De San Jose – Recoletos. He completed a Basic Management Program at the Asian Institute of Management and in-house program for Harvard Leadership Acceleration Program.

Amelia Ann T. Alipao, Filipino, 60, is currently Vice President and Chief Information Officer of ALI. She is also the Group Data Protection Officer for ALI Group of Companies and presently a member of the Data Privacy Council for Real Estate of the National Privacy Commission. She is a Director of APRISA Business Process Solutions, Inc. and HCX Technology Partners Inc. She is currently a member of the ALI Corporate Bidding Committee. She previously occupied this role in 2009-2011 and acted as Chairperson. Before joining ALI, she took on dual roles in SAP Philippines as Account Manager, handling government accounts, and project manager for SAP Implementation. She served as Assistant Vice President in Coca-Cola Bottlers Philippines, Inc., where she held various IT systems implementation projects. She started her IT career as an IT Instructor in I/Act of SyCip Gorres Velayo & Co. She holds a Bachelor of Arts in Biology and a Bachelor of Science in Business Management from De La Salle University.

Aniceto V. Bisnar, Jr., Filipino, 58, serves as Vice President of ALI since January 2009. He is a Board of Director and General Manager of Prime Support Services under Ayala Property Management

Corporation. He had served as SVP & Chief Operating Officer of Ortigas Land Corporation in 2020. He has 31 years of experience in the real estate industry and has held various positions and responsibilities over the years. He was President of Cebu Holdings, Inc and Cebu Property Ventures & Dev't Corp and was COO of the Visayas and Mindanao Group of ALI from 2015 to 2020, where he led the ALI-SM consortium in winning the ₱10 Billion bid for the 26 hectares SRP in Cebu and eventually launching it as the South Coast City; launched the Azuela Cove in Davao; Gatewalk Central in Mandaue City; Seagrove in Mactan; and Habini Bay in Laguindingan, Misamis Oriental. From 2008 to 2014, he was the SVP and General Manager of CECI Realty, Aurora Properties, Vesta Properties, Inc of NUVALI and Vice-President, Strategic Landbank Management Group, Ayala Land, where he also led the planning and launch of the 74-hectares ARCA South in Taguig. He had joined ALI in 1994 as Operations Manager of NUVALI and started its master planning and development as the country's first and largest eco-city development built on the principles of sustainable design. After leading the launching and development of Cebu I.T. Park, he rose from Division Manager to Asst.Vice-President in the Land and Community Dev't Group of ALI from 1996 to 2004, leading the planning and launching of the developments of Ayala Westgrove Heights, Ayala Greenfield Estates, and others, until he was designated as Head of Commercial Operations of Fort Bonifacio Dev't Corp from 2004 to 2008 and was tasked to re-masterplan and manage the transformation of Bonifacio Global City. His other significant positions were as follows: Chairman of Adauge Commercial Corp., Central Block Developers, Inc. and Amaia Southern Properties, Inc.; Chairman and President of North Point Estate Association, Inc., Asian I-Office Properties, Inc., Cebu Leisure Company, Inc., Cebu Business Park Association, Inc. and Asia Town I.T. Park Association, Inc.; and Vice Chairman of Avenco South Corporation. He is the President of Aviana Development Corporation and Lagdigan Land Corporation. He was also the Vice President of Solinea, Inc., Director of Accendo Commercial Corporation, Cebu District Property Enterprise, Inc., Cagayan de Oro Gateway Corp., Taft Punta Engaño Property, Inc., and a Member of the Board of Trustee of Hero Foundation, Inc. He earned his Bachelor of Science Degree at the Philippine Military Academy in 1985, and his Master in Business Management Degree at the Asian Institute of Management in 1989.

Ma. Luisa D. Chiong, Filipino, 50, is currently a Vice President and the Controller of Ayala Land, Inc. Her other significant positions include: Chairman of AREIT Fund Managers Inc.; Director & President of Aprisa Business Process Solutions, Inc.; Director of Amaia Southern Properties, Inc., Bellavita Land Corp. and North Triangle Depot Commercial Corporation; Treasurer of Ayala Land Sales Inc., Ayala Land International Sales Inc. and Avida Sales Corp.; She completed the academic requirements for a Master in Business Administration degree from De La Salle University in 1998 and obtained her Bachelor of Science in Commerce Major in Accounting degree from the same university in 1991. She is a Certified Public Accountant, garnering 5th place in the May 1992 CPA Board Examinations and is a member of the Philippine Institute of Certified Public Accountants (PICPA).

Raquel S. Cruz, Filipino, 56, is a Vice President of ALI effective January 1, 2022. She has been with Ayala Land, Inc. group for 18 years. She currently holds the following positions: Concurrent President of Avida Land Corp., Amaia Land Corp., and Bellavita Corp., Chairman of Amicassa Process Solutions, Inc. and of Avida Sales Corp., Chairman and President of Buklod Bahayan Realty Development Corporation, and Director of San Rafael Estate Association, Inc. She holds a Bachelor of Arts degree in Economics from the University of the Philippines in 1987.

Dindo R. Fernando, Filipino, 54, has been Vice President of Ayala Land, Inc. since April 2017. He currently heads the Company's External Affairs Division. Moreover, he is the Treasurer of Anvaya Beach and Nature Club, Board Member of the Makati Parking Authority, Vice President of the Laguna Chamber of Commerce and Industry, Corporate Secretary of Santa Rosa (Laguna) Business Club, Board Member of the Calamba City Business Club and Secretary of Avida Towers Makati West Condominium Corporation. Prior to joining ALI, he was Head of Political Research at the Makati Business Club where he oversaw congressional research, analysis and publication. He graduated with a degree in AB Political Science from the Lyceum of the Philippines in 1989.

Rufino Hermann S. Gutierrez, Filipino, 49, is a Vice President of ALI effective January 1, 2020, and is currently the Chief Operating Officer of Alveo Land Corp. He is concurrently President of Alveo Federal Land Communities, Inc. and Solinea, Inc. Furthermore, he is currently the Vice Chairman of Ayala Land International Sales, Inc. and a Director of Amicassa Process Solutions, Inc. He is also part of Portico Land Corp.'s Executive Committee. In his almost 20 years in the company, he has handled and led various functions in residential, commercial, office and leisure development, such as project development, business development, sales, marketing and human resources management. He graduated from the De La Salle University with a degree in BS Industrial Engineering with minor in Mechanical Engineering in 1994 and completed his MBA from the Asian Institute of Management in 2000. He completed the Advanced Management Program from the National University of Singapore in 2016. He is also a licensed Real Estate Broker.

Javier D. Hernandez*,* Filipino, 53, has been Vice President of ALI since April 2017. He is now the President & CEO of AyalaLand Hotels & Resorts Corporation concurrent to his present role as President of the Ten Knots Group - Ten Knots Philippines, Inc., Bacuit Bay Development Corporation, Ecoholdings Company, Inc., Regent Horizons Conservation Company, Inc., Lio Tourism Estate Management Corp., Ten Knots Development Corp., Chirica Resorts Corporation, Pangulasian Island Resort Corp., Lio Resort Ventures, Inc., North Liberty Resort Ventures, Inc. and Paragua Eco-Resort Ventures, Inc. He is responsible for the overall management of all Seda properties, El Nido Resorts and LIO Estate in El Nido, Palawan. President and Chief Executive Officer of Sicogon Island Tourism Estate Corp.; The Director and Treasurer of El Nido Foundation; Director of Alabang Commercial Corporation. A Board Member of Airswift Airlines Philippines and Chief Executive Officer for Turista.ph. He has worked for Ayala[7] Land for 29 years, spending seven years with Ayala Malls, four years with the Sales and Marketing Group, thereafter rejoining Ayala Malls for another 13 years before transferring to AyalaLand Hotels and Resorts mid-2016. He graduated with a Bachelor's Degree in Business Administration from the San Francisco State University.

Joseph Carmichael Z. Jugo, Filipino, 48, is a Vice President of Ayala Land, Inc. He is concurrently President & Director of Ayalaland Premier, Inc., Alveo Land Corp., BGWest Properties Inc., and BGSouth Properties, Inc.; Chairman & President of Roxas Land Corp., OLC Development Corp., Southportal Properties, Inc.; Garden Towers Condo Corp., & Serendra, Inc.; Chairman of Ayala Hotels Inc., Ayala Land Sales, Inc., Ayala Land Club Management, Inc., Collines Du Capitole Clubholdings, Inc., Verde Golf Development Corp., Anvaya Environmental Foundation, Inc.; President of Ayala Tagle Properties, Inc.; President & Chief Executive Officer of Ayala Greenfield Development Corp., Ayala Greenfield Golf & Leisure Club, Inc.; President of Anvaya Cove Golf & Sports Club, Inc.; Vice President of Anvaya Cove Beach & Nature Club, Inc.; Director of Amicassa Process Solutions, Inc.; Ayala Center Estate Association, and Algofil Inc. In his 20 years in the company, he has been a part of and handled various business lines including business development for the retail and malls group, project development for the residential business group, project development for the leisure group and sales for the local and international markets. He graduated from the Ateneo de Manila with a degree in Management Economics in 1997 and completed his MBM from the Asian Institute of Management (with Distinction) in 2002. He attended the International Graduate Student Exchange Program at the Tuck School of Business, Dartmouth College in 2002 and completed the INSEAD Asian International Executive Programme (AIEP) in 2015.

Stephanie J. Lingad, Filipino, 53, is a Vice President of ALI. She has been with Ayala Land, Inc. group for 19 years. She is currently the Chief Operating Officer of Amaia Land Corp., and a Director of Amaia Land Corp and Amaia Southern Properties, Inc. Previously, she was the Head of Project Strategic Management Group of Amaia Land and was Division Manager at the Strategic Landbank Management Group and Corporate Planning Group of Ayala Land, Inc. She obtained a Bachelor of Science degree in Management (Honors) from the Ateneo de Manila University in 1991 and a Masters in Business Administration degree from the Wharton School of the University of Pennsylvania in 1997.

Christopher B. Maglanoc, Filipino, 52, is a Vice President of ALI since April 2013. He is the President of Ayala Land Malls, Inc and Chairman of various companies under the Malls Group of ALI. Prior to this, he was the President of Avida Land Corporation. He was Chief Operating Officer and Head of Project and Strategic Management in Avida Land before he was elected as President of the Company on January 1, 2012. Prior to his stint in Avida in 2004, he occupied Management positions in various business units in ALI (i.e. Commercial Centers, Corporate Planning, and Alveo Land, Inc.). His other significant positions are Chairman of Avida Sales Corp.; President of Avencosouth Corp.; and Director of AmicaSSA Process Solutions, Inc., BellaVita, Blue Horizons Holdings Pte Ltd., and BGNorth Properties, Inc. He graduated from UP Los Baños with degrees in BA Sociology and BS Economics in 1990 and 1992, respectively. He finished his MBA from the Asian Institute of Management and attended the International Student Exchange Program in Copenhagen Business School in Denmark in 1997.

Michael F. Magpusao, Filipino, 49, was appointed Vice President and Chief Engineer of Ayala Land, Inc. in 2019, concurrently serves as the Chief Operating Officer and Corporate Chief Engineer of Ayala Property Management Corporation (APMC) and the President of Philippine Integrated Energy Solutions, Inc. (PhilEnergy). He is also a currently Professor of the Mechanical Engineering Department at the Mapua University, a position he has held since 1996. He is also the APMC's Corporate Safety Officer, Corporate Professional Mechanical Engineer, Corporate Energy Manager. He is a Professional Mechanical Engineer since 2001, a licensed OSH Consultant as certified by the Department of Labor and Employment, Energy Manager and Energy Auditor as certified by the Department of Energy and Pollution Control Officer as certified by the Department of Environment and Natural Resources. Mr. Magpusao has over 26 years of industry experience and has held the following positions prior to his appointment: Executive Director and Head of Global Real Estate of JP Morgan Chase & Co.(Philippine Branch) from 2010 to 2016; Vice President and Corporate Realty Services Asset Manager of Citibank, N.A. (Manila Branch) from 2004 to 2010; Property Manager, Technical Support Group Manager and Project Manager of APMC from 1996 to 2004; and Operation Engineer of Procter and Gamble Philippines from 1995 to 1996. He earned his Bachelor of Science Degrees in Mechanical Engineering and Electrical Engineering both from the Mapua Institute of Technology in 1995 and 2001, respectively. He also has a Post Baccalaureate Diploma in Fire Safety Technology from the University of Makati in 2004.

Ferdie M. Mangali, 53, Filipino, is a Vice President of ALI effective January 1, 2020. He is currently Chairman of the ALI Ethics Committee. He heads the Corporate Resource and Services Group of Makati Development Corporation since May 2013 and concurrently acting as Head of Corporate Labor Relations for the Ayala Land Group. He is a member of the Board of MDC Equipment Solutions Inc. and a former member of the Board of Trustees of the Philippine Constructors Association from 2020 to 2022. He is the former Head of the Corporate Human Resources, Customer Care and Product delivery Group of Avida Land Corporation, Business Group HR Head of the Ayala Land Commercial and Residential Group, HR Head of Amicassa Process Solutions, Inc., Amaia Land Corp., and BelaVita Land Corp. Prior to ALI, he was the Employee and Labor Relations Manager of Pfizer Inc., HR Manager of Warner Lambert Inc., Business Group HR Officer of Intel Philippines and Manufacturing Plant HR Officer of Matsushita Electric Philippines Corporation (PANASONIC Philippines). He has a total of 33 years of experience in Human Resource Management, Labor Relations and Organizational Development. He graduated from Polytechnic University of the Philippines with a degree in Bachelor in Human Behavior Technology major in Clinical Psychology and finished his Master's Degree in Labor and industrial Relations from the University of the Philippines, Diliman.

Romeo T. Menpin, Jr., Filipino, 53, is a Vice President of ALI since January 2014. He is currently the Head of the Construction Methods and Support Group of Makati Development Corporation (MDC). He is also currently the President of MDC Equipment Solutions, Inc., MDC ConQrete, Inc. and MDC Subic, Inc. Before joining MDC, he was a Director, President and Chief Operating Officer of Ayala Property Management Corporation (APMC) and also the President of PhilEnergy. He joined ALI in May 2008 from Kuok Group of Companies where he was a Vice President and Head of Mall Operations of Shangri-la Plaza Corporation. Prior to this, he also held various management positions from APMC and Laguna Technopark, Inc. He graduated with a degree of Bachelor of Science in Mechanical Engineering from Mapua Institute of Technology and completed units in Masters in Business Administration from De La Salle University in 2001.

Carol T. Mills, Filipino, 50, has served as Vice President of ALI since November 2016. She is President and Chief Executive Officer of AREIT, Inc., the first Real Estate Investment Trust (REIT) listed in the Philippine Stock Exchange in August 2020. She is also the President & CEO of Ayala Land Offices, Inc., the leasing and development arm of Ayala Land Inc. with over 1.4 Million square meters of leasable space and 73 buildings nationwide. Concurrently, she is Chairman and President of various Ayala Land Offices subsidiaries namely UP North Property Holdings, Inc., First Gateway Real Estate Corp., ALO Prime Realty Corp., Glensworth Development Inc., Hillsford Property Corp., and Sunnyfield E-Office Corp.; President of North Eastern Commercial Corp. and Makati Cornerstone Leasing Corp as well as Director of ALI Capital Corp., Direct Power Services, Inc. and Central Block Developers Inc. She joined ALI in 1993 and prior to her current position, she was Deputy Head of Business Development for Ayala Malls from 2008 to 2013, General Manager for Alabang Town Center from 2004 to 2008, and Operations Manager for Glorietta from 2000 to 2004. She graduated Magna Cum Laude from the University of the Philippines in 1993 with a Bachelor of Science degree in Business Administration and earned her Masters in Business Administration from the Amos Tuck School of Business, Dartmouth

College in New Hampshire, USA in 1998.

Rodelito J. Ocampo, Filipino, 59, is a Vice President of ALI since December 2010. He is currently Makati Development Corporation's (MDC's) Head of Construction Operations Group 1 and the President of MDC BuildPlus, Inc. Before his MDC assignment, he served as Technical Services Head of Avida Land Corp. and Alveo Land Corp., wholly-owned Subsidiaries of ALI, and Head of the Construction Management of ALI Residential Buildings. Prior to joining ALI, he was employed by a construction firm where he held various engineering and project management positions for a period of 10 years. He is a licensed Civil Engineer. He graduated from Mapua Institute of Technology with a degree in BS Civil Engineering in 1983. He also took Management Development Program in 2006 and Construction Management Course in 1994 at Asian Institute of Management. In 2016, he completed the Strategic Business Economics Program (SBEP) at the University of Asia and The Pacific.

Mary Grace Santos-Ontiveros, 44, Filipino, is a Digital Transformation Head and Vice President of Ayala Land, Inc. effective March 1, 2023. Ms. Santos-Ontiveros was the Head of Industry for Consumer Packaged Goods, Retail, Healthcare: Large Customers of Google Philippines, and the Global Marketing Manager, Citra Skin Care Portfolio of Unilever. She is a Board member of Internet Marketing Mobile Association of the Philippines and a Founding Member of its Digital Committee. She graduated from the Ateneo de Manila University in 2000 with a degree in BS Legal Management.

Roscoe M. Pineda, 50, Filipino, is a Vice President and an Information Technology Director at the Residential Business Group of Ayala Land, Inc. effective March 1, 2023. Mr. Pineda headed the Service Center Lead Technology of ANZ Global Services and Operations in Manila. He was the Chief Shared Services Officer of the Asia Service Centre of Sun Life of Canada, Philippines, and was the Head of Systems, Quality Management, Global Migration of CHARTIS Technology and Operations Management Corp. – AIG Shares Services. He is a member of the Board of Trustees of Global In house Centers Council of the Philippines, a Certified Project Management Profession of PMI.org, and a company delegate and representative in IT & Business Process Association of the Philippines and Contact Center Association of the Philippines. Mr. Pineda has a Bachelor's Degree in Mathematics, Major in Computer Science from the University of Santo Tomas.

Jose C. Platero, Jr., Filipino, 56, is the Head of Corporate Finance and Procurement Group of Makati Development Corporation. He was appointed as Vice President of Ayala Land in November 2022, effective January 2023. He is the Director of MDC Conqrete, Inc. and MDC Equipment Solutions, Inc.; Director, Treasurer and Chief Finance Officer of Makati Development Corporation and MDC Buildplus, Inc.; and Director and Treasurer of Amaia Southern Properties, Inc. and MDBI Construction Corp. He obtained a Bachelor of Science degree in Business Administration Major in Accounting from Philippine School of Business Administration in 1988.

Alfonso Javier D. Reyes, Filipino, 53, is the Chief Operating Officer of Fort Bonifacio Development Corporation. He was appointed as Vice President of Ayala Land in November 2022, effective January 2023. He is the President of ALI Capital Corporation, and the Chairman, President and Chief Executive Officer of DirectPower Services, Inc. and Airswift Transport, Inc.; Director and President of WhiteKnight Holdings, Inc. and AyalaLand Medical Facilities Leasing, Inc.; Director of Bonifacio Water Corporation, Bonifacio Transport Corporation, Bonifacio Gas Corporation, Bonifacio Estate Services Corporation, Crescent West Development Corporation, Capital Consortium, Inc., SIAL CVS Retailers, Inc. and SIAL Specialty Retailers, Inc.; and Trustee of Bonifacio Global City Estate Association, Inc. and President and Trustee of Fort Bonifacio Development Foundation, Inc. He graduated cum laude from the University of the Philippines with BS Industrial Engineering degree in 1992 and a Masters in Finance degree from London Business School in 2000.

Darwin L. Salipsip, Filipino, 50 is a Vice President of ALI and is currently the Head of Construction Operations Group 3 of Makati Development Corporation (MDC). He is likewise the President of MDBI, a joint venture partnership between MDC and Bouygues Batiment International (BBI). In his more than 20 years with the Company, he has been part of the various business lines of residential and commercial businesses as Construction Management Manager. Prior to his current role, he served as MDC's Construction Management Group Head and Commercial Group Head. He graduated with honors (cum laude) from the University of the Philippines with a Bachelor's degree in Civil Engineering in 1993 and completed his Masters of Engineering from Massachusetts Institute of Technology in 1997. He is a licensed Civil Engineer, ranked Top 2 when he took the National Licensure Examination for Civil

Engineers.

Maria Clavel G. Tongco, Filipino, 55, is the Head of Ayala Malls Operations Group. She was appointed as Vice President of Ayala Land in November 2022, effective January 2023. Her other significant positions are: Director of South Innovative Theater Management Inc., Station Square East Commercial Corp., North Triangle Depot Commercial Corp., Lagoon Development Corporation, North Beacon Commercial Corporation, Subic Bay Town Center Inc., Cavite Commercial Towncenter Inc., North Ventures Commercial Corp., Soltea Commercial Corp., Arvo Commercial Corporation, Primavera Towncentre Inc., Capitol Central Commercial Ventures Corp., North Eastern Commercial Corp. and AyalaLand Malls Vismin, Inc. She holds a Bachelor of Science degree in Commerce Major in Accounting at University of San Jose Recoletos in 1986. Ms. Tongco is a Certified Public Accountant.

Jennylle S. Tupaz, Filipino, 49, is Vice President of ALI and Estate Development Head. Prior to this post she was the President of Ayala Land Malls, Inc. Before joining the commercial business of ALI in 2018, she was involved in the residential development business for over 21 years. She was president of Alveo Land Corp. where she spent 11 years leading project development. She held earlier positions in Avida and the then Leisure & Lifestyle Communities Group of ALI. Currently, she is Director and President of Lagdigan Land Corporation; Director and General Manager of Accendo Commercial Corp. and Cagayan De Oro Gateway Corp.; General Manager of Aviana Development Corporation; Director of Taft Punta Engaño Property Inc.; Director of the Alviera Country Club, Inc.; Trustee, Vice Chairman and Vice President of Abreeza Central Estate Association, Inc.; Chairman of the Cebu Business Park and Cebu IT Park Estate Associations; and President of San Rafael Estates Association, Inc. She is also a member of the Board of Trustees of Miriam College. She holds a Bachelor of Science degree in Statistics from the University of the Philippines, and a Master’s Degree in Business Administration from the University of Chicago Booth School of Business.

Richard T. Yap, Filipino, 54, is a Vice President of ALI effective January 1, 2022. He has been with Ayala Land, Inc. group for 29 years. He is the Group Head of Construction Management, a member of the Management Committee of Makati Development Corporation, and a director of MDC Buildplus, Inc. He holds a Bachelor of Science degree in Civil Engineering at the University of the Philippines in 1990 and obtained a Master’s Degree in Business Administration from De La Salle University in 1997.

Annabeth R. Bernardo, Filipino, 40, was appointed as Chief Audit Executive of ALI effective January 2021. Prior to this position she was the Head of Control & Analysis handling management reports and financial analyses of Makati Development Corporation (MDC), a wholly-owned Subsidiary of ALI. She also served as its Head of Internal Audit and as Chief Finance Officer of one of MDC’s Construction Divisions. She was the Internal Audit Manager of ALI prior to her secondment to MDC. She is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certification in Control Self-Assessment (CCSA) holder, and a member of the Institute of Internal Auditors Philippines (IIAP). She holds a Bachelor of Science degree in Business Administration and Accountancy, Cum Laude, from the University of the Philippines and was awarded with the Certificate of Honor for being part of the Top 25 successful CIA examinees worldwide back in 2007.

Solomon M. Hermosura, Filipino, 60, has served as the Corporate Secretary of the Company since April 2011 and the Group General Counsel of the Company since April 2014. He is a Managing Director of Ayala Corporation and a member of its Management Committee since 2009 and the Ayala Group Management Committee since 2010. He is the Group Head of Corporate Governance, Chief Legal Officer, Compliance Officer, Corporate Secretary and Data Protection Officer of Ayala Corporation. He is the CEO of Ayala Group Legal. He also serves as Corporate Secretary of Globe Telecom, Inc., Manila Water Company, Inc., Integrated Micro-Electronics, Inc., Ayala Foundation, Inc., AREIT, Inc. and AC Energy Corporation (formerly AC Energy Philippines, Inc.). He also serves as a Corporate Secretary and a member of the Board of Directors of a number of companies in the Ayala Group. Mr. Hermosura is currently a member of the faculty of the College of Law of San Beda University. He graduated valedictorian with a Bachelor of Laws degree from San Beda College in 1986 and placed third in the 1986 Bar Examination.

Maphilindo S. Tandoc, 59, is currently Ayala Land’s Assistant Vice President and Chief Risk Officer under the office of the Chief Finance Officer. He started his career as a registered mechanical engineer and was first engaged in the contracting industry in 1986 at Koldwinds Systems Inc. (KSI), a company specializing in industrial heating, ventilating, air-conditioning and refrigerating (HVACR) systems where he handled installation, retrofit and maintenance projects. He joined PLDT Co., in 1989 as a Safety Engineer and eventually managed PLDT's Corporate Safety, Security and Environmental Management Divisions. In 2000, he was promoted as corporate Risk Manager, a role he performed up to 2004. From 2004 to 2006, he worked for Asian Terminals, Inc. (ATI), then P&O Ports Australian subsidiary, as Risk and Insurance Management Officer. In March 2006 joined Ayala Land, Inc. (ALI) as the company's Risk Insurance Manager. He was promoted in 2012 to be the Company's Chief Risk Officer (CRO) managing enterprise-wide risk programs. He functionally reports directly to the company's Board Risk Oversight Committee and as a Senior Division Head under the Finance Group, he administratively reports to the Chief Finance Officer. Aside from handling enterprise-wide risk management programs, he is also managing on concurrent basis the company's vast portfolio of insurance programs and is designated as the corporate Safety Officer of the company. He is a DOLE accredited occupational safety and health consultant and was one of the founding members of the Association of Safety Practitioners of the Phils., Inc. (ASPPI) in 1999 where he eventually became the Chairman until he exited in 2008. He is currently a Board Director of the Safety Organization of the Phils., Inc. (SOPI) and CRO of both ALI and AREIT.

Ma. Florence Therese dG. Martirez-Cruz, 37**,** is the newly appointed Assistant Corporate Secretary of the Corporation. She is also the Alternate Compliance Officer for AML. Concurrently, she is the Corporate Secretary of AREIT Fund Manager and Assistant Corporate Secretary of AREIT, Inc. She also serves as the Head of Legal of AyalaLand Offices, Inc. and AREIT. She is also the lead lawyer for Ayala Land's Commercial Business Group and Banking, Finance, Securities and Special Projects group. Prior to joining AyalaLand Offices, Inc. in 2021, she was a Senior Counsel for AG Counselors Corporation, a role she has held since 2019, and Counsel from 2016 to 2019. Prior to joining the ALI Group, she worked as an associate lawyer at the Leynes Lozada-Marquez Law Offices. She also has previously worked as a legal consultant in the Office of Senator Maria Lourdes Binay. Ms. Martirez-Cruz holds a Bachelor of Arts degree in Public Administration from the University of the Philippines (Diliman) – National College of Public Administration and Governance. She obtained her Juris Doctor in 2011 from the University of the Philippines College of Law. She finished the Program on Negotiation and Leadership at Harvard Law School in 2019.

Significant Employees

The Company considers its human resources working as a team as a key element for its continued success. Moreover, the Company has no employee and non-executive officer who is expected to make individually on his own a significant contribution to the business.

Family Relationships

Ms. Mariana Beatriz Zobel de Ayala, director, is the daughter of Jaime Augusto Zobel de Ayala, the Chairman. Jaime Augusto Zobel de Ayala and Fernando Zobel de Ayala, one of the advisors to the Board, are brothers. Ms. Mariana Beatriz Zobel de Ayala is the niece of Fernando Zobel de Ayala.

Except for the foregoing, there are no known family relationships between the current members of the Board and key officers.

Involvement in Certain Legal Proceedings (over the past 5 years)

None of the Directors or Executive Officers is involved in any material pending legal proceedings in any court or administrative agency of the government.

EXECUTIVE COMPENSATION

This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Prospectus carefully, including the section entitled "Risk Factors and Other Considerations," and the audited consolidated financial statements and the related notes to those statements included in this Prospectus.

Directors. Article IV Section 17 of the Company's By-Laws provides:

"Section 17 – Each director of the Corporation shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for his services as director. The Board of Directors shall have the sole authority to determine the amount, form, and structure of the fees and other compensation of directors. In no case shall the total yearly compensation of directors exceed one percent (1%) of the net income before income tax of the Corporation during the preceding year.

The compensation and remuneration committee of the Board of Directors shall have the responsibility for recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay directors for work required in a Company of the Corporation's size and scope." (As Amended April 13, 2011.)

During the 2011 annual stockholders' meeting, the stockholders ratified the resolution increasing the remuneration of non-executive directors as follows:

	From	To
Retainer Fee:	₱500,000	₱1,000,000
Board Meeting Fee per meeting attended:	₱100,000	₱200,000
Committee Meeting Fee per meeting attended:	₱20,000	₱100,000

None of the directors, in their personal capacity, has been contracted and compensated by the Company for services other than those provided as a director.

The Company has no other arrangement with regard to the remuneration of its directors and officers aside from the compensation received as herein stated.

Officers. The Company adopts a performance-based compensation scheme. The total annual compensation of the President and top four (4) highly compensated executives amounted to ₱228.9 Million in 2022 and ₱205.05 Million in 2021. The projected total annual compensation for 2023 is ₱250.0 Million.

Total compensation paid to all senior personnel from Manager and up amounted to ₱1,021.0 Million in 2022, and ₱910.6 Million in 2021. The projected total annual compensation for the current year is ₱1,040.0 Million.

Name and Principal Position	Year	Salary	Other Variable Pay
Bernard Vincent O. Dy* President & CEO Dante M. Abando Senior Vice President Anna Ma. Margarita B. Dy Senior Vice President Jose Emmanuel H. Jalandoni Senior Vice President			

Augusto D. Bengzon Senior Vice President			
CEO & Most Highly Compensated Executive Officers	Actual 2019	₱135.03M	**₱103.69M
	Actual 2020	₱140.30M	**₱99.70M
	Actual 2021	₱140.90M	**₱64.60M
	Actual 2022	₱149.70M	**₱79.20M
	Projected 2023	₱162.00M	**₱88.00M
All other officers*** as a group unnamed	Actual 2019	₱716.49M	**₱360.42M
	Actual 2020	₱722.28M	**₱376.60M
	Actual 2021	₱735.70M	**₱174.90M
	Actual 2022	₱746.10M	**₱274.90M
	Projected 2023	₱750.00M	**₱290.00M
** Compensation includes full year effect of CEO and market adjustments to selected officers for retention purposes.* *** Exclusive of Stock Option exercise.* **** Managers and up*			

The total annual compensation paid to all senior personnel from Manager and up was all paid in cash. The total annual compensation includes the basic salary and other variable pay (guaranteed bonus and performance bonus).

The Company has no other arrangement with regard to the remuneration of its existing directors and officers aside from the compensation received as herein stated.

Each executive officer executed an employment contract with the Company for an indefinite period (the terms and conditions of which are in accordance with existing laws) and is entitled to receive retirement benefits in accordance with the terms and conditions of the Company's BIR-registered Employees' Retirement Fund. There is no plan or arrangement by which the Executive Officers will receive from the Company any form of compensation in case of a change in control of the Company or change in the officers' responsibilities following such change in control.

Options Outstanding

Since 1998, the Company has offered its officers options to acquire common shares under its ESOP. There were no ESOP shares available as of December 31, 2022.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN RECORD AND BENEFICIAL OWNERS

Security Ownership of Certain Record and Beneficial Owners of more than 5% as of April 30, 2023

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (of outstanding shares)
Common	Ayala Corporation[1] 32F to 35F, Tower One Ayala Triangle Ayala Ave., Makati City	Ayala Corporation[2]	Filipino	7,622,336,690	27.7908%
Preferred				12,163,180,640	44.3466%
Common	PCD Nominee Corporation (Non-Filipino)[3] G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers[4]	Various Non-Filipino	3,877,134,144	14.1359%
Common	PCD Nominee Corporation (Filipino)[3] G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers	Filipino	3,141,742,370	11.4547%

[1] *Ayala Corporation ("**AC**") is the parent of the Company.*
[2] *The AC Board has the power to decide how AC's shares are to be voted.*
[3] *PCD Nominee Corporation is not related to the Company.*
[4] *Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. The beneficial owner, with certification of ownership of shares from the PCD Participant, has the power to vote either in person or by proxy. Out of the 7,018,876,514 common shares registered in the name of PCD Nominee Corporation, 1,518,908,783 or 5.5379% of the voting stock is for the account of Standard Chartered Bank (SCB). The Company did not receive any report from SCB or any of its customers stating that they beneficially own more than 5% of the Company's common shares.*

Security Ownership of Directors and Management (Executive Officers) as of April 30, 2023

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of total outstanding shares)
Directors				
Common	Jaime Augusto Zobel de Ayala	(direct & indirect) 63,656	Filipino	0.0002%
Common	Bernard Vincent O. Dy	(direct & indirect) 19,255,637	Filipino	0.0701%
Common	Cezar P. Consing	(direct) 1	Filipino	0.0000%
Common	Arturo G. Corpuz	(direct & indirect) 5,843,711	Filipino	0.0213%
Common	Mariana Zobel de Ayala	(direct) 1	Filipino	0.0000%
Common	Daniel Gabriel M. Montecillo	(direct) 1	Filipino	0.0000%
Common	Rex Ma. A. Mendoza	(direct & indirect) 3,932,821	Filipino	0.0143%

Common	Surendra M. Menon	(direct & indirect) 20,001	Singaporean	0.0001%
Common	Cesar V. Purisima	(direct) 1	Filipino	0.0000%
CEO and Most Highly Compensated Executive Officers				
Common	Bernard Vincent O. Dy*	Same as above	Filipino	0.0701%
Common	Anna Maria Margarita B. Dy	(direct & indirect) 7,909,610	Filipino	0.0288%
Common	Dante M. Abando	(direct & indirect) 6,838,969	Filipino	0.0249%
Common	Augusto D. Bengzon	(indirect) 4,077,699	Filipino	0.0149%
Common	Jose Emmanuel H. Jalandoni	(direct & indirect) 8,615,554	Filipino	0.0314%
Other Executive Officers				
Common	Lyle A. Abadia	(direct & indirect) 1,222,915	Filipino	0.0045%
Common	Amelia Ann T. Alipao	(indirect) 1,910,690	Filipino	0.0060%
Common	Aniceto V. Bisnar, Jr.	(indirect) 1,743,069	Filipino	0.0063%
Common	Ma. Luisa D. Chiong	(direct & indirect) 921,109	Filipino	0.0034%
Common	Raquel S. Cruz	(indirect) 568,139	Filipino	0.0021%
Common	Dindo R. Fernando	(indirect) 1,146,592	Filipino	0.0042%
Common	Rufino Hermann S. Gutierrez	(indirect) 877,475	Filipino	0.0032%
Common	Javier D. Hernandez	(indirect) 777,891	Filipino	0.0028%
Common	Joseph Carmichael Z. Jugo	(indirect) 1,137,255	Filipino	0.0041%
Common	Laurent P. Lamasuta	(indirect) 3,918,690	Filipino	0.0143%
Voting Preferred		(direct) 1,977,234		0.0072%
Common	Robert S. Lao	(indirect) 2,750,414	Filipino	0.0100%
Common	Stephanie J. Lingad	(indirect) 909,767	Filipino	0.0033%
Common	Christopher B. Maglanoc	(direct & indirect) 1,406,561	Filipino	0.0051%
Common	Michael F. Magpusao	(indirect) 571,687	Filipino	0.0021%
Common	Ferdie M. Mangali	(indirect) 1,135,009	Filipino	0.0041%
Common	Romeo T. Menpin	(indirect) 743,510	Filipino	0.0027%
Common	Carol T. Mills	(indirect) 978,605	Filipino	0.0036%
Common	Rodelito J. Ocampo	(indirect) 2,649,752	Filipino	0.0097%
Common	Darwin L. Salipsip	(indirect) 924,326	Filipino	0.0034%
Common	Jennylle S. Tupaz	(indirect) 1,356,551	Filipino	0.0049%
Common	Richard T. Yap	(direct & indirect) 657,228	Filipino	0.0024%
Common	Jose C. Platero, Jr.	(indirect) 412,121	Filipino	0.0015%
Common	Alfonso Javier D. Reyes	(indirect) 537,959	Filipino	0.0020%
Common	Ma. Clavel G. Tongco	(direct & indirect) 556,887	Filipino	0.0020%
Common	Annabeth R. Bernardo	(indirect) 93,331	Filipino	0.0003%
Common	Maphilindo S. Tandoc	(indirect) 368,528	Filipino	0.0013%
Common	Roscoe M. Pineda	-	Filipino	0.0000%
Common	Mary Grace Santos-Ontiveros	(indirect) 500	Filipino	0.0000%
Common	Ma. Florence Therese dG. Martirez-Cruz	(indirect) 71,229	Filipino	0.0003%
Common	Solomon M. Hermosura	(direct) 871	Filipino	0.0000%
Preferred		(direct) 480		0.0000%
All Directors and Officers as a group		**88,883,837**		**0.3241%**

**Member of the Board of Directors*

None of the members of the Company's directors and management owns 2.0% or more of the outstanding capital stock of the Company.

Voting Trust Holders of 5% or More

The Company knows of no persons holding at least 5% of its common shares under a voting trust or similar agreement.

Changes in Control

No change of control in the Company has occurred since the beginning of its last fiscal year. More so, there is no arrangement which may result in the change of control in the Company in the future.

Foreign Ownership level as of April 30, 2023

Security	Total Outstanding Shares	Shares Owned by Foreigners	Foreign Ownership Level
Common Shares	14,984,997,731	3,885,185,755	
Voting Preferred Shares	12,442,512,623	54,891,473	
Total	27,427,510,354	3,940,077,228	**14.37%**

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Party Transactions

The Company and its Subsidiaries (the "**Group**"), in their regular conduct of business, have entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, and development, management, underwriting, marketing, leasing and administrative service agreements. Sales and purchases of goods and services to and from related parties are made on an arm's length basis and at current market prices at the time of the transactions. Material related party transactions are reviewed and approved by the Related Party Transactions Review Committee and approved by the Board of Directors in accordance with the Company's Related Party Transactions Policy.

However, no other transaction, without proper disclosure, was undertaken by the ALI Group in which any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of the Company's outstanding shares (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest.

ALI directors and employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management. None of the Company's directors have entered into self-dealing and related party transactions with or involving the Company in 2022.

The table below sets out principal ongoing transactions of the Company with related parties as of end December 31, 2022. Additional information on Ayala Land's Related Party Transactions can be found on Note 25 of the Audited Financial Statements.

RELATED PARTY	NATURE OF TRANSACTION	AMOUNT (In ₱ Thousands)	RELATIONSHIP
Bank of the Philippine Islands	Regular Deposit & Money Market placements	6,499,311	Associate of Ayala Corporation
Bank of the Philippine Islands	Regular Short & Long-term borrowings	6,259,237	Associate of Ayala Corporation

RELATED PARTY RECEIVABLES	NATURE OF TRANSACTION	AMOUNT (In ₱ Thousands)	RELATIONSHIP
ALI ETON Property Development Corporation	Mainly from Alveo Land Corp.'s land sale and Makati Development Corporation's (MDC's) construction contracts of Park Links.	2,686,086	ALI-Associate
Fort Bonifacio Development Corp.	Ayala Property Management Corporation's Property Management Fees and MDC's various construction projects in Bonifacio Global City.	587,745	ALI-Associate
Rize-Ayalaland (Kingsway) GP, Inc	Advances to limited partnership	733,070	ALI-Associate
Globe Telecom, Inc.	Regular retail lease of spaces	213,324	Associate of Ayala Corporation
Bank of the Philippine Islands	Regular lease of spaces	389,057	Associate of Ayala Corporation
Manila Water Philippine Ventures, Inc. (MWPVI)	Various agreements between MDC & MWPVI projects for the construction of the sewer systems.	345,760	Associate of Ayala Corporation
Manila Water Company, Inc.	MDC's project on the design & build of the Calawis Water Treatment Plant in Antipolo.	223,075	Associate of Ayala Corporation

	The project started on March 01, 2021 and expected to be completed by the first quarter of 2023.		
Panay Medical Ventures Inc.	Agreement on Advances	82,577	Associate of Ayala Corporation

RELATED PARTY PAYABLES	**NATURE OF TRANSACTION**	**AMOUNT** (In ₱ Thousands)	**RELATIONSHIP**
Ayala Corporation	Regular lease of office spaces	151,143	Parent Company
Bonifacio Land Corp.	Related to management fees for joint venture projects with Bonifacio Land Corporation (BLC)	212,696	ALI-Associate
Globe Telecom, Inc.	Regular Mobile/Telephone-related expenses	10,800	Associate of Ayala Corporation
Manila Water Philippine Ventures, Inc.	Memorandum of Agreement between the Parent Company and Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc., relating to the waterworks of various ALI projects	20,814	Associate of Ayala Corporation
Manila Water Company, Inc.	Regular water charges	29,861	Associate of Ayala Corporation

DESCRIPTION OF DEBT

As of December 31, 2022, Ayala Land had the equivalent of ₱236.04 Billion of outstanding debt, of which ₱231.42 Billion are unsecured.

Of Ayala Land's outstanding debt, ₱116.45 Billion is evidenced by a debt instrument that was acknowledged by both the creditor and Ayala Land before a notary public. Under Philippine law, in the event that a borrower submits to insolvency or liquidation proceedings in which the borrower's assets are liquidated, unsecured debt evidenced by a debt instrument that has been acknowledged by the creditor and the borrower before a notary public enjoys a preference over unsecured debt that has not been so notarized. Ayala Land has secured the waiver by the creditors of such preference in their respective debt instruments. (See discussion under *"Risk Factors and Other Considerations"* of this Offer Supplement).

The following tables set forth the outstanding long- and short-term debt of Ayala Land and its Subsidiaries as of December 31, 2022 (in ₱ Millions).

Short-Term Debt

Borrower	Amount
Ayala Land, Inc.	688.0
Alveo Land Corp.	1,134.0
AREIT, Inc.	300.0
Avida Land Corp.	2,713.8
BG West Properties, Inc.	348.5
Leisure and Allied Industries Phils Inc.	300.0
NuevoCentro, Inc.	672.0
Regent Wise Investments Limited	391.5
Total	**6,547.8**

Long-Term Debt[15]

Borrower	Current	Non-Current	Total
Ayala Land, Inc.	14,570.1	177,311.9	191,882.0
Accendo Commercial Corp.	9.4	1,682.3	1,691.7
Alveo Land Corp.	30.0	7,076.0	7,106.0
Amaia Land Corp.	44.5	4,378.0	4,422.5
AREIT, Inc.	2,978.8	-	2,978.8
Avida Land Corp.	42.6	13,734.6	13,777.2
AyalaLand Hotels and Resorts Corp.	1,356.7	809.6	2,166.3
AyalaLand Logistics Holding Corp.	-	2,463.2	2,463.2
Cagayan de Oro Gateway Corp (CDOGC)	43.1	1,795.8	1,838.9
HLC Development Corp.	134.6	-	134.6
North Triangle Depot Commercial Corp.	20.0	335.0	355.0
Regent Wise Investments Limited	0.4	442.0	442.4
Subic Bay Town Center, Inc.	28.0	205.0	233.0
Total Consolidated	**19,284.9**	**210,233.4**	**229,491.6**

The table below details Ayala Land's Issuances of Debt Securities / New Financing through Loans from

[15] Net of PAS Adjustments

January 1 to December 31, 2022 (in ₱ Millions).

Borrower	Amount	Nature
ALI	114,630	availment of short-term and long-term loans, and bonds issuance
Accendo	906.0	availment of long-term loan
Alveo	6,818.0	availment of long-term loan
ALLHC	500.0	availment of long-term loan
AREIT	740.0	availment of short-term loan
Avida	36,346.9	availment of short-term and long-term loan
BG West	618.0	availment of short-term loan
Regent Wise	1,255.7	availment of short-term revolving credit
NCI	672.0	availment of short-term loan
Total	**162,486.6**	

The following sets out the repayments of Debt Securities and Loans from January 1 to December 31, 2022 (in ₱ Millions):

Borrower	Amount	Nature
ALI	112,352.8	repayment of short-term loans, long terms loans and bonds; and amortization on long-term loans
Accendo	9.4	repayment of long-term loan
AHRC	1,157.0	repayment and amortization of long-term loan
AREIT	1,330.0	repayment on short term loans
Alveo	2,834.0	repayment on short term loans and amortization on long-term loans
Avida	32,132.6	repayment of short term and amortization on long-term loans
BG West	891.5	repayment on short term loans
CDOGC	43.1	amortization on long-term loans;
HLC	179.4	amortization on long-term loan
LAIP	150.0	repayment on short term loans
NTDCC	20.0	amortization on long-term loan
Nuevocentro	300.0	repayment on short term loans
Regent Wise	148.5	repayment of short-term revolving credit
SBTCI	271.0	repayment and amortization of long-term loan
TOTAL	**151,819.3**	

There were no commercial papers issued and outstanding during the period ended December 31, 2022.

CORPORATE GOVERNANCE

Ayala Land has always been committed to strong and transparent corporate governance, going well beyond mere compliance with the code mandated by law. Ayala Land made several important improvements to its governance in 2004, focusing on increasing the involvement of various governance bodies, strengthening performance management, and ensuring compliance with Philippine Accounting Standards. In 2007, the Company adopted several initiatives aimed toward achieving governance excellence. These include conduct of a Self-Assessment Survey by the Board of Directors and Board Committees, development of Business Contingency Plans, adoption of risk-based audit approach and independent quality review of the Internal Audit function. Ayala Land believes that these changes will streamline its existing business models, improve execution, reduce risks, and better safeguard the collective and individual interests of its diverse set of shareholders.

Ayala Land seeks to promote and enhance compliance to good corporate governance. Ayala Land requires the observance of best practices and transparency in all of its subsidiaries, including those that are not listed on the PSE and not covered by the SEC Code of Corporate Governance.

The evaluation system which was established to measure or determine the level of compliance of the Board of Directors and top level management with its Revised Manual of Corporate Governance (the "**Revised Manual**") consists of a Customer Satisfaction Survey which is filled up by the various functional groups indicating the compliance rating of certain institutional units and their activities. The evaluation process also includes a Board Performance Assessment which is accomplished by the Board of Directors indicating the compliance ratings. The above is submitted to the Compliance Officer who issues the required certificate of compliance with the Revised Manual of the SEC.

To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management's performance. The Board ensures the presence and adequacy of internal control mechanisms for good governance.

There were no deviations from the Revised Manual. The Company has adopted in the Revised Manual the leading practices and principles of corporate transparency, and full compliance therewith has been made since the adoption of the Revised Manual.

The Company is taking further steps to further strengthen adherence to principles and practices of good corporate governance.

FINANCIAL INFORMATION

The following pages set forth Ayala Land's audited consolidated financial statements as at December 31, 2022, 2021, and 2020, and for each of the three (3) years in the period ended December 31, 2022.

ISSUER

Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, 1226, Philippines

TRUSTEE

Rizal Commercial Banking Corporation - Trust & Investments Group
9th Floor Yuchengco Tower, RCBC Plaza,
6819 Ayala Avenue, Makati City

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Ayala Land, Inc. (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein for the years ended December 31, 2022, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company and its subsidiaries in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

JAIME AUGUSTO ZOBEL DE AYALA
Chairman, Board of Directors

BERNARD VINCENT O. DY
President & Chief Executive Officer

AUGUSTO D. BENGZON
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this FEB 21 2023 at Makati City, affiants exhibiting to me their respective Passports, to wit:

Name	Passport No.	Date & Place of Issue
Jaime Augusto Zobel de Ayala	P9640299A	November 21, 2018 – DFA Manila
Bernard Vincent O. Dy	P7090533B	July 1, 2021 – DFA Manila
Augusto D. Bengzon	P4323352B	January 8, 2020 – DFA NCR East

Doc. No. 83 ;
Page No. 18 ;
Book No. XXXVII ;
Series of 2023.

Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on Notary Public's copy.

MARIA PAULA G. ROMERO-BAUTISTA
NOTARY PUBLIC
ROLL NO. 58335
MAKATI CITY, PHILS.

MARIA PAULA G. ROMERO-BAUTISTA
Notary Public - Makati City
Appt. No. M-079 until December 31, 2023
Roll of Attorneys No. 58335
IBP No. 264594 - 01/03/2023 - Makati City
PTR No. 9566341MM - 01/03/2023 - Makati City
MCLE Compliance No. VII-0020268 - 06/02/2022
4th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	5	2	7	4	7				

COMPANY NAME

AYALA LAND, INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
iru@ayalaland.com.ph	7 908-3677	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
13,181	04/27	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ma. Luisa D. Chiong	chiong.malou@ayalaland.com.ph	7 908-3681	

CONTACT PERSON's ADDRESS

30th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

NOTE1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

Opinion

We have audited the accompanying consolidated financial statements of Ayala Land, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022 are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) as described in Note 2 to the consolidated financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs as issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2022 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve the application of significant judgment and estimation on the following: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; and (3) application of the output method as the measure of progress in determining real estate revenue.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as past history with buyers, age of residential and office development receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, after considering the impact of coronavirus pandemic, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's specialists (project engineers). This is based on the monthly project accomplishment report prepared by the third party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the Group itself.

In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Group identifies sales commission after contract inception as the cost of obtaining the contract. For contracts which qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain contract and recognizes the related commission payable. The Group uses percentage of completion (POC) method in amortizing sales commission consistent with the Group's revenue recognition policy.

The disclosures related to real estate revenue are included in Notes 2 and 3 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's real estate revenue recognition process, policies and procedures.

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We also considered the impact of the coronavirus pandemic to the level of cancellations during the year. We traced the analysis to supporting documents such as deed of cancellations.

For the determination of the transaction price, we obtained an understanding of the nature of other fees charged to the buyers. For selected contracts, we compared the amounts excluded from the transaction price against the expected amounts required to be remitted to the government based on existing tax rules and regulations (e.g., documentary stamp taxes, transfer taxes and real property taxes).

For the application of the output method, in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC, and performed tests of the relevant controls. We obtained the certified POC reports prepared by the project engineers and assessed their competence and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries, including inquiries on how the coronavirus pandemic affected the POC during the period and obtained the supporting details of POC reports showing the completion of the major activities of project construction.

For the cost of real estate sales, we obtained an understanding of the Group's cost accumulation process and performed tests of the relevant controls. For selected projects, we traced costs accumulated, including those incurred but not yet billed, to supporting documents such as invoices and accomplishment reports from the contractors and official receipts.

For the recognition of cost to obtain a contract, we obtained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating the sales commission capitalized and the portion recognized in profit or loss, particularly the following: (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (i.e., net contract price) against the related contract to sell, and (c) the POC against the POC used in recognizing the related revenue from real estate sales.

Consolidation Process

The consolidated financial statements of the Group represents the consolidation of the financial statements of Ayala Land, Inc. and its various direct and indirect subsidiaries. We consider the Group's consolidation process as a key audit matter because of the complexity arising from the numerous component entities within the Group requiring layers of consolidation, voluminous intercompany transactions within the Group that require elimination, monitoring of fair value adjustments arising from business combinations, and adjustments to non-controlling interests. Note 1 to the consolidated financial statements provides the relevant information on the Group's subsidiaries.

Audit Response

We obtained an understanding of the Group's consolidation process and the Group's process for identifying related parties and related party transactions and the reconciliation of intercompany balances. We tested significant consolidation adjustments, including elimination, deferral and realization of profit or recoveries from intercompany transactions and balances, amortization/depreciation/reversal of fair value adjustments arising from business combinations, the currency translation adjustments, movements in non-controlling interests and other equity adjustments. We evaluated whether the accounting policies of the Group has been consistently applied.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20 IS (Definitive Information Statement), SEC Form 17 A and Annual Report for the year ended December 31, 2022, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20 IS (Definitive Information Statement), SEC Form 17 A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the consolidated financial statements.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael C. Sabado.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
Tax Identification No. 160-302-865
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 0664-AR-4 (Group A)
Valid to cover audit of 2022 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9564691, January 3, 2023, Makati City

February 21, 2023

AYALA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 29)	**₱11,885,329**	₱13,971,437
Short-term investments (Notes 5 and 29)	**330,500**	325,641
Financial assets at fair value through profit or loss (Notes 6 and 29)	**291,989**	700,803
Accounts and notes receivable (Notes 7 and 29)	**102,151,267**	100,097,451
Inventories (Note 8)	**180,348,474**	148,156,725
Other current assets (Note 9)	**64,849,846**	65,300,897
Total Current Assets	**359,857,405**	328,552,954
Noncurrent Assets		
Noncurrent accounts and notes receivable (Notes 7 and 29)	**49,032,711**	43,663,620
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 10 and 29)	**1,033,481**	981,270
Investments in associates and joint ventures (Note 11)	**31,917,095**	28,152,733
Right-of-use assets (Note 33)	**12,418,841**	12,156,240
Investment properties (Note 12)	**245,525,507**	243,397,632
Property and equipment (Note 13)	**36,153,839**	41,778,353
Deferred tax assets - net (Note 23)	**13,889,287**	12,890,122
Other noncurrent assets (Notes 14, 26 and 29)	**29,826,354**	33,891,439
Total Noncurrent Assets	**419,797,115**	416,911,409
	₱779,654,520	₱745,464,363
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt (Notes 16 and 29)	**₱6,547,272**	₱16,782,500
Accounts and other payables (Notes 15 and 29)	**143,952,127**	136,690,396
Income tax payable	**845,073**	506,638
Current portion of lease liabilities (Note 33)	**710,160**	599,363
Current portion of long-term debt (Notes 16 and 29)	**19,258,289**	26,173,997
Deposits and other current liabilities (Notes 17 and 29)	**31,211,023**	27,471,315
Total Current Liabilities	**202,523,944**	208,224,209
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 16 and 29)	**210,233,290**	180,140,242
Pension liabilities (Note 26)	**1,871,186**	2,103,735
Lease liabilities - net of current portion (Note 33)	**17,992,406**	17,237,991
Deferred tax liabilities - net (Note 23)	**5,849,288**	6,520,263
Deposits and other noncurrent liabilities (Notes 18 and 29)	**47,519,881**	60,735,602
Total Noncurrent Liabilities	**283,466,051**	266,737,833
Total Liabilities	**485,989,995**	474,962,042

(Forward)

	December 31	
	2022	2021
Equity (Note 19)		
Equity attributable to equity holders of Ayala Land, Inc.		
Paid-in capital	**₱97,636,864**	₱79,897,468
Retained earnings	**183,535,858**	168,980,632
Remeasurement loss on defined benefit plans (Note 26)	**106,942**	(33,279)
Fair value reserve of financial assets at FVOCI (Note 10)	**(877,913)**	(880,895)
Cumulative translation adjustments	**437,996**	261,612
Equity reserves (Note 1)	**(6,506,845)**	1,289,611
Treasury stock	**(19,080,714)**	(16,894,380)
	255,252,188	232,620,769
Non-controlling interests (Note 19)	**38,412,337**	37,881,552
Total Equity	**293,664,525**	270,502,321
	₱779,654,520	₱745,464,363

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Earnings Per Share Figures)

	Years Ended December 31		
	2022	2021	2020
REVENUE (Note 20)			
Real estate sales (Notes 20 and 30)	**₱116,356,382**	₱96,144,850	₱85,965,453
Interest income from real estate sales (Notes 7 and 20)	**6,694,930**	6,801,012	8,602,775
Equity in net earnings of associates and joint ventures (Notes 11 and 20)	**1,429,795**	842,565	586,502
	124,481,107	103,788,427	95,154,730
Interest and investment income (Notes 6, 21 and 25)	**387,083**	253,107	394,701
Other income (Note 21)	**1,687,624**	2,101,071	723,268
	2,074,707	2,354,178	1,117,969
	126,555,814	106,142,605	96,272,699
COSTS AND EXPENSES			
Cost of real estate sales (Note 22)	**75,628,711**	64,641,519	56,673,184
General and administrative expenses (Notes 22, 26 and 28)	**7,264,339**	6,538,859	8,011,813
Interest and other financing charges (Note 22)	**11,446,669**	11,037,772	12,745,720
Other expenses (Note 22)	**3,996,044**	3,636,915	3,788,771
	98,335,763	85,855,065	81,219,488
INCOME BEFORE INCOME TAX	**28,220,051**	20,287,540	15,053,211
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 23)			
Current	**6,943,074**	5,984,642	4,687,956
Deferred	**(1,247,276)**	(1,356,465)	(628,983)
	5,695,798	4,628,177	4,058,973
NET INCOME	**₱22,524,253**	₱15,659,363	₱10,994,238
Net income attributable to:			
Equity holders of Ayala Land, Inc. (Note 27)	**₱18,617,234**	₱12,228,148	₱8,727,155
Non-controlling interests	**3,907,019**	3,431,215	2,267,083
	₱22,524,253	₱15,659,363	₱10,994,238
Earnings Per Share (Note 27)			
Net income attributable to equity holders of Ayala Land, Inc.:			
Basic and diluted	**₱1.25**	**₱0.83**	₱0.59

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Years Ended December 31		
	2022	2021	2020
NET INCOME	**₱22,524,253**	₱15,659,363	₱10,994,238
Other comprehensive income (loss)			
Item that will be reclassified to profit or loss in subsequent years:			
Cumulative translation adjustment	**229,224**	265,284	(237,531)
Items that will not be reclassified to profit or loss in subsequent years:			
Fair value reserve of financial assets at FVOCI (Note 10)	**(16,905)**	(97,378)	(426,088)
Remeasurement gain (loss) on pension liabilities (Note 26)	**186,961**	1,099,585	(686,987)
Income tax effect	**(46,740)**	(274,896)	206,096
	352,540	992,595	(1,144,510)
TOTAL COMPREHENSIVE INCOME	**₱22,876,793**	₱16,651,958	₱9,849,728
Total comprehensive income attributable to:			
Equity holders of Ayala Land, Inc.	**₱18,936,821**	₱13,049,676	₱7,872,357
Non-controlling interests	**3,939,972**	3,602,282	1,977,371
	₱22,876,793	₱16,651,958	₱9,849,728

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

				Attributable to equity holders of Ayala Land, Inc.									
	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscriptions Receivable	Appropriated Retained Earnings (Note 19)	Unappropriated Retained Earnings (Note 19)	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 26)	Fair value reserve of financial assets at FVOCI (Note 10)	Cumulative Translation Adjustments (Note 19)	Equity Reserves (Note 19)	Treasury Stocks (Note 19)	Total	Non-Controlling Interests	Total Equity
As of January 1, 2022	**₱16,687,844**	**₱65,494,263**	**(₱2,284,639)**	**₱25,000,000**	**₱143,980,632**	**(₱33,279)**	**(₱880,895)**	**₱261,612**	**₱1,289,611**	**(₱16,894,380)**	**₱232,620,769**	**₱37,881,552**	**₱270,502,321**
Net income	–	–	–	–	18,617,234	–	–	–	–	–	18,617,234	3,907,019	22,524,253
Other comprehensive income (loss)	–	–	–	–	–	140,221	2,982	176,384	–	–	319,587	32,953	352,540
Total comprehensive income	–	–	–	–	18,617,234	140,221	2,982	176,384	–	–	18,936,821	3,939,972	22,876,793
Cost of stock options	–	78,860	–	–	–	–	–	–	–	–	78,860	–	78,860
Collection of subscription receivable	–	–	200,365	–	–	–	–	–	–	–	200,365	–	200,365
Stock options exercised	14,172	451,829	(391,994)	–	–	–	–	–	–	–	74,007	–	74,007
Stock issuance for properties	75,046	4,112,495	–	–	–	–	–	–	–	–	4,187,541	–	4,187,541
Acquisition of treasury shares	–	–	–	–	–	–	–	–	–	(2,186,334)	(2,186,334)	–	(2,186,334)
Acquisition of non-controlling interest	236,534	12,962,089	–	–	–	–	–	–	(7,796,456)	–	5,402,167	–	5,402,167
Net change in non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	(1,755,347)	(1,755,347)
Cash dividends declared	–	–	–	–	(4,062,008)	–	–	–	–	–	(4,062,008)	(1,653,840)	(5,715,848)
As of December 31, 2022	**₱17,013,596**	**₱83,099,536**	**(₱2,476,268)**	**₱25,000,000**	**₱158,535,858**	**₱106,942**	**(₱877,913)**	**₱437,996**	**(₱6,506,845)**	**(₱19,080,714)**	**₱255,252,188**	**₱38,412,337**	**₱293,664,525**
As of January 1, 2021	₱16,066,829	₱49,149,512	(₱2,262,756)	₱8,000,000	₱150,822,683	(₱818,101)	(₱748,220)	₱167,395	₱585,256	(₱1,260,780)	₱219,701,818	₱37,623,175	₱257,324,993
Net income	–	–	–	–	14,221,177	–	–	–	–	–	14,221,177	3,431,215	17,652,392
Other comprehensive income (loss)	–	–	–	–	–	824,689	(97,378)	94,217	–	–	821,528	171,067	992,595
Total comprehensive income	–	–	–	–	14,221,177	824,689	(97,378)	94,217	–	–	15,042,705	3,602,282	18,644,987
Appropriation of retained earnings	–	–	–	17,000,000	(17,000,000)	–	–	–	–	–	–	–	–
Cost of stock options	–	150,072	–	–	–	–	–	–	–	–	150,072	–	150,072
Collection of subscription receivable	–	–	324,725	–	–	–	–	–	–	–	324,725	–	324,725
Stock options exercised	11,389	335,219	(346,608)	–	–	–	–	–	–	–	–	–	–
Statutory merger	609,626	15,859,460	–	–	–	(39,867)	(35,297)		(276,774)	(13,976,965)	2,140,183	(2,140,183)	–
Acquisition of treasury shares	–	–	–	–	–	–	–	–	–	(1,656,635)	(1,656,635)	–	(1,656,635)
Acquisition of non-controlling interest	–	–	–	–	–	–	–	–	981,129	–	981,129	–	981,129
Net change in non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	553,837	553,837
Cash dividends declared	–	–	–	–	(4,063,228)	–	–	–	–	–	(4,063,228)	(1,757,559)	(5,820,787)
As of December 31, 2021	₱16,687,844	₱65,494,263	(₱2,284,639)	₱25,000,000	₱143,980,632	(₱33,279)	(₱880,895)	₱261,612	₱1,289,611	(₱16,894,380)	₱232,620,769	₱37,881,552	₱270,502,321

				Attributable to equity holders of Ayala Land, Inc.										
	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscriptions Receivable	Appropriated Retained Earnings (Note 19)	Unappropriated Retained Earnings (Note 19)	Stock Options Outstanding	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 26)	Fair value reserve of financial assets at FVOCI (Note 10)	Cumulative Translation Adjustments (Note 19)	Equity Reserves (Note 19)	Treasury Stocks (Note 19)	Total	Non-Controlling Interests	Total Equity
As of January 1, 2020	₱16,051,984	₱48,598,641	(₱1,878,179)	₱8,000,000	₱148,940,236	₱42,279	(₱337,210)	(₱457,358)	₱250,440	(₱7,056,459)	(₱1,104,353)	₱211,050,021	₱31,655,547	₱242,705,568
Net income	–	–	–	–	8,727,155	–	–	–	–	–	–	8,727,155	2,267,083	10,994,238
Other comprehensive loss	–	–	–	–	–	–	(480,891)	(290,862)	(83,045)	–	–	(854,798)	(289,712)	(1,144,510)
Total comprehensive income	–	–	–	–	8,727,155	–	(480,891)	(290,862)	(83,045)	–	–	7,872,357	1,977,371	9,849,728
Cost of stock options	–	154,199	–	–	–	(42,279)	–	–	–	–	–	111,920	–	111,920
Collection of subscription receivable	–	–	26,940	–	–	–	–	–	–	–	–	26,940	–	26,940
Stock options exercised	14,845	396,672	(411,517)	–	–	–	–	–	–	–	–	–	–	–
Acquisition of treasury shares	–	–	–	–	–	–	–	–	–	–	(156,427)	(156,427)	–	(156,427)
Disposal of non-controlling interest	–	–	–	–	–	–	–	–	–	7,641,715	–	7,641,715	–	7,641,715
Increase in non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	4,937,740	4,937,740
Cash dividends declared	–	–	–	–	(4,006,667)	–	–	–	–	–	–	(4,006,667)	(931,185)	(4,937,852)
As of December 31, 2020	₱16,066,829	₱49,149,512	(₱2,262,756)	₱8,000,000	₱153,660,724	₱–	(₱818,101)	(₱748,220)	₱167,395	₱585,256	(₱1,260,780)	₱222,539,859	₱37,639,473	₱260,179,332

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱28,220,051**	₱20,287,540	₱15,053,211
Adjustments for:			
Interest and other financing charges (Note 22)	**11,446,669**	11,037,772	12,745,720
Depreciation and amortization (Notes 12, 13, 14, 22 and 33)	**9,688,718**	8,820,507	9,572,572
Dividends received from investees (Note 11)	**589,221**	321,617	758,714
Provision for impairment losses (Note 22)	**253,738**	539,692	977,849
Cost of share-based payments (Note 28)	**78,860**	150,072	111,920
Unrealized (gain) loss on financial assets at fair value through profit or loss (Note 6)	**333,413**	(99,372)	40,116
Gain on sale of property and equipment (Note 21)	**–**	–	(23,265)
Equity in net earnings of associates and joint ventures (Note 11)	**(1,429,795)**	(842,565)	(586,502)
Gain on sale of investment in associates and jointly controlled entities (Note 11)	**–**	(807,618)	–
Interest income	**(7,082,013)**	(7,054,119)	(8,971,289)
Operating income before changes in working capital	**42,098,862**	32,353,526	29,679,046
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts and notes receivable – trade	**(2,046,107)**	251,492	683,154
Inventories (Note 8)	**(15,136,166)**	(1,459,729)	(10,253,170)
Other current assets (Note 9)	**509,713**	(7,279,935)	(8,477,188)
Increase (decrease) in:			
Accounts and other payables	**14,018,427**	(7,690,011)	(16,164,090)
Deposits and other current liabilities (Note 17)	**(3,542,142)**	2,154,067	(155,341)
Pension liabilities (Note 26)	**(92,328)**	(92,362)	346,206
Cash generated from (used in) operations	**35,810,259**	18,237,048	(4,341,383)
Interest received	**6,638,191**	7,008,224	8,925,394
Income tax paid	**(6,604,639)**	(6,933,615)	(5,355,723)
Interest paid	**(9,495,457)**	(10,385,580)	(11,735,785)
Net cash provided by (used in) operating activities	**26,348,354**	7,926,077	(12,507,497)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Sale/redemption of short-term investments	**–**	41,160	397,875
Sale/redemption of financial assets at FVTPL	**4,065,795**	1,168,987	1,917,237
Sale of investments in FVOCI (Note 10)	**16,371**	–	21,112
Disposal of property and equipment (Note 13)	**1,390,786**	483,360	161,997
Disposal of investment properties (Note 12)	**764,475**	294,149	2,203,774
Disposal of investments in associates and jointly controlled entities	**–**	807,618	326,602

(Forward)

	Years Ended December 31		
	2022	2021	2020
Additions to:			
Short-term investments	**₱–**	(₱8,680)	(₱138,846)
Financial assets at fair value through profit or loss	**(4,179,683)**	(805,248)	(2,437,088)
Financial assets at FVOCI (Note 10)	**–**	–	(98,951)
Investments in associates and joint ventures (Note 11)	**(2,705,023)**	(778,748)	(1,837,901)
Investment properties (Note 12)	**(15,587,700)**	(22,030,868)	(5,544,790)
Property and equipment (Note 13)	**(4,424,285)**	(3,215,492)	(3,098,436)
Net decrease (increase) in:			
Accounts and notes receivable - nontrade (Note 7)	**(5,210,278)**	(12,981)	2,046,114
Other noncurrent assets (Note 14)	**2,944,192**	(2,171,784)	2,865,904
Net cash used in investing activities	**(22,925,350)**	(26,228,527)	(3,215,397)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Short and long-term debt (Note 16)	**162,816,824**	191,282,758	226,900,910
Capital stock subscriptions (Note 19)	**274,373**	324,724	26,940
IPO sponsorship (Note 19)		–	12,343,461
Payments of short and long-term debt (Note 16)	**(149,899,033)**	(180,536,836)	(225,720,204)
Payments of principal portion of lease liability (Note 33)	**(1,316,469)**	(1,432,361)	(1,334,674)
Increase (decrease) in deposits and other noncurrent liabilities	**(12,584,594)**	10,695,432	5,706,022
Acquisition of non-controlling interest (Note 19)	**1,675,369**	1,534,967	–
Increase in equity reserves	**2,004,323**	–	235,994
Acquisition of treasury shares (Note 19)	**(2,186,334)**	(1,656,635)	(156,427)
Dividends paid to non-controlling interests	**(1,653,840)**	(1,324,396)	(931,185)
Dividends paid to equity holders of Ayala Land, Inc. (Note 19)	**(4,667,960)**	(4,051,013)	(4,397,061)
Net cash provided by (used in) financing activities	**(5,537,341)**	14,836,640	12,673,776
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(2,114,337)**	(3,465,810)	(3,049,118)
EFFECT OF CHANGES IN FOREIGN CURRENCY	**28,229**	399,900	(326,576)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**13,971,437**	17,037,347	20,413,041
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱11,885,329**	₱13,971,437	₱17,037,347

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Ayala Land, Inc. (the Parent Company or ALI) is domiciled and was incorporated on June 30, 1988 in the Republic of the Philippines with corporate life of fifty years. The Parent Company's parent is Ayala Corporation (AC). AC is a publicly listed company which is 47.91%-owned by Mermac, Inc. and the rest by the public as of December 31, 2022. The Parent Company's registered office and principal place of business is 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The Parent Company and its Subsidiaries (the Group) are incorporated to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of, for itself or for others, residential including, but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of real property; to acquire, purchase, hold, manage, develop and sell subdivision lots, with or without buildings or improvements; to erect, construct, alter, manage, operate, lease, in whole or in part, buildings and tenements of the Group or of other persons; and to engage or act as real estate broker. The Group is also involved in hotels and resorts operations.

The consolidated financial statements of Ayala Land, Inc. and Subsidiaries as of December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022 were endorsed for approval by the Audit Committee on February 16, 2023 and were approved and authorized for issue by the Board of Directors (BOD) on February 21, 2023.

The consolidated financial statements represent the consolidation of the financial statements of the Parent Company and the following domestic and foreign subsidiaries:

	December 31	
	2022*	2021*
Real Estate:		
Alveo Land Corporation (Alveo)	100%	100%
Serendra, Inc.	39	39
Solinea, Inc. (Solinea)	65	65
BGSouth Properties, Inc. (BGS)	50	50
Portico Land Corp. (Portico)	60	60
Serendra, Inc.	28	28
Amorsedia Development Corporation (ADC)	100	100
OLC Development Corporation and Subsidiary	100	100
HLC Development Corporation	100	100
Allysonia International Ltd.	100	100
Avida Land Corporation (Avida)	100	100
Buklod Bahayan Realty and Development Corp.	100	100
Avida Sales Corp.	100	100
Amicassa Process Solutions, Inc.	100	100
Avencosouth Corp. (Avencosouth)	70	70
BGNorth Properties, Inc. (BGN)	50	50
Amaia Land Co. (Amaia)	100	100
Amaia Southern Properties, Inc. (ASPI)	65	65
AyalaLand Premier, Inc.	100	100
Ayala Land International Sales, Inc. (ALISI)	100	100
Ayala Land International Marketing, Inc. (AIMI)	100	100
Ayala Land International (Singapore) Pte. Ltd	100	100

	December 31	
	2022*	2021*
Ayala Land International Marketing (Hong Kong) Ltd	100%	100%
Ayala Land International Marketing, SRL (ALIM SRL)	100	100
Ayala Land International Marketing London	100	100
Ayala Land Sales, Inc.	100	100
Southportal Properties, Inc. (Southportal)	100	100
Buendia Landholdings, Inc.	100	100
Crans Montana Holdings, Inc.	100	100
Crimson Field Enterprises, Inc.	100	100
Ecoholdings Company, Inc. (ECI)	100	100
NorthBeacon Commercial Corporation (NBCC)	100	100
Red Creek Properties, Inc.	100	100
Regent Time International, Limited (Regent Time) (British Virgin Islands)	100	100
North Eastern Commercial Corp. (NECC)	100	100
Westview Commercial Ventures Corp. (Westview)	100	100
North Ventures Commercial Corporation	100	100
Hillsford Property Corporation (Hillsford)	100	100
Primavera Towncentre, Inc. (PTI)	100	100
Summerhill Commercial Ventures Corporation (Summerhill)	100	100
Sunnyfield E-Office Corporation (Sunnyfield)	100	100
Subic Bay Town Centre, Inc. (SBTCI)	100	100
Regent Wise Investments Limited (Regent Wise) (Hongkong company)	100	100
AyalaLand Real Estate Investments Inc. (Canada)	100	100
AyalaLand Advisory Broadway Inc. (Canada)	100	100
AyalaLand Development (Canada) Inc.	100	100
AyalaLand OpenAsia Holdings PTE, Ltd (Singapore)	100	100
Blue Horizons Holdings PTE, Ltd (Singapore)	100	100
Modular Construction Technology (MCT) Bhd. (Malaysia)	66	66
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	100	100
Arvo Commercial Corporation (Arvo)	100	100
BellaVita Land Corporation (BellaVita)	100	100
Nuevo Centro, Inc. (Nuevo Centro)	54	54
Alviera Country Club, Inc. (Alviera)	50	50
Cavite Commercial Town Center, Inc. (CCTCI)	100	100
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.)	66	66
AyalaLand Offices, Inc. (ALO)	100	100
First Gateway Real Estate Corp.	100	100
Glensworth Development, Inc. (Glensworth)	100	100
UP North Property Holdings, Inc.	100	100
ALO Prime Realty Corporation	100	100
Makati Cornerstone Leasing Corp. (MCLC)	100	100
Capitol Central Commercial Ventures Corp.	100	100
Bay City Commercial Venture Corp. (BCCVC)	100	100
Aurora Properties Incorporated	81	81
Soltea Commercial Corp.	16	16
Vesta Property Holdings, Inc. (VPHI)	84	78
Altaraza Prime Realty Corporation	100	100
Altaraza Development Corporation	51	51
Prow Holdings, Inc.	55	55

	December 31	
	2022*	2021*
Station Square East Commercial Corporation (SSECC)	69%	69%
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.)	100	100
Accendo Commercial Corp. (Accendo)	67	67
Avencosouth Corp.	20	20
Aviana Development Corporation	7	7
Aviana Development Corporation	50	50
Cagayan de Oro Gateway Corp. (CDOGC)	70	70
Ceci Realty, Inc. (Ceci)	60	60
Soltea Commercial Corp.	12	12
Soltea Commercial Corp.	60	60
CMPI Holdings, Inc.	60	60
ALI-CII Development Corporation (ALI-CII)	50	50
Roxas Land Corporation (RLC)	50	50
Adauge Commercial Corporation (Adauge)	60	60
AyalaLand Estates, Inc	100	100
Prima Gaedi Development Corp	100	–
Redheap Holdings Inc.	100	–
Rookwood Properties, Inc.	100	–
Wedgemore Property Inc	100	–
Javantiger, Inc.	100	–
Ayalaland MetroNorth, Inc. (AMNI)	100	100
Verde Golf Development Corp.	100	100
North Triangle Depot Commercial Corporation (NTDCC)	73	73
Ayalaland-Tagle Properties, Inc.	55	55
BGWest Properties, Inc. (BGW)	50	50
Lagdigan Land Corp. (Lagdigan)	60	60
Central Bloc Hotel Ventures, Inc.	100	100
Cebu Leisure Company, Inc.	100	100
CBP Theatre Management Inc.	100	100
Taft Punta Engaño Property Inc. (TPEPI)	55	55
Cebu Insular Hotel Company, Inc. (CIHCI)	37	37
Solinea, Inc.	35	35
Amaia Southern Properties, Inc. (ASPI)	35	35
Alabang Commercial Corporation (ACC)	50	50
South Innovative Theater Management (SITMI)	50	50
ALI Commercial Center, Inc.	100	100
AMC Japan Concepts, Inc.	75	75
AyalaLand Malls Vismin, Inc.	100	–
AyalaLand Logistics Holdings Corp. (ALLHC) (formerly Prime Orion Philippines, Inc.)	71	71
A-Flow Land I Corp.	60	–
Orion Solutions, Inc.	71	71
Orion I Holdings Philippines, Inc.	71	71
Orion Maxis, Inc.	71	71
Orion Land, Inc.	71	71
LCI Commercial Ventures, Inc.	71	71
Laguna Technopark, Inc. and Subsidiary	71	71
Unity Realty & Development Corp. (URDC)	71	71
FLT Prime Insurance Corporation	56	56
Ayalaland Malls Synergies, Inc.	100	100
Ayala Malls Zing (AMZING), Inc.	100	100
Ayalaland Malls, Inc. (formerly Solerte, Inc.)	–	100
Ayalaland Malls Vismin, Inc.	–	100

	December 31	
	2022*	2021*
Ayalaland Malls NorthEast, Inc.	−%	100%
Construction:		
Makati Development Corporation (MDC)	100	100
MDC Subic, Inc.	100	100
MDC Build Plus, Inc.	100	100
MDC Conqrete, Inc. (MCI)	100	100
MDC Equipment Solutions, Inc. (MESI)	100	100
MDBI Construction Corp.	67	67
Hotels and Resorts:		
Ayala Hotels, Inc. (AHI)	100	50
AyalaLand Hotels and Resorts Corporation (AHRC) and Subsidiaries	100	100
ALI Makati Hotel & Residences, Inc.	80	80
ALI Makati Hotel Property, Inc.	80	80
Ten Knots Phils., Inc. (TKPI)	40	40
Ten Knots Development, Corp. (TKDC)	40	40
Regent Horizons Conservation Company, Inc.	100	100
Enjay Hotels, Inc. (Enjay)	100	100
Greenhaven Property Venture, Inc. (GPVI)	100	100
Cebu Insular Hotel Company, Inc. (CIHCI)	63	63
Bonifacio Hotel Ventures, Inc.	100	100
Southcrest Hotel Ventures, Inc.	67	67
Northgate Hotel Ventures, Inc.	70	70
North Triangle Hotel Ventures, Inc.	100	100
Ecosouth Hotel Ventures, Inc.	100	100
Sentera Hotel Ventures, Inc.	100	100
Econorth Resorts Ventures, Inc.	100	100
ALI Triangle Hotel Ventures, Inc.	100	100
Circuit Makati Hotel Ventures, Inc.	100	100
Capitol Central Hotel Ventures, Inc.	100	100
Arca South Hotel Ventures, Inc.	100	100
Sicogon Town Hotel, Inc.	100	100
Bay Area Hotel Ventures, Inc.	100	100
Makati North Hotel Ventures, Inc. (MNHVI)	100	100
One Makati Hotel Ventures, Inc. (OMHVI)	100	100
Sicogon Island Tourism Estate Corp. (SITE Corp.)	77	77
Asiatown Hotel Ventures, Inc.	100	100
One Makati Residential Ventures, Inc.	100	100
ALI Makati Hotels & Residences, Inc.	20	20
ALI Makati Hotel Property, Inc.	20	20
Ten Knots Phils., Inc. (TKPI)	60	60
Bacuit Bay Development Corporation	60	60
Lio Resort Ventures, Inc.	60	60
North Liberty Resort Ventures, Inc.	60	60
Turista.ph (formerly Paragua Eco-Resort Ventures Inc.)	60	60
Lio Tourism Estate Management Corporation	60	60
Ten Knots Development, Corp. (TKDC)	60	60
Chirica Resorts Corp.	60	60
Kingfisher Capital Resources Corp.	60	60
Pangulasian Island Resort Corporation	60	60
Integrated Eco-resort Inc.	100	100
Property Management:		
Ayala Property Management Corporation (APMC)	100	100
Prime Support Services, Inc.	100	100

	December 31	
	2022*	2021*
Ayala Theatres Management, Inc. (ATMI) and Subsidiaries	100%	100%
DirectPower Services, Inc. (DirectPower)	100	100
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	100	100
Entertainment:		
Five Star Cinema, Inc.	100	100
Leisure and Allied Industries Philippines, Inc. (LAIP)	50	50
Others:		
ALInet.com, Inc. (ALInet)	–	100
Darong Agricultural Development Corporation (DADC)	100	–
First Longfield Investments Limited (First Longfield) (Hongkong Company)	100	100
Green Horizons Holdings Limited and Subsidiaries	100	100
Aprisa Business Process Solutions, Inc. (Aprisa)	100	100
AyalaLand Club Management, Inc.	100	100
ALI Capital Corp. (formerly Varejo Corp.) (ALICap)	100	100
Airswift Transport, Inc. (formerly Island Transvoyager, Inc.) (Airswift)	100	100
Swift Aerodrome Services, Inc. (SASI)	100	100
Arca South Integrated Terminal, Inc. (ASITI)	100	100
Whiteknight Holdings, Inc.	100	100
Ayalaland Medical Facilities Leasing, Inc.	100	100
Anvaya Cove Beach and Nature Club, Inc. (Anvaya Cove Beach)	73	73
Anvaya Cove Golf and Sports Club, Inc. (Anvaya Cove Golf)	76	76

*represents the Group's percentage and effective ownership

The above companies are domiciled in the Philippines except for the foreign entities which are domiciled and incorporated in the country as mentioned above.

The Parent Company, through its 50.0% effective ownership and by virtue of a management contract or shareholders' agreement, exercises control over the operations and management of ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII and LAIP. Accordingly, the accounts of ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII and LAIP are consolidated to the accounts of the Parent Company (see Note 3).

The following were the changes in the group structure during 2022:

a. On March 9, 2022, the Executive Committee of ALI approved the subscription to 252,136,383 AREIT primary common shares, in exchange for six office buildings located in Cebu with an aggregate value of ₱11,257.89 million, under a property-for-share swap as validated by a third-party fairness opinion.

   The transaction was approved by AREIT shareholders at their annual meeting held on April 21, 2022, but is still subject to approval by pertinent regulatory bodies.

On May 19, 2022, ALI and AREIT executed the Deed of Exchange on the property-for-share swap transaction involving the issuance of 252,136,383 primary common shares of AREIT (Shares) to ALI, at an issue price of ₱44.65 per share in exchange for identified properties valued at ₱11,257.89 million . This was approved by the SEC on December 29, 2022.

On December 29, 2022, ALI and AREIT executed the Amendment to the Deed of Exchange to set October 1, 2022 as the effective date of assignment by ALI of the income of the properties and the tenant lease contracts and permits to AREIT.

On April 27, 2022, ALI sold 87,370,000 shares of AREIT at a transaction price of ₱39.70 per share, equivalent to ₱3.47 billion (exclusive of fees and taxes). ALI's net equity reserve from the sale of AREIT shares aggregated to ₱2.53 billion out of the ₱3.40 billion net proceeds. This transaction was executed in relation to the property-for-share swap transaction with AREIT (Note 19) and accounted as involving entities under control (Note 2).

b. The Parent Company acquired additional 187,985 common shares and 149,007 preferred shares of Vesta Property Holdings, Inc. for a value of ₱415.62 million in April 2022. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 78% in 2021 to 84% in 2022. The acquisition is accounted as involving entities under control (Note 2). As a holder of preferred share, the parent Company has voting rights same as that attached to common shares. Impact to equity reserves as a result of this transaction amounted to ₱523.36 million in 2022.

c. AyalaLand Estates, Inc. (ALEI) purchased 100% equity interest in the following companies and these transactions are accounted as acquisition of asset (Note 2):

Company Name	Acquisition Date	No. of Common Shares	Amount
Redheap Holdings Inc.	1-Jun-22	100,000	₱1,000,000
Prima Gaedi Development Corp.	13-Jun-22	100,000	1,000,000
Rookwood Properties, Inc.	22-Jun-22	125,000	1,250,000
Javantiger, Inc.	5-Jul-22	100,000	1,000,000
Wedgemore Properties, Inc.	9-Nov-22	100,000	1,000,000

d. A-FLOW Land I Corp (FLOW LandCo) was incorporated on August 2, 2022. ALLHC owns 60% of FLOW LandCo. Its primary purpose is to acquire and own the land on which the A-FLOW Properties I Corp. will construct its data center project.

e. On January 20, 2022, the Board of Directors of ALI approved a property-for-share swap with AC and Mermac, Inc. (Mermac). Under the transaction, AC will subscribe to 309,597,711 primary common shares for assets valued at ₱17,275.55 million, and Mermac will subscribe to 1,982,289 primary common shares for assets worth ₱110.61 million, totaling 311,580,000 primary common shares at a value of ₱55.80 per share, as validated by a third-party fairness opinion.

The primary common shares to be issued by ALI to AC and Mermac will come from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of Ayala Land, Inc.

On December 29, 2022, SEC approved the transaction which resulted to additional 50% stake in AHI through acquisition involving common control with impact to equity reserves amounting to ₱9,800.78 million and a 100% holdings in DADC which regarded as an asset acquisition. SEC approved the transaction which resulted to additional 50% stake in AHI and a 100% holdings in DADC. As a result., ALI received 258,023,645 common share of Ayala Hotels Inc. (AHI) representing additional 50% ownership of the entity which resulted to 100% ownership after the transaction. This transaction was accounted as acquisition involving entities under common control with an impact to equity reserves amounting to ₱9,800.78 million (Notes 2 and 19).

Additionally, ALI received 714,116 common shares of DADC representing 100% ownership of the company. This transaction was accounted as an asset acquisition (Notes 2 and 19).

2. Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements of the Group have been prepared using the historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional currency and all values are rounded to the nearest thousand (₱000), except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief on the accounting for significant financing component as issued and approved by the SEC in response to the COVID-19 pandemic.

The Group has availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of PIC Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

SEC MC No. 4-2020 deferring the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, *Borrowing Cost* (the IFRIC Agenda Decision on Borrowing Cost) and is not applicable to the Group as is it is already in full compliance with the requirements of the IFRIC Agenda Decision.

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the Adoption of New and Amended Accounting Standards and Interpretations section of Note 2.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares and options under share-based transactions. The portion of profit or loss and net assets in subsidiaries not wholly owned are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, separately from the Parent Company's equity. Non-controlling interests are net of any outstanding subscription receivable.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction and recognized as equity reserves in the consolidated statement of changes in equity (see Notes 1 and 19). If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

Adoption of New and Amended Accounting Standards and Interpretations
The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year except for the adoption of the following new accounting pronouncements which became effective January 1, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16 , *Plant and Equipment: Proceeds before Intended Use*
  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

- *Annual Improvements* to PFRSs 2018-2020 Cycle
  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

  - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged

on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*
  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*
  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
  The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted.

  The new standard is not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

Deferred Effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  The Group is currently assessing the impact of adopting these amendments.

- Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)
  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023. The PIC Q&A provisions covered by the SEC deferral that the Group availed in 2021 follows:

	Deferral Period
Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023

  The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

  a. The accounting policies applied.
  b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
  c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
  d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

  After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

The Group availed of the SEC relief on the accounting for significant financing component of PIC Q&A No. 2018-12. Had this provision been adopted, the Group assessed that the impact would have been as follows:

The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements. Adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable, provision for deferred income tax, deferred tax asset or liability for all years presented, and the opening balance of retained earnings. These would have impacted the cash flows from operations and cash flows from financing activities for all years presented. While there maybe instances that the performance obligation differs from the buyer's amortization schedule, initial calculation showed SFC but the consolidated impact is expected to be not material to the Group. Assumptions are still under assessment and evaluation, and the refinement to the calculation to determine the SFC is ongoing.

Current and Noncurrent Classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve (12) months after reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by corporate finance after discussion with and approval by the Parent Company's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Group, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

<u>Cash and Cash Equivalents</u>
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and that are subject to an insignificant risk of change in value.

<u>Financial Instruments</u>
Date of recognition
The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Financial assets

Initial recognition of financial instruments
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables, except for contracts with customers in residential, commercial and office development receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Interest income and impairment losses or reversals are recognized in the consolidated statement of comprehensive income. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments and accounts and notes receivables.

Disposal of financial assets at amortized cost
When financial assets at amortized cost are disposed, these are assessed whether the Group is consistent with its objective of collecting contractual cash flows until maturity. In the event that disposals have been concluded as infrequent and insignificant, the financial assets continue to be accounted at amortized cost (see Note 7).

Financial assets at fair value through OCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

This category includes investment in bonds classified as financial assets at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's financial assets at fair value through OCI includes investments in quoted and unquoted equity instruments.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of income.

Investments in Unit Investment Trust Fund (UITF), treasury bills and investment in ARCH Capital Asian Partners L.P. (ARCH Capital Fund) are held for trading and classified as financial assets at FVPL.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Modification of financial assets
The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of income.

Impairment of Financial Assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for trade receivables and a vintage analysis for residential, commercial and office development receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables in default when contractual payments are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fees and other fees.

The Group's financial liabilities include "Accounts and other payables" (other than "Taxes payable" which is covered by another accounting standard), "Short-term and long-term debts", "Deposits and Other Liabilities" and "Lease liabilities".

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of income.

Only if the criteria in PFRS 9 are satisfied, the designation of financial liabilities at fair value through profit or loss at the initial date of recognition is allowed. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to short term and long term debt.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position, if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

<u>Derivatives</u>
The Group uses derivative financial instruments, such as non-deliverable forwards, cross currency swaps, interest rate swaps and principal only swaps contracts to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Refundable Deposits
Refundable deposits are measured initially at fair value. After initial recognition, refundable deposits are subsequently measured at amortized cost using the effective interest method.

The difference between the cash received and its fair value is deferred and amortized using the straight-line method under the "Real estate revenue" account in the consolidated statement of income.

Non-refundable deposits that are applicable against costs of services incurred or goods delivered are measured at fair value.

Concession Receivable
The Group accounts for its concession arrangement with the DOTr under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial asset for its construction services from or at the direction of the grantor. Under the concession arrangement, the Group is awarded the right to build and operate an integrated transport terminal for Metro Manila and its adjacent provinces. The legal title to these assets shall be transferred to the government at the end of the concession period.

The "Concession Financial Receivable" (shown as part of "Other Noncurrent Assets") pertains to the fair value of the Annual Grantor Payment related to the operating and maintenance services and recovery of construction costs of the terminal facility. These are amortized using the effective interest rate over the life of the related concession.

In addition, the Group recognizes and measures construction revenues and costs in accordance with 'percentage of completion method'. Contract revenue and costs from construction works are recognized as "Construction Revenue" and "Construction Costs", respectively, in profit or loss in the period in which the work is performed.

Inventories
Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:
- Land cost
- Land improvement cost
- Amounts paid to contractors for construction and development
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Inventories that are leased out at market rates to earn revenues to partly cover for expenses on the condition that the intent to sell in the ordinary course of business has not changed are accounted and presented as inventory. The rent income from inventories that are leased out is included in other income in the consolidated statement of comprehensive income.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

Prepaid Expenses
Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, and insurance. With the exception of commission which is amortized using percentage of completion, other prepaid expenses are amortized as incurred.

Input Value-Added Tax (VAT)
Input VAT arises from the purchase of goods and services. These are applied against output VAT. The remaining balance is recoverable in future periods. These are carried at cost less allowance for impairment loss, if any. Impairment loss is recognized when input VAT can no longer be recovered.

Materials, Parts and Supplies
Materials, parts and supplies are valued at the lower of cost or NRV. Cost is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

An allowance for inventory losses is provided for slow-moving, obsolete and defective materials, parts and supplies based on management's physical inspection and evaluation. When inventories are sold, the cost and related allowance is removed from the account and the difference is charged against operations.

Advances to Other Companies and Advances to Contractors and Suppliers
Advances to other companies and advances to contractors and suppliers are carried at cost less impairment losses, if any.

Investments in Associates and Joint Ventures
Investments in associates and joint ventures (investee companies) are accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes an associate or joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as subsumed goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and instead included in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Unless otherwise, additional losses are not recognized when the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Upon loss of significant influence over the investee companies, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in the consolidated statement of income.

Interest in Joint Operation
Makati Development Corporation (MDC), a subsidiary of the Parent Company, has an interest in joint arrangement, whereby the parties have a contractual arrangement that establishes joint control. MDC recognizes its share of jointly held assets, liabilities, income and expenses of the joint operation with similar items, line by line, in its financial statements.

The financial statements of the joint operation are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investment Properties
Investment properties comprise completed property and property under construction or under re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the companies in the Group.

The Group uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Assets that are under construction are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation or under the condition as intended by the Group.

Depreciation of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful lives of investment properties which comprised of buildings, range from 20-40 years.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statement of income in the year of retirement or disposal.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

The Group discloses the fair values of its investment properties in accordance with PAS 40. The Group engages independent valuation specialist to assess the fair values as at December 31, 2022 and 2021. The Group's investment properties consist of land and building pertaining to land properties, retail (malls) and office properties. These are valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property and income approach by reference to the value of income, cash flow or cost saving generated by the asset.

Property and Equipment
Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The initial cost of property and equipment comprises its construction cost or purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, including borrowing costs.

Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Buildings and improvements	20-40
Machinery and construction equipment	5
Furniture, fixtures and equipment	3-10
Transportation equipment	3-5
Hotel property and equipment	20-50

The assets' residual values, estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the amounts, periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment items are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

Leasehold rights with finite lives are amortized using the straight-line method over the estimated useful life of 20 to 23 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income.

As of December 31, 2022 and 2021 intangible asset pertaining to leasehold right is included under "Other noncurrent assets" (See Note 14).

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method which involves recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interests in the acquiree. The identifiable assets acquired and liabilities assumed of the acquiree are recognized as of the acquisition date and measured at fair value as at that date. For each business combination, the acquirer measures the non-controlling interest in the acquiree at fair value of the acquiree's identifiable net assets. Acquisition related costs are expensed in the period which the costs are incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as bargain purchase gain. The Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure amounts to be recognized at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the acquirer shall account for the combination using those provisional values. The acquirer shall recognize any adjustments to those provisional values as a result of completing the initial accounting within twelve (12) months of the acquisition date as follows: (i) the carrying amount of the identifiable asset, liability or contingent liability that is recognized or adjusted as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date; (ii) goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted; and (iii) comparative information presented for the period before the initial accounting for the combination is complete shall be presented as if the initial accounting has been completed from the acquisition date.

Combinations of entities under common control
Business combinations of entities under common control are accounted for using the pooling of interest method. The pooling of interest method is generally considered to involve the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination. The only adjustments that are made are those adjustments to harmonize accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity acquired is reflected within equity, as equity reserve (see Note 19).
- The consolidated statement of income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparatives are presented as if the entities had always been combined.

The effects of intercompany transactions on current assets, current liabilities, revenues, and cost of sales for the current period presented and on retained earnings at the beginning of the current period presented are eliminated to the extent possible.

Asset Acquisitions
If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, the transaction is accounted for as an asset acquisition (see Note 19). The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction or event does not give rise to goodwill. Where the Group acquires a controlling interest in an entity that is not a business, but obtains less than 100% of the entity, after it has allocated the cost to the individual assets acquired, it notionally grosses up those assets and recognizes the difference as non-controlling interests.

Impairment of Nonfinancial Assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired (e.g., investments in associates and joint ventures, investment properties, property and equipment and right-of-use assets). If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are

recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The following criteria are also applied in assessing impairment of specific assets:

Investments in associates and joint ventures
After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the consolidated statement of income.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Pension Cost
Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur. Pension cost includes: a) service costs comprising current service costs, past-service costs, b) gains and losses on curtailments and non-routine settlements, and c) net interest cost on benefit obligation.

Remeasurements, comprising of actuarial gains or losses, the effect of the asset ceiling, excluding net interest cost and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

Share-based Payments

The Group has equity-settled, share-based compensation plans with its employees.

PFRS 2 Options

For options granted after November 7, 2002 that have not vested on or before January 1, 2005, the cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the Black-Scholes model, further details of which are given in Note 28.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instrument that will ultimately vest. The income or expense for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Pre-PFRS 2 Options

For options granted before November 7, 2002 that has vested before January 1, 2005, the intrinsic value of stock options determined as of grant date is recognized as expense over the vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see Note 28).

Employee Stock Ownership Plan

The Parent Company has an employee stock ownership plan (ESOWN) which allows the grantees to purchase the Parent Company’s shares. The Parent Company recognizes stock compensation expense over the holding period. The Parent Company treats its ESOWN plan as option exercisable within a given period. These are accounted for similar to the PFRS 2 options. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. For the unsubscribed shares where the employees still have the option to subscribe in the future, these are accounted for as options.

Equity
When the shares are sold at a premium, the difference between the proceeds and the par value is credited to “Additional paid-in capital” account. Direct costs incurred related to equity issuance are chargeable to “Additional paid-in capital” account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Subscriptions receivable pertains to the uncollected portion of the subscribed shares.

Retained earnings represent accumulated earnings of the Group less dividends declared.

Equity reserves pertain to the excess of the cost of business combinations over the net carrying amounts of the assets and liabilities of the acquired companies. Changes in a parent’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid shall be recognized directly in equity and included under “Equity reserves” account in the equity section of the consolidated statement of financial position (see Note 19).

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Revenue from Contract with Customers
The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Except for the provisioning of water, electricity, air-conditioning and common use service area in its mall retail spaces, wherein it is acting as agent, the Group has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Real estate sales
The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group’s performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue and the related trade receivables on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by the third party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as trade receivables under residential and office development receivables account. Any excess of collections over the total of recognized trade receivables is included in the “customer's deposit” account in the liabilities section of the consolidated statement of financial position. The impact of the significant financing component on the transaction price has not been considered since the Group availed of the relief granted by the SEC under Memorandum Circular No. 34, which has been extended until December 31, 2023.

Cost recognition
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance which are determined based on standard cost method. The standard cost method is revisited regularly and adjusted to approximate actual cost. Contract cost also includes warranties, provisions and post construction works. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Hotel and resorts revenue (part of real estate sales in the consolidated statement of income)
The Group recognizes room accommodation services over time since the guest simultaneously receives and consumes the services provided by the Group. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Revenue from banquets and other special events are recognized when the events take place.

Cost of hotel operations (part of cost of real estate sales in the consolidated statement of income)
Cost of hotel operations pertains to expenses incurred in relation to sale of goods and rendering of services. These are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen than can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

Construction revenue (part of real estate sales in the consolidated statement of income) and cost
Revenue from fixed price construction contracts are recognized over time using the milestone-based revenue recognition which is in reference to the output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

Contract costs, which is determined using the standard cost method, include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, warranties, post constructions works and final contract settlements which may result in revisions to estimated costs (e.g., standard cost to actual cost) and gross margins are recognized in the year in which the changes are determined.

Rental income (part of real estate sales in the consolidated statement of income)
Rental income under noncancellable and cancellable leases on investment properties is recognized in the consolidated statement of income on a straight-line basis over the lease term and the terms of the lease, respectively, and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract.

No rental income is recognized when the Group waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment (see Note 33).

Rooms revenue from hotel and resort operations is recognized when the services are rendered. Revenue from banquets and other special events are recognized when the events take place.

Interest income is recognized as it accrues using the effective interest method.

Dividend income is recognized when the Group's right to receive the payment is established.

Common use service area (CUSA) charges
The contract for the commercial spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance, janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Group, are primarily responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the Buildings, the Group acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air-conditioning charges.

Customers' deposit
Customers' deposit is a contract liability which is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a customers' deposit is recognized when the payment is made or the payment is due (whichever is earlier). Customers' deposit are recognized as revenue when the control of the goods or services are transferred to the customers by the Group which is essentially fulfillment of its performance obligation under the contract.

Customers' deposit also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

<u>Costs to obtain contract</u>
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Real estate costs and expenses" account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, de-recognition and impairment of capitalized costs to obtain a contract
Following the pattern of real estate revenue recognition, the Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Expense Recognition
Expenses are recognized in the consolidated statement of income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the consolidated statement of income as follow:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure has been assessed as no future economic benefits or when, and to the extent that future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Direct operating expenses and general and administrative expenses are recognized as they are incurred.

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in “Investment properties” and “Property and equipment” accounts in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group’s weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of cost to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Building	20-40
Aircraft	10
Others	5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of nonfinancial assets section.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases
The Group applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

<u>Current Tax</u>
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period.

<u>Deferred Tax</u>
Deferred tax is provided, using the liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and NOLCO can be utilized.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic associates and interests in joint ventures.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged against or credited to income for the period (see Note 23).

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

<u>Foreign Currency Transactions</u>
Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded using the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate prevailing at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the year.

As at reporting date, the assets and liabilities of subsidiaries whose functional currency is not the Philippines Peso are translated into the presentation currency of the Parent Company (the Philippine Peso) at the closing rate as at the reporting date, and the consolidated statement of income accounts are translated at monthly weighted average exchange rate. The exchange differences arising on the translation are taken directly to a separate component of equity under "Cumulative translation adjustments" account. Upon disposal of a foreign subsidiary, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the consolidated statement of income.

Investments in foreign associates are translated to Philippine Peso using the closing exchange rate prevailing at reporting date. The Group's share in the results of operations of the foreign investee is translated using the exchange rate at the dates of the transactions or, where practicable, the rate that approximates the exchange rates at the dates of the transactions, such as the average rate for the period. Any resulting exchange difference is recognized as a separate component of equity.

Earnings Per Share (EPS)

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. Calculation of dilutive EPS considers the potential ordinary shares of subsidiaries, associates and joint ventures that have dilutive effect on the basic EPS of the Parent Company. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 30 to the consolidated financial statements.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events after the Reporting Period

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

The preparation of the accompanying consolidated financial statements in conformity with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Existence of a contract
The Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other duly executed and signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Revenue recognition method and measure of progress
The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

The Group has determined that the output method used in measuring the progress of the performance obligation (i.e., percentage of completion) faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Distinction of land between real estate inventories and investment properties
The Group determines whether a property will be classified as real estate inventories or investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. All other properties that are not yet determined to be sold in the normal operating cycle are classified as investment properties.

Consolidation of entities in which the Group holds only 50% or less than majority of voting rights
The Group considers that it controls the following entities even though it owns 50% or less than majority of the voting rights. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

ACC
For ACC, ALI holds 50% of the voting rights, and is also the single largest shareholder and the remaining 50% of the equity shares are held by several shareholders. The second largest stockholder of ACC holds 8.3% share while the other shareholders' equity interest ranges from 2.1% to 8.3%. In addition, ALI has an existing management services agreement with ACC which gives ALI the exclusive control and decision over the relevant activities of ACC.

BG Entities (BGWest, BGNorth and BGSouth)
For the BG entities, wherein ALI and the other shareholder each own 50% of the voting rights, ALI controls the investee through exercise of its exclusive project development and marketing agreement as well as the ability to decide on the financing, operating and strategic policies of the investees. This enabled ALI to conclude that it has control.

RLC, ALI-CII and LAIP
ALI has an existing management services agreement with RLC, ALI-CII and LAIP which gives ALI the exclusive control and decision over the relevant activities of RLC, ALI-CII and LAIP.

Service concession agreement
The Group has made a judgment that the concession agreement with DOTr qualifies under Philippine Interpretation IFRIC 12, *Service Concession Arrangements* (see Note 35). Management has assessed that DOTr controls and regulates the service, determines to whom this service will be provided and controls the price. In addition, management has also determined that the DOTr has the significant control over the residual interest of the Terminal at the end of the term. Management has also made a judgment that the Terminal and commercial assets (mall facilities) are physically separable and are capable of being operated independently.

Management has further assessed that said concession agreement qualifies under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial assets (i.e., the Annual Grantor Payment) for its construction, operating and maintenance services directly from DOTr.

Contingencies
The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense of these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material effect on the Group's consolidated financial statements (see Note 34).

Sale of real estate receivables
The Group has entered into arrangements with banks wherein it discounted its real estate receivables without recourse. The Group believes that the sales transactions are not more than infrequent and that the receivables discounted is insignificant in value both individually and in aggregate. Accordingly, the Group continues to present trade receivables at amortized cost as it remains to hold trade receivables with the objective of collecting contractual cash flows until maturity.

Definition of default and credit-impaired financial assets
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria – for residential, commercial and office development receivables, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria
The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for that financial assets has disappeared because of financial difficulties
d. Concessions or deferrals have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty (e.g., Bayanihan Acts I and II considerations)
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Determination of lease term of contracts with renewal and termination options – Group as a lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether the provisions to renew or terminate the lease is enforceable. For leases where the Group has the unilateral option to renew or terminate, it then applies judgment on whether it is reasonably certain or not to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Assessment on whether lease concessions granted constitute a lease modification
In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

The Group applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Group determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Group assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16.

The rent concessions granted by the Group for the year ended December 31, 2022 and 2021 amounted to ₱2.90 billion and ₱7.15 billion, respectively.

Judgements made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraph 122 of PAS 1, Presentation of Financial Statements.
Upon adoption of the Interpretation, the Group has assessed whether it has any uncertain tax position. The Group applies significant judgement in identifying uncertainties over its income tax treatments. The Group determined, based on its assessment, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

<u>Management’s Use of Estimates</u>
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition on real estate projects
The Group’s revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Group’s revenue from real estate is recognized based on the percentage of completion and this is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management’s specialists (project engineers).

Following the pattern of real estate revenue recognition, the cost to sell and cost to obtain a contract (e.g., commission), is determined using the percentage of completion. To determine the cost of sales, the POC is applied to the standard cost which is regularly reviewed and adjusted to actual cost. In view of the continuing community quarantines and restricted mobility, the progress of the Group's performance obligation is adversely affected which resulted to lower percentage-of-completion in 2022 and 2021 as compared to previous years.

Evaluation of net realizable value of real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In line with the impact of COVID-19, the Group experienced limited selling activities that resulted to lower sales in 2022 and 2021.

In evaluating NRV, recent market conditions and current market prices have been considered. See Note 8 for the related balances.

Share-based payments
The expected life of the options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of stock of the Group. See Note 28 for the related balances.

Estimating pension liabilities and other retirement benefits
The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Significant assumptions are disclosed in Note 26 and include among others, discount rate and salary increase rate.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on 1994 Group Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions could materially affect retirement obligations. See Note 26 for the related balances.

Fair value of financial instruments
When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities were initially recorded at their fair values by using the discounted cash flow methodology. See Note 29 for the related balances.

Provision for expected credit losses of trade receivables
The Group uses a provision matrix to calculate ECLs for trade receivables other than residential, commercial and office development receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for residential, commercial and office development receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group has considered the impact of COVID-19 pandemic and revised its assumptions in determining the macroeconomic variables and loss rates in the computation of ECL. The changes in the gross carrying amount of receivables from sale of real estate during the year and impact of COVID-19 pandemic did not materially affect the allowance for ECLs.

The information about the ECLs on the Group's trade receivables is disclosed in Notes 7 and 29.

Estimating the incremental borrowing rate for leases
The Group uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Group's lease liabilities as of December 31, 2022 and 2021 amounted to ₱19,412.7 million and ₱17,837.4 million, respectively (see Note 33).

Evaluation of impairment of nonfinancial assets
The Group assesses whether there are any indicators of impairment for all nonfinancial assets (i.e., property and equipment, investment properties, right of use assets and other current assets) at each financial reporting date. These nonfinancial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In view of the improving economy that was severely impacted by the pandemic and the government's easing travel and mobility restrictions (both domestic and international), the Group's hotels and resorts segment has registered positive growth in its revenues during the year. The hotel and resorts properties continue to post significant improvements in revenues and net income from higher occupancies due to easing of health and travel restrictions, surging leisure demand and increased guests spending. In addition, many restaurants and food outlets have reopened and operated, improving the food and beverage revenues of the segment. With a better economic outlook and market forecast, the segment is expected to continue its recovery in the future. Accordingly, there are no impairment indicators in 2022 requiring the assessment of the recoverable amount of the property and equipment and right of use assets.

In 2021, the Group's hotels and resorts segment were adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported for this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment.

Unlike in 2022, there are impairment indicators in 2021. The Group estimates the recoverable amount through value in use. In determining the present value of estimated future cash flows expected to be generated from the continued use of these assets of the hotels and resorts segment, the Group is required to make estimates and assumptions that may affect the nonfinancial assets. The significant assumptions used in the valuation are discount rates of 9.6% to 11.0% with an average growth rate of 5.00% to 6.00%. The Group also considered in its assumptions the impact of the pandemic on the occupancy rate, room rates and gross margin which are not expected to normalize until 2024. No impairment loss was recognized in 2021.

The carrying value of the property and equipment and right-of-use assets of the hotels and resorts segment amounted to ₱20,499.6 million and ₱1,431.3 million and ₱21,219.8 million and ₱1,360.0 million, respectively, as of December 31, 2022 and 2021. Impairment of investment properties in 2022 and 2021 amounted to nil and ₱129.6 million, respectively (Note 22).

Unlike in 2022, there are impairment indicators in 2021. The Group estimates the recoverable amount through value in use. In determining the present value of estimated future cash flows expected to be generated from the continued use of these assets of the hotels and resorts segment, the Group is required to make estimates and assumptions that may affect the nonfinancial assets. The significant assumptions used in the valuation are discount rates of 9.6% to 11.0% with an average growth rate of 5.00% to 6.00%. The Group also considered in its assumptions the impact of the pandemic on the occupancy rate, room rates and gross margin which are not expected to normalize until 2024. No impairment loss was recognized in 2022 and 2021.

4. Cash and Cash Equivalents

This account consists of:

	2022	2021
	(In Thousands)	
Cash on hand	**₱67,273**	₱66,575
Cash in banks	**10,227,350**	11,745,823
Cash equivalents	**1,590,706**	2,159,039
	₱11,885,329	₱13,971,437

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term rates.

The annual interest rates of the cash equivalents are as follows:

	2022	2021
Philippine Peso	**5.00% to 6.00%**	0.35% to 1.2%
US Dollar	**3.25% to 4.30%**	–

There is no restriction on the Group’s cash and cash equivalents balances as of December 31, 2022 and 2021.

5. Short-term Investments

Short-term investments in foreign currency consist of money market placements made for varying periods of more than three (3) months and up to one (1) year and earn interest at the respective short-term investment rates.

The annual interest rates of the short-term investments are as follows:

	2022	2021
US Dollar	**4.50%**	–
Malaysian Ringgit	**1.43% to 2.30%**	1.00% to 1.80%

6. Financial Assets at FVTPL

This account consists of:

	2022	2021
	(In Thousands)	
Investment in Unit Investment Trust Funds (UITF)	**₱84,793**	₱407,025
Investment in ARCH Capital Fund	**207,196**	293,778
	₱291,989	₱700,803

The Group invests in money market UITF which aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments and with no minimum holding period requirement.

The Group's investment in UITF includes investment in BPI (Note 25).

As of December 31, 2022, the Group invested in UITF with a fair value of ₱60 million for BPI Money Market Fund and ₱5 million for BPI USD Short Term Funds. The Funds' Net Asset Value (NAV) was at ₱39,946.5 million with duration of 124 days and ₱33,852.2 million with duration of 120 days, respectively.

As of December 31, 2021, the Group invested in UITF with a fair value of ₱179 million for BPI Money Market Fund, ₱9.6 million for BPI USD Short Term Funds. The Funds' Net Asset Value (NAV) was at ₱61,969.7 million with duration of 241 days and ₱45,783.84 million with duration of 267 days, respectively.

Investment in ARCH Capital Fund pertains to monetary interest in a fund in which the management takes the view that these are held for trading and it is a portfolio of identified property funds invested and managed by professional managers.

The following table provides the fair value hierarchy of the Group's financial assets at FVTPL which are measured at fair value as of December 31, 2022 and 2021:

2022

			Fair value measurement using		
	Date of Valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
			(In Thousands)		
Investment in Unit Investment Trust Fund (UITF)	**December 31, 2022**	**₱84,793**	**₱–**	**₱84,793**	**₱–**
Investment in ARCH Capital Fund	**December 31, 2022**	**207,196**	**–**	**–**	**207,196**

2021

	Date of Valuation	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			(In Thousands)		
Investment in Unit Investment Trust Fund (UITF)	December 31, 2021	₱407,025	₱–	₱407,025	₱–
Investment in ARCH Capital Fund	December 31, 2021	293,778	–	–	293,778

The fair value of the investment in UITF is based on net asset values as of reporting dates.

The fair value of the investment in ARCH Capital Fund is determined using the discounted cash flow (DCF) method. Under the DCF method in fund fair valuation, it is estimated using assumptions regarding the benefits and liabilities of ownership over the underlying asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream, associated with the underlying asset. The exit yield is normally separately determined and differs from the discount rate. Significant inputs considered were rental, growth and discount rates. The higher the rental and growth rates, the higher the fair value. The higher the discount rates, the lower the fair value.

Reconciliation of fair value measurement of Investment in ARCH Fund is shown below:

	2022	2021
	(In Thousands)	
Balance at beginning of year	**₱293,778**	₱327,953
Net redemptions	**(13,378)**	(108,913)
Unrealized gain (loss) included under "Other income"	**(73,204)**	74,738
Balance at end of year	**₱207,196**	₱293,778

Reconciliation of fair value measurement of Investment in UITF is shown below:

	2022	2021
	(In Thousands)	
Balance at beginning of year	**₱407,025**	**₱378,066**
Redemptions	**(4,052,417)**	**(800,922)**
Additions	**4,179,683**	**805,248**
Unrealized gains/(loss) included under "Other income" (Note 21)	**(260,209)**	**24,633**
Reclassification to escrow account included under "Other current assets" (Notes 9 and 37)	**(189,289)**	**-**
Balance at end of year	**₱84,793**	**₱407,025**

7. Accounts and Notes Receivable

Accounts and notes receivable account consists of:

	2022	2021
	(In Thousands)	
Trade:		
Residential, commercial and office development	**₱101,797,458**	₱98,489,459
Shopping centers	**6,315,550**	5,654,697
Corporate business	**3,676,026**	3,041,826
Construction contracts	**2,826,924**	2,142,028
Management fees	**231,510**	127,766
Others	**5,791,638**	4,736,218
Advances to other companies	**15,858,263**	16,940,104
Accrued receivables	**9,370,342**	8,208,571
Receivables from related parties (Note 25)	**6,927,883**	5,958,742
Receivables from employees	**927,787**	755,814
	153,723,381	146,055,225
Less allowance for impairment losses	**2,539,403**	2,294,154
	151,183,978	143,761,071
Less noncurrent portion	**49,032,711**	43,663,620
	₱102,151,267	₱100,097,451

The classes of trade receivables of the Group are as follows:

- Residential, commercial and office development - pertain to receivables from the sale of high-end, upper middle-income and affordable residential lots and units; economic and socialized housing units and sale of commercial lots; sale of office units; and leisure community developments.
- Shopping centers - pertain to lease receivables from retail spaces
- Corporate business - pertain to lease receivables from office and factory buildings and receivables from sale of industrial lots
- Construction contracts - pertain to receivables from third party construction projects
- Management fees - pertain to receivables from facilities management services
- Others - pertain to receivables from hotel operations and other support services

Residential, commercial and office development receivables are collectible in monthly installments over a period of one (1) to ten (10) years. These are carried at amortized cost using the effective interest rate method with annual interest rates ranging from 5.50% to 16.00%. Titles to real estate properties are transferred to the buyers only once full payment has been made.

Corporate business receivables are collectible on a monthly or quarterly basis depending on the terms of the lease contracts.

Receivables from shopping centers, construction contracts and management fees are due within 30 days upon billing.

Receivables from hotel operations and other support services included under other trade receivables are normally due within 30 to 90 days upon billing.

Advances to other companies includes advances made to joint venture partners that have been made in consideration of project costs and purchases of land that are still subject to completion. The documentation for these advances provides that these will be payable over a fixed term or on demand in order to allow for repayment of the advances when closing does not occur or not settled. The advances are liquidated when proceeds from the sale of the related projects are applied.

Advances to other companies also includes receivables from MRT Development Corporation (MRTDC) shareholders which pertains to interest-bearing advances made by NTDCC to MRTDC equivalent to the Pre-2006 Development Rights Payment (DRP) Payables and the Residual Depot DRP which is due more than one year, in relation to the funding and repayment agreement. As of December 31, 2022 and 2021, receivables including interest from MRTDC shareholders amounted to ₱308.6 million and ₱467.9 million, respectively.

On December 17, 2014, NTDCC and MRTDC shareholders executed a "funding and repayment agreement" wherein the latter agrees to repay NTDCC, for the account of MRTDC, its respective pro rata share in the Total Depot DRP Advances (the Pre-2006 DRP Payables and the Residual Depot DRP, including 15% interest rate accrued on such DRP payables).

Commencing on January 1, 2015, the MRTDC Shareholders shall effect the repayment of their respective pro rata share in the Total Depot DRP Payables, through a set-off against their respective share in the commercial center royalties to be received from the Group.

Set off shall be effective as of the beginning of every calendar month, commencing January 30, 2015 and shall result in the settlement of the portion of the Total DRP Payables to the extent of the amount of the commercial center royalties then the balance will fall due to the relevant MRTDC Shareholders.

Accrued receivables and receivables from related parties are due and demandable. Receivables from employees pertain to housing, car, salary and other loans granted to the Group's employees which are collectible through salary deduction, are interest-bearing (6.0% per annum) and payable on various maturity dates.

Receivables amounting to ₱2,539.4 million and ₱2,294.2 million as of December 31, 2022 and 2021, respectively, were impaired and fully provided for. Movements in the allowance for impairment losses follow:

2022

	Trade							
	Residential and office Development	**Shopping Centers**	**Construction Contracts**	**Corporate Business**	**Management Fees**	**Others**	**Advances to Other Companies**	**Total**
				(In Thousands)				
Balance at beginning of year	**₱62,314**	**₱1,074,658**	**₱152,231**	**₱633,108**	**₱16,630**	**₱221,488**	**₱133,725**	**₱2,294,154**
Provisions during the year (Note 22)	**2,188**	**146,520**	**3,466**	**37,005**	**–**	**8,276**	**56,283**	**253,738**
Reversal (Note 22)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Accounts written off	**(410)**	**(3,761)**	**–**	**–**	**–**	**(4,318)**	**–**	**(8,489)**
Balance at end of year	**₱64,092**	**₱1,217,417**	**₱155,697**	**₱670,113**	**₱16,630**	**₱225,446**	**₱190,008**	**₱2,539,403**

2021

	Trade							
	Residential and office Development	Shopping Centers	Construction Contracts	Corporate Business	Management Fees	Others	Advances to Other Companies	Total
				(In Thousands)				
Balance at beginning of year	₱50,767	₱1,060,057	₱37,778	₱519,642	₱6,678	₱149,246	₱121,292	₱1,945,460
Provisions during the year (Note 22)	11,547	56,855	115,398	113,466	9,952	85,462	12,433	405,113
Reversal (Note 22)	–	(35,039)	(945)	–	_	(10,000)	_	(45,984)
Accounts written off	–	(7,215)	–	–	–	(3,220)	–	(10,435)
Balance at end of year	₱62,314	₱1,074,658	₱152,231	₱633,108	₱16,630	₱221,488	₱133,725	₱2,294,154

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act ("Bayanihan 1 Act") was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act ("Bayanihan 2 Act"), was enacted. Under Bayanihan 2 Act, a one-time sixty (60)-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans.

Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other charges.

As of December 31, 2022 and 2021, nominal amounts of trade receivables from residential, commercial and office development totaling ₱101,665.1 million and ₱106,936.8 million, respectively, were recorded initially at fair value. The fair values of the receivables were obtained by discounting future cash flows using the applicable rates of similar types of instruments.

Movements in the unamortized discount of the Group's receivables as of December 31, 2022 and 2021 follow:

	2022	2021
	(In Thousands)	
Balance at beginning of year	**₱8,447,356**	₱14,079,688
Additions during the year	**3,277,699**	1,168,680
Accretion for the year (Note 20)	**(6,694,930)**	(6,801,012)
Balance at end of year	**₱5,030,125**	₱8,447,356

The Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting to nil and ₱43.7 million in 2022 and 2021, respectively. The transactions were without recourse and did not result to any gain or loss.

The Group sold residential receivables on a without recourse basis to partner mortgage banks, which include Bank of the Philippine Islands, a related party, amounting to ₱15,270.2 million and ₱21,884.5 million in 2022 and 2021. These were sold at a discount with total proceeds of ₱12,366.1 million and ₱19,794.7 million, respectively. The Group recognized loss on sale (under "Other expenses") amounting to ₱2,904.1 million and ₱2,089.8 million in 2022 and 2021, respectively (see Note 22).

8. Inventories

This account consists of:

	2022	2021
	(In Thousands)	
Real estate - at cost		
Residential and condominium units	**₱98,094,648**	₱58,590,787
Residential and commercial lots	**80,333,349**	87,509,406
Offices - at cost	**1,920,477**	2,056,532
	₱180,348,474	₱148,156,725

A summary of the movements in inventories is set out below:

2022

	Residential and commercial lots	**Residential and condominium units**	**Offices**	**Total**
		(In Thousands)		
Balances at beginning of year	**₱58,590,787**	**₱87,509,406**	**₱2,056,532**	**₱148,156,725**
Land acquired during the year	**2,312,910**	**2,565,329**	**-**	**4,878,239**
Construction/development costs incurred	**11,857,664**	**35,642,819**	**549,044**	**48,049,527**
Disposals (recognized as cost of real estate sales) (Note 22)	**(9,302,984)**	**(27,622,905)**	**(685,099)**	**(37,610,988)**
Transfers from (to) investment properties (Notes 12 and 37)	**16,874,971**	**-**	**-**	**16,874,971**
Balances at end of year	**₱80,333,348**	**₱98,094,649**	**₱1,920,477**	**₱180,348,474**

2021

	Residential and commercial lots	Residential and condominium units	Offices	Total
		(In Thousands)		
Balances at beginning of year	₱61,137,607	₱84,011,309	₱1,594,676	₱146,743,592
Land acquired during the year	306,263	3,688,555	782,338	4,777,156
Construction/development costs incurred	7,987,509	26,493,655	1,085,374	35,566,538
Disposals (recognized as cost of real estate sales) (Note 22)	(14,903,447)	(22,584,577)	(1,395,940)	(38,883,964)
Transfers from (to) investment properties (Notes 12 and 37)	4,062,855	(4,099,536)	(9,916)	(46,597)
Balances at end of year	₱58,590,787	₱87,509,406	₱2,056,532	₱148,156,725

The Group has no purchase commitments pertaining to its inventories as of December 31, 2022 and 2021.

There are no liens and encumbrances on the Group's real estate inventories.

For the capital commitments, please refer to Notes 19 and 34.

9. Other Current Assets

This account consists of:

	2022	2021
	(In Thousands)	
Advances to contractors and suppliers	**₱17,104,282**	₱23,641,576
Prepaid expenses	**19,402,131**	19,174,874
Value-added input tax	**12,413,545**	12,387,774
Creditable withholding taxes	**9,528,091**	8,096,828
Investment in bonds (Note 29)	**2,309,440**	–
Materials, parts and supplies - at cost	**1,444,083**	810,731
Others (Note 6)	**2,648,274**	1,189,114
	₱64,849,846	₱65,300,897

Advances to contractors and suppliers represents prepayments for the construction of inventories. These are recouped from billings which are expected to occur in a short period of time.

Prepaid expenses consist of prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, rentals and insurance. The cost to obtain contracts which includes prepaid commissions and advances to brokers amounted to ₱3,302 million and ₱2,866.4 million in 2022 and 2021, respectively. In line with the Group's accounting policy, as set out in Note 2, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgment was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits (Note 14).

Value-added input tax is applied against value-added output tax. The remaining balance is recoverable in future periods.

Creditable withholding taxes are applied against income tax payable.

Investment in bonds pertain to non-interest bearing bonds with a term of 36-months. The Group recorded the investment as financial asset at fair value through other comprehensive income. The fair value of the investment in bonds is determined using the binomial lattice approach. The fair value of the investment is categorized under Level 3.

Materials, parts and supplies pertain to inventories to be used in the construction and maintenance of projects.

Others include deferred charges and letters of credit. Deferred charges pertain to project-related costs already paid but not yet consumed in the actual construction activities.

10. **Financial Assets at Fair Value through OCI**

This account consists of:

	2022	2021
	(in Thousands)	
Shares of stock:		
Quoted	**₱522,807**	₱1,411,239
Unquoted	**440,811**	583,543
	963,618	1,994,782
Net unrealized gain/(loss)	**69,863**	(1,013,512)
	₱1,033,481	₱981,270

Investments in quoted shares of stock include shares held for clubs wherein the Group does not exercise control or demonstrate significant influence.

Investments in unquoted shares of stock include unlisted shares of public utility companies which the Group will continue to carry as part of the infrastructure that it provides to its real estate projects.

In 2022, the Group disposed equity securities amounting to ₱16.4 million and recorded a gain of ₱1.3 million from the disposal. No additional investments are made during the year.

In 2021, there were no additional investment and disposal made.

Movements in the reserves for financial assets at FVOCI as of December 31, 2022 and 2021 are as follows:

	2022	2021
	(In Thousands)	
Balance at beginning of year	**(₱1,013,512)**	(₱880,837)
Fair value changes during the year	**1,083,375**	(132,675)
Balance at end of year	**₱69,863**	(₱1,013,512)

The Group entered into and designated interest rate swaps as hedging instruments as a cashflow hedge from loans bearing interest at floating rate. The fair value of the interest rate swap is estimated using valuation techniques with observable inputs, which uses present value calculations and incorporate various input including interest rate curves. Total fair value amounted to ₱141 million and ₱330 million in 2022 and 2021, respectively.

As of December 31, 2022 and 2021 reserves for financial assets at FVOCI attributable to non-controlling interests amounted to ₱33.0 million and ₱132.6 million, respectively.

The following table provides the fair value hierarchy of the Group's financial assets at fair value through OCI which are measured at fair value as of December 31, 2022 and 2021 (in thousands):

December 31, 2022

			Fair value measurement using		
	Date of Valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Shares of stock:					
Quoted					
Tourism and leisure	**December 31, 2022**	**₱325,181**	**₱325,181**	**₱–**	**₱–**
Retail	**December 31, 2022**	**1,993**	**1,993**	**–**	**–**
Real estate	**December 31, 2022**	**29,552**	**29,552**	**–**	**–**
Utilities and energy	**December 31, 2022**	**13,984**	**13,984**	**–**	**–**
Financial asset management	**December 31, 2022**	**55,666**	**55,666**	**–**	**–**
Telecommunication	**December 31, 2022**	**3,556**	**3,556**	**–**	**–**
Unquoted					
Tourism and leisure	**Various**	**483,613**	**–**	**–**	**483,613**
Financial asset management	**Various**	**1,676**	**–**	**–**	**1,676**
Utilities and energy	**Various**	**42,851**	**–**	**–**	**42,851**
Real estate	**Various**	**22,361**	**–**	**–**	**22,361**
Retail	**Various**	**53,042**			**53,042**
Telecommunication	**Various**	**6**	**–**	**–**	**6**
		₱1,033,481	**₱429,932**	**₱–**	**₱603,549**

December 31, 2021

			Fair value measurement using		
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shares of stock:					
Quoted					
Tourism and leisure	December 31, 2021	₱287,231	₱287,231	₱–	₱–
Retail	December 31, 2021	54,499	54,499	–	–
Real estate	December 31, 2021	18,593	18,593	–	–
Utilities and energy	December 31, 2021	15,245	15,245	–	–
Financial asset management	December 31, 2021	14,328	14,328	–	–
Telecommunication	December 31, 2021	7,831	7,831	–	–
Unquoted					
Tourism and leisure	Various	478,704	–	–	478,704
Financial asset management	Various	76,711	–	–	76,711
Utilities and energy	Various	19,787	–	–	19,787
Real estate	Various	7,468	–	–	7,468
Telecommunication	Various	873	–	–	873
		₱981,270	₱397,727	₱–	₱583,543

11. **Investments in Associates and Joint Ventures**

This account consists of:

	2022	2021
	(In Thousands)	
Investment in stocks – cost		
Balance at beginning of year	**₱22,946,577**	₱22,533,689
Additions	**2,705,023**	778,748
Disposals*	–	(365,860)
Balance at end of year	**25,651,600**	22,946,577
Accumulated equity in net earnings:		
Balance at beginning of year	**5,081,248**	4,194,440
Equity in net earnings	**1,429,795**	842,565
Dividends received	**(589,221)**	(321,617)
Disposal*	–	365,860
Balance at end of year	**5,921,822**	5,081,248
Subtotal	**31,573,422**	28,027,825
Equity share in cumulative translation adjustment	**343,673**	124,908
	₱31,917,095	₱28,152,733

**MGHI in 2021*

The equity share in cumulative translation adjustments represents exchange differences arising from the translation of financial statements of the foreign operations, whose functional currency is other than Philippine Peso.

Details of the Group's investments in associates and joint ventures and the related percentages of ownership are shown below:

	Percentages of Ownership		**Carrying Amounts**	
	2022	2021	**2022**	2021
			(In Thousands)	
Joint ventures:				
Emerging City Holdings, Inc. (ECHI)	50%	50%	**₱3,999,608**	₱3,871,455
ALI-ETON Property Development Corporation (ALI ETON)	50	50	**7,616,202**	5,084,364
AKL Properties, Inc. (AKL)	50	50	**3,230,774**	3,108,096
Berkshires Holdings, Inc. (BHI)	50	50	**1,970,587**	1,915,164
Cebu District Property Enterprise, Inc. (CDPEI)	35	35	**1,735,065**	1,629,807
Alveo-Federal Land Communities, Inc.	50	50	**947,037**	1,122,005
AyaGold Retailers, Inc. (AyaGold)	50	50	**141,605**	145,537
BYMCW, Inc.	30	30	**60,607**	54,717
SIAL Specialty Retailers, Inc. (SIAL Specialty)	50	50	**26,462**	26,462
A-FLOW Properties I Corp	50	50	**181,145**	-
			19,909,092	16,957,607
Associates:				
OCLP Holdings, Inc. (OHI)	21	21	**9,525,402**	9,016,865
Bonifacio Land Corp. (BLC)	10	10	**1,451,942**	1,401,225
Rize-Ayalaland (Kingsway) GP, Inc. (Rize-Ayalaland)	49	49	**794,185**	541,604
Tianjin Eco-City Ayala Land Development Co., Ltd (Tianjin Eco-City)	40	40	**199,259**	199,259
Lagoon Development Corporation	30	30	**37,215**	36,173
			12,008,003	11,195,126
			₱31,917,095	₱28,152,733

The Parent Company considers an associate and a joint venture with material interest if its net assets exceed 5% of its total consolidated net assets of the Group as of reporting period and considers the relevance of the nature of activities of the associate and joint venture compared to other operations of the Group. The financial information on the Parent Company's significant associates and joint ventures with material interest follows:

Financial information of the associate with material interest

OHI

Consistent with its thrust of expanding its operations to other areas within and outside of Metro Manila through partnerships, ALI acquired a 21.1% stake in OHI. The acquisition was made possible via the purchase of shares from existing OHI shareholders. OHI owns 99.5% interest in Ortigas & Company Limited Partnership (OCLP), an entity engaged in real estate development and leasing businesses.

Set out below is the summarized financial information for OHI:

	2022	2021
	(In Thousands)	
Current assets	**₱25,207,970**	₱25,229,814
Noncurrent assets	**23,705,727**	19,702,848
Current liabilities	**(12,793,028)**	(14,584,974)
Noncurrent liabilities	**(22,068,593)**	(18,784,134)
Equity	**14,052,076**	11,563,554
Proportion of Group's ownership	**21.1%**	21.1%
Group's share in identifiable net assets	**2,964,988**	2,439,910
Carrying amount of the investment	**9,525,402**	9,016,865
Fair value adjustments	**6,574,466**	6,602,256
Negative Goodwill	**(₱148,046)**	(₱148,046)
Dividends received	**₱71,447**	₱33,558

Net assets attributable to the equity holders of OHI amounted to ₱14,052.0 million and ₱11,563.5 million as of December 31, 2022 and 2021, respectively.

	2022	2021
	(In Thousands)	
Revenue	**₱11,187,455**	₱8,418,096
Cost and expenses	**(8,498,323)**	(6,646,415)
Net income (continuing operations)	**2,689,132**	1,771,681
Group's share in net income for the year	**560,924**	373,825
Total comprehensive income	**2,671,067**	1,771,681
Group's share in total comprehensive income for the year	**560,924**	373,825

BLC

The Group has a 10% interest in BLC, which is involved in the purchase, subscription or otherwise disposal of real and personal properties. BLC is a private company incorporated on October 20, 1994 and there is no quoted market price available for its shares. Its registered office and principal place of business is Taguig City, Philippines.

Set out below is the summarized financial information for BLC:

	2022	2021
	(In Thousands)	
Current assets	**₱10,493,988**	₱8,474,309
Noncurrent assets	**32,427,255**	32,866,620
Current liabilities	**(2,439,245)**	(2,204,975)
Noncurrent liabilities	**(7,723,742)**	(7,351,740)
Equity	**32,758,256**	31,784,214
Less: noncontrolling interest	**14,693,397**	14,054,976
Equity attributable to Parent Company	**18,064,859**	17,729,238
Proportion of Group's ownership	**10.1%**	10.1%
Group's share in identifiable net assets	**1,824,551**	1,790,653
Carrying amount of the investment	**1,451,942**	1,401,225
Negative goodwill	**(₱372,609)**	(₱389,428)
Dividends received	**₱66,689**	₱35,125

Net assets attributable to the equity holders of BLC amounted ₱18,064.9 million and ₱17,729.3 million as of December 31, 2022 and 2021, respectively.

	2022	2021
	(In Thousands)	
Revenue	**₱5,068,151**	₱3,685,650
Cost and expenses	**(2,875,984)**	(2,543,308)
Net income (continuing operations)	**2,192,167**	1,142,342
Net loss attributable to minority interest	**(1,029,723)**	(526,941)
Net income attributable to Parent Company	**1,162,444**	615,401
Group's share in net income for the year	**117,407**	62,156
Total comprehensive income attributable to equity holders of the Parent Company	**1,162,444**	615,401
Group's share in total comprehensive income for the year	**117,407**	62,156

Aggregate financial information on the associates with immaterial interest (Rize-Ayalaland, Tianjin Eco-City and LDC) follows:

	2022	2021
	(In Thousands)	
Carrying amount	**₱1,030,659**	₱777,036
Share in net loss from continuing operations	**44,455**	(113,230)
Share in total comprehensive loss	**44,455**	(113,230)
Dividends received	**9,000**	9,000

Financial information of joint ventures

ECHI

	2022	2021
	(In Thousands)	
Current assets	**₱10,551,614**	₱8,532,495
Noncurrent assets	**32,427,265**	32,871,398
Current liabilities	**(2,767,955)**	(2,677,269)
Noncurrent liabilities	**(7,723,742)**	(7,351,740)
Equity	**32,487,182**	31,374,884
Less: noncontrolling interest	**23,923,304**	22,230,335
Equity attributable to Parent Company	**8,563,878**	9,144,549
Proportion of Group's ownership	**50%**	50%
Group's share in identifiable net assets	**4,281,939**	4,572,275
Carrying amount of the investment	**3,999,608**	3,871,455
Dividends received	**₱170,750**	₱170,750

Net assets attributable to the equity holders of ECHI amounted to ₱8,563.8 million and ₱9,144.5 million as of December 31, 2022 and 2021, respectively.

	2022	2021
	(In Thousands)	
Revenue	**₱5,070,254**	₱3,685,991
Cost and expenses	**(2,883,590)**	(2,546,834)
Net income (continuing operations)	**2,186,664**	1,139,157
Net loss attributable to noncontrolling interest	**(1,590,007)**	(826,786)
Net income attributable to Parent Company	**596,657**	312,371
Group's share in net income for the year	**298,329**	156,186
Total comprehensive income attributable to equity holders of the Parent Company	**597,171**	312,371
Group's share in total comprehensive income for the year	**298,586**	156,186

ALI Eton

	2022	2021
	(In Thousands)	
Current assets	**₱20,526,458**	₱13,811,748
Noncurrent assets	**4,377,413**	4,014,578
Current liabilities	**(8,420,911)**	(5,822,376)
Noncurrent liabilities	**(922,411)**	(928,951)
Equity	**15,560,549**	11,074,999
Proportion of Group's ownership	**50%**	50%
Group's share in identifiable net assets	**7,780,275**	5,537,499
Carrying amount of the investment	**7,616,202**	5,084,364

Net assets attributable to the equity holders of ALI Eton amounted to ₱15,560.5 million and ₱11,074.9 million as of December 31, 2022 and 2021, respectively.

	2022	2021
	(In Thousands)	
Revenue	**₱1,974,714**	₱825,159
Cost and expenses	**(1,721,039)**	(708,347)
Net income (continuing operations)	**253,675**	116,812
Group's share in net income for the year	**126,837**	58,406
Total comprehensive income attributable to equity holders of the Parent Company	**253,675**	116,812
Group's share in total comprehensive income for the year	**126,837**	58,406

Aggregate financial information on joint ventures with immaterial interest (BHI, CDPEI, Alveo-Federal, SIAL Specialty, AyaGold, BYMCW, Inc., AKL, and A-Flow) is as follows:

	2022	2021
	(In Thousands)	
Carrying amount	**₱8,112,137**	₱8,001,788
Share in net income from continuing operations	**293,772**	305,223
Share in total comprehensive income	**293,772**	305,223
Dividends received	**73,185**	73,185

The following are the significant transactions affecting the Group's investments in associates and joint ventures:

Investments in BLC, ECHI, and BHI
As of December 31, 2022 and 2021, the Group's effective interest in BLC is 45.1%. The Parent Company's 5.3% direct investment in BLC and 4.8% through Regent Time aggregating 10.1% are accounted for using the equity method because the Parent Company has significant influence over BLC.

On April 17, 2003, the following transactions were consummated pursuant to the terms and conditions of the Assignment Agreement (Agreement), dated February 8, 2003, among the Parent Company, Evergreen Holdings, Inc. (EHI), Greenfield Development Corporation and Larouge, B.V. (Larouge), as amended, and the Agreement, dated November 23, 2002, among the Company, EHI and Neo Oracle Holdings, Inc. [formerly Metro Pacific Corporation (MPC)] as amended:

(a) The assignment to the Parent Company and EHI of the rights and obligations of Larouge under the loan agreement between Larouge and MPC, pursuant to which, Larouge extended MPC a loan in the principal amount of US$90.0 million, together with all the rights, title and interests of Larouge in the pledge constituted on 50.4% of the outstanding shares in BLC. The consideration paid by the Company and EHI for such assignment was approximately US$90.0 million, subject in part to foreign exchange adjustment.
(b) The assignment to the Parent Company and EHI, acting in this instance through the joint venture corporation, Columbus Holdings, Inc. (Columbus), of the controlling interest in BLC representing 50.4% of BLC's outstanding capital stock. This assignment was effected by MPC under a dacion en pago arrangement, and included an assignment of payables of BLC in the principal amount of ₱655.0 million together with its underlying security in the form of shares in Fort Bonifacio Development Corporation (FBDC) representing 5.6% of its outstanding capital stock.

The Agreement, as amended, also provides for the constitution of a pledge over 5.0% of BLC's unencumbered shares as security for contingent liabilities and breach of representation and warranties. The pledge lien over the 5.0% BLC shares shall continue to subsist until the third anniversary of the closing date.

The Parent Company and EHI jointly hold the 50.4% equity interest in BLC through ECHI and BHI. The Parent Company and EHI assigned the notes receivable from MPC to ECHI and BHI, which acquired the shares of stock of Columbus. Columbus directly owns the 50.4% interest in BLC. BLC owns 55.0% interest in FBDC, the primary developer of certain areas in Fort Bonifacio Global City for residential, commercial and business development. Columbus accounted for the acquisition of the 50.4% interest in BLC using the purchase method.

Subsequent to this, the Parent Company and EHI acquired additional shares of BLC through a combination of direct acquisition and through its associates at varying dates:

On July 31, 2008, the Group acquired, through the Parent Company, Regent Time and Columbus, additional 4,360,178 shares of BLC from FBDC amounting to ₱689.0 million, equivalent to 7.7% ownership in BLC. In January and October 2009, a total of 2,295,207 BLC shares were acquired from Development Bank of the Philippines and MPC, pertaining to the pledged shares, through Columbus amounting to ₱362.6 million. This resulted in an increase in Group's effective interest in BLC to 45.4% and unchanged thereafter.

Investment in Rize-Ayalaland
Rize-Ayalaland (Kingsway) GP, Inc. was incorporated on January 25, 2013 under the laws of British Columbia, Canada. The Company's effective ownership is 49.0% through its Vancouver-based subsidiary, AyalaLand Real Estate Investments, Inc.

Investment in Tianjin Eco-City
Tianjin Eco-City is a registered Sino-foreign equity joint venture between RWIL and Sino-Singapore Tianjin Eco-City Investment & Development Co. (SSTEC) under the law of the People's Republic of China to operate for 50 years until 2060. The agreement was entered into to develop a 19-tower residential complex in China, marking its initially foray into the growing China market. It's principal activities include property development rental, management property and parking lot management.

In 2020, Tianjin Eco-City reduced its registered capital from RMB292.75 million to RMB176.25 million, with each shareholder getting back capital in proportion to its current share of ownership. After the capital reduction, the shareholders' share of ownership remains unchanged. The Group's share in the capital reduction amounted to ₱326.60 million.

Investment in Cebu District Property Enterprise, Inc.
Cebu District Property Enterprise, Inc. (CDPEI) was incorporated on February 20, 2014 and is a 50:50 joint venture between the Company and Aboitiz Land, Inc. CDPEI's main purpose is to create a mixed-use commercial and residential district with the 15.4-hectare property in Subangdaku, Mandaue. In 2021, the Group made additional equity infusions to CDPEI amounting to ₱217.0 million.

Investment in Alveo-Federal Land Communities, Inc.
Alveo Land Corp. signed a Joint Venture Agreement (JVA) with Federal Land, Inc. last April 29, 2015 for equal ownership over AFLCI. The JV is for the development of Venido and Aveia projects located in Laguna near Nuvali.

Investment in ALI-ETON Property Development Corporation
ALI-ETON Property Development Corporation was incorporated on March 13, 2016. The company is a joint venture between Ayala Land, Inc. and LT Group, Inc. ALI and LT Group, Inc. entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be a township development that spans portions of Pasig City and Quezon City.

In 2021, the Parent Company and LT Group, Inc. made additional equity infusions to ALI-Eton to fund the development requirements of Parklinks amounting to ₱2,405.0 million and ₱527.0 million as of December 31, 2021.

Investment in BYMCW, Inc.
On August 2, 2017, Bouygues Travaux Publics Philippines Inc. (BYTPPI) incorporated BYMCW Inc. (BYMCW) to engage in general building and contracting business. BYMCW's registered office address is at 2nd floor, Welfare Building, LRTA Compound, Aurora Blvd., Barangay 189, Pasay City, Metro Manila.

Investment in AyaGold Retailers, Inc.
AyaGold Retailers, Inc., a joint venture between Entenso Equities Incorporated (EEI, a wholly owned subsidiary of Puregold Price Club, Inc.) and ALI Capital Corp. (a wholly owned subsidiary of the Company and the holding company for its retail-related initiatives), was incorporated on October 2, 2013. It is organized primarily to finance, build and operate mid-market supermarkets for some of Company's new integrated and mixed-use developments. The mid-market supermarkets will be carried under a new brand to be jointly developed by both ALI Capital Corp. and EEI. The partnership with EEI will enable the Company to support its mixed-use developments and, at the same time, grow its recurring income portfolio.

Investment in SIAL Specialty
SIAL Specialty was incorporated on September 27, 2012 as a joint venture between ALI Capital Corp. and Store Specialist, Inc. (SSI). ALICap is a wholly owned subsidiary of the Parent Company. SSI is one of the largest specialty retail companies in the Philippines with the exclusive distribution rights to a variety of brands from around the world.

The partnership, which combines the ALI Capital Corp.'s expertise in developing mixed-use developments and SSI's proven track record in retail, is aimed at pursuing retail solutions to address the growing and changing lifestyle needs of the market.

SIAL Specialty was organized primarily for the investment and operation of mid-market department stores and to pursue other investment opportunities in the Philippine retail sector.

Investment in MGHI
In July 2013, the Parent Company entered into an agreement with the Mercado Family to acquire Whiteknight Holdings, Inc. (WHI), a 33% equity stockholder of MGHI. Its acquisition of WHI will allow the Parent Company to build a strategic partnership with the Mercado Group and support MGHI's future growth. This partnership also enhances the potential of Ayala Land's development of mixed-use communities by offering the critical component of medical services to complement the residential, shopping centers, office and hotel developments therein.

On February 26, 2021, White Knight Holdings Inc., a wholly-owned subsidiary of ALI completed the sale of its 39.20% share in the outstanding capital stock of Mercado General Hospital, Inc., the holding company for the Qualimed network of hospital and clinics to Healthway Philippines Inc., a wholly-owned subsidiary of Ayala Healthcare Holdings, Inc. The cost of the investment amounted to ₱365.9 million and the sale resulted to a gain of ₱807.6 million recorded under other income account (see Note 21).

Investment in AKL
In 2018, the Parent Company invested ₱1,959.7 million in AKL, which is a 50:50 joint venture between the Parent Company and Royal Asia Land, Inc. (RALI), and is organized primarily for future mixed-use development in South Luzon area.

On June 26, 2019, the Parent Company approved the equity call to fund the advance payment to Manila Jockey Club, Inc. (MJCI) upon signing the Memorandum of Agreement (MOA) for the 60 hectares. property in Carmona, Cavite between AKL and MJCI. The Parent Company's share in the additional total capital requirement amounted to ₱250.0 million.

On September 12, 2019, the Parent Company approved the equity call for the minimum subscription to increase the Authorized Capital Stock (ACS) of AKL from ₱4,545.0 million to ₱7,250.0 million which was approved in the AKL board meeting on May 14, 2019. The increase in the ACS shall cover the land acquisition requirements in Carmona and Silang, Cavite for the next 3 years. The 50% share of the Parent Company in the minimum paid-up capital (25% of the minimum subscription) of the increase amounted to ₱84.7 million.

On July 13, 2020, the Parent Company paid the equity call for the existing subscription and for the additional subscription to AKL for a total of ₱508.4 million. The additional subscription will cover the scheduled infusion of the parcels for the first phase of Project Newton Residential as per joint venture agreement (JVA). RALI also entered with the same subscription agreement with AKL.

On December 7, 2020, the Parent Company entered into another subscription agreement with AKL amounting to ₱246.0 million which will cover the amount due for the DOAS of Dolfo and Ledesco parcels of land for the first phase of Project Newton Residential. RALI also entered with the same subscription agreement with AKL.

On January 22, 2021, the Parent Company entered into another subscription agreement with AKL amounting to ₱12.8 million which will cover the amount of parcels of land for the first phase of Project Newton Residential. RALI also entered with the same subscription agreement with AKL.

On November 17, 2021, the Parent Company entered into another subscription agreement with AKL amounting to ₱21.9 million CALAX Link Lots located in Silang, Cavite. RALI also entered with the same subscription agreement with AKL.

Investment in A-Flow Properties I Corp
On October 4, 2022, ALLHC entered into Joint Venture agreement with Flow Luna I Property Pte. Ltd (FLOW) representing 50% interest in A-FLOW Properties I Corp (FLOW PropCo)., a joint venture that will engage in the business of providing data center, colocation and other related services, including both space and power, to various entities such as hyperscalers1 and domestic enterprises, and will acquire and/or construct data center.

12. Investment Properties

The rollforward analysis of this account follows:

2022

	Land	Buildings	Construction in Progress	Total
		(In Thousands)		
Cost				
Balance at beginning of year	**₱74,543,473**	**₱135,599,847**	**₱77,270,287**	**₱287,413,607**
Additions	**7,066,502**	**8,837,270**	**3,793,406**	**19,697,178**
Disposals	**(764,475)**	**(3,227,683)**	**–**	**(3,992,158)**
Cumulative translation difference	**107,141**	**92,759**	**–**	**199,900**
Transfers (Notes 8,13 and 37)	**(11,754,536)**	**14,197,110**	**(13,805,554)**	**(11,362,980)**
Balance at end of year	**69,198,105**	**155,499,303**	**67,258,139**	**291,955,547**
Accumulated Depreciation				
Balance at beginning of year	**–**	**43,507,379**	**–**	**43,507,379**
Depreciation (Note 22)	**–**	**5,642,851**	**–**	**5,642,851**
Disposals	**–**	**(3,227,683)**	**–**	**(3,227,683)**
Cumulative translation difference	**–**	**(1,103)**	**–**	**(1,103)**
Balance at end of year	**–**	**45,921,444**	**–**	**45,921,444**
Accumulated impairment losses				
Balance at beginning and end of year	**160,378**	**348,218**	**–**	**508,596**
Net Book Value	**₱69,037,727**	**₱109,229,641**	**₱67,258,139**	**₱245,525,507**

2021

	Land	Buildings	Construction in Progress	Total
		(In Thousands)		
Cost				
Balance at beginning of year	₱70,764,540	₱127,032,731	₱65,938,191	₱263,735,462
Additions	4,024,563	8,824,653	11,332,096	24,181,312
Disposals	(262,952)	(303,472)	–	(566,424)
Cumulative translation difference	(11,993)	30,042	–	18,049
Transfers (Notes 8,13, and 37)	29,315	15,893	–	45,208
Balance at end of year	74,543,473	135,599,847	77,270,287	287,413,607
Accumulated Depreciation				
Balance at beginning of year	–	40,722,579	–	40,722,579
Depreciation (Note 22)	–	3,645,318	–	3,645,318
Disposals	–	(860,573)	–	(860,573)
Cumulative translation difference	–	55	–	55
Balance at end of year	–	43,507,379	–	43,507,379
Accumulated impairment losses				
Balance at beginning of year	102,825	225,208	–	328,033
Impairment losses (Note 22)	57,553	123,010	–	180,563
Balance at the end of year	160,378	348,218	–	508,596
Net Book Value	₱74,383,095	₱91,744,250	₱77,270,287	₱243,397,632

Certain parcels of land are leased to several individuals and corporations. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove any and all improvements (such as buildings) introduced or built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its use and benefit.

Construction in progress pertain to buildings under construction to be leased as retail and office spaces upon completion. The development and construction period normally range from three years to five years and depends heavily on the size of the assets.

The aggregate fair value of the Group's investment properties amounted to ₱483,640.6 million and ₱485,358.7 million as of December 31, 2022 and 2021, respectively.

The fair values of the investment properties were determined by independent professionally qualified appraisers.

The following table provides the fair value hierarchy of the Group's investment properties as of December 31, 2022 and 2021:

2022

			Fair value measurement using		
	Date of Valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
			(In Thousands)		
Land properties	**Various**	**₱241,486,227**	**₱–**	**₱–**	**₱241,486,227**
Retail properties	**Various**	**83,890,525**	**–**	**–**	**83,890,525**
Office properties	**Various**	**157,471,235**	**–**	**–**	**157,471,235**
Hospital properties	**Various**	**792,637**	**–**	**–**	**792,637**

2021

	Date of Valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			(In Thousands)		
Land properties	Various	₱287,151,049	₱–	₱–	₱287,151,049
Retail properties	Various	90,873,025	–	–	90,873,025
Office properties	Various	106,293,498	–	–	106,293,498
Hospital properties	Various	1,014,323	–	–	1,014,323

The values of the land were arrived using the Market Data Approach. Market Data Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available. For Market Data Approach, the higher the price per sqm., the higher the fair value.

The values of the buildings (retail, office, hospital) were arrived using the Income Approach. Income Approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset.

The significant unobservable inputs to valuation of investment properties ranges from ₱1,500-₱278,000 per sqm.

In 2021, the Group started capitalizing borrowing costs to its investment properties under construction. Interest capitalized amounted to ₱783.22 million in 2022 and ₱574.1 million in 2021. As of 2020, total capitalized interest aggregated to ₱1,993 million. The capitalization rates are 2.63% - 5.18% (see Note 16).

Consolidated rental income from investment properties amounted to ₱27,196.5 million, ₱17,797.7 million and ₱18,468.9 million in 2022, 2021 and 2020, respectively (see Note 20). Consolidated direct operating expenses arising from the investment properties in 2022, 2021 and 2020 amounted to ₱8,884.7, ₱7,663.1 million and ₱7,467.0 million, respectively (see Note 22).

Depreciation and amortization expense pertaining to investment properties amounted to ₱5,642.9 million, ₱3,645.3 million and ₱5,590.1 million in 2022, 2021 and 2020, respectively (see Note 22).

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Certain short-term and long-term debt are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. Net book value of the investment property amounted to ₱2,974.8 million and ₱2,907.2 million as of December 31, 2022 and 2021, respectively (see Note 16).

For the capital commitments, please refer to Notes 19 and 34.

13. **Property and Equipment**

The rollforward analysis of this account as of December 31 follow:

	2022					
	Land, Buildings and Improvements	**Machinery and Construction Equipment**	**Furniture, Fixtures and Equipment**	**Transportation Equipment**	**Hotel Property and Equipment**	**Total**
			(In Thousands)			
Cost						
Balance at beginning of year	**₱18,417,909**	**₱13,824,961**	**₱9,390,543**	**₱3,495,419**	**₱25,218,185**	**₱70,347,017**
Additions	**2,578,544**	**633,051**	**849,884**	**238,095**	**124,711**	**4,424,285**
Disposals	**(1,222,348)**	**(482,715)**	**(140,454)**	**(92,106)**	**–**	**(1,937,623)**
Foreign currency exchange difference	**71,232**	**38,404**	**3,417**	**716**	**–**	**113,769**
Transfers (Notes 12 and 37)	**(5,597,249)**	**86,034**	**(778)**	**–**	**–**	**(5,511,993)**
Balance at end of year	**14,248,088**	**14,099,735**	**10,102,612**	**3,642,124**	**25,342,896**	**67,435,455**
Accumulated Depreciation and Amortization						
Balance at beginning of year	**₱7,651,424**	**₱10,188,003**	**₱5,072,260**	**₱1,658,590**	**₱3,998,388**	**₱28,568,665**
Depreciation and amortization (Note 22)	**790,928**	**792,055**	**358,035**	**443,202**	**844,904**	**3,229,124**
Foreign currency exchange difference	**11,114**	**16,057**	**2,920**	**573**	**–**	**30,664**
Disposals	**(60,650)**	**(63,302)**	**(167,939)**	**(254,946)**	**–**	**(546,837)**
Balance at end of year	**8,392,816**	**10,932,813**	**5,265,276**	**1,847,419**	**4,843,292**	**31,281,616**
Net Book Value	**₱5,855,272**	**₱3,166,922**	**₱4,837,336**	**₱1,794,705**	**₱20,499,604**	**₱36,153,839**

	2021					
	Land, Buildings and Improvements	Machinery and Construction Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Hotel Property and Equipment	Total
			(In Thousands)			
Cost						
Balance at beginning of year	₱15,813,109	₱14,333,110	₱9,279,284	₱3,356,921	₱24,933,163	₱67,715,587
Additions	2,450,606	106,158	212,872	160,836	285,022	3,215,494
Disposals	(5,395)	(869,355)	(28,549)	(22,749)	–	(926,048)
Foreign currency exchange difference	80,133	255,048	4,111	1,304	–	340,596
Transfers (Notes 12 and 37)	79,456	–	(77,175)	(893)	–	1,388
Balance at end of year	18,417,909	13,824,961	9,390,543	3,495,419	25,218,185	70,347,017
Accumulated Depreciation and Amortization						
Balance at beginning of year	4,949,034	9,327,981	4,905,266	1,680,185	3,406,153	24,268,619
Depreciation and amortization (Note 22)	2,632,657	868,312	214,016	136,541	592,235	4,443,761
Foreign currency exchange difference	72,119	230,057	(3,204)	–	–	298,972
Disposals	(2,386)	(238,347)	(43,818)	(158,136)	–	(442,687)
Balance at end of year	7,651,424	10,188,003	5,072,260	1,658,590	3,998,388	28,568,665
Net Book Value	₱10,766,485	₱3,636,959	₱4,318,283	₱1,836,829	₱21,219,797	₱41,778,353

The depreciation and amortization of property and equipment (included under various consolidated statements of income accounts) amounted to ₱3,229.1 million, ₱4,443.8 million and ₱3,050.0 million in 2022, 2021 and 2020, respectively. No interest was capitalized in 2022 and 2021 (see Note 16).

The Group has no restrictions on its property and equipment and none of these have been pledged as security for its obligations. Capital expenditures for hotel buildings in the course of construction amounted to ₱952.8 and ₱1,133.59 million as of December 31, 2022 and 2021, respectively, and are included in property and equipment. The total contractual commitments arising from awarded contracts for the acquisition, development and construction of property and equipment amounted to ₱685.78 million in 2022.

The Group performed impairment testing on its hotel property and equipment with a carrying value of ₱20,499.6 million and ₱21,219.8 million as of December 31, 2022 and 2021, by assessing its recoverable amount through estimation of its value in use (VIU). VIU is the present value of the future cash flows expected to be derived from an asset. The significant assumptions used in the valuation are discount rates of 5.00% to 13.00% with an average growth rate of 3.00%. The Group also considered in its assumptions the impact of the pandemic on the occupancy rate and room rates which are not expected to normalize until 2024. Based on the impairment testing, there is no impairment loss on the Group's hotel property and equipment (see Note 3).

For the capital commitments, please refer to Notes 19 and 34.

14. Other Noncurrent Assets

This account consists of:

	2022	2021
	(In Thousands)	
Prepaid expenses	**₱13,478,639**	₱14,954,424
Advances to contractors and suppliers	**9,256,936**	8,453,875
Leasehold rights	**3,293,472**	3,398,659
Deposits – others	**2,142,815**	2,005,003
Deferred input VAT	**1,114,468**	1,515,092
Net pension assets (Note 26)	**52,529**	10,961
Development rights	**37,678**	37,678
Investment in bonds	**-**	2,309,440
Others	**449,817**	1,206,307
	₱29,826,354	₱33,891,439

Prepaid expenses consist of project costs incurred for unlaunched projects of the Group, advance rental payments and noncurrent prepaid management fees. This also includes the noncurrent portion of cost to obtain contracts (see Note 9) which includes prepaid commissions and advances to brokers, which amounted to ₱766.36 million and ₱1,070.9 million in 2022 and 2021, respectively.

Advances to contractors and suppliers represents prepayments for the construction of investment properties and property and equipment.

Leasehold rights consist of the following:

- Through the acquisition of ALLHC, ALI acquired leasehold rights arising from their lease agreement with Philippine National Railways (PNR) which amounted to ₱2,750.17 million and ₱2,748.11 million as of December 31, 2022 and 2021, respectively (see Note 33).
- TKPI's leasehold rights pertains to the right to use the property in Apulit Island located in Taytay, Palawan expiring on December 31, 2029 which amounted to ₱46.73 million and ₱53.41 million as of December 31, 2022 and 2021, respectively.
- NTDCC's leasehold rights refer to development rights on an 8.3-hectare portion of the MRT Development Corporation, which is located on the North Triangle property, and enabled the Group to develop and construct a commercial center which amounted to ₱491.2 million and ₱515.93 million as of December 31, 2022 and 2021, respectively.

Movements of leasehold rights follow:

	2022	2021
	(In Thousands)	
As of January 1, 2021	**₱3,398,659**	₱3,506,816
Additions	**1,179**	–
Amortizations	**(106,365)**	(108,157)
Balance at end of year	**₱3,293,472**	₱3,398,659

Deposits - others pertain to various utility deposits and security deposits for leases.

Investment in bonds pertain to non-interest bearing bonds with a term of 36-months. The Group recorded the investment as financial asset at fair value through other comprehensive income. The fair value of the investment in bonds is determined using the binomial lattice approach. The fair value of the investment is categorized under Level 3.

Deferred input VAT pertains to unamortized VAT portion from purchases of capital goods.

Development rights pertain to the saleable and non-saleable development rights acquired by the Parent Company. The non-saleable portion is allocated to the gross floor area of a structure in a particular lot that can be developed in the future. The amortization of development rights are capitalized as additional cost of the structure once the development commences.

Others pertain to prepayments for expenses that is amortized for more than one year.

15. **Accounts and Other Payables**

This account consists of:

	2022	2021
	(In Thousands)	
Accounts payable	**₱95,187,175**	₱87,252,257
Taxes payable	**20,536,540**	19,413,474
Liability for purchased land	**8,136,983**	9,576,947
Accrued salaries and employee benefits	**6,269,161**	5,309,047
Retentions payable	**4,937,454**	5,198,897
Interest payable	**2,104,183**	1,592,727
Accrued professional and management fees	**1,479,837**	2,034,248
Accrued advertising and promotions	**925,552**	922,513
Accrued repairs and maintenance	**689,554**	2,027,742
Payable to related parties (Note 25)	**630,525**	923,241
Accrued utilities	**465,642**	552,337
Accrued rentals	**88,639**	91,477
Dividends payable	**81,030**	686,982
Other accrued expenses	**2,419,852**	1,108,507
	₱143,952,127	₱136,690,396

Accounts payable and accrued expenses are noninterest-bearing and are normally settled on 30- to 60-day terms.

Taxes payable pertains to the Group's output VAT, expanded withholding tax, capital gains tax and fringe benefit tax.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired payable during the year. These are normally payable in quarterly or annual installment payments or upon demand.

Retentions payable pertains to the amount withheld by the Group on contractor's billings to be released after the guarantee period, usually one (1) year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in the project.

Other accrued expenses consist mainly of accruals from commissions, royalty, transportation and travel, janitorial and security, postal and communication and other expenses.

16. **Short-term and Long-term Debts**

The short-term debt amounting to ₱6,547.3 million and ₱16,782.5 million as of December 31, 2022 and December 31, 2021, respectively, represents both peso and foreign currency-denominated bank loans. Peso-denominated short-term loans had a weighted average cost of 2.58% and 2.14% per annum for in 2022 and 2021, respectively.

In compliance with BSP rules on directors, officers, stockholders and related interests, certain long-term debt with a carrying value of ₱4,623.2 million and ₱6,368.9 million as of December 31, 2022 and 2021 are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. Net book value of the property amounted to ₱2,974.7 million and ₱2,288.3 million as of December 31, 2022 and 2021, respectively, which is accounted as part of the "Investment properties" account.

Long-term debt consists of:

	December 31, 2022 Audited	December 31, 2021 Audited
	(In Thousands)	
Parent Company:		
Bonds:		
Due 2022	**₱–**	₱22,650,000
Due 2023	**7,000,000**	7,000,000
Due 2024	**15,000,000**	3,000,000
Due 2025	**23,250,000**	23,250,000
Due 2026	**16,000,000**	16,000,000
Due 2027	**15,000,000**	8,000,000
Due 2028	**22,000,000**	10,000,000
Due 2029	**14,000,000**	-
Due 2031	**3,000,000**	3,000,000
Due 2033	**2,000,000**	2,000,000
Fixed rate corporate notes (FXCNs)	**4,500,000**	4,650,000
Php - denominated long-term loans	**68,244,727**	76,814,570
US Dollar - denominated long-term loans	**3,066,525**	6,374,875
	193,061,252	182,739,445
Subsidiaries:		
Bank loans - Philippine Peso	**34,338,748**	21,719,292
Bonds	**3,000,000**	3,000,000
Bank loans - Malaysian Ringgit	**442,470**	1,246
	37,781,218	24,720,538
	230,842,470	207,459,983
Less unamortized transaction costs	**1,350,891**	1,145,744
	229,491,580	206,314,239
Less current portion	**19,258,289**	26,173,997
	₱210,233,291	₱180,140,242

ALI Parent
Below is the summary of the outstanding Peso bonds issued by the Parent Company:

Year Issued	Term (Years)	Interest rate	Principal Amount (In thousands)	Carrying Value (In thousands) 2022	2021	Features
2012	10	6.00%	5,650,000	**₱–**	₱5,650,000	Fixed rate bond due 2022
2013	20	6.00%	2,000,000	**1,987,589**	1,986,794	Fixed rate bond due 2033
2015	7	4.50%	7,000,000	**–**	6,987,688	Fixed rate bond due 2022
2016	9.5	4.75%	7,000,000	**6,976,738**	6,969,407	Fixed rate bond due 2025
2016	10	4.85%	8,000,000	**7,970,112**	7,961,918	Fixed rate bond due 2026
2016	7	3.89%	7,000,000	**6,990,957**	6,980,787	Fixed rate bond due 2023
2017	10	5.26%	7,000,000	**6,982,556**	6,979,065	Fixed rate bond due 2027
2018	10	5.92%	10,000,000	**9,927,761**	9,916,583	Fixed rate bond due 2028
2019	7	6.37%	8,000,000	**7,947,809**	7,934,304	Fixed rate bond due 2026
2019	5	4.76%	3,000,000	**2,985,944**	2,978,436	Fixed rate bond due 2024
2019	7.3	4.99%	1,000,000	**969,971**	963,622	Fixed rate bond due 2027
2020	2	3.00%	10,000,000	**–**	9,970,491	Fixed rate bond due 2022
2020	5	3.86%	6,250,000	**6,207,139**	6,192,684	Fixed rate bond due 2025
2021	4	3.63%	10,000,000	**9,931,347**	9,903,889	Fixed rate bond due 2025
2021	10	4.08%	3,000,000	**2,979,655**	2,977,789	Fixed rate bond due 2031
2022	6	5.81%	12,000,000	**11,918,358**	–	Fixed rate bond due 2028
2022	2	4.40%	12,000,000	**11,897,140**	–	Fixed rate bond due 2024
2022	5	6.21%	7,000,000	**6,927,960**	–	Fixed rate bond due 2027
2022	7	6.80%	14,000,000	**13,851,289**	–	Fixed rate bond due 2029
Total				**₱116,452,325**	₱94,353,457	

Philippine Rating Services Corporation (PhilRatings) rated the Parent Company’s 2022 and 2021 bond issuances “PRS Aaa” with a stable outlook, and maintained the “PRS Aaa” rating with a stable outlook for all other outstanding bonds. PRS Aaa is the highest credit rating possible on PhilRatings’ rating scale for long-term issuances, indicating that obligor’s capacity to meet its financial commitment on the obligation is extremely strong and that it has the smallest degree of investment risk. A Stable Outlook indicates that the rating is likely to be maintained or to remain unchanged in the next twelve months.

Bonds:
Philippine Peso 10-year Bonds due 2022
In April 2012, the Parent Company issued its ₱5,650.0 million bonds due 2022 at a fixed rate equivalent to 6.0% p.a. PhilRatings assigned a PRS Aaa rating on the bonds. The Parent Company fully paid the bonds in April 2022.

Philippine Peso 7.0 Billion Fixed Rate Bonds due 2022
In April 2015, the Parent Company issued a total of ₱7,000.0 million bonds due 2022 at a fixed rate equivalent to 4.50% p.a. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. The Parent Company fully paid the bonds in April 2022.

Philippine Peso 2-year Bonds due 2022
In June 2020, the Parent Company issued and listed on the PDEx its ₱10,000.0 million fixed rate bonds due 2022 at a rate equivalent to 3.0% p.a. The Bonds form part of the fourth tranche of debt securities issued under the Parent Company's ₱50,000.0 million Debt Securities Program registered and rendered effective by the SEC on April 22, 2019 (the “2019 Program”). The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings. The Parent Company fully paid the bonds in June 2022.

Philippine Peso 7-year Bonds due 2023
In October 2016, the Parent Company issued and listed on the PDEx a total of ₱7,000.0 million fixed rate bonds due 2023 at a rate equivalent to 3.89% p.a. The Bonds represent the third tranche of the Parent Company's ₱50,000.0 million Debt Securities Program registered and rendered effective by the SEC on March 8, 2016 (the “2016 Program”). The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2024
In September 2019, the Parent Company issued and listed on the PDEx its ₱3,000.0 million bonds due 2024 at a fixed rate equivalent to 4.76% p.a. The Bonds represent the second tranche of debt securities issued under the Parent Company's 2019 Program, and were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 9-year and 6-month Bonds due 2025
In April 2016, the Parent Company issued and listed on the PDEx a total of ₱7,000.0 million bonds due 2025 at a fixed rate equivalent to 4.75% p.a. The Bonds is the second tranche of debt securities issued under the Parent Company's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2025
In September 2020, the Parent Company issued and listed on the PDEx its ₱6,250.0 million fixed rate bonds due 2025 at a rate equivalent to 3.86% p.a. The Bonds represent the fifth tranche of debt securities issued under the Parent Company's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 4-year Bonds due 2025
In May 2021, the Parent Company issued and listed on the PDEx its ₱10,000.0 million fixed rate bonds due 2025 at a rate equivalent to 3.63% p.a. The Bonds represent the sixth tranche of debt securities issued under the Parent Company's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 7-year and 10-year Bonds due 2026
In March 2016, the Parent Company issued and listed on the PDEx a total of ₱8,000.0 million bonds due 2026 at a fixed rate equivalent to 4.85% p.a. This is the first tranche of the tranche of debt securities issued under the Parent Company's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. In May 2019, the Parent Company issued and listed on the PDEx ₱8,000.0 million fixed rate bonds due 2026 at a rate equivalent to 6.37% p.a. The Bonds, the first tranche of Parent Company's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 7-year and 3-month and 10-year Bonds due 2027
In May 2017, the Parent Company issued its ₱7,000.0 million fixed rate bond due 2027 at a rate equivalent to 5.26% p.a. The Bonds, the fourth tranche of the Parent Company's 2016 Program, were listed on the PDEx and were rated PRS Aaa with a Stable Outlook by PhilRatings. In November 2019, the Parent Company issued a ₱1,000.0 million fixed rate bond due 2027 at a rate equivalent to 4.99% p.a. The Bonds, the third tranche of bonds issued under the Parent Company's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2028
In April 2018, the Parent Company issued and listed on the PDEx a total of ₱10,000.0 million fixed rate bonds due 2028 at a rate equivalent to 5.92% p.a. and subject to repricing on 27 April 2023, the fifth anniversary of the Issue Date, at the higher of 5.92% p.a. or the prevailing 5-year benchmark plus 75 bps. The Bonds represent the fifth tranche of the of debt securities issued under the Parent Company's 2016 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 6-year Bonds due 2028
In May 2022, the Parent Company issued a total of ₱12,000.0 million bonds due 2028 at a fixed rate equivalent to 5.81% p.a. The offering is composed of ₱9,500.0 million as the second tranche of debt securities issued under the Parent Company's ₱50,000.0 million Debt Securities Program registered and rendered effective by the SEC on October 11, 2021 (the "2021 Program") while ₱2,500.0 million represent the eighth and final tranche of debt securities that were issued under the 2019 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 2-Year, 5-Year and 7-year Bonds due 2024, 2027 and 2029
In July 2022, the Parent Company issued a total of ₱33,000.0 million fixed rate bonds, broken down into ₱12,000.0 million bonds due 2024 at a rate equivalent to 4.40% p.a., ₱7,000.0 million bonds due 2027 at a rate equivalent to 6.21% p.a. and a ₱14,000.0 million bond due 2029 at a rate equivalent to 6.81% p.a. The offering is the third tranche of debt securities issued under the Parent Company's 2021 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2031
In October 2021, the Parent Company issued a total of ₱3,000.0 million bonds due 2031 at a fixed rate equivalent to 4.08% p.a. and subject to repricing on 26 October 2026, the fifth anniversary of the Issue Date, at the higher of 4.08% p.a. or the prevailing 5-year benchmark plus 70 bps. The offering which was listed on the PDEX is composed of ₱2,750.0 million issued as the first tranche of Parent Company's 2021 Program while ₱250.0 million representing the seventh tranche of debt securities were issued under the Company’s 2019 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 7-Year and 20-year Bonds due 2020 and 2033
In October 2013, the Parent Company issued a total of ₱6,000.0 million bonds, broken down into a ₱4,000.0 million bonds due 2020 at a fixed rate equivalent to 4.63% p.a. and a ₱2,000.0 million bond due 2033 at a fixed rate equivalent to 6.0% p.a. CRISP assigned a "AAA" rating on the bonds indicating that it has a minimal credit risk owing to the Parent Company’s capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP. The Parent Company fully paid the ₱4,000.0 million bonds that matured in October 2020 while the ₱2,000.0 million bonds is due 2033.

<u>Philippine-denominated Long-term Loans:</u>
Philippine Peso 10-year and 3-month Notes due 2023
In December 2012, the Parent Company executed a ₱5,000.0 million committed Corporate Note facility with a local bank, of which an initial ₱3,500.0 million was drawn in 2012. The balance of ₱1,500.0 million was subsequently drawn in January 2013. Notes currently bear a fixed interest rate of 4.50% p.a. The Corporate Notes will mature on the third month succeeding the tenth anniversary of the initial drawdown date. As of December 31, 2022 and 2021, the remaining balance of the notes amounted to ₱4,500.0 million and ₱4,650.0 million, respectively.

Philippine Peso-denominated Long-term Loans
In August to September 2015, the Parent Company assumed an aggregate of ₱15,526.9 million various long-term facilities of some subsidiaries from various banks. The loans bear fixed interest rates ranging from 4.50% to 4.70% p.a. and terms ranging from 4.4 years to 10.5 years. In March 2016, the Company additionally assumed from ALI Makati Hotel Property, Inc. US$30.0 million in long-term loans from the Bank of the Philippine Islands. The loan carried a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR) and is repriceable quarterly. The loan was prepaid in December 2018. In August 2022, coinciding with the repricing date of the Parent Company’s ₱10,000.0 million 10.5-year long-term facility, the Company executed a Deed of Assignment with a domestic bank. The Parent Company assigned the remaining balance of the loan amounting to ₱7,872.0 million to Avida Land, Corp. (₱4,086.0 million), Alveo Land, Corp. ((₱2,880.0 million) and Accendo Commercial, Corp. (₱906.0 million) (collectively the “Assigned Loan”). The Assigned Loan carries a floating rate applicable for the remaining 3.5 years of the long -term facility. As of December 31, 2022 and 2021, the remaining balance of the assumed long-term facilities amounted to ₱1,903.6 million and ₱9,820.9 million, respectively.

In March 2017, the Parent Company executed a ₱10,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn an initial ₱5,000.0 million. The balance of ₱5,000.0 million was drawn in April 2017. The loan carries a fixed interest rate of 4.95% p.a. and a term of 10 years. As of December 31, 2022 and 2021, the remaining balance of long-term facilities amounted to ₱9,175.0 million and ₱9,475.0 million, respectively.

In March 2018, the Parent Company executed a ₱5,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn the entire facility amount. As of December 31, 2022 and 2021, the remaining balance of long-term facility amounted to ₱4,762.5 million and ₱4,812.5 million, respectively.

In January 2020, the Parent Company executed and availed a ₱5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.50% p.a. for the initial 5 years. In December 2020, the Parent Company also executed and availed a ₱10,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.0% p.a. for the first 7 years. Both loans will be repriced on the 5th and 7th anniversary with the remaining balance of ₱4,962.5 million and ₱9,584.0 million, respectively.

In July 2021, the Company executed a ₱10,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.88% p.a. for the initial 5 years. In August 2021, the Company executed a ₱5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.88% p.a. for the initial 5 years. Another ₱4,900.0 million 6-year long-term facility was drawn in October 2021 at an interest rate of 3.78% p.a. for the initial 3 years. In October 2021, the Company executed a ₱5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.75% p.a. for the initial 5 years. In November 2021, the Company also executed a ₱5,000.0 million 9-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.95% p.a. for the initial 5 years. In December 2021, the Company executed a ₱7,100.0 million 8-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.87% p.a. for the initial 3 years.

On December 16, 2021, the SEC approved and made effective the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the “Merger”). ALI shall be the surviving entity in the Merger and shall possess all the rights, privileges and immunities of CHI, AiO, ASCVC and CDBI (the “Absorbed Corporations”), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed. With that, the Parent Company assumed an aggregate of ₱914.1 million long-term facilities of AiO from a domestic bank. As of December 31, 2022 and 2021, the remaining balance of long-term facilities amounted to ₱857.1 million and ₱914.1 million, respectively.

As of December 31, 2022 and 2021, remaining aggregate balance of the Peso-denominated long-term loans amounted to ₱68,244.7 million and ₱76,814.6 million, respectively.

<u>US Dollar-denominated Long-term Loans:</u>
In November 2019, the Parent Company executed and had simultaneously drawn a US$125.0 million long-term facility. The loan bears a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR), repriceable quarterly. All proceeds were onlent to MCT to refinance its existing loans. The loan will mature on the fifth anniversary of the initial drawdown date. The Parent Company initiated a partial payment of US$70.0 million in November 2022.

As of December 31, 2022 and 2021, the remaining aggregate balance of US Dollar-denominated long term loans amounted to ₱3,066.5 million and ₱6,374.9 million, respectively.

<u>Subsidiaries</u>
The subsidiaries’ loans will mature on various dates up to 2032. Peso-denominated loans bear various floating interest rates at 50 bps to 90 bps spread over the benchmark 91-day PHP BVAL Reference Rate (previously PDST-R2) and/or fixed interest rates ranging from 3.27% to 4.83% p.a. Certain loans which are subject to floating interest rates are subject to floor floating interest rates equivalent to (i) 95.0% or par of the Overnight Reverse Repurchase Agreement Rate of the Bangko Sentral ng Pilipinas (BSPOvernightRate) or (ii) the BSP Overnight Rate plus a spread of 20 bps to 75 bps p.a. or (iii) the average of the Bangko Sentral ng Pilipinas Overnight Deposit Rate and Term Deposit Facility with a term closed to the 90-day interest period.

In 2022 and 2021, the subsidiaries made a total bank loan availment of ₱15,455.0 million (including the Assigned Loan) and ₱5,830.0 million, respectively. As of December 31, 2022 and 2021, the subsidiaries paid a total bank loan of ₱2,835.5 million and ₱7,349.83 million, respectively. The total outstanding balance of the subsidiaries' loans as of December 31, 2022 and 2021 amounted to ₱34,781.2 million and ₱21,720.54 million loans, respectively.

Philippine Peso 3.0 Billion Fixed Rate Bonds due 2023
In December 2021, AREIT, Inc. issued a total of ₱3,000.0 million bonds due 2023 at a fixed rate equivalent to 3.04% p.a. The Bonds represent the first tranche of debt securities issued under its ₱15,000.0 million Debt Securities Program registered with the SEC and listed on the PDEx.The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings, indicating that obligor's capacity to meet its financial commitment on the obligation is extremely strong.

The loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional loans maturing beyond a year which will result to non-compliance of the required debt-to-equity ratios; merger or consolidation where the Company/subsidiary is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets. These restrictions and requirements were complied with by the Group as of December 31, 2022 and 2021.

Interest capitalized amounted to ₱783.22 million, ₱560.14 million, ₱40.1 million in 2022, 2021 and 2020, respectively. The capitalization rates are 2.04% - 4.50% in 2022, 2.14% -3.44%% in 2021 and 2.63% - 5.18% in 2020 (see Note 8 and 12).

Transaction costs capitalized amounted to ₱497.5 million, ₱500.0 million, ₱423.0 million, in 2022, 2021 and 2020, respectively. Amortization amounted to ₱292.35 million, ₱472.07 million, and ₱ 216.93 million in 2022, 2021 and 2020, respectively, and included under "Interest and other financing charges" (see Note 22).

Certain credit facilities with BPI with a total carrying value of ₱4,623.2 million and ₱6,368.9 million as of December 31, 2022 and 2021, respectively, are secured by a real estate mortgage. This is in compliance with BSP ruling on directors, officers, stockholders and related interests.

The Group is required to maintain a debt-to-equity ratio not exceeding 3:1. The Group has complied with the debt covenant as of December 31, 2022 and 2021.

17. Deposits and Other Current Liabilities

This account consists of:

	2022	2021
	(In Thousands)	
Current portion of customers' deposits	**₱26,688,566**	₱23,858,675
Security deposits	**3,197,804**	3,372,817
Others	**1,324,653**	239,823
	₱31,211,023	₱27,471,315

Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion.

The amount of revenue recognized from amounts included in customers' deposits at the beginning of the year amounted to ₱16,779.9 million, ₱30,239.3 million and ₱21,087.9 million in 2022, 2021 and 2020, respectively.

Security deposits are equivalent to three (3) to six (6) months' rent of tenants with cancellable lease contracts and whose lease term will end in the succeeding year. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts. Other current liabilities mostly pertain to accrued project costs and unearned income.

18. Deposits and Other Noncurrent Liabilities

This account consists of:

	2022	2021
	(In Thousands)	
Deposits	**₱16,970,031**	₱21,682,003
Liability for purchased land	**10,185,888**	12,835,369
Customers' deposit - noncurrent portion	**9,751,887**	17,032,950
Contractors payable	**5,479,129**	3,167,215
Retentions payable	**3,331,070**	4,174,016
Deferred output VAT	**856,698**	1,048,615
Subscriptions payable	**728,633**	256,068
Other liabilities	**216,545**	539,366
	₱47,519,881	₱60,735,602

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties. Security deposits are equivalent to three (3) to six (6) months' rent of long-term tenants with noncancellable leases. This will be refunded to the lessees at the end of the lease term or applied to the last months' rentals on the related contracts. Deferred credits pertain to advances from buyers of real estate properties to cover various processing fees including, but not limited to, fees related to transfer of title such as registration fees, documentary taxes and transfer taxes. Payments made by the Group for the processing of title are charged to this account.

Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion.

Retentions payable pertains to the amount withheld by the Group on contractor's billings to be released after the guarantee period, usually one (1) year after the completion of the project or upon demand. The retention serves as a security from the contractor when there are claims for defects in projects requiring rework.

Contractors payable represents accrued costs incurred for property development that are not yet billed.

Liability for purchased land pertains to the portion of unpaid unsubdivided land acquired during the year. These are normally payable in quarterly or annual installment payments within three (3) or five (5) years.

Deferred output VAT pertains to output VAT on receivables for which sales recognition has been deferred based on sales collection threshold for VAT recognition purposes.

The Group's subscription payable pertains to ALLHC's investment in Cyber Bay.

On April 25, 1995, Central Bay, a wholly owned subsidiary of Cyber Bay, entered into a Joint Venture Agreement with the Philippine Reclamation Authority (PRA; formerly Public Estates Authority) for the complete and entire reclamation and horizontal development of a portion of the Manila-Cavite Coastal Road and Reclamation Project (the Project) consisting of three partially reclaimed and substantially eroded islands (the Three Islands) along Emilio Aguinaldo Boulevard in Parañaque and Las Piñas, Metro Manila with a combined total area of 157.8 hectares, another area of 242.2 hectares contiguous to the Three Islands and, at Central Bay's option as approved by the PRA, an additional 350 hectares more or less to regularize the configuration of the reclaimed area.

On March 30, 1999, the PRA and Central Bay executed an Amended Joint Venture Agreement (AJVA) to enhance the Philippine Government's share and benefits from the Project which was approved by the Office of the President of the Philippines on May 28, 1999.

On July 9, 2002, the Supreme Court (SC) (in the case entitled "Francisco Chavez vs. Amari Coastal Bay and Reclamation Corp.") issued a ruling declaring the AJVA null and void. Accordingly, PRA and Central Bay were permanently enjoined from implementing the AJVA.

On July 26, 2002, Central Bay filed a Motion for Reconsideration (MR) of said SC decision. On May 6, 2003, the SC En Banc denied with finality Central Bay's MR. On May 15, 2003, Central Bay filed a Motion for Leave to Admit Second MR. In an En Banc Resolution of the SC dated July 8, 2003, the SC resolved to admit the Second MR of Central Bay.

On November 11, 2003, the SC rendered a 7-7 split decision on Central Bay's Second MR. Because of the new issues raised in the SC's latest resolution that were never tried or heard in the case, Central Bay was constrained to file on December 5, 2003 a Motion for Re-deliberation of the SC's latest resolution which motion was denied with finality by the SC.

With the nullification of the AJVA, Central Bay has suspended all Project operations. On August 10, 2007, in view of the failure by the PRA to comply with its obligations and representations under the AJVA, Cyber Bay and Central Bay have filed their claims for reimbursement of Project expenses in the amount of ₱10,200.0 million with the PRA. Cyber Bay and Central Bay provided the PRA with the summary and details of their claims on September 5, 2007. On July 15, 2008, Cyber Bay sent a follow-up letter to the PRA. The PRA, in its letter dated July 18, 2008, informed Cyber Bay that its claim is still being evaluated by the PRA.

As at December 31, 2022 and 2021, the Group has unpaid subscription in Cyber Bay amounting to ₱481.7 million.

Other liabilities include nontrade payables, accrued payables and warranty payables.

19. Equity

The details of the number of shares follow:

<u>December 31, 2022</u>

	Number of Shares		Amount	
	Preferred	**Common**	**Preferred**	**Common**
		(In Thousands)		
Authorized	**15,000,000**	**20,000,000**	**₱1,500,000**	**₱20,000,000**
Issued*	**13,066,495**	**15,580,699**	**₱1,306,649**	**₱15,580,699**
Subscribed		**126,248**		**126,248**
	13,066,495	**15,706,947**	**₱1,306,649**	**₱15,706,947**

*Out of the total issued shares, 642,283,806 common and 623,970,536 preferred shares or ₱704.68 million as of December 31, 2022 pertain to Treasury shares

December 31, 2021

	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
		(In Thousands)		
Authorized	15,000,000	20,000,000	₱1,500,000	₱20,000,000
Issued*	13,066,495	15,257,294	₱1,306,649	₱15,257,294
Subscribed	–	123,901	–	123,901
	13,066,495	15,381,195	₱1,306,649	₱15,381,195

*Out of the total issued shares, 29,785 shares or ₱1,260.8 million as of December 31, 2020 pertain to Treasury shares

December 31, 2020

	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
		(In Thousands)		
Authorized	15,000,000	20,000,000	₱1,500,000	₱20,000,000
Issued*	13,066,495	14,635,298	₱1,306,649	₱14,635,298
Subscribed	–	124,882	–	124,882
	13,066,495	14,760,180	₱1,306,649	₱14,760,180

*Out of the total issued shares, 25,373 shares or ₱1,104.4 million as of December 31, 2019 pertain to Treasury shares

The movement in the Parent Company's treasury shares follows:

	2022		2021		2020	
	Shares	**Amount**	Shares	Amount	Shares	Amount
		(in millions)		(in millions)		(in millions)
Common						
At January 1	**570,069,282**	₱16,894.4	29,785	₱1,260.8	25,373	₱1,104.4
Additions	**72,214,524**	**2,186.3**	570,039,497	15,633.6	4,412	156.4
At December 31	**642,283,806**	**₱19,080.7**	570,069,282	₱16,894.4	29,785	₱1,260.8
Preferred						
At January 1	**–**	**₱–**	–	₱–	–	₱–
Additions	**623,970,536**	**62.9**	–	–	–	–
At December 31	**623,970,536**	**₱62.9**	–	₱–	–	₱–
	1,266,254,342	**₱19,143.60**	570,069,282	₱16,894.4	29,785	₱1,260.8

Preferred Shares (₱0.10 par value per share)

The Parent Company's preferred shares prior to 2012 were subscribed and issued through a stock rights offer with the following features: (a) non-voting; (b) dividend rate of 4.6% p.a., payable annually, noncumulative; (c) nonparticipating; (d) convertible at the option of the holder at a ratio of one (1) preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (e) no pre-emptive rights; (f) non-redeemable; (g) non-listed; and, (h) preferred in liquidation to the extent of par value.

The dividends for preferred shares are declared upon the sole discretion of the Parent Company's BOD.

On February 20, 2012, the BOD approved the following restructuring exercise in order to comply with the regulatory requirement on Filipino-ownership following the Supreme Court's ruling that nonvoting shares do not count as equity when computing for a Parent Company's Filipino-ownership level:

a. Redemption and retirement of the 13.0 billion outstanding preferred shares with par value of ₱0.10.
b. Reclassification of the 1,970.0 million unissued preferred shares to voting preferred shares through an amendment of Article Seventh of the Articles of Incorporation.
c. Increase in authorized capital stock by ₱1,300.0 million creating new voting preferred shares and a stock rights offer of 13,000 million voting preferred shares from the increase in the authorized capital stock.

On April 18, 2012, the stockholders ratified the BOD resolution on the capital restructuring. The voting preferred shares shall have the following features, rights, and privileges: (a) voting; (b) dividend rate of 4.7% per annum, equivalent to 90.0% of the 10-year PDST R2 (repriced every ten (10) years from issue date), payable annually, non-cumulative; (c) convertible at the option of the holder at a ratio of one (1) voting preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (d) no pre-emptive rights; (e) redeemable at par at the sole option of the corporation; (f) non-listed; and, (g) preferred in liquidation to the extent of par value.

The SEC approved on January 31, 2013 the following:

a. The decrease in authorized capital stock by ₱1,303.5 million, the aggregate par value of the 13,034.6 million preferred shares which have been redeemed and retired, from ₱22,803.5 million to ₱21,500.0 million, and

b. The amendments to Articles of Incorporation reflecting the decrease in capital stock.

On June 24, 2022, 623,392,160 Voting Preferred Shares (VPS) has been redeemed. The remaining number of outstanding VPS is 12,443,102,599. All of the redeemed VPS will be retired subject to the final approval of the SEC.

As of December 31, 2022, 2021 and 2020 the Parent Company's authorized and outstanding preferred shares amounted to ₱1,500.0 million and ₱1,500.0 million, respectively, at ₱0.10 par value per share.

Common Shares (₱1.00 par value per share)

On April 7, 2014, the stockholders resolved to approve the amendment of the Seventh Article of the Articles of Incorporation exempting from pre-emptive rights (1) the issuance of 1 billion common shares for properties or assets needed for the business of the Parent Company or for cash to acquire properties or assets needed for the business of the Parent Company or in payment of a debt contracted prior to the issuance of such shares, and (2) the issuance of common shares covered by the Parent Company's Stock Option Plans for members of the management committees of the Parent Company's subsidiaries or affiliates.

Likewise, the stockholders resolved to approve the amendment of the Stock Option Plan of the Parent Company to include the members of the Management Committees of the Parent Company's subsidiaries and affiliates as eligible grantees of stock options.

The rollforward analysis of the common shares follows:

	Number of Shares			**Amount**		
	2022	2021	2020	**2022**	2021	2020
			(In Thousands)			
Issued capital stock*						
At beginning of year	**15,257,294**	14,635,298	14,632,062	**₱15,257,294**	₱14,635,298	₱14,632,062
Issued shares	**323,405**	621,996	3,236	**323,405**	621,996	3,236
At end of year	**15,580,699**	15,257,294	14,635,298	**15,580,699**	15,257,294	14,635,298
Subscribed capital stock						
At beginning of year	**123,901**	124,882	113,273	**123,901**	124,882	113,273
Issued shares	**(11,825)**	(12,369)	(3,236)	**(11,825)**	(12,369)	(3,236)
Additional subscriptions	**14,172**	11,388	14,845	**14,172**	11,388	14,845
At end of year	**126,248**	123,901	124,882	**126,248**	123,901	124,882
	15,706,947	15,381,195	14,760,180	**₱15,706,947**	₱15,381,195	₱14,760,180

*Out of the total issued shares, 642,283,806 shares or ₱19,017.8 million as of December 31 2022, 570,069,282 shares or ₱16,894.4 million as of December 31, 2021, and 29,785 shares or ₱1,260.1 million as of December 31, pertain to Treasury shares

No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Parent Company.

The Parent Company's track record of capital stock is as follows:

Type of Shares	Number of shares registered	Issue/ Offer price	Date of approval	Number of holders of securities as of 2021	Number of holders of securities as of 2020
Class B shares	800,000,000	Par Value - ₱1.00 /Issue Price ₱26.00	April 18, 1991	13,181	8,985
Class B shares	400,000,000	Par Value - ₱1.00*	July 06, 1992		
Class A shares	900,000,000	Par Value - ₱1.00**	July 05, 1993		
Class B shares	600,000,000	Par Value - ₱1.00**	July 05, 1993		

Note: Class A Shares and Class B Shares were declassified into one type of Common Shares on September 12, 1997.
**increase in authorized capital stock, registered to cover the shares held by the directors and 20% stock dividend amounting to ₱108,662,000.00*
***increase in authorized capital stock, registered to cover the 20% stock dividend amounting to P391,240,953.00*

On January 9, 2015, the Executive Committee of the Parent Company approved a top-up placement of 484,848,500 common shares of the Parent Company at a price of ₱33.00 per share. The placement was conducted via an accelerated bookbuilt offering structured as a top-up placement, whereby AC sold 484,848,500 listed common shares of stock to qualified third party buyers and subscribe to the same number of new shares from the Parent Company. The Parent Company completed the placement on January 12, 2015, raising an aggregate of ₱16,000.0 million in paid-up capital. The price was at 3.9% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to ₱194.0 million.

On April 13, 2013, the stockholders resolved to approve the amendment of the Seventh Article of the Company's Articles of Incorporation for the purpose of excluding or exempting treasury shares from the pre-emptive rights of stockholders.

On March 6, 2013, the Parent Company's Board resolved to approve the placement made by AC of its existing 320,000,000 listed common shares of the Company to certain qualified third party buyers or investors at ₱30.50 per share. The Parent Company completed the top-up placement, raising an aggregate of ₱12,200.0 million in paid up capital. The price was at 3.6% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to ₱162.4 million.

On July 10, 2012, the Parent Company's executive committee approved the placement of 680 million listed common shares of stock with par value of ₱1.00 per share, at a price of ₱20.00 per share, and the issuance of equal number of new shares of the Parent Company, at the same price of ₱20.00 per share, with AC as the seller of the placement tranche and subscriber of the subscription tranche. The Parent Company completed the top-up placement, raising an aggregate of ₱13,600 million in paid up capital. The price was at 5.0% discount to the closing price. Transaction cost charged to additional paid-in capital amounted to ₱200.0 million.

On April 2, 2008, the Parent Company's stockholders approved the allotment and subsequent issuance of the shares for the above-mentioned purposes and for the further amendment of the Amended Articles of Incorporation of the Parent Company to exclude the issuance of shares from the pre-emptive rights of the stockholders pursuant to Section 39 of the Philippine Corporation Code.

On February 12, 2008, the BOD approved the allotment and subsequent issuance of up to 1 billion common shares of stock with an aggregate par value of ₱1,000.0 million for the purpose of exchanging such shares for properties or assets and/or to raise funds to acquire properties or assets needed for the business of the Parent Company via issuance of equity or equity-linked instruments, the price and the terms and conditions of which shall be determined by the BOD based on prevailing market conditions or on agreements negotiated.

On July 5, 1991, the Parent Company launched its initial public offering where a total of 400 million common shares were offered at an offering price of ₱26.00 per share. The registration statement was approved on July 20, 1992. The Parent Company has 13,181 and 11,789 existing shareholders as of December 31, 2022 and 2021, respectively.

Treasury Shares

Under its buyback program in 2022, ALI purchased a total of 72,792,900 common shares at an average price of ₱27.95 per share for a total consideration of ₱2,124.0 million and 623,970,536 preferred shares at an average price of ₱0.10 per share for a total consideration of ₱62.9 million which aggregated to ₱2,186.9 million.

In April and December 2021, ALI purchased a total of 48,976,900 common shares at an average price of ₱33.90 per share for a total consideration of ₱1,656.6 million under its share buyback program.

On December 16, 2021, SEC has approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). All of the shares of the absorbed entities owned by their respective stockholders prior to the Merger shall be acquired by ALI, and in exchange for the net assets of the absorbed entities, a total of 609,626,351 ALI common shares will be issued to the stockholders of the absorbed entities. Of these shares, 491,306,375 shares shall be issued to ALI itself and shall be treated as treasury shares with a total consideration of ₱13,977.0 million.

On February 28, March 11, March 12, and March 16, 2020, Ayala Land, Inc. purchased a total of 4,412,000 common shares at an average price of ₱35.67 per share for a total consideration of ₱156.4 million, pursuant to its share buyback program.

On February 21, 2020, the Board of Directors of Ayala Land, Inc. at its regular meeting approved the increase of an additional ₱25 billion to the Company's current share buyback program bringing the available balance to ₱26.1 billion. The program will be implemented through open market purchases executed via the trading facilities of the Philippine Stock Exchange.

On March 5, 2019, the Parent Company purchased a total of 10,372,746 of its common shares at ₱43.20 per share through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of ₱448.10 million in relation to its share buyback program. On November 26, 2019, the Parent Company also acquired a total of 15,000,000 of its common shares at ₱43.75 per share for a total purchase price of ₱656.25 million.

The amendment of the Articles of Incorporation on April 17, 2013 allowed the re-selling of the 79,528,299 listed common shares as part of the top-up placement transaction completed in July 2013. Treasury common shares were sold at ₱30.50 per share resulting to additional paid-in capital of ₱1,601.6 million.

On August 12, 2008, the BOD approved a share buyback program. It is part of the Parent Company's balance sheet management program and aims to (i) improve the Parent Company's balance sheet structure and capital efficiency and (ii) enhance shareholder value through the repurchase of shares whenever the stock is trading at a price discount perceived by the Parent Company as not reflective of its fair corporate value.

In 2008, the Parent Company repurchased a total of 79,528,228 of its common shares through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of ₱823.9 million in relation to its share buyback program. These have been reported as treasury shares.

Retained Earnings
The BOD approved the declaration and payment from unappropriated retained earnings of cash dividends of ₱0.28, ₱0.28 and ₱0.27 per share in 2022, 2021 and 2020, respectively, to all issued and outstanding shares.

The Board of Directors during its meetings on Feb 24, 2022 and Oct 21, 2022 approved the declaration of cash dividends of 0.1352 per outstanding common share as of record date Mar 11, 2022 and 0.1355 per outstanding common share as of record date Nov 8, 2022, respectively. These cash dividends were paid on Mar 25, 2022 and Nov 18, 2022, respectively. On May 31, 2022, the Board of Directors during its meeting approved the declaration of cash dividends of 0.0047 per outstanding preferred share. The cash dividend was paid on June 24, 2022 to stockholders of preferred shares as of record date June 09, 2022.

On February 23, 2021, the BOD during its meeting approved the declaration of cash dividends of 0.1358 per outstanding common share. The cash dividend was paid on March 25, 2021 to stockholders of common shares as of record date March 10, 2021.

On October 19, 2021, the BOD during its meeting approved the declaration of cash dividends of 0.1360 per outstanding common share. The cash dividend was paid on November 18, 2021 to stockholders of common shares as of record date November 3, 2021

On May 27, 2021, the Board of Directors during its meeting approved the declaration of cash dividends of 0.0047 per outstanding preferred share. The cash dividend was paid on June 25, 2021 to stockholders of preferred shares as of record date June 10, 2021

Total dividends for common shares declared for 2022, 2021 and 2020 amounted to ₱4,000.00 million, ₱4,001.2 million and ₱3,944.6 million, respectively. Total dividends for preferred shares declared for 2022, 2021 and 2020 amounted to ₱62.0 million each year.

As of December 31, 2022 and 2021, retained earnings of ₱25,000.0 million and ₱8,000.0 million as of December 31, 2020 are appropriated for future expansion. The increase of ₱17,000.0 million, as approved by the BOD on November 25, 2021, represents a continuing appropriation for land banking activities and planned building construction projects. Each year, the Parent Company incurs capital expenditures for property development which include among others land banking and building construction projects. The appropriation is being fully utilized to cover part of the annual expenditure requirement of the Parent Company.

The Parent Company has earmarked additional funds for expansion projects in the residential, shopping centers, office and hotel business segments, as well as various infrastructure projects for the Parent Company's mixed-use developments.

The following are among the major capital expenditures of the Parent Company which were approved by the BOD on November 25, 2021:

a) Arca South, a 74 hectares lifestyle district in the City of Taguig with residential, office, retail, hotel and other commercial component. Phase 1 of the mixed-use development was approved by the board on November 25, 2014. It consists of a retail project with 20k sqm GLA, 2 BPO towers with 31k sqm GLA and a 265-room hotel with total estimated cost of ₱11 billion, for completion in 2026. As of December 31, 2022, a total of ₱6 billion has already been completed.

b) Vertis North, a 29 hectares estate positioned as the Central Business District of the North with residential, office, retail and hotel component. Phase 1 of the mixed-use development was approved by the board on October 11, 2013. It consists of the completed Vertis mall with 40k sqm GLA, 3 office towers with 125k sqm GLA and a 438 room Seda hotel. For future development consists of the 4th Office Tower with 46k sqm GLA estimated at ₱5 billion, for completion beyond 2026. A total of ₱113 million were incurred as of December 31, 2022.

c) Vermosa , 700-hectare estate located south of Ayala Alabang. It is a mixed use development with residential and commercial component. Phase 1 of the mixed-use development consists of residential developments, commercial lots, school and sports and lifestyle complex. For future development consists of a mall with 41k sqm GLA approved by the board on May 19, 2017. Estimated cost for this project is at ₱2.5 billion, for completion in phases by 2022-2024. As of December 31, 2022, ₱202 million were incurred.

d) Continuing payments for various acquisitions within the country amounting to ₱14.5 billion to be paid until 2024-2026. A sum of ₱2.9 billion has been spent as of December 31, 2022.

Retained earnings also include undistributed net earnings amounting to ₱108,047.70 million and ₱101,582.19 million as of December 31, 2022 and 2021, respectively, representing accumulated equity in the net earnings of subsidiaries, associates and joint ventures. These are not available for dividend distribution unless declared by subsidiaries and other investees.

In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company's retained earnings available for dividend declaration as of December 31, 2022 and 2021 amounted to ₱55.36 billion and ₱39.30 billion, respectively.

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

Cumulative Translation Adjustment
The cumulative translation adjustments represent exchange differences arising from the translation of financial statements of the foreign operations, whose functional currency is other than Philippine Peso.

Equity Reserves
On January 20, 2022, the Board of Directors of Ayala Land, Inc. (ALI) approved a property-for-share swap with Ayala Corporation (AC) and Mermac, Inc. (Mermac). Under the transaction, AC will subscribe to 309,597,711 primary common shares for assets valued at ₱17,275.55 million, and Mermac will subscribe to 1,982,289 primary common shares for assets worth ₱110.61 million, totaling 311,580,000 primary common shares at a value of ₱55.80 per share, as validated by a third-party fairness opinion.

The primary common shares to be issued by ALI to AC and Mermac will come from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of Ayala Land, Inc.

On December 29, 2022, the property-for-share swap has been approved by the SEC. As a result, ALI received 258,023,645 common share of Ayala Hotels Inc. (AHI) representing 50% ownership of the entity. This transaction was regarded as acquisition involving common control with an impact to equity reserves amounting to ₱9,800.78 million in 2022.

Ayala Land, Inc. acquired additional 187,985 common shares and 149,007 preferred shares of Vesta Property Holdings, Inc. for a value of ₱415.62 million in April 2022. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 78% in 2021 to 84% in 2022. The acquisition is accounted as entities under control. As a holder of preferred share, the parent Company has voting rights same as that attached to common shares. Impact to equity reserves as a result of this transaction amounted to ₱523.36 million.

On April 27, 2022, Ayala Land, Inc. sold 87,370,000 shares of AREIT, Inc. (AREIT) at a transaction price of ₱39.70 per share, equivalent to ₱3.47 billion (exclusive of fees and taxes). ALI's net equity reserve from the sale of AREIT shares aggregated to a decrease of ₱2.53 billion out of the ₱3.40 billion net proceeds. This transaction was executed in relation to the property-for-share swap transaction with AREIT.

On May 19, 2022, Ayala Land, Inc. (ALI) and AREIT, Inc. (AREIT) executed the Deed of Exchange on the property-for-share swap transaction involving the issuance of 252,136,383 primary common shares of AREIT (Shares) to ALI, at an issue price of ₱44.65 per share in exchange for identified properties valued at ₱11,257.89 million. This was approved by the SEC on December 29, 2022.

On December 29, 2022, ALI and AREIT executed the Amendment to the Deed of Exchange to set October 1, 2022 as the effective date of assignment by ALI of the income of the properties and the tenant lease contracts and permits to AREIT.

The resulting equity reserve from 2022 transactions amounted to ₱7,792.46 million.

On December 16, 2021, the SEC has approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). ALI shall be the surviving entity in the Merger and shall possess all the rights, privileges and immunities of CHI, AiO, ASCVC and CDBI (the "Absorbed Corporations"), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed. The impact of merger is a decrease to equity reserve amounting to P276.8 million.

On October 8, 2021, Ayala Land, Inc. and AREIT, Inc. received the approval from the SEC of the property-for-share swap, specifically the subscription of ALI and its subsidiaries namely, Westview Commercial Ventures Corp. and Glensworth Development, Inc. (collectively referred to as Subsidiaries) to 483,254,375 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, under the Deed of Exchange dated June 8, 2021. This resulted in ALI's interest in AREIT from 54% to 66%. The impact to equity reserve amounted to ₱981.1 million.

On August 13, 2020, ALI sold through a public listing its 49.0% effective noncontrolling interest in AREIT, Inc. at ₱27.0 per share. Subsequently during a one-month stabilization process, BPI Capital Corporation acquired a 3.4% interest in AREIT at an average price of ₱26.0/share and redelivered this to ALI. As a result of the sale and buy-back transactions, ALI's ownership interest in AREIT was diluted from 100.00% to 54.4%. In relation to the dilution without loss of control, the impact to ALI's net equity reserve amounted to ₱7,641.7 million. ALI's non-controlling interest increased by ₱4,701.7 million, as a result of the public offering of AREIT Inc. The difference between the consideration and carrying value of the non-controlling interest was credited to equity reserve as shown below:

	2020		
	Consideration received	Carrying value of Non-controlling interests deemed disposed	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
45.6% in AREIT	₱12,343,461	₱4,701,746	₱7,641,715

<u>Non-controlling interests</u>
The Parent Company considers a subsidiary as a subsidiary with material NCI if its net assets exceed 5% of its total consolidated net assets of the Group as of reporting period and considers the relevance of the nature of activities of the subsidiary compared to other operations of the Group. There are no significant restrictions on the Parent Company's ability to use assets and settle liabilities of the Group. The financial information on the Parent Company's significant subsidiaries with material NCI follows:

AREIT, Inc.
AREIT, Inc., was incorporated on September 4, 2006. As of December 31, 2022, it is 54.88% owned by ALI, 5.47% owned by ALO, 3.53% owned by GDI, 2.13% owned by WCVC, and 33.9% public after being listed in the Philippine Stock Exchange (PSE) on August 13, 2020. It was organized primarily as a real estate investment trust, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations and other applicable laws.

The related balances for the year ended December 31, 2022 follows:

	2022	2021
	(In Thousands, except for %)	
Proportion of equity interests held by non-controlling interests	**40.0%**	33.9%
Accumulated balances of material non-controlling interests	**₱5,563,707**	₱5,040,631
Net income allocated to material non-controlling interests	**763,912**	927,789
Comprehensive income allocated to material non-controlling interests	**763,912**	927,789

The summarized financial information of AREIT, Inc. as of and for the year ended December 31, 2022 and 2021 are provided below. This information is based on amounts before inter-company eliminations.

	2022	2021
	(In Thousands)	
Statements of financial position		
Current assets	**₱2,137,763**	₱1,523,243
Noncurrent assets	**65,548,226**	54,980,285
Current liabilities	**(5,019,325)**	(2,257,257)
Noncurrent liabilities	**(2,593,774)**	(5,358,681)
Total equity	**60,072,890**	48,887,590
Attributable to:		
Equity holders of AREIT	**60,072,890**	48,887,590
Non-controlling interests	**–**	–
Dividends paid to non-controlling interests	**–**	–

	For the years ended December 31	
	2022	2021
	(In Thousands)	
Statements of comprehensive income		
Revenue	**₱5,072,846**	₱3,316,464
Cost and expenses	**2,185,159**	919,264
Income before income tax	**2,887,687**	2,397,200
Provision for income tax	**(124)**	(48)
Income from operations	**2,887,563**	2,397,152
Other comprehensive (loss) income	**–**	–
Total comprehensive income	**2,887,563**	2,397,152
Attributable to:		
Equity holders of AREIT	**₱2,887,563**	₱2,433,267
Non-controlling interests	**–**	–

	For the years ended December 31	
	2022	2021
	(In Thousands)	
Statements of cash flows		
Operating activities	**₱3,833,174**	₱2,145,006
Investing activities	**(263,046)**	(4,137,567)
Financing activities	**(3,599,385)**	2,025,594
Effect of exchange rate changes	–	33,033
Net increase in cash and cash equivalents	**(₱29,257)**	₱66,066

The fair value of the investment in AREIT, Inc. amounted to ₱41,145.1 million and ₱48,479.7 million as of December 31, 2022 and 2021, respectively.

CHI and Subsidiaries
CHI, a publicly-listed company, was incorporated in the Republic of the Philippines. It was engaged in real estate development, sale of subdivided land, residential and office condominium units, sports club shares, and lease of commercial spaces. The registered office address of CHI was at 20F ACC Tower, Bohol St., Cebu Business Park, Cebu City, Philippines. CHI was merged to ALI on December 16, 2021.

Proportion of equity interests held by non-controlling interests	28.9%
Accumulated balances of material non-controlling interests	₱2,528,941
Net income allocated to material non-controlling interests	201,523
Comprehensive income allocated to material non-controlling interests	201,523

Prior to the merger in 2021, the summarized financial information of CHI in 2020 is provided below. This information is based on amounts before inter-company eliminations.

Statements of financial position	
Current assets	₱4,154,937
Noncurrent assets	24,894,482
Current liabilities	(14,911,598)
Noncurrent liabilities	(1,661,300)
Total equity	12,476,521
Attributable to:	
Equity holders of CHI	9,744,862
Non-controlling interests	2,731,659
Dividends paid to non-controlling interests	–

	2020
Statements of comprehensive income	
Revenue	₱2,933,252
Cost and expenses	(2,506,461)
Income before income tax	426,791
Provision for income tax	(26,374)
Income from operations	400,417
Other comprehensive (loss) income	(48,755)
Total comprehensive income	351,662
Attributable to:	
Equity holders of CHI	₱343,132
Non-controlling interests	8,530

	2020
Statements of cash flows	
Operating activities	₱1,170,848
Investing activities	(1,220,472)
Financing activities	(78,000)
Effect of exchange rate changes	(337)
Net increase in cash and cash equivalents	(₱127,961)

The fair value of the investment in CHI amounted to ₱9,050.7 million as of December 31, 2021, respectively.

ALLHC and Subsidiaries
ALLHC was incorporated in the Republic of the Philippines. It is engaged in real estate and property development, manufacturing and retailing/distribution, non-life insurance and other allied services, organized under a number of intermediate holding companies. The Company wholly owns Tutuban Properties, Inc., which holds the lease and development rights over Tutuban Center in downtown Divisoria.

	2022	2021
	(In Thousands, except for %)	
Proportion of equity interests held by non-controlling interests	**28.5%**	29.1%
Accumulated balances of material non-controlling interests	**₱4,008,230**	₱4,412,056
Net income allocated to material non-controlling interests	**261,064**	219,295
Comprehensive income allocated to material non-controlling interests	**261,064**	219,295

The summarized financial information of ALLHC is provided below. This information is based on amounts before inter-company eliminations (In Thousands).

	December 31, 2022	December 31, 2021
Statements of financial position		
Current assets	**₱7,538,773**	₱7,114,121
Noncurrent assets	**20,031,125**	13,244,125
Current liabilities	**(7,242,901)**	(3,529,675)
Noncurrent liabilities	**(5,874,649)**	(4,836,594)
Total equity	**14,452,348**	11,991,978
Attributable to:		
Equity holders of ALLHC	**14,425,627**	11,971,624
Non-controlling interests	**26,721**	20,354
Dividends paid to non-controlling interests	**–**	–

	For the years ended December 31	
	2022	2021
Statements of comprehensive income		
Revenue	**₱4,184,753**	₱4,293,068
Cost and expenses	**2,979,222**	3,339,428
Income before income tax	**1,205,531**	953,640
Provision for income tax	**198,285**	95,474
Income from operations	**1,007,246**	858,166
Other comprehensive loss	**(6,222)**	–
Total comprehensive income	**1,001,024**	858,166
Attributable to:		
Equity holders of ALLHC	**1,009,118**	865,106
Non-controlling interests	**(8,095)**	(6,940)
Statements of cash flows		
Operating activities	**₱750,548**	₱966,407
Investing activities	**(3,198,568)**	(1,768,956)
Financing activities	**2,811,365**	705,739
Net increase (decrease) in cash and cash equivalents	**₱363,345**	(₱96,810)

The fair value of the investment in ALLHC amounted to ₱13,267.3 million and ₱30,068.0 million as of December 31, 2022 and 2021, respectively.

Capital Management
The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As of December 31, 2022 and 2021, the Group had the following ratios:

	2022	2021
Debt to equity	**0.80:1**	0.82:1
Net debt to equity	**0.76:1**	0.77:1

Debt consists of short-term and long-term debts. Net debt includes short-term and long-term debt less cash and cash equivalents, short-term investments and financial assets at FVPL. Equity, which the Group considers as capital, pertains to the total equity. The Group excludes the "Fair value reserve of financial assets at FVOCI" attributable to the equity holders of the Company in computing the debt to equity ratio.

The Group is subject to externally imposed capital requirements due to loan covenants (see Note 16). No changes were made in the objectives, policies or process capital during the years ended December 31, 2022 and 2021.

Financial risk assessment
The Group's financial condition and operating results would not be materially affected by the current changes in interest, currency, credit, liquidity and market conditions.

Exposure to changes in interest rates is reduced by a debt portfolio mix of both fixed and floating interest rates. The Group's ratio of fixed to floating rate debt stood at 90:10 and 91:9 as of December 31, 2022 and 2021, respectively. As a result, any adverse movement in interest rates is mitigated.

Exposure to foreign currency holdings is at MYR175.6 million and US$34.8 million as of December 31, 2022, and MYR127.3 million and US$102 million as of December 31, 2021, respectively.

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Group's base of counterparties remains diverse. As such, it is not exposed to large concentration of credit risk.

Liquidity risk is addressed with long term funding already locked in, while funds are placed on cash equivalents, short term investment and financial assets at FVTPL.

20. Revenue

This account consists of:

	2022	2021	2020
		(In Thousand)	
Revenue from contracts with customers			
Residential development	**₱81,244,149**	₱75,939,410	₱66,461,372
Hotels and resorts	**6,194,072**	2,833,075	3,388,190
Construction	**4,235,503**	3,909,051	3,278,557
Others	**4,181,058**	2,466,666	2,971,238
Rental income (Notes 12 and 33)	**27,196,530**	17,797,660	18,468,871
Equity in net earnings of associates and joint venture	**1,429,795**	842,565	586,502
Total Revenue	**₱124,481,107**	₱103,788,427	₱95,154,730

The Group derives revenue from the transfer of goods and services over time and at a point in time in different product types. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

Residential development

	2022	2021	2020
		(In thousands)	
Type of Product			
Middle income housing	**₱23,539,723**	₱24,101,342	₱21,239,940
Coremid	**19,831,937**	19,789,427	20,445,730
Condominium	**25,218,522**	23,733,274	18,231,721
Lot only	**12,653,967**	8,315,367	6,543,981
	₱81,244,149	₱75,939,410	₱66,461,372

All of the Group's real estate sales from residential development are revenue from contracts with customers recognized over time.

Hotels and resorts

	2022	2021	2020
		(In thousands)	
Type of Product			
Rooms	**₱3,464,771**	₱1,581,171	₱1,775,632
Food and beverage	**1,933,309**	816,326	731,812
Others	**453,477**	213,465	273,424
Other operated department	**342,515**	222,113	607,322
	₱6,194,072	₱2,833,075	₱3,388,190

The Group's revenue from hotels and resorts is attributed to the operations from the development and management of hotels and resorts/serviced apartments. In view of the continuing community quarantines and restricted travel, the Group's hotels and resorts segment continues to be adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported under this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment.

The Group's construction revenue pertains to transactions with related parties such as joint ventures and associates.

Others are mainly composed of property management facilities of the Group and third party projects.

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions. Rent discounts and concessions given vary for merchants that are (1) forced to close and those that are still (2) operational. Rental fees and common charges of merchants who were forced to close during the quarantine period were waived with 50% discount in their common area usage expenses.

Set-out below is the reconciliation of contracts with customers with the amounts disclosed in segment information (in millions):

	2022					
	Residential Development	**International**	**Construction**	**Hotels and Resorts**	**Property Management and Others**	**Total**
Sales to external customer	**₱71,792**	**₱2,757**	**₱4,236**	**₱6,194**	**₱4,181**	**₱89,160**
Interest	**6,695**	**–**	**–**	**–**	**–**	**6,695**
Total revenue from contracts with customers	**₱78,487**	**₱2,757**	**₱4,236**	**₱6,194**	**₱4,181**	**₱95,855**

	2021					
	Residential Development	International	Construction	Hotels and Resorts	Property Management and Others	Total
Sales to external customer	₱65,260	₱3,878	₱3,909	₱2,833	₱2,467	₱78,347
Interest	6,801	–	–	–	–	6,801
Total revenue from contracts with customers	₱72,061	₱3,878	₱3,909	₱2,833	₱2,467	₱85,148

	2020					
	Residential Development	International	Construction	Hotels and Resorts	Property Management and Others	Total
Sales to external customer	₱53,014	₱4,845	₱3,279	₱3,388	₱2,971	₱67,497
Interest	8,603	–	–	–	–	8,603
Total revenue from contracts with customers	₱61,617	₱4,845	₱3,279	₱3,388	₱2,971	₱76,100

21. Interest and Investment Income and Other Income

Interest and investment income consists of:

	2022	2021	2020
		(In Thousands)	
Gain on sale of equipment and other properties	**₱–**	₱106,051	₱23,265
Interest income from banks	**85,121**	79,765	293,354
Interest income from short term investments	**58,938**	–	–
Interest income from advances to officers/employees and other companies	**187,668**	46,546	75,160
Others	**55,356**	20,745	2,922
	₱387,083	₱253,107	₱394,701

Other income consists of:

	2022	2021	2020
		(In Thousands)	
Marketing and management fees	**₱693,144**	₱528,345	₱219,937
Others - net (Notes 11 and 24)	**994,480**	1,572,726	503,331
	₱1,687,624	₱2,101,071	₱723,268

Other income mainly consists on gain from disposal of associates and subsidiary, financial impact of net foreign exchange transactions, fair value movement in UITF and other miscellaneous income.

22. Costs and Expenses and Other Charges

Real estate costs and expenses consist of:

	2022	2021	2020
		(In Thousands)	
Cost of real estate sales (Note 8)	**₱37,610,988**	₱38,883,964	₱32,916,227
Depreciation and amortization	**7,880,751**	7,162,971	7,651,383
Hotels and resorts operations	**5,399,588**	1,907,908	2,990,397
Manpower costs	**5,208,820**	2,654,700	1,925,639
Rental	**305,465**	260,548	863,622
Marketing and management fees	**860,521**	95,753	1,274,861
Materials and overhead	**258,066**	54,636	43,759
Direct operating expenses:			
Light and water	**4,364,283**	2,701,440	439,464
Taxes and licenses	**4,109,408**	3,663,470	4,078,001
Repairs and maintenance	**2,749,054**	2,643,460	1,663,775
Commission	**2,720,178**	2,414,648	1,912,056
Insurance	**298,804**	232,980	213,150
Professional fees	**225,795**	280,323	245,787
Transportation and travel	**195,121**	137,865	67,353
Entertainment, amusement and recreation	**42,494**	28,166	14,756
Others	**3,399,375**	1,518,687	372,954
	₱75,628,711	₱64,641,519	₱56,673,184

General and administrative expenses consist of:

	2022	2021	2020
		(In Thousands)	
Manpower costs (Notes 26 and 28)	**₱3,876,043**	₱3,717,324	₱4,166,178
Depreciation and amortization	**951,210**	770,666	945,283
Taxes and licenses	**658,149**	561,136	1,096,167
Professional fees	**473,277**	484,133	419,557
Repairs and maintenance	**406,659**	382,734	332,586
Utilities	**239,435**	64,717	266,391
Security and Janitorial	**126,827**	116,821	274,754
Rent	**99,951**	–	10,642
Insurance	**85,857**	34,998	37,306
Transport and travel	**80,573**	45,038	46,996
Advertising	**70,264**	53,271	42,970
Dues and fees	**62,811**	199,639	52,251
Supplies	**57,238**	42,937	44,393
Entertainment, amusement and recreation	**27,105**	12,607	26,047
Training and seminars	**24,207**	11,635	14,357
Donations and contribution	**15,212**	38,624	57,628
Others	**9,521**	2,579	178,307
	₱7,264,339	₱6,538,859	₱8,011,813

Manpower costs included in the consolidated statements of income follows:

	2022	2021	2020
		(In Thousands)	
Real estate costs and expenses			
Cost of real estate	**₱5,208,820**	₱2,475,968	₱1,761,580
Hotels and resorts operations	**222,014**	178,732	164,059
General and administrative expenses	**3,876,043**	3,717,324	4,166,178
	₱9,306,877	₱6,372,024	₱6,091,817

Depreciation and amortization expense included in the consolidated statements of income follows:

	2022	2021	2020
		(In Thousands)	
Real estate costs and expenses:			
Cost of real estate	**₱7,880,751**	₱7,162,971	₱7,651,383
Hotels and resorts operations	**856,768**	886,870	975,906
General and administrative expenses	**951,210**	770,666	945,283
	₱9,688,729	₱8,820,507	₱9,572,572

Other expenses consist of:

	2022	2021	2020
		(In Thousands)	
Financial expenses and other charges (Note 7)	**₱3,742,306**	₱3,097,223	₱2,810,922
Net provision for (reversals of) impairment losses on:			
Receivables (Note 7)	**253,738**	359,129	752,641
Investment properties (Note 12)	**-**	180,563	225,208
	₱3,996,044	₱3,636,915	₱3,788,771

Interest and other financing charges consist of:

	2022	2021	2020
		(In Thousands)	
Interest expense on:			
Long-term debt	**₱9,198,060**	₱8,778,056	₱9,705,852
Short-term debt	**383,094**	391,435	1,164,767
Lease liabilities (Note 33)	**1,439,756**	1,409,177	1,430,607
Other financing charges	**425,758**	459,104	444,494
	₱11,446,668	₱11,037,772	₱12,745,720

23. **Income Tax**

Net deferred tax assets:

	2022	2021
	(In Thousands)	
Deferred tax assets on:		
Difference between tax and book basis of accounting for real estate transactions	**₱7,922,784**	₱5,989,367
Lease liabilities	**4,088,076**	5,807,896
Accrued expenses	**1,669,844**	2,640,103
NOLCO	**1,295,590**	1,494,484
Unrealized foreign exchange losses	**521,998**	13,824
Allowance for probable losses	**355,047**	479,781
Retirement benefits	**285,623**	506,871
Others	**1,172,398**	763,946
	17,311,360	17,696,272
Deferred tax liabilities on:		
Right-of-use assets	**(1,974,313)**	(3,686,194)
Capitalized interest and other expenses	**(736,613)**	(539,957)
Unrealized foreign exchange gains	**(100,216)**	(66,377)
Prepaid expenses	**(15,460)**	(29,567)
Others	**(595,471)**	(484,055)
	(3,422,073)	(4,806,150)
	₱13,889,287	₱12,890,122

Net deferred tax liabilities:

	2022	2021
	(In Thousands)	
Deferred tax assets on:		
NOLCO	**₱337,908**	23,668
Accrued expense	**61,331**	₱88,082
Retirement benefits	**45,125**	–
Allowance for probable losses	**11,990**	20,721
Difference between tax and book basis of accounting for real estate transactions	**–**	16,896
Unrealized foreign exchange loss	**–**	57,461
Lease liabilities	**13,359**	11,913
Others	**58,656**	64,817
	528,369	283,558
Deferred tax liabilities on:		
Fair value adjustment arising from business combination	**(3,445,212)**	(3,260,288)
Difference between tax and book basis of accounting for real estate transactions	**(1,771,278)**	(3,086,237)
Unrealized foreign exchange gain	**(128,854)**	(5,183)
Right-of-use assets	**(32,785)**	(27,280)
Capitalized interest and other expenses	**(6,448)**	(15,126)
Retirement benefits	**–**	(17,532)
Others	**(993,080)**	(392,175)
	(6,377,657)	(6,803,821)
	(₱5,849,288)	(6,520,263)

As of December 31, 2022 and 2021 deferred tax liabilities have not been recognized on the undistributed earnings and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future.

Certain subsidiaries of the Parent Company have NOLCO amounting to ₱2,052 million and ₱5,732.7 million as of December 31, 2022 and 2021, respectively, and MCIT amounting to ₱32.8 million and ₱26.0 million as of December 31, 2022 and 2021, respectively. Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. As of December 31, 2022 and 2021, total unrecognized NOLCO amounted to ₱349.9 million and ₱212.1 million, respectively. As of December 31, 2022 and 2021, total unrecognized MCIT amounted to ₱0.75 million and ₱14.3 million, respectively. The subsidiaries will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2022, the Group has incurred NOLCO which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
		(In Thousands)		
2018	₱990,792	₱990,792	₱–	2021
2019	587,561	587,561	–	2022
	₱1,578,353	₱1,578,353	₱–	

As of December 31, 2022, the Group has incurred NOLCO which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years, as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
		(In Thousands)		
2020	₱3,105,402	₱1,625,656	₱1,479,746	2025
2021	2,039,719	146,661	1,893,058	2026
2022	2,052,441	33,943	2,018,498	2025
	₱7,197,562	₱1,806,260	₱5,391,302	

The carryover MCIT that can be used as deductions against income tax liabilities is as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
		(In Thousands)		
2019	5,576	5,576	–	2022
2020	6,992	6,992	–	2023
2021	13,409	1,070	12,339	2024
2022	32,844	330	32,514	2025
	₱55,821	₱13,968	₱44,853	

Reconciliation between the statutory and the effective income tax rates follows:

	2022	2021	2020
Statutory income tax rate	**25.00%**	25.00%	30.00%
Tax effect of:			
Equity in net earnings of associates and joint ventures	**(5.07)**	(4.15)	(3.90)
Income under tax holiday and other nontaxable income	**(0.76)**	(0.13)	(0.88)
Interest income and capital gains taxed at lower rates	**(1.87)**	(0.56)	(0.25)
Others - net	**1.36**	2.65	1.99
Effective income tax rate	**20.18%**	22.81%	26.96%

Deferred tax related to remeasurement gain on defined benefit plans recognized in OCI amounted to ₱330.7 million and ₱274.9 million in 2022 and 2021, respectively.

Republic Act (RA) No.10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into law on December 19, 2017 and took effect January 1, 2018, making the new tax law enacted as of the reporting date. Although the TRAIN changes existing tax law and includes several provisions that will generally affect businesses on a prospective basis, the management assessed that the same will not have any significant impact on the financial statement balances as of the reporting date.

Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE"
To attract more investments and maintain fiscal prudence and stability in the Philippines, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law on March 26, 2021. RA 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect in April 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporation. For domestic corporation with net taxable income not exceeding ₱5.00 million and with total assets not exceeding ₱100.00 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.

Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

Imposition of improperly accumulated earnings tax (IAET) is repealed.

Board of Investments (BOI) Incentives
The Board of Investments issued certificates of registrations to the following companies in accordance with the existing Omnibus Investment Code. The projects have been granted an Income Tax Holiday (ITH) for a fixed period from the date of registration or actual start of operations, whichever is earlier.

	Registration Date	**Project Location**	**ITH Start**	**ITH Period**
Econorth Resort Ventures Inc.	November 21, 2017	Seda Lio	March 2018	5 years
Capitol Central Hotel Ventures, Inc.	September 08, 2017	Seda Capitol Central	January 2018	4 years
Bonifacio Hotel Ventures, Inc.	January 11, 2012	Seda BGC	June 2018	6 years
Bonifacio Hotel Ventures, Inc.	May 22, 2019	Seda BGC Expansion	May 2019	3 years
Makati North Hotel Ventures, Inc.	August 16, 2019	Seda Residences Makati	August 2019	4 years
Central Bloc Hotel Ventures, Inc.	June 16, 2020	Seda Central Bloc Cebu	January 2021	4 years
MDC Conqrete, Inc.	October 5, 2020	PBU and WallQrete	January 2021	3 years
Amaia Land Corp	October 31, 2020	Amaia Scapes Rizal	October 2020	4 years
Amaia Land Corp	July 18, 2018	Amaia Scapes Bulacan Sector 3B	July 2018	3 years

24. Acquisition of Non-controlling Interests

Ayala Hotels, Inc. (AHI)
On January 20, 2022, the Board of Directors of ALI approved a property-for-share swap with AC and Mermac. Under the transaction, AC will subscribe to 309,597,711 primary common shares for assets valued at ₱17,275.55 million, and Mermac will subscribe to 1,982,289 primary common shares for assets worth ₱110.61 million, totaling 311,580,000 primary common shares at a value of ₱55.80 per share, as validated by a third-party fairness opinion. The total assets include 258,023,645 common share of AHI and 714,116 common shares of DADC representing 50% and 100% stake of the companies, respectively.

The primary common shares to be issued by ALI to AC and Mermac will come from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of Ayala Land, Inc.

On December 29, 2022, SEC approved the transaction which resulted to additional 50% stake in AHI through acquisition involving common control with impact to equity reserves amounting to ₱9,800.78 million and a 100% holdings in DADC which regarded as an asset acquisition.

Vesta Property Holdings Inc.
The Parent Company acquired additional 187,985 common shares and 149,007 preferred shares of Vesta Property Holdings, Inc. for a value of ₱415.62 million in April 2022. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 78% in 2021 to 84% in 2022. The acquisition is accounted as common control. As a holder of preferred share, the parent Company has voting rights same as that attached to common shares. Impact to equity reserves as a result of this transaction amounted to ₱523.36 million.

Cebu Holdings, Inc. (CHI)
On December 16, 2021, the SEC approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). ALI shall be the surviving entity in the Merger and shall possess all the rights, privileges and immunities of CHI, AiO, ASCVC and CBDI (the "Absorbed Corporations"), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed.

As a result of the above merger, ALI's ownership on the seven companies also increased namely Southportal Properties, Inc. (from 65% to 100%), Cebu Leisure Company, Inc. (from 71% to 100%), CBP Theatre Management Inc. (from 71% to 100%), Taft Punta Engaño Property Inc. (from 39% to 55%), Cebu Insular Hotel Company, Inc. (from 26% to 37%), Solinea, Inc (from 25% to 35%), Amaia Southern Properties, Inc. (from 25% to 35%). Summary of financial information of the merged entities are as follow:

	Amount
	(In Thousands)
Current assets	₱7,039,965
Noncurrent assets	26,786,933
Current liabilities	(15,410,125)
Noncurrent liabilities	(1,272,817)
Equity	(17,143,955)

25. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

In its regular conduct of business, the Group has entered into transactions with its parent company, associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, development, management, underwriting, marketing, leasing and administrative service agreements.

Terms and Conditions of Transactions with Related Parties
Transactions with related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free and settlement occurs generally in cash, except otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. The Group does not provide any allowance relating to receivable from related parties. The Group has an active intercompany lending program and intercompany receivables are short-term. Related party borrowers are assessed to have financial capacity based on operational performance and cash flow requirements.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year (in thousands):

a. Transactions with Bank of the Philippine Islands (BPI), an associate of Ayala Corporation (AC)

Cash and cash equivalents earn interest from 2.5% to 6.0% per annum for Philippine Peso-denominated and 1.0% to 3.0% per annum for USD-denominated investments. Investment in FVPL are UITF which earns interest depending on the duration of time invested in the fund. Interest earned with investments in BPI for the year amounted to ₱30.99 million, ₱12.30 million, and ₱24.70 million in 2022, 2021 and 2020, respectively.

Short-term debts are secured peso denominated bank loans with interest rate ranging from 5.5% to 5.6% while long-term debts bear fixed rates ranging from 4.5% to 6.9% and floating rates ranging from 5.4% to 6.5% per annum with remaining terms ranging from less than a year to 9.9 years. Interest expense incurred on borrowings from BPI amounted to ₱220.7 million, ₱451.2 million, and ₱723.29 million for the years ended December 31, 2022, 2021 and 2020, respectively.

As of December 31, 2022 and 2021, the Group maintains current and savings account, money market placements and short-term and long-term debt payable with BPI broken down as follows:

	2022	2021
	(In Thousands)	
Cash in bank	**₱6,074,938**	₱3,302,304
Cash equivalents	**357,929**	29,181
Marketable securities	**66,444**	197,432
Short term debt	**1,636,000**	1,643,500
Long-term debt	**4,623,237**	6,366,922

b. Outstanding balances with parent company, associates and other related party

Receivables from/payables to other related parties pertain mostly to advances and reimbursement of operating expenses related to development cost and land acquisitions. Payables to related parties consist of expenses incurred on utilities, professional services and other miscellaneous services as well as purchases of vehicles. These are generally trade-related, noninterest-bearing and settled within one year.

Outstanding balances from/to related parties follow (amounts in thousands):

2022

	Receivable from related parties			**Payable to related parties**		
	Current	**Noncurrent**	**Total**	**Current**	**Noncurrent**	**Total**
AC	**₱90,805**	**₱–**	**₱90,805**	**₱151,143**	**₱–**	**₱151,143**
As Associates	**5,444,563**	**–**	**5,444,563**	**321,912**	**–**	**321,912**
Other related parties:						
Globe Telecom (Globe)	**213,324**	**–**	**213,324**	**10,800**	**–**	**10,800**
Bank of the Philippine Islands	**389,057**	**–**	**389,057**	**18,193**	**–**	**18,193**
Columbus	**42,922**	**–**	**42,922**	**–**	**–**	**–**
Manila Water Philippine Ventures, Inc.	**345,760**	**–**	**345,760**	**20,814**	**–**	**20,814**
Michigan Holdings, Inc.	**–**	**–**	**–**	**–**	**–**	**–**
Manila Water Company Inc.	**223,075**	**–**	**223,075**	**29,861**	**–**	**29,861**
Others	**178,377**	**–**	**178,377**	**78,057**	**–**	**78,057**
	1,392,515	**–**	**1,392,515**	**157,725**	**–**	**157,725**
	₱6,927,883	**₱–**	**₱6,927,883**	**₱630,780**	**₱–**	**₱630,780**

2021

	Receivable from related parties			Payable to related parties		
	Current	Noncurrent	Total	Current	Noncurrent	Total
AC	₱85,968	₱–	₱85,968	₱151,145	₱–	₱151,145
Associates	4,903,412	–	4,903,412	308,758	–	308,758
Other related parties:						
Globe Telecom (Globe)	172,685	–	172,685	9,542	–	9,542
Bank of the Philippine Islands	149,912	–	149,912	45,537	–	45,537
Columbus	1	–	1	267,355	–	267,355
Manila Water Philippine Ventures Inc.	144,930	–	144,930	8,381	–	8,381
Michigan Holdings, Inc.	3	–	3	–	–	–
Manila Water Company Inc.	357,441	–	357,441	13,825	–	13,825
Others	144,389	–	144,389	118,698	–	118,698
	969,361	–	969,361	463,338	–	463,338
	₱5,958,741	₱–	₱5,958,741	₱923,241	₱–	₱923,241

c. Revenue and expenses from related parties

The revenue from parent company, associates and other related parties pertains mostly to income from leasing and development projects while expenses composed of management fees and training expenses. These are usually non-interest bearing and are assessed for impairment. There are no impairment on these related receivables. Transactions are settled within one year.

Revenue and expenses from related parties follow:

Revenue from related parties:

	2022	2021	2020
		(In Thousands)	
AC	**₱7,727**	₱4,208	₱3,493
Associates	**2,254,914**	2,660,806	2,253,303
Other Related Parties			
Bank of the Philippine Islands	**764,546**	493,893	378,319
Manila Water Philippine Ventures, Inc.	**170,445**	134,767	264,628
Globe Telecom, Inc.	**103,011**	99,099	84,656
Innove Communications	**10,671**	7,673	7,982
Manila Water Company, Inc. (MWCI)	**722,225**	619,288	7,151
Laguna AAA Waterworks Corp. (LAWC)	**1,500**	1,500	1,500
Michigan Holdings, Inc.	**1,203**	1,203	1,203
Others	**87,685**	76,144	32,473
	1,861,286	1,433,567	777,912
Total	**₱4,123,927**	₱4,098,581	₱3,034,708

Expenses from related parties:

	2022	2021	2020
		(In Thousands)	
AC	**₱9,913**	₱10,432	₱10,950
Associates	**193,082**	298,823	201,558
Other Related Parties			
Manila Water Company, Inc.	**261,417**	204,324	234,167
Bank of the Philippine Islands	**208,570**	299,693	434,707
Innove Communications, Inc.	**102,283**	124,233	73,060
AG Counselors Corp.	**58,823**	41,247	206,354
Globe Telecom, Inc.	**43,812**	71,291	66,483
Manila Water Philippine Ventures, Inc.	**299,329**	187,534	125,617
Others	**867,662**	1,114,088	988,788
	1,841,896	2,042,408	2,129,176
Total	**₱2,044,891**	₱2,351,664	₱2,341,684

The following describe the nature of the material transactions of the Group with related parties as of December 31, 2022 and 2021:

- On January 12, 2016, the Parent Company has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc., for the waterworks of ALI's projects nationwide. The MOA was signed by ALI and its subsidiaries and affiliates, Cebu Holdings, Inc. and Cebu Property Ventures and Development Corp. Revenue and expense in 2022 amounted to ₱170.4 million and ₱299.3 million, respectively, and ₱134.8 million and ₱187.5 million amounted in 2021, respectively.
- Revenue from Manila Water Company, Inc. (MWCI) primarily pertains to MDC's project on the design & build of the Calawis Water Treatment Plant in Antipolo. The project started on March 01, 2021 and expected to be completed by the last quarter of 2022.
- Certain credit facilities with BPI with a total carrying value of ₱4,623.2 million and ₱6,368.9 million as of December 31, 2022 and 2021, respectively, are secured by a real estate mortgage. This is in compliance with BSP ruling on directors, officers, stockholders and related interests.
- In October 2012 and July 2013, BG South, a subsidiary of Alveo, entered into a contract with FBDC for the purchase of land in Bonifacio Global City. Land cost amounting to ₱117.4 million and ₱210.6 million were recognized in profit or loss in 2022 and 2021, respectively.
- On May 20, 2013, DirectPower and its customers, which are all within the Ayala Group, entered into a Retail Electricity Supply contract wherein DirectPower agreed to supply electricity at a specific rate pursuant to the provisions and implementing rules and regulations of R.A. No. 9136 or the Electric Power Industry Reform Acts of 2001. Among the customers of Direct Power are FBDC, LDC, BPI, San Lazaro BPO Complex and 6750 Ayala Ave.
- The Group sold residential receivables on a without recourse basis to Bank of the Philippine Islands, a related party, amounting to nil and 19,041.0 million in 2022 and 2021, respectively. Proceeds of receivables sold to BPI amounted to nil and ₱17,392.9 million in 2022 and 2021, respectively. The Group recognized loss on sale (under "Other charges") amounting to nil, ₱1,648.1 million and ₱2,064.0 million in 2022, 2021 and 2020, respectively.
- The Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting nil and ₱43.7 million in 2022 and 2021, respectively.
- Revenue from Globe pertains to development management fee and for lease of spaces.

- As of December 31, 2021, the funds include investment in securities of its related parties with carrying value of ₱0.4 billion (see Note 26).

d. Remuneration of Key Management Personnel (KMP)

Key management personnel of the Group include all officers with position of vice president and up. Compensation of key management personnel amounted to ₱199.5 million and ₱179.0 million in 2022 and 2021, respectively.

Compensation of key management personnel by benefit type follows:

	2022	2021
	(In Thousands)	
Short-term employee benefits	**₱183,969**	₱163,513
Post-employment benefits (Note 26)	**15,497**	15,497
	₱199,466	₱179,010

The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10%) or more of the total assets of the corporation that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

26. **Retirement Plan**

The Group has funded, noncontributory tax-qualified defined benefit type of retirement plans (the Plan) covering substantially all of their employees. The benefits are based on a defined benefit formula.

The Plan aims to maintain a full funding, i.e., the Plan's assets fully covered the Plan's liabilities, as measured through generally accepted actuarial methodologies. Such will provide a higher level of assurance that all promised benefits can be paid from existing assets and expected investment returns. The target funded status is within the range of 80% to 100%.

The Group's fund is in the form of a trust fund being maintained by the trustee banks such as BPI Asset Management and Trust Corporation (collectively the "Retirement Fund"). The primary objective of the Retirement Fund is to achieve the highest total rate of return possible, consistent with a prudent level of risk. The investment strategy articulated in the asset allocation policy has been developed in the context of long-term capital market expectations, as well as multi-year projections of actuarial liabilities. Accordingly, the investment objectives and strategies emphasize a long-term outlook, and interim performance fluctuations will be viewed with the corresponding perspective.

The components of expense (included in manpower costs under "General and administrative expenses") in the consolidated statements of income follows:

	2022	2021	2020
		(In Thousands)	
Current service cost	**₱410,726**	₱484,161	₱398,979
Past service cost	**20,192**	(27,986)	−
Settlement (gain)loss	**(4,431)**	(11,213)	−
Net interest cost on benefit obligation	**107,590**	124,910	104,867
Total pension expense	**₱ 534,077**	₱569,872	₱503,846

The remeasurement effects recognized in other comprehensive income (included in Equity under "Remeasurement loss on defined benefit plans") in the consolidated statements of financial position follow:

	2022	2021	2020
		(In Thousands)	
Return (loss) gain on plan assets (excluding amount included in net interest)	**₱12,195**	(₱29,028)	(₱15,785)
Remeasurement (loss) gain due to liability experience	**106,793**	709,847	(47,859)
Remeasurement (loss) gain due to liability assumption changes - demographic	**(108,921)**	–	(5,641)
Remeasurement (loss) gain due to liability assumption changes - economic	**176,893**	418,766	(617,702)
Remeasurements in other comprehensive income (loss)	**(₱186,861)**	₱1,099,585	(₱686,987)

The funded status and amounts recognized in the consolidated statement of financial position for the retirement plan as of December 31, 2022 and 2021, are as follows:

	2022	2021
	(In Thousands)	
Benefit obligations	**₱3,581,087**	₱4,280,435
Plan assets	**(2,068,413)**	(2,187,661)
Net pension liability position	**₱1,512,674**	₱2,092,774

As of December 31, 2022 and 2021 pension assets (included under "Other noncurrent assets") amounted to ₱52.5 million and ₱11.0 million, respectively, and pension liabilities amounted to ₱1,871.2 million and ₱2,103.7 million, respectively.

Changes in net defined benefit liability of funded plans in 2022 are as follows (in thousands):

		Net benefit cost in consolidated statement of income					**Remeasurements in other comprehensive income**							
	January 1, 2022	**Current service cost**	**Past service cost/ Settlement gain**	**Net interest**	**Subtotal**	**Benefits paid**	**Return on plan Assets***	**Remeasurement gain due to liability experience**	**Remeasurement gain due to liability assumption changes - demographic**	**Remeasurement gain due to liability assumption changes- economic**	**Net remeasure-ment loss**	**Contribution by employer**	**Transfer in /(out)**	**December 31, 2022**
Present value of defined benefit obligation	₱4,280,435	**₱ 410,726**	**₱15,761**	**179,848**	**₱606,335**	**(₱416,320)**	**(₱49,033)**	**₱84,657**	**(100,616)**	**(₱152,878)**	**(217,870)**	**(₱678,974)**	**₱ 7,482**	**₱3,581,087**
Fair value of plan assets	(2,187,661)	–	**–**	**(72,258)**	**(72,258)**	**210,374**	**61,228**	**22,136**	**(8,305)**	**329,772**	**404,831**	**–**	**(2,952)**	**2,068,413**
Net defined benefit liability	₱2,092,774	**₱ 410,726**	**₱15,761**	**₱ 107,590**	**₱534,077**	**(₱626,694)**	**₱12,195**	**₱106,793**	**(₱108,921)**	**₱176,893**	**₱186,961**	**(₱678,974)**	**₱4,530**	**₱1,512,674**

*excluding amount included in net interest

Changes in net defined benefit liability of funded plans in 2021 are as follows (in thousands):

		Net benefit cost in consolidated statement of income					Remeasurements in other comprehensive income							
	January 1, 2021	Current service cost	Past service cost	Net interest	Subtotal	Benefits paid	Return on plan Assets*	Remeasurement loss due to liability experience	Remeasurement loss due to liability assumption changes - demographic	Remeasurement loss due to liability assumption changes- economic	Net remeasure-ment loss	Contribution by employer	Transfer in /(out)	December 31, 2021
Present value of defined benefit obligation	₱5,094,096	₱484,161	(₱39,199)	213,192	₱658,154	(₱346,515)	₱–	(₱709,847)	₱–	(₱418,766)	(1,128,613)	₱–	₱3,313	₱4,280,435
Fair value of plan assets	(2,085,519)	–	–	(88,282)	(88,282)	186,948	29,028	–	–	–	29,028	(229,836)	–	(2,187,661)
Net defined benefit liability	₱3,008,577	₱484,161	(₱39,199)	₱124,910	₱569,872	(159,567)	₱29,028	(₱709,847)	₱–	(₱418,766)	(1,099,585)	(₱229,836)	₱3,313	₱2,092,774

*excluding amount included in net interest

All equity and debt instruments held have quoted prices in an active market. The remaining plan assets do not have quoted market prices in an active market.

The plan assets have diverse investments and do not have any concentration risk.

The fair value of plan assets by each class as at the end of the reporting period are as follows:

	December 31	
	2022	2021
	(In Thousands)	
Cash and cash equivalents	**₱55,100**	₱18,209
Equity investments		
Unit Investment Trust Funds	**373,006**	400,919
Holding firms	**201,763**	176,694
Property	**284,836**	109,259
Services	**36,704**	19,757
Financials	**34,272**	90,759
Industrials	**7,171**	17,598
Mutual funds	**3,885**	3,786
	941,637	818,772
Debt investments		
AAA rated debt securities	**544,674**	503,439
Government securities	**294,914**	452,261
Unit Investment Trust Funds	**144,204**	53,977
Mutual funds	**27,341**	4,032
Not rated debt securities	**60,543**	336,971
	1,071,676	1,350,680
	₱2,068,413	₱2,187,661

The Retirement Fund's investments will be appropriately diversified to control overall risk and will exhibit portfolio characteristics similar to the set benchmark for each asset class. In case of securities, the aggregate holdings of any security may not exceed 10% of the Plan assets. The criteria for including an asset class in the strategic policy include: (a) wide recognition and acceptance among institutional investors; (b) low correlation with other accepted asset classes; and (c) a meaningful performance history. The Group expects to make contributions of ₱518.02 million to its retirement fund in 2022.

The allocation of the fair value of plan assets follows:

	2022	2021
Investments in debt securities	**52.17%**	61.74%
Investments in equity securities	**29.56%**	37.43%
Others	**18.27%**	0.83%

Funds invested in debt securities include government securities, corporate notes and bonds and money market placements. Investments in equity securities consist of investments in PSE listed stocks and unit investment trust funds. Others were in the form of cash and cash equivalents.

The Group's transactions with the funds mainly pertain to contributions, benefit payments and settlements.

As of December 31, 2022 and 2021, the funds include investment in securities of its related parties (see Note 25). Details of the investment per type of security are as follows:

	December 31, 2022			December 31, 2021
	Carrying Value	**Fair Value**	**Unrealized Gain**	Fair Value
	(In Thousands)			
Investments in debt securities	**₱900,641**	**₱ 873,618**	**(₱14,777)**	₱41,796
Investments in equity securities	**656,280**	**589,709**	**(61,561)**	290,310
Others	**228,240**	**221,620**	**(5,695)**	55,379
	₱1,785,161	**₱1,684,947**	**(₱82,003)**	₱387,485

The plan assets include shares of stock of the Parent Company with fair value amounting to ₱50.85 million and ₱54.03 million as of December 31, 2022 and 2021, respectively. The Parent Company gives the trustee bank the discretion to exercise voting rights over the shares. The plan assets include debt securities of the Parent Company amounting to ₱11.56 million and ₱31.93 million as of December 31, 2022 and 2021, respectively. The gain of the fund arising from investment in debt and equity securities of the Parent Company is ₱0.89 million.

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension liabilities are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2022	2021
Discount rates	**4.94 to 7.65%**	3.65 to 5.83%
Future salary increases	**4.00 to 9.00%**	3.00 to 8.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

2022

	Effect on income before income tax Increase (decrease)	
Change in basis points	**+ 100 basis points**	**- 100 basis points**
	(In Thousands)	
Discount rate	**(₱251,501)**	**₱325,793**
Salary increase rate	**309,550**	**(245,352)**

2021

	Effect on income before income tax Increase (decrease)	
Change in basis points	+ 100 basis points	- 100 basis points
	(In Thousands)	
Discount rate	(₱980,588)	(₱45,965)
Salary increase rate	(79,648)	(970,101)

Shown below is the maturity analysis of the undiscounted benefit payments:

Year ending:	**2022**	2021
	(In Thousands)	
1 year and less	**₱392,219**	₱104,456
more than 1 years to 5 years	**623,555**	722,390
more than 5 years to 10 years	**2,475,139**	3,503,290
more than 10 years to 15 years	**17,626,358**	9,497,759
more than 15 years to 20 years	**2,017,630**	10,522,147
more than 20 years	**14,661,951**	18,841,385

The average duration of the defined benefit obligation is 12 to 22 years and 6.0 to 24.0 years in 2022 and 2021, respectively.

27. Earnings Per Share

The following tables present information necessary to compute EPS (amounts in thousands except EPS):

EPS on net income attributable to equity holders of Ayala Land, Inc. are as follows:

	2022	2021	2020
	(In Thousands)		
Net income attributable to equity holders of Ayala Land, Inc.	**₱18,617,234**	₱12,228,148	₱8,727,155
Less: dividends on preferred stock	**(62,038)**	(62,038)	(62,038)
Net income attributable to equity holders of the Parent Company for basic and diluted earnings per share	**₱18,555,196**	₱12,166,110	₱8,665,117
Weighted average number of common shares for basic EPS	**14,777,782**	14,724,716	14,721,234
Add: dilutive shares arising from stock options	**(5,582)**	(2,143)	2,296
Adjusted weighted average number of common shares for diluted EPS	**14,772,200**	14,722,573	14,723,530
Basic and diluted EPS	**₱1.26**	₱0.83	₱0.59

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared.

Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

The convertibility of the preferred shares will start on the 10th asyear from the issue date which was in 2012. This has an antidilutive effect on the computation of diluted EPS.

28. Stock Options and Ownership Plans

The Parent Company has stock option plans for key employees covering 2.5% of the Parent Company's authorized capital stock. The grantee is selected based on certain criteria like outstanding performance over a three-year period.

ESOP

The ESOP grantees may exercise in whole or in part the vested allocation in accordance with the vesting percentage and vesting schedule stated in the ESOP. Also, the grantee must be an employee of the Parent Company or any of its subsidiaries during the 10-year option period. In case the grantee retires, he is given 3 years to exercise his vested and unvested options. In case the grantee resigns, he is given 90 days to exercise his vested options.

The Parent Company has no ESOP grant and availment during 2022, 2021 and 2020.

ESOWN

In November 2001, the Parent Company offered all its ESOWN subscribers with outstanding ESOWN subscriptions the option to cancel the subscriptions within the 5-year holding period. In December 2001, the program for ESOWN was indefinitely suspended.

In 2005, the Parent Company introduced a revised ESOWN Plan (the Plan) wherein grantees may subscribe in whole or in part to the shares awarded to them based on a discounted market price that was determined by the Compensation Committee as the offer price set at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. The subscription is subject to a holding period stated in the plan. To subscribe, the grantee must be an employee of the Parent Company or any of its subsidiaries during the ten (10)-year payment period. In case the grantee resigns, unsubscribed shares are cancelled, while the subscription may be paid up to the percent of holding period completed and payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares. All shares acquired through the Plan are subject to the Parent Company's right to repurchase.

The subscribed shares are effectively treated as options exercisable within a given period which is the same time as the grantee's payment schedule. The fair values of stock options granted are estimated on the date of grant using the Black-Scholes Merton (BSM) Formula and Binomial Tree Model (BTM), taking into account the terms and conditions upon which the options were granted. The BSM Formula and BTM Model requires six inputs to produce an option stock value namely; market value of the share, book value of the share, time to maturity, volatility rate, dividend yield, and risk free rate. The expected volatility was determined based on an independent valuation.

Movements in the number of options outstanding and weighted average exercise prices (WAEP) under ESOWN follow:

	2022	**WAEP**	2021	WAEP
At January 1	**–**	**₱–**	–	₱–
Granted	**17,349,169**	**–**	14,683,519	–
Subscribed	**(14,170,576)**	**30.29**	(11,389,265)	33.29
Availment	**1,067,483**	**–**	434,218	–
Cancelled	**(4,246,076)**	**–**	(3,728,472)	–
At December 31	**–**		–	

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	Grant Date							
	March 31, 2022	March 15, 2021	August 17, 2020	March 21, 2019	March 28, 2018	March 01, 2017	April 05, 2016	March 20, 2015
Number of unsubscribed shares	–	–	–	–	–	–	181,304	–
Fair value of each option (BTM)	₱–	₱–	₱–	₱–	₱–	₱8.48	₱13.61	₱16.03
Fair value of each option (BSM)	₱12.62	₱9.25	₱9.12	₱17.13	₱12.71	₱–	₱18.21	₱20.63
Weighted average share price	₱35.63	₱39.17	₱32.61	₱44.70	₱41.02	₱39.72	₱35.58	₱36.53
Exercise price	₱30.29	₱33.29	₱27.72	₱44.49	₱45.07	₱35.81	₱26.27	₱29.58
Expected volatility	24%	27.19%	25.05%	31.48%	34.04%	30.95%	32.03%	31.99%
Dividend yield	0.77%	0.38%	0.81%	1.16%	1.22%	1.34%	1.27%	1.02%
Interest rate	1.18%	1.03%	1.13%	5.57%	4.14%	4.41%	4.75%	4.11%

Total expense (included under “General and administrative expenses”) recognized in 2022, 2021 and 2020 in the consolidated statements of income arising from share-based payments amounted to ₱152.87 million, ₱150.07 million, and ₱111.92 million, respectively (see Note 22).

ALLHC
ALLHC introduced the ESOWN Plan (the Plan) wherein grantees (employees within ALLHC Group) may subscribe in whole or in part to the shares awarded to them based on a discounted market price, but in no case lower than the par value, that was determined at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. To subscribe, the grantee must be an employee, officer or director of ALLHC as of June 30, 2015. In case the grantee resigns, unsubscribed shares are cancelled and returned to the plan pool, while the subscription payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares.

The BOD of ALLHC approved the allocation of 32 million shares (first tranche) for ESOWN plan which will be taken from the remaining unissued shares (with grant date in 2016) and the increase in authorized of stock of ALLHC, which was approved by the SEC in July 2016. In 2017, notice of grant for the 218 million shares (second tranche of ESOWN plan) was issued to employees for the right to subscribe to the common shares of ALLHC at ₱1.68 per share which were fully availed as of December 31, 2018. In 2021 and 2020, ALLHC has no ESOWN grant.

29. Financial Assets and Liabilities

Fair Value Information
The following tables set forth the carrying values and estimated fair values of the Group’s financial assets and liabilities recognized as of December 31, 2022 and 2021:

	December 31, 2022		December 31, 2021	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
	(In Thousands)			
Financial Assets at FVTPL (Note 6)	**₱291,989**	**₱291,989**	₱700,803	₱700,803
Financial Assets at FVOCI (Note 10)				
Unquoted equity securities	**440,811**	**440,811**	583,543	583,543
Quoted equity securities	**522,807**	**522,807**	397,727	397,727
	1,255,607	**1,255,607**	981,270	981,270
Investment in bonds (Note 9)	**2,309,440**	**2,309,440**	2,309,440	2,309,440
	₱3,565,047	**₱3,565,047**	₱3,991,513	₱3,991,513

	December 31, 2022		December 31, 2021	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
	(In Thousands)			
Financial assets at amortized cost (Note 7)				
Noncurrent trade residential, commercial and office development	**₱48,400,251**	**₱50,628,112**	₱42,926,431	₱43,149,538
Receivable from employees	**927,787**	**927,787**	755,814	755,814
	₱49,328,038	**₱51,555,899**	₱43,682,245	₱43,905,352
Other financial liabilities				
Long-term debt (Note 16)	**229,491,580**	**229,141,647**	₱206,314,239	₱195,588,364
Deposits and other noncurrent liabilities (Note 18)*	**46,578,921**	**47,138,408**	59,686,987	51,360,589
	₱276,070,501	**₱276,280,055**	₱266,001,226	₱246,948,953

**excluding deferred output VAT*

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents, short-term investments and current receivables, accounts and other payables and short term debt - Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

Financial assets at FVPL - These are investments in fund and treasury bills. Fair value of the funds is based on net asset values as of reporting dates.

Financial assets at FVOCI quoted equity securities - fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities – fair values are based on the latest selling price available.

Liabilities - The fair value of noncurrent unquoted instruments (long-term debt and deposits) are estimated using the discounted cash flow methodology using the Group’s current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged 2.70% to 7.40% and 1.00% to 5.25% as of December 31, 2022 and 2021, respectively. The fair value of noncurrent unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Noncurrent accounts and notes receivables - The fair values of residential, commercial and office development accounts and notes receivable, and receivable from employees, are based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used ranged 2.70% to 7.40% and 1.00% to 5.25% as of December 31, 2022 and 2021, respectively. The fair value of noncurrent unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

<u>Fair Value Hierarchy</u>
The Group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

The Group categorizes trade receivable, receivable from employees, long-term debt and deposits and other noncurrent liabilities under Level 3. The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is that the higher the spread, the lower the fair value.

Investment in Arch Capital Fund amounting to ₱207.2 million and ₱293.8 million as of December 31, 2022 and 2021, respectively, were classified under Level 3 (see Note 6).

Investment in Unit Investment Trust Fund (UITF) amounting to ₱84.8 million and ₱407.0 million as of December 31, 2022, and 2021, respectively, were classified under Level 2 (see Note 6).

Quoted FVOCI financial assets amounting to ₱573.0 million and ₱397.7 million as of December 31, 2022 and 2021, respectively, were classified under Level 1 (see Note 10).

Unquoted FVOCI financial assets amounting to ₱440.8 million and ₱583.5 million as of December 31, 2022 and 2021, respectively, were classified under Level 3 (see Note 10).

There have been no reclassifications to and from Level 1, Level 2 and Level 3 categories in 2022 and 2021 for financial assets at FVTPL and FVOCI.

<u>Financial Risk Management Objectives and Policies</u>
The Group's principal financial instruments comprise of cash and cash equivalents, short-term investment, financial assets at FVPL, AFS quoted and unquoted equity securities, investments in bonds, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Group's operations. The Group has various financial assets such as trade receivables and trade payables which arise directly from the conduct of its operations.

Exposure to liquidity, credit, interest rate, currency and equity risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of derivative financial instruments, if any, is solely for management of the Group's financial risk exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

The Group's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

There were no changes in the Group's financial risk management objectives and policies in 2022 and 2021.

Liquidity risk
Liquidity risk is defined by the Group as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Group that make it difficult for the Group to raise the necessary funds or that forces the Group to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities into cash immediately or in instances where conversion to cash is possible but at a loss due to wider than normal bid-offer spreads.

The Group employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Group has come up with a three-layered approach to liquidity through the prudent management of sufficient cash and cash equivalents, the potential sale of accounts receivables and the maintenance of short-term revolving credit facilities.

Cash and cash equivalents are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise. Management develops viable funding alternatives through a continuous program for the sale of its receivables and ensures the availability of ample unused short-term revolving credit facilities from both local and foreign banks as back-up liquidity.

The Group ascertains that its cash is invested in short-term bank placements and special deposit accounts, as well as in high-quality and marketable government and corporate securities.

Credit line
The Group has a total short term credit line up to ₱110.8 billion and ₱100.8 billion with various local banks, of which ₱70.3 billion and ₱58.9 billion remain undrawn as of December 31, 2022 and 2021, respectively.

The table summarizes the maturity profile of the Group's financial liabilities at December 31, 2022 and 2021 based on contractual undiscounted payments:

December 31, 2022

	1 year & below	**>1 to 5 years**	**> 5 years**	**Total**
		(In Thousands)		
Accounts and other payables	**₱143,952,127**	**₱–**	**₱–**	**₱143,952,127**
Short-term debt	**6,574,271**	**–**	**–**	**6,574,271**
Long-term debt	**19,258,289**	**95,613,291**	**114,620,000**	**229,491,580**
Deposits and other current liabilities	**31,211,023**	**–**	**–**	**31,211,023**
Deposits and other noncurrent liabilities*	**–**	**47,519,882**	**–**	**47,519,882**
	200,995,710	**143,133,173**	**114,620,000**	**458,748,883**
Interest payable**	**₱9,024,578**	**₱32,939,330**	**₱12,562,650**	**₱54,526,559**

**excludes deferred output vat*
***includes future interest payment*

December 31, 2021

	1 year & below	>1 to 5 years	> 5 years	Total
		(In Thousands)		
Accounts and other payables	₱115,684,195	₱–	₱–	₱115,684,195
Short-term debt	16,782,500	–	–	16,782,500
Long-term debt	26,173,997	100,766,275	79,373,967	206,314,239
Deposits and other current liabilities	27,231,492	–	–	27,231,492
Deposits and other noncurrent liabilities	–	59,686,987	–	59,686,987
	207,118,208	160,453,262	12,047,706	425,699,413
Interest payable*	₱5,610,541	₱31,522,655	₱9,365,613	₱46,498,809

**includes future interest payment*

Cash and cash equivalents, short-term investments and financial assets at FVTPL are used for the Group's liquidity requirements. Please refer to the terms and maturity profiles of these financial assets shown on the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section. There are no undrawn loan commitments from long-term credit facilities as of December 31, 2022 and 2021.

Credit risk
Credit risk is a risk that a counterparty will not meet its obligation under its financial instrument or customer contract leading to a financial loss.

The Group's credit risks are primarily attributable to installments receivable, rental receivables and other financial assets. To manage credit risks, the Group maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. The Group's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of buyers. Also, to the extent allowed by regulations, certain payments are not returned which minimizes exposure to bad debts.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. For existing tenants, the Group has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity. The amount of exposure from bad debts is minimized to the extent of the advance rentals and security deposits from the tenants.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, short-term investments, financial assets at FVTPL and financial assets at FVOCI. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The Group has an active intercompany lending program and intercompany receivable that are short term. To minimize credit exposures, the Group assesses the financial capacity of the affiliated entities and operating cash flows.

The Group's maximum exposure to credit risk as of December 31, 2022 and 2021 is equal to the carrying values of its financial assets.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. Intercompany receivables are also evaluated for impairment. The security deposits and advance rental from tenants are considered in the calculation of impairment as recoveries. As of December 31, 2022 and 2021, the exposure at default amounts to ₱23,587.7 million and ₱25,010.7 million, respectively. The average expected credit loss rates are 1.67% and 1.57% (over total receivables) that resulted in the ECL of ₱2,539.4 million and ₱2,294.2 million as of December 31, 2022 and December 31, 2021, respectively.

As of December 31, 2022 and 2021, the analysis of past due but not impaired trade receivables presented per class follow:

December 31, 2022

	Neither Past Due nor Impaired	Past Due but not Impaired						Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total		
					(In Thousands)				
Trade:									
Residential, commercial and office development	₱81,207,777	₱5,045,060	₱1,734,959	₱1,697,084	₱2,825,851	₱9,222,635	₱20,525,589	₱64,092	₱101,797,458
Shopping centers	3,456,504	214,593	276,044	126,431	376,215	648,346	1,641,629	1,217,417	6,315,550
Corporate business	1,879,764	30,810	510,631	14,382	94,852	475,474	1,126,149	670,113	3,676,026
Construction contracts	912,307	799,310	278,208	225,769	173,619	282,014	1,758,920	155,697	2,826,924
Management fees	97,585	–	41,215	21,708	21,870	32,502	117,295	16,630	231,510
Others	4,993,685	343,315	62,862	9,580	53,855	102,895	572,507	225,446	5,791,638
Advances to other companies	8,148,743	139,602	1,752	17,516	425,156	6,935,486	7,519,512	190,008	15,858,263
Accrued receivables	7,281,604	276,212	–	12,729	46,845	1,752,952	2,088,738	–	9,370,342
Related parties	6,927,883	–	–	–	–	–	–	–	6,927,883
Receivables from employees	772,866	13,223	11,854	12,742	4,088	113,014	154,921	–	927,787
	₱115,678,718	₱6,862,125	₱2,917,525	₱2,137,941	₱4,022,351	₱19,565,318	₱35,505,260	₱2,539,403	₱153,723,381

December 31, 2021

	Neither Past Due nor Impaired	Past Due but not Impaired						Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total		
					(In Thousands)				
Trade:									
Residential, commercial and office development	₱71,715,540	₱8,686,656	₱1,358,594	₱2,615,314	₱2,040,476	₱12,010,565	₱26,711,605	₱62,314	₱98,489,459
Shopping centers	2,908,306	191,539	275,175	13,421	185,070	1,006,528	1,671,733	1,074,658	5,654,697
Corporate business	1,572,835	16,834	49,561	3,774	78,533	687,181	835,883	633,108	3,041,826
Construction contracts	1,129,267	348,967	159,900	312,955	38,708	-	860,530	152,231	2,142,028
Management fees	38,651	1,780	25,048	13,355	14,272	18,030	72,485	16,630	127,766
Others	2,720,870	1,200,224	38,190	56,746	47,535	451,165	1,793,860	221,488	4,736,218
Advances to other companies	8,623,005	1,414,578	43,186	14,751	59,887	6,650,972	8,183,374	133,725	16,940,104
Accrued receivables	6,189,054	342,235	43,653	22,440	132,082	1,479,107	2,019,517	–	8,208,571
Related parties	5,958,742	–	–	–	–	–	–	–	5,958,742
Receivables from employees	606,397	11,986	22,264	4,596	71,083	39,488	149,417	–	755,814
	₱101,462,667	₱12,214,799	₱2,015,571	₱3,057,352	₱2,667,646	₱22,343,036	₱42,298,404	₱2,294,154	₱146,055,225

The table below shows the credit quality of the Company's financial assets as of December 31, 2022 and 2021:

December 31, 2022

	Neither Past Due nor Impaired					Past Due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not Impaired	Impaired	Total
				(In Thousands)				
Cash and cash equivalents (excluding cash on hand)	**₱11,818,056**	**₱–**	**₱–**	**₱–**	**₱11,818,056**	**₱–**	**₱–**	**₱11,818,056**
Short-term investments	**330,500**	**–**	**–**	**–**	**330,500**	**–**	**–**	**330,500**
Financial assets at FVTPL	**291,989**	**–**	**–**	**–**	**291,989**	**–**	**–**	**291,989**
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	**72,403,724**	**5,493,083**	**3,310,970**	**–**	**81,207,777**	**20,525,589**	**64,092**	**101,797,458**
Shopping centers	**2,092,054**	**688,530**	**675,920**	**–**	**3,456,504**	**1,641,629**	**1,217,417**	**6,315,550**
Construction contracts	**841,177**	**57,881**	**13,249**	**–**	**912,307**	**1,758,920**	**155,697**	**2,826,924**
Corporate business	**1,369,710**	**503,095**	**6,959**	**–**	**1,879,764**	**1,126,149**	**670,113**	**3,676,026**
Management fees	**97,585**	**-**	**-**	**–**	**97,585**	**117,295**	**16,630**	**231,510**
Others	**4,639,176**	**178,530**	**175,979**	**–**	**4,993,685**	**572,507**	**225,446**	**5,791,638**
Advances to other companies	**6,743,814**	**40,054**	**1,364,875**	**–**	**8,148,743**	**7,519,512**	**190,008**	**15,858,263**
Accrued receivables	**6,810,233**	**1,093**	**470,278**	**–**	**7,281,604**	**2,088,738**	**–**	**9,370,342**
Related parties	**4,207,106**	**173,844**	**2,546,933**	**–**	**6,927,883**	**–**	**–**	**6,927,883**
Receivable from employees	**724,804**	**20,925**	**27,137**	**–**	**772,866**	**154,921**	**–**	**927,787**
Financial Assets at FVOCI:								
Unquoted	**–**	**–**	**–**	**440,811**	**440,811**	**–**	**–**	**440,811**
Quoted	**522,807**	**–**	**–**	**–**	**522,807**	**–**	**–**	**522,807**
	₱112,892,735	**₱7,157,035**	**₱8,592,300**	**₱440,811**	**₱129,082,881**	**₱35,505,260**	**₱2,539,403**	**₱167,127,544**

December 31, 2021

	Neither Past Due nor Impaired					Past Due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not Impaired	Impaired	Total
				(In Thousands)				
Cash and cash equivalents (excluding cash on hand)	₱13,904,862	₱–	₱–	₱–	₱13,904,862	₱–	₱–	₱13,904,862
Short-term investments	325,641	–	–	–	325,641	–	–	325,641
Financial assets at FVTPL	700,803	–	–	–	700,803	–	–	700,803
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	61,412,808	7,388,708	2,914,024	–	71,715,540	26,711,605	62,314	98,489,459
Shopping centers	2,141,933	400,914	365,459	–	2,908,306	1,671,733	1,074,658	5,654,697
Construction contracts	1,129,267	-	-	–	1,129,267	860,530	152,231	2,142,028
Corporate business	1,567,085	705	5,045	–	1,572,835	835,883	633,108	3,041,826
Management fees	28,477	4,066	6,108	–	38,651	72,485	16,630	127,766
Others	2,623,734	53,874	43,262	–	2,720,870	1,793,860	221,488	4,736,218
Advances to other companies	8,576,334	16,314	30,357	–	8,623,005	8,183,374	133,725	16,940,104
Accrued receivables	6,140,849	-	48,205	–	6,189,054	2,019,517	–	8,208,571
Related parties	3,522,081	575,391	1,861,270	–	5,958,742	–	–	5,958,742
Receivable from employees	575,514	22,834	8,049	–	606,397	149,417	–	755,814
Financial Assets at FVOCI:								
Unquoted	–	–	–	583,543	583,543	–	–	583,543
Quoted	397,727	–	–	–	397,727	–	–	397,727
	₱103,047,115	₱8,462,806	₱5,281,779	₱583,543	₱117,375,243	₱42,298,404	₱2,294,154	₱161,967,801

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents, short-term investments, financial assets at FVTPL, financial assets at FVOCI quoted securities - based on the nature of the counterparty and the Group's internal rating system;

Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to 3 defaults in payment; and low grade pertains to receivables with more than 3 defaults in payment;

The unquoted financial assets at FVOCI are unrated.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by lever
on its premier credit rating and increasing the fixed interest component of its debt portfolio. The Company's ratio of fixed to floating rate debt stood at around 90:10 and 91:9 as of December 31, 2022 and 2021, respectively.

The following tables demonstrate the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates on December 31, 2022 and 2021, with all variables held constant, (through the impact on floating rate borrowings):

December 31, 2022

	Effect on income before income tax Increase (decrease)	
Change in basis points	**+ 100 basis points**	**- 100 basis points**
	(In Thousands)	
Floating rate borrowings	**(₱243,172)**	**₱243,172**

December 31, 2021

	Effect on income before income tax Increase (decrease)	
Change in basis points	+ 100 basis points	- 100 basis points
	(In Thousands)	
Floating rate borrowings	(₱194,117)	₱194,117

The assumed change in rate is based on the currently observable market environment. There is no other impact on the Group's equity other than those already affecting the net income.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values are shown in the following table (in thousands):

December 31, 2022

	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Group							
Cash and cash equivalents (excluding cash on hand)	Fixed at the date of investment	Various	₱11,885,329	₱11,885,329	₱–	₱–	₱11,885,329
Short-term investments	Fixed at the date of investment or revaluation cut-off	Various	330,500	330,500	–	–	330,500
Receivables from employees	Fixed at the date of sale	Date of sale	927,787	772,866	154,921	–	927,787
			₱13,143,616	₱12,988,695	₱154,921	₱–	₱13,143,616
Parent Company							
Short-term debt							
Floating-Peso	Variable	Monthly	₱688,000	₱ 688,000	₱–	₱–	₱ 688,000
Long-term debt							
Fixed							
Peso	Fixed at 6.00%	10 years	2,000,000	-	–	1,666,347	1,666,347
Peso	Fixed at 6.0%	20 years	22,000,000	6,865,033	13,846,461	–	20,711,493
Peso	Fixed at 4.5000%	7 years	7,000,000	–	6,343,553	–	6,343,553
Peso	Fixed at 3.892 to 4.85%	7, 9.5 and 10 years	72,455,727	62,494,696	11,313,724	20214935	94,023,355
Peso	Fixed at 5.2624%	10 years	10,000,000	–	–	9,162,218	9,162,218
Peso	Fixed at 3.75% to 4.95%	Up to 10.5 years	6,250,000	–	5,680,329	–	5,680,329
Peso	Fixed at 5.920%	10 years	12,000,000	–	11,481,913	–	11,481,913
Peso	Fixed at 3.1764% to 3.187%	5 years	45,000,000	-	24,060,520	13,188,640	37,249,160
Peso	Fixed at 4.76% to 6.37%	5, 7 and 7.25 years	13,000,000	-	9,182,310	2,230,628	11,412,939
Peso	Fixed at 3.00% to 3.86%	2 and 5 years					
Peso	Fixed at 3.63% to 4.08%	4 and 10 years	289,000	25,187	227,844	–	253,031
Floating							
Peso	Variable	3 months					
Subsidiaries							
Short-term debt			5,859,271	5,859,271	–	–	5,859,271
Floating							
Peso	Variable	Monthly					
Long-term debt			20,300,250	3,937,785	3,527,142	9,047,038	16,511,964
Fixed							
Peso	Fixed at 3.0445% to 4.75%	2, 5 to 10 years	17,480,968	1,937,112	9,157,146	3,901,020	14,995,277
Floating							
Peso	Variable	3 months					
			₱234,323,216	₱81,807,084	₱94,820,942	₱59,410,826	₱236,038,850

December 31, 2021

	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Group							
Cash and cash equivalents							
(excluding cash on hand)	Fixed at the date of investment	Various	₱13,904,862	₱13,904,862	₱–	₱–	₱13,904,862
Short-term investments	Fixed at the date of investment or revaluation cut-off	Various	325,641	325,641	–	–	325,641
Receivables from employees	Fixed at the date of sale	Date of sale	755,815	593,939	161,876	–	755,815
			₱14,986,318	₱14,824,442	₱161,876	₱–	₱14,986,318
Parent Company							
Short-term debt							
Floating-Peso	Variable	Monthly	₱ 8,471,000	₱ 8,471,000	₱–	₱–	₱ 8,471,000
Long-term debt							
Fixed							
Peso	Fixed at 6.00%	10 years	5,650,000	5,650,000	–	–	5,650,000
Peso	Fixed at 6.0%	20 years	2,000,000	–	–	1,986,794	1,986,794
Peso	Fixed at 4.5000%	7 years	7,000,000	6,987,688	–	–	6,987,688
Peso	Fixed at 3.892 to 4.85%	7, 9.5 and 10 years	22,000,000	–	21,912,113	–	21,912,113
Peso	Fixed at 5.2624%	10 years	7,000,000	–	6,979,065	–	6,979,065
Peso	Fixed at 3.75% to 4.95%	Up to 10.5 years	81,158,570	903,471	30,616,372	49,211,500	80,731,343
Peso	Fixed at 5.920%	10 years	10,000,000	–	–	9,916,583	9,916,583
Peso	Fixed at 3.1764% to 3.187%	5 years	6,374,875	–	6,374,875	–	6,374,875
Peso	Fixed at 4.76% to 6.37%	5, 7 and 7.25 years	12,000,000	–	11,876,362	–	11,876,362
Peso	Fixed at 3.00% to 3.86%	2 and 5 years	16,250,000	9,970,491	6,192,684	–	16,163,175
Peso	Fixed at 3.63% to 4.08%	4 and 10 years	13,000,000	-	9,903,889	2,977,789	12,881,678
Floating							
Peso	Variable	3 months	306,000	16,821	288,263	–	305,084
Subsidiaries							
Short-term debt							
Floating							
Peso	Variable	Monthly	8,311,500	8,311,500	–	–	8,311,500
Long-term debt							
Fixed							
Peso	Fixed at 3.0445% to 4.75%	2, 5 to 10 years	22,397,309	2,231,816	4,968,133	15,026,300	22,226,249
Floating							
Peso	Variable	3 months	2,323,230	413,710	1,654,520	255,000	2,323,230
			₱224,242,484	₱42,956,497	₱100,766,276	₱79,373,966	₱223,096,739

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Financial assets and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso. The Group's placements in foreign currencies amounted to US$33.06 million and MYR666.47 million as of December 31, 2022 and US$30.73 million and MYR647.69 million as of December 31, 2021. The amount of the Group's foreign currency-denominated debt amounting to US$67.90 million and MYR490.78 million as of December 31, 2022 and US$132.8 million and MYR775.08 million as of December 31, 2021. The Group expected a decrease in financial assets due to the impact of COVID-19 outbreak and imposition of community quarantines by the government throughout the Philippines in March 2020, until 2nd and 3rd quarter of 2021. Considering that the Group is in the hospitality sector, the operations of the company were greatly affected. Aside from the aforementioned finding, the Group's foreign currency risk is minimal.

The following table shows the Group's consolidated foreign currency-denominated monetary assets and liabilities and their peso equivalents as of December 31, 2022 and December 31, 2021:

	December 31					
	2022			2021		
	US Dollar	**MYR ringgit**	**Php Equivalent**	US Dollar	MYR ringgit	Php Equivalent
Financial Assets						
Cash and cash equivalents	**$5,491**	**MYR405,201**	**₱1,010,733**	$5,605	MYR 426,609	₱5,507,493
Short-term investments	**–**	**–**	**–**	-	26,518	324,580
Accounts and notes receivable - net	**24,163**	**175,457**	**3,587,493**	23,575	136,883	2,877,537
Other current assets	**3,027**	**84,903**	**1,234,780**	1,168	56,450	750,504
Other noncurrent assets	**380**	**908**	**29,191**	380	1,227	34,395
Total	**33,061**	**666,469**	**5,862,196**	30,728	647,687	9,494,510
Financial Liabilities						
Accounts and other payables	**8,631**	**422,676**	**5,791,517**	4,047	772,864	9,666,212
Other current liabilities	**690**	**–**	**35,019**	463	–	23,608
Short-term debt	**–**	**31,050**	**391,521**	–	-	-
Long-term debt	**55,000**	**35,091**	**3,508,995**	125,000	102	6,374,988
Other noncurrent liabilities	**3,578**	**1,961**	**209,400**	3,293	2,118	193,834
Total	**67,899**	**490,778**	**9,936,453**	132,802	775,083	16,258,653
Net foreign currency denominated financial instruments	**($34,838)**	**MYR175,692**	**(₱4,074,257)**	($102,074)	(MYR127,396)	(₱6,764,143)

In translating the foreign currency-denominated monetary assets in peso amounts, the exchange rates used were ₱55.76 to US$1.00 and ₱50.99 to US$1.00, the Philippine Peso - US dollar exchange rates as of December 31, 2022 and 2021, respectively. The Philippine Peso- MY ringgit exchange rate as of December 31, 2022 and 2021 used was ₱12.61 to MYR1.00 and ₱12.24 to MYR1.00, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso-US dollar exchange rate, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	Effect on income before tax Increase (decrease)	
Change in exchange rate	**2022**	2021
USD		
₱1.00	**(₱34,838)**	(₱102,074)
(₱1.00)	**34,838**	102,074
MYR		
₱1.00	**(₱175,692)**	(₱127,396)
(₱1.00)	**₱175,692**	₱127,396

There is no other impact on the Group's equity other than those already affecting the net income.

Equity price risk
Quoted financial assets at FVOCI are acquired at a certain price in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, country's economic performance, political stability, domestic inflation rates, these prices change, reflecting how market participants view the developments.

The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; limits on investment in each country, sector and market.

Quoted financial assets at FVTPL pertain to investment in UITF (Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments.

As of December 31, 2022 and 2021, the fair value, net income and equity will increase (decrease) by: (i) BPI UITF Money Market ₱0.20 million with a duration of 0.34 year and ₱1.19 million with a duration of 0.66 year , respectively; (ii) BPI UITF USD Short Term ₱0.02 million with a duration of 0.33 year and ₱0.07 million with a duration of 0.73 year , respectively; for a 100 basis points decrease (increase) in interest rates

30. **Segment Information**

The industry segments where the Group and its associates and joint ventures operate follows:

- Property developments - sale of high-end and upper middle-income residential lots and units, affordable housing units and lots, economic housing and leisure community developments; lease of residential developments under joint venture; acquisition, development and sale of large-scale, mixed-use, master-planned communities; sale of override units or the Company's share in properties made available to subsidiaries for development
- International – development and sale of residential lots and units in MCT Berhad
- Shopping centers - development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities, gas stations and carparks in these shopping centers; management and operation of malls which are co-owned with partners
- Offices - development and lease or sale of office buildings; sale of industrial lots and lease of factory building
- Hotels and Resorts - development and management of hotels and resorts/serviced apartments and lease of land to hotel tenants
- Construction - land development and construction of the Group and third-party projects
- Property management and others - facilities management of the Group and third-party projects

Assets, liabilities, revenues and expenses of the Strategic Landbank Management and Visayas-Mindanao segment were reallocated to other business segments namely, shopping centers, corporate businesses and residential developments according to the nature of the products and services provided.

The Company and its subsidiaries generally account for inter-segment sales and transfers as if the sales and transfers were to third parties at current market prices.

Management committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

For the years ended December 31, 2022, 2021 and 2020, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

Business segments
The following tables regarding business segments present assets and liabilities as of December 31 and revenue and profit information for each of the three years in the period ended December 31 (in millions):

2022

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	**₱71,792**	**₱2,757**	**₱–**	**₱–**	**₱6,194**	**₱4,236**	**₱4,181**	**₱–**	**₱–**	**₱89,160**
Interest income from real estate sales	**6,695**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6,695**
Rental revenue	**–**	**–**	**16,075**	**11,121**	**–**	**–**	**–**	**–**	**–**	**27,196**
Intersegment sales	**–**	**–**	**–**	**–**	**–**	**38,257**	**–**	**–**	**(38,257)**	**–**
	1,419	**–**	**10**	**–**	**–**	**6**	**(5)**	**–**	**–**	**1,430**
earnings of associates and joint ventures										
Total revenue	**79,906**	**2,757**	**16,085**	**11,121**	**6,194**	**42,499**	**4,176**	**–**	**(38,257)**	**124,481**
Real estate costs and expenses	**54,286**	**2,074**	**7,573**	**2,545**	**5,982**	**39,117**	**6,497**	**2,868**	**(38,049)**	**82,893**
Gross margin (loss)	**25,620**	**683**	**8,512**	**8,576**	**212**	**3,382**	**(2,321)**	**(2,868)**	**(208)**	**41,588**
Interest and investment income										**387**
Other charges										**(3,996)**
Interest and other financing charges										**(11,447)**
Other income										**1,688**
Provision for income tax										**(5,696)**
Net income										**₱22,524**
Net income attributable to:										
Equity holders of Ayala Land, Inc.										**₱18,617**
Non-controlling interests										**3,907**
										₱22,524
Other Information										
Segment assets	**₱589,589**	**₱17,440**	**₱215,705**	**₱155,712**	**₱54,615**	**₱44,480**	**₱13,557**	**₱102,294**	**(₱459,543)**	**₱733,849**
Investment in associates and joint ventures	**31,252**	**–**	**37**	**–**	**–**	**61**	**349**	**218**	**–**	**31,917**
	620,841	**17,440**	**215,742**	**155,712**	**54,615**	**44,541**	**13,906**	**102,512**	**(459,543)**	**765,766**
Deferred tax assets	**2,074**	**33**	**1,980**	**341**	**423**	**126**	**102**	**1,076**	**7,734**	**13,889**
Total assets	**₱622,915**	**₱17,473**	**₱217,722**	**₱156,053**	**₱55,038**	**₱44,667**	**₱14,008**	**₱103,588**	**(₱451,809)**	**₱779,655**
Segment liabilities	**236,536**	**6,421**	**94,346**	**25,122**	**20,916**	**33,705**	**7,724**	**195,016**	**(139,645)**	**480,141**
Deferred tax liabilities	**1,599**	**–**	**255**	**354**	**18**	**–**	**–**	**(229)**	**3,852**	**5,849**
Total liabilities	**₱238,135**	**₱6,421**	**₱94,601**	**₱25,476**	**₱20,934**	**₱33,705**	**₱7,724**	**₱194,787**	**(₱135,793)**	**₱485,990**
Segment additions to:										
Property and equipment	**₱141**	**₱50**	**₱1,484**	**₱74**	**₱351**	**₱440**	**₱1,406**	**₱478**	**₱–**	**₱4,424**
Investment properties	**₱7,773**	**₱655**	**₱18,529**	**₱3,149**	**₱–**	**₱26**	**₱2**	**₱4,543**	**₱–**	**₱34,677**
Depreciation and amortization	**₱542**	**₱162**	**₱4,420**	**₱2,340**	**₱920**	**₱552**	**₱504**	**₱249**	**₱–**	**₱9,689**
Non-cash expenses other than depreciation and amortization	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**
Impairment losses	**₱56**	**₱–**	**158**	**₱62**	**₱1**	**₱–**	**₱3**	**₱1**	**₱–**	**₱281**

2021

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	₱65,260	₱3,878	₱–	₱–	₱2,833	₱3,909	₱2,467	₱–	₱–	₱78,347
Interest income from real estate sales	6,801	–	–	–	–	–	–	–	–	6,801
Rental revenue	–	–	7,925	9,872	–	–	–	–	–	17,797
Intersegment sales	–	–	–	–	–	36,578	–	–	(36,578)	–
Equity in net earnings of associates and joint ventures	971	–	7	-	–	3	(16)	(122)	–	843
Total revenue	73,032	3,878	7,932	9,872	2,833	40,490	2,451	(122)	(36,578)	103,788
Real estate costs and expenses	49,401	2,896	5,204	2,803	4,095	39,062	2,736	229	(35,246)	71,180
Gross margin (loss)	23,631	982	2,728	7,069	(1,262)	1,428	(285)	(351)	(1,332)	32,608
Interest and investment income										253
Other charges										(3,637)
Interest and other financing charges										(11,038)
Other income										2,101
Provision for income tax										(4,628)
Net income										₱15,659
Net income attributable to:										
Equity holders of Ayala Land, Inc.										₱12,228
Non-controlling interests										3,431
										₱15,659
Other Information										
Segment assets	₱559,211	₱20,190	₱226,343	₱135,653	₱59,038	₱48,601	₱11,549	₱94,146	(₱450,625)	₱704,106
Investment in associates and joint ventures	28,194	–	45	–	–	55	172	-	–	28,466
	587,405	20,190	226,388	135,653	59,038	48,656	11,721	94,146	(450,625)	732,574
Deferred tax assets	1,901	163	1,732	389	436	114	183	1,299	6,675	12,890
Total assets	₱589,306	₱20,353	₱228,120	₱136,042	₱59,474	₱48,770	₱11,904	₱95,445	(₱443,950)	₱745,464
Segment liabilities	235,677	979	95,934	29,686	25,986	38,035	6,158	200,436	(164,449)	468,442
Deferred tax liabilities	2,619	0	177	225	4	0	(2)	(196)	3,693	6,520
Total liabilities	₱238,296	₱979	₱96,111	₱29,911	₱25,990	₱38,035	₱6,156	₱200,240	(₱160,756)	₱474,962
Segment additions to:										
Property and equipment	₱2,035	₱–	₱298	₱4	₱285	₱555	₱14	₱24	₱–	₱3,215
Investment properties	₱12,426	₱508	₱8,141	₱1,100	₱146	₱103	₱–	₱1,757	₱–	₱24,181
Depreciation and amortization	₱733	₱	₱4,438	₱1,908	₱887	₱238	₱475	₱221	₱–	₱8,900
Non-cash expenses other than depreciation and amortization	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Impairment losses	₱11	₱–	₱22	₱114	₱–	₱114	₱98	₱181	₱–	₱540

2020

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	₱53,014	₱4,845	₱–	₱–	₱3,388	₱3,279	₱2,971	₱–	₱–	₱67,497
Interest income from real estate sales	8,603	–	–	–	–	–	–	–	–	8,603
Rental revenue	–	–	9,063	9,405	–	–	–	–	–	18,468
Intersegment sales	–	–	–	–	–	32,601	–	–	(32,601)	–
Equity in net earnings of associates and joint ventures	148	–	2	380	–	(4)	(4)	65	–	587
Total revenue	61,765	4,845	9,065	9,785	3,388	35,876	2,967	65	(32,601)	95,155
Real estate costs and expenses	40,897	3,917	7,156	1,653	4,079	34,886	5,244	225	(33,372)	64,685
Gross margin (loss)	20,868	928	1,909	8,132	(691)	990	(2,277)	(160)	771	30,470
Interest and investment income										395
Other charges										(3,789)
Interest and other financing charges										(12,746)
Other income										723
Provision for income tax										(4,059)
Net income										₱10,994
Net income attributable to:										
Equity holders of Ayala Land, Inc.										8,727
Non-controlling interests										2,267
										₱10,994
Other Information										
Segment assets	₱557,840	₱23,233	₱205,505	₱106,848	₱55,147	₱49,218	₱11,607	₱93,761	(₱420,388)	₱682,771
Investment in associates and joint ventures	17,101	–	38	–	–	52	188	9,222	–	26,601
	574,941	23,233	205,543	106,848	55,147	49,270	11,795	102,983	(420,388)	709,372
Deferred tax assets	1,818	96	1,178	309	324	145	220	1,485	6,547	12,122
Total assets	₱576,759	₱23,329	₱206,721	₱107,157	₱55,471	₱49,415	₱12,015	₱104,468	(₱413,841)	₱721,494
Segment liabilities	₱235,380	₱12,605	₱79,334	₱24,521	₱19,059	₱40,451	₱5,989	₱197,589	(₱160,762)	₱454,166
Deferred tax liabilities	2,888	–	186	127	12	1	21	(112)	4,026	7,149
Total liabilities	₱238,268	₱12,605	₱79,520	₱24,648	₱19,071	₱40,452	₱6,010	₱197,477	(₱156,736)	₱461,315
Segment additions to:										
Property and equipment	₱211	₱83	₱73	₱40	₱991	₱335	₱630	₱735	₱–	₱3,098
Investment properties	₱1,032	₱463	₱1,188	₱1,030	₱46	₱68	₱23	₱1,766	₱–	₱5,616
Depreciation and amortization	₱618	₱189	₱4,411	₱1,779	₱875	₱998	₱483	₱220	₱–	₱9,573
Non-cash expenses other than depreciation and amortization	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Impairment losses	₱37	₱–	₱288	₱331	₱–	₱–	₱97	₱225	₱–	₱978

31. **Performance Obligations**

Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) service lot and house, and (iii) condominium unit and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule from each of the customer does not necessarily coincide with the progress of construction, which results to either an unbilled receivable or customers' deposit.

After the delivery of the completed real estate unit, the Group provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

Hotels and resorts
Rooms revenue from hotel and resort operations is recognized when the services are rendered. Revenue from banquets and other special events are recognized when the events take place.

Construction
Revenue from fixed price construction contracts are recognized overtime using the milestone-based revenue recognition which is in reference to output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2022 and 2021 are as follows:

	2022	2021
	(In Thousands)	
Within one year	**₱31,674,330**	₱45,005,469
More than one year	**29,307,910**	55,587,158
	₱60,982,240	₱100,592,627

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three to five years from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

32. Registration with Philippine Economic Zone Authority (PEZA)

Ayala Land Inc., the Parent Company, was registered with PEZA last December 13, 2017 as a Developer/Operator of the Southpark Corporate Center.

North Eastern Commercial Corporation, a wholly owned subsidiary, was registered with PEZA last July 5, 2017 as a Developer/Operator of the 30th Corporate Center.

Ayala Land Inc., the Parent Company, was registered with PEZA last November 6, 2017 as a Developer/Operator of the Vertis North IT Park.

Central Block Developers, Inc., a wholly owned subsidiary, was registered with PEZA last June 19, 2017 as a Ecozone Facilities Enterprise of the Central Bloc 1 & 2.

Ayalaland Metro North, Inc., a wholly owned subsidiary, was registered with PEZA last January 16, 2017 as a Developer/Operator of the UP Town Corporate Center.

Pangulasian Island Resort Corporation (PIRC), a subsidiary of Ten Knots Development Corporation which is a subsidiary of Ayala Land, Inc., is registered with the Philippine Economic Zone Authority (PEZA) under the Certificate of Registration number 16-055 and Registration Agreement dated March 21, 2016. The registration shall entitle PIRC to conduct activities limited to resort operations, travel/tours/leisure and recreation-related activities, and the importation of raw materials, machinery, equipment, tools, goods, wares, articles, or merchandise directly used in its registered operations inside the Green Tourism Ecozone - Pangulasian.

Nuevo Centro, a wholly-owned subsidiary of Ayala Land, Inc., is registered with PEZA with Certificate of Registration number EZ 16-30 under Registration Agreement dated July 19, 2016. The registration as a Special Economic Zone Developer/Operator shall entitle Nuevo Centro, Inc. to establish, develop, administer, manage, and operate a Special Economic Zone to be known as Alviera Industrial Park. It has been designated a 311,954-square meter area located at Barangays Dolores and Banaba, Porac, Pampanga. The Company shall be exempt from payment of all national and local taxes, except real property taxes on land and shall pay a 5% final tax on gross income.

33. Leases

Operating Leases - Group as Lessor

The Group entered into lease agreements with third parties covering its investment property portfolio. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals receivable under noncancellable operating leases of the Group follows:

	2022	2021
	(In Thousands)	
Within one year	**₱3,498,321**	₱5,591,888
After one year but not more than five years	**12,422,006**	15,982,405
More than five years	**55,262,893**	56,106,720
	₱71,183,220	₱77,681,012

In 2022, 2021 and 2020, the Group granted rent concessions to its tenants which were affected by the community quarantine imposed by the government amounting to ₱2.36 billion, ₱7.15 billion, and ₱6.15 billion, respectively. These rent concessions did not qualify as a lease modification, thus, were accounted for as a variable lease payments and reported as reduction of lease income in 2022, 2021 and 2020 (see Note 3).

Group as Lessee
The Group entered into lease agreements with third parties. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals payable under noncancellable operating leases of the Group follows:

	2022	2021
	(In Thousands)	
Within one year	**₱3,033,292**	₱3,003,107
After one year but not more than five years	**7,790,454**	7,973,751
More than five years	**49,234,687**	53,597,269
	₱60,058,433	₱64,574,127

Set out below are the carrying amounts of right-of-use assets recognized and the movements in 2022 and 2021:

			2022		
	Land	**Building**	**Aircraft**	**Others**	**Total**
			(in thousands)		
Cost					
At January 1	**₱14,684,025**	**₱731,053**	**₱1,701,823**	**₱385,169**	**₱17,502,070**
Additions	**1,435,322**	**46,125**	**–**	**33,950**	**1,515,397**
At December 31	**16,119,347**	**777,178**	**1,701,823**	**419,119**	**19,017,467**
Accumulated Depreciation and Amortization					
At January 1	**3,843,728**	**488,648**	**713,632**	**299,822**	**5,345,830**
Depreciation	**284,283**	**231,565**	**171,629**	**22,902**	**710,379**
Adjustments	**517,115**	**23,302**	**–**	**(1,674)**	**538,743**
Capitalized as investment property	**(849)**	**2,206**	**–**	**2,317**	**3,674**
At December 31	**4,644,277**	**745,721**	**885,261**	**323,367**	**6,598,626**
Net Book Value	**₱11,475,070**	**₱31,457**	**₱816,562**	**₱95,752**	**₱12,418,841**

			2021		
	Land	Building	Aircraft	Others	Total
			(in thousands)		
Cost					
At January 1	₱14,315,158	₱638,095	₱1,701,823	₱284,574	₱16,939,650
Additions	368,867	92,957	–	100,596	562,420
At December 31	14,684,025	731,052	1,701,823	385,169	17,502,070
Accumulated Depreciation and Amortization					
At January 1	3,100,200	181,053	542,003	108,220	3,931,475
Depreciation	239,988	184,614	171,629	27,041	623,272
Adjustments	454,428	37,246		127,780	619,454
Capitalized as investment property	49,113	85,735		36,781	171,629
At December 31	3,843,728	488,648	713,632	299,822	5,345,830
Net Book Value	₱10,840,297	₱242,404	₱988,191	₱85,348	₱12,156,240

The rollforward analysis of lease liabilities follows:

	2022	2021
At January 1	**₱17,837,354**	₱17,755,843
Additions	**614,921**	104,695
Accretion of interest expense (Note 22)	**1,439,756**	1,409,177
Capitalized interest	**–**	–
Foreign exchange gain (loss)	**127,004**	–
Payments	**(1,316,469)**	(1,432,361)
As at December 31	**₱18,702,566**	₱17,837,354
Current lease liabilities	**710,160**	599,363
Noncurrent lease liabilities	**₱17,992,406**	₱17,237,991

The following are the amounts recognized in the consolidated statement of income:

	2022	2021
Depreciation expense of right-of-use assets	**₱710,380**	₱623,272
Accretion of interest expense on lease liabilities (Note 22)	**1,439,756**	1,409,177
Rent expense - short-term leases	**556**	9,426
Rent expense - variable lease payments	**256,331**	168,963
Foreign exchange (gain) loss	**127,004**	210
Total amounts recognized in the consolidated statement of income	**₱2,534,027**	₱2,211,048

The Group has lease contracts for land that contains variable payments based on a certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

	2022		
	Fixed Payments	Variable Payments	Total
Fixed	**₱971,073**	**₱–**	**₱971,073**
Variable rent with minimum payment	**11,987**	**69,014**	**81,001**
Variable rent only	**–**	**2,851,097**	**2,851,097**
At December 31	**₱983,060**	**₱2,920,111**	**₱3,903,171**

	2021		
	Fixed Payments	Variable Payments	Total
Fixed	₱1,471,313	₱–	₱1,471,313
Variable rent with minimum payment	19,533	1,299	20,832
Variable rent only	–	19,543	19,543
At December 31	₱1,490,846	₱20,842	₱1,511,688

The significant leases entered into by the Group are as follows:

Parent Company
On January 2017, the Parent Company signed a Lease Agreement with Philippine Racing Club, Inc. for the lease of land located in Circuit Makati, Brgy. Carmona, Makati City with an aggregate area of 12,793 sqm. The term of the lease shall be twenty-three years and three months commencing from Delivery Date. The Lessee shall have the option to renew the lease under the same terms and conditions for another period of five years, provided that renewal period shall be mutually agreed by the Parties. For the period commencing from delivery date until sixty-three (63) months thereafter, the Lessee shall pay the Lessor the rent amounting to ₱100.00 million. Commencing on the sixty fourth

month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to fifty percent (50%) of the Gross Income of the Lessee.

In September 2018, the Parent Company signed a Lease Agreement with Manila Seedling Bank Foundation, Inc. (MSBFI) for the lease of a 4.5-hectare portion of land located at the corner of EDSA and Quezon Avenue, Diliman, Quezon City. The term of the lease shall be coterminous with the Lessor's usufruct over the Leased Premises, or until September 20, 2027. The lessee shall pay lessor ₱50.53 million or 40% of lease upon execution of the contract and turnover of the premise while the remaining 60% amounting to ₱75.79 million shall be payable upon securing all necessary permits from Local Government of Quezon City but not later than six months from payment of preceding lease payment.

Bay City

On September 2, 2014, Parent Company signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City with an aggregate area of 92,317 sqm. Parent Company signed a 45-year lease contract with an option to renew for another 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and the Parent Company. The Parent Company assigned the parcels of land to Bay City in December 2017.

On September 2, 2014, Parent Company signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City, with an aggregate area of 92,317sqm. Parent Company signed a 45-year lease contract with an option to renew the lease for another term of 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and the Parent Company. The rent due to the Lessor shall be either the Minimum Guaranteed Rent or Percentage Rent (7% of Gross Rental Income), whichever is higher.

ALI also assigned the Air Rights and Basement Rights over the leased property with an aggregate area of 1,686.48 sqm and 8,294 sqm, respectively, subject to the same terms and conditions as the contract of lease dated September 2, 2014. The lessee shall pay the lessor (a) P100/sq meters subjects to annual escalation starting year 2020 ranging from P100/sq meter for the first 3 years, and subject to 25% escalation on the 4th year then 5% escalation from the 5th year to 17th year and finally 6% escalation from 18th to 45th year per square meter, or (b) rent equal to seven percent (7%) of the Gross Rental Income; whichever is higher. The lessee shall pay P100/sq meters for the Basement Right."

AMNI

On January 28, 2011, the Board of Regents of the University of the Philippines awarded to the Parent Company the ₱4.0 billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. The Parent Company signed a 25-year lease contract for the property last June 22, 2011, with an option to renew for another 25 years subject to mutual agreement of the parties. The lease payments shall commence as soon as sales are registered by the merchants. The rights were subsequently assigned by ALI to AMNI in 2015.

A retail establishment with about 63,000 sqm of gross leasable area and an office/BPO building about 8,000 sqm of gross leasable area have been constructed on the property.

Monthly rent is equal to the higher of either: (i) ₱215.65/sqm of the Gross Useable Area, subject to annual escalation at the rate of 5% (Minimum Guaranteed Rent); or (ii) Seventeen percent of the Gross Rental Income.

NTDCC
The Company entered into an assignment agreement with MRTDC wherein the latter has assigned its development rights to the Company in exchange for the Company's assumption of DRP obligation beginning January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration with escalation rate of 3% annually starting inception.

In consideration of the lease, the Group will be charged an annual rent related to the original DRP obligation on the MRTDC and 5% of the rental income from the Group's commercial center business. Of the 5% variable amount due, 2.42% shall be directly paid by the Group to the minority shareholders of Monumento Rail Transit Corporation, 28.47% shall be paid directly to Metro Global Holdings Corporation and the remaining 69.11% shall be applied against receivables.

On January 13, 2006, the deed of assignment between MRTDC and NTDCC was acknowledged by DOTC making MRTDC and NTDCC jointly and severally liable for the DRP and all other obligations attached thereto. NTDCC has been paying rent to DOTC in behalf of MRTDC since January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration. As of December 31, 2022 and 2021, the DRP obligation amounted to ₱3,722.9 million and ₱3,750.6 million, respectively. Total DRP obligation paid amounted to ₱289.2 million and ₱281.7 million in 2022 and 2021, respectively.

On October 29, 2015, the Company entered into a non-cancellable land lease agreement with Global-Estate Resort Inc (GERI) for the lease of an aggregate of 10,994.86 square meters undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development's rights period. Advanced rent amounting P294.4 million was paid at the beginning of the contract. Commencing on the 3rd year and until the 10th year of the contract, annual rent is P62.5 million.

During 2016, the Company entered into a non-cancellable land lease agreement with Anglo Philippine Holdings, DBH Inc. and Allante Realty & Development Corporation for the lease of an aggregate of 1,964.20 square meters, 687.47 square meters and 687.47 square meters, respectively, undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development's rights period. Advanced rent amounting ₱120.5 million, ₱18.4 million and ₱18.4 million was paid to Anglo, DBH and Allante, respectively, at the beginning of the contract. Commencing on the 3rd year and until the 10th year of the contract, annual rent payable for both DBH and Allante is ₱3.9 million.

ALICAP
In December 2017, the Company entered into 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1440 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with MSN 1440 was delivered to the Company in February 2018 and has started flight operations in March 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term for US$14.16 million.

In June 2018, the Company entered into another 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1492 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with MSN 1492 was delivered to the Company on the same month and has started flight operations in August 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term amounting to US$14.16 million.

AHRC
On January 30, 2018, the Company signed a Lease Agreement with Dunes & Eagle Land Development Corporation for the lease of ten parcels of land located at Barangay Mactan, Lapu-Lapu City, Mactan Island, Cebu with an aggregate area of 144,087 sqm. The term of the lease shall be for a period of fifty (50) years commencing from the date of execution of the agreement. Rent payment should be as follows: (a) ₱70 million per annum for the first 5 years (b) 5% of Gross Revenues or ₱70 million per annum whichever is higher for the 6th year to the 30th year, and (c) 5.5% of Gross Revenues or ₱70 million per annum whichever is higher for the 31st year to the 50th year.

On July 26, 2012, ALI entered into a renewable contract of lease with Province of Negros Occidental for 40,481 square meters area of land with a monthly lease of ₱73.00 per square meter which shall be escalated every five years by ten percent (10%) of the current rate of rent. The term of the lease shall be for a period of fifty (50) years commencing from the date of delivery subject to renewal by mutual agreement of the parties under such terms and conditions as may be mutually acceptable. The Company has assessed that the lease agreement is a non-cancellable lease. On December 23, 2014, ALI assigned its rights and obligations to Capitol Central Hotel Ventures, Inc. under the Contract of Lease Assignment over a portion on which Seda Capitol Central was constructed equivalent to an area of 3,714.80 square meters. The agreement on lease assignment transfers and conveys the Company to take over the lease of the assigned portion subject to the same terms and conditions contained in the contract of lease.

Bonifacio Hotel Ventures, Inc. entered into a non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which Seda BGC Tower 1 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or ₱350 per square meter for the 1st year, ₱375 per square meter for the 2nd year and ₱400 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period. The Company entered into another non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which the Seda BGC Tower 2 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or ₱575 per square meter for the 1st year, ₱616.06 per square meter for the 2nd year and ₱657.15 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period.

ALLHC
On August 28, 1990, the Company, through a Deed of Assignment, acquired all the rights, titles, interests and obligations of Gotesco Investment, Inc. in a contract of lease of the land owned by PNR for the Tutuban Terminal. The contract provided for a payment of a guaranteed minimum annual rental plus a certain percentage of gross sales. The lease covers a period of 25 years until 2014 and is automatically renewable for another 25 years, subject to compliance with the terms and conditions of the lease agreement. On December 22, 2009, ALLHC entered into an agreement with PNR for the renewal of its lease contract for another 25 years beginning September 5, 2014 until 2039. The fixed rent from 2014 to 2039 is P3.8b and variable rent is 2% of gross revenue.

SSECC
The Company has an existing contract with Bases Conversion and Development Authority (BCDA) to develop, under a lease agreement signed on July 2000, a mall with an estimated gross leasable area of 152,000 sqm on a 9.8-hectare lot inside Fort Bonifacio. Subsequently, the Company transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounts to ₱106.5 million while the variable rent ranges from 5% to 20% of gross revenues.

Capitol
On April 26, 2012 Parent Company signed a Lease Agreement with the Province of Negros Occidental for the lease of a parcel of land with an aggregate area of 40,481 sq. m. located along Gatuslao cor. North and South Capitol Roads, Bacolod City, registered in the name of the Province of Negros Occidental. The Parent Company signed a 50-year lease contract with an option to renew as may be mutually agreed upon by the lessor and the Company. The Parent Company assigned the parcels of land to Capitol in December 2017. Lease payment is P2.47 million per month and shall be escalated every five years by ten percent (10%) of the then current rate of rent.

Arvo
On October 15, 2014, Arvo entered into a property lease agreement with Rotonda Development Corporation for the construction, development and operation of a commercial and mall center. The terms of the lease shall be 42 years, with an option to renew for another 40 years subject to mutual agreement of the parties. The lease agreement provided rent-free period of 2 years and lease payments shall commence thereafter. Lease payments shall be paid annually at ₱60.00 per sqm, subject to an annual escalation of 4%.

The Group performed impairment testing on its right-of-use assets with a carrying value of ₱1,431.0 million and ₱1,360.0 million as of December 31, 2022 and 2021, respectively, by assessing its recoverable amount through estimation of its value in use. Based on the impairment testing, there is no impairment loss on the Group's hotel and resorts right-of-use assets (see Note 3).

34. Long-term Commitments and Contingencies

Commitments

a. On December 8, 2017, ALI assigned to NTDCC development rights on certain portions of the North Triangle lot pads covered by a Deed of Assignment and Encroachment Settlement Agreement amounting to ₱631.2 million.

b. In January 15, 2018, the estate, named Parklinks was launched and is the greenest urban estate of Ayala Land in partnership with Eton Properties Inc. The first residential project of Ayala Land Premier, Parklinks North Tower was launched on the same year, while the Parklinks lifestyle mall broke ground as well, expected to provide a new destination for residents and office workers within the area when it opens in 2025. With the brisk residential sales of ALP's first project, the Parklinks South tower was launched in 2019, together with Alveo's first residential development "The Lattice".

   Also set to rise within the estate will be an iconic bridge that will conveniently connect the QC and Pasig parcels, offering a new route that can help ease vehicular traffic in the northeastern and eastern portions of Metro Manila. The bridge is expected to be completed by Q2 of 2022.

c. On August 11, 2015, the Group won the bid for the Integrated Transport System Project – South Terminal ("ITS South Project"). The Company was awarded by the Department of Transportation and Communications ("DOTC") with a 35-year concession agreement to build and operate the ITS South Project and will likewise have the right to develop and operate commercial leasing facilities on the same 5.57-hectare former Food Terminal Inc. property on which the future transport terminal will be built. The site of the ITS South Project is right next to ARCA South, where the Company is developing an integrated mixed-use estate.

d. On August 8, 1997, an "Assignment Agreement" was executed between Department of Transportation and Communications (DOTC), Metro Rail and MRTDC whereby MRTDC agreed to be bound by all obligations in respect of the Development Rights and make payments to DOTC.

e. On June 4, 2014, AHRC, a wholly owned subsidiary of the Parent Company has signed a long-term management agreement with the Mandarin Oriental Hotel Group to develop and operate luxury hotel in Makati City. Set to open its doors by 2027, the new Mandarin Oriental Manila will be featuring 276 spacious rooms complemented by an extensive range of modern amenities including premium selection of restaurants and a signature spa. AHRC is committed to pay US$5 million (₱223.6 million) to Manila Mandarin Hotel, Inc. upon the opening of the New Hotel or June 30, 2017, whichever is earlier. In 2017, the Group fully paid the said amount.

f. On February 26, 2021, The Group entered into agreements to restructure the long-outstanding receivables from Mercado General Hospital, Inc., Panay Medical Ventures, Inc., Mercado General Hospital Sta. Rosa, Inc. and Mercado General Hospital San Jose Del Monte, Inc. amounting to ₱209.0 million, ₱79.0 million, ₱5.0 million and ₱129.1 million, respectively, to a 5-year loan with interest rate of 4% per annum.

Contingencies
The Group has various contingent liabilities arising in the ordinary conduct of business including a case related to property restriction violation. The estimate of the probable cost for the resolution of this claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. Accordingly, no provision for any liability has been made in the consolidated financial statements.

Disclosures required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, were not provided as it may prejudice the Group's position in ongoing claims and it can jeopardize the outcome of the claims and contingencies.

35. **Concession Agreement with Department of Transportation (DOTr)**

On January 26, 2016, the Group through ASITI entered into a Concession Agreement (CA) with the Department of Transportation (DOTr). The CA sets forth the rights and obligations of ASITI as concessionaire, including the construction and operation of the South Integrated Transport System Project (the Project) of DOTr. During the concession period, DOTr will monitor and review the performance of the concessionaire.

The concession will run for a period of 35 years from the start of the construction of the Project. Under the terms of the concession agreement, ASITI will design, engineer, construct, operate and maintain a mass transportation intermodal terminal at the outskirts of Metro Manila. The operation of the Project includes the collection and remittance of terminal fees to DOTr of the concessionaire during the concession period. In addition, ASITI will be permitted to develop and operate commercial leasing facilities.

Upon the start of the construction of the Project, DOTr will give ASITI the full, exclusive and uninterrupted use and possession of a 5.57 hectare property known as the Project Land. Ownership of the Project Land shall remain with DOTr at all times while the possession, custody and risk of loss or deterioration of the Project and commercial assets shall vest in the concessionaire during the concession period. ASITI shall transfer the Project and the related assets, free from any liens or encumbrances, to DOTr at the end of the concession period. ASITI will be entitled to annual payments from DOTr amounting to ₱277.9 million during the 35-year concession period, subject to meeting benchmarks set for certain key performance indicators enumerated in the CA.

As of December 31, 2022, construction of the Project has not yet commenced.

36. Notes to Consolidated Statements of Cash Flows

Disclosed below is the rollforward of liabilities under financing activities:

2022

	January 1, 2022	**Cash flows**	**Non-cash changes**	**Foreign exchange movement**	**December 31, 2022**
			(In Thousands)		
Short-term debt	**₱16,782,500**	**(₱10,235,229)**	**₱–**	**₱–**	**₱6,547,271**
Current long-term debt	**26,173,997**	**(26,173,997)**	**19,228,289**	**–**	**19,228,289**
Non-current long-term debt	**180,140,242**	**49,327,017**	**(19,433,435)**	**229,466**	**210,263,290**
Dividends payable (Note 15)	**686,982**	**(4,667,960)**	**4,602,008**	**–**	**81,030**
Lease liabilities	**17,837,354**	**(1,316,469)**	**2,891,842**	**–**	**19,412,727**
Deposits and other noncurrent liabilities	**60,735,602**	**(13,299,983)**	**–**	**–**	**47,435,619**
Total liabilities from financing activities	**₱302,356,677**	**(6,366,621)**	**₱6,748,704**	**₱229,466**	**₱302,968,226**

2021

	January 1, 2021	Cash flows	Non-cash changes	Foreign exchange movement	December 31, 2021
			(In Thousands)		
Short-term debt	₱9,131,325	₱7,651,175	₱–	₱–	₱16,782,500
Current long-term debt	18,732,401	(18,732,401)	26,173,997	–	26,173,997
Non-current long-term debt	184,087,192	21,483,082	(25,829,931)	399,899	180,140,242
Dividends payable (Note 15)	241,606	(5,375,409)	5,820,784	–	686,982
Lease liabilities	17,755,843	(1,432,361)	1,513,872	–	17,837,354
Deposits and other noncurrent liabilities	50,040,170	10,695,432	–	–	60,735,602
Total liabilities from financing activities	₱279,988,537	13,844,141	₱7,678,722	₱399,899	₱301,911,299

The noncash activities of the Group pertain the following:

2022

- Transfer from investment properties to inventories amounting to ₱16,875 million
- Transfer from property and equipment to investment properties amounting to ₱5,597.3 million
- Property for share swap transaction with AC and Mermac that resulted to acquisition of investment properties amounting to ₱4,785.39 million and inventories amounting to ₱78.06 million, in exchange for the issuance of capital stock and recognition of additional paid capital amounting ₱311.58 million and ₱17,074.58 million, respectively. This also involved the recognition of noncash transactions such as equity reserves amounting to ₱9,800.78 million and noncontrolling interest amounting to ₱3,397.84 million.
- Capitalized interest amounted to ₱783.22 million

2021

- Transfer from investment properties to inventories amounting to ₱4,062.9 million
- Transfer from property and equipment to investment properties amounting to ₱1.2 million
- Transfer from inventories to investment properties amounting to ₱4,106.9 million
- Transfer from inventories to property and equipment amounting ₱2.6 million
- Capitalized interest amounted to ₱574.1 million

2020

- Transfer from investment properties to inventories amounting to ₱18,563.9 million
- Transfer from investment properties to property and equipment amounting to ₱591.6 million
- Transfer from investment properties and property and equipment to building classified as held for sale amounting to ₱950.1 million and ₱2.1 million, respectively
- Transfer from inventories to investment properties amounting to ₱2,361.2 million
- Transfer from right-of-use assets and lease liabilities to investment properties amounting to ₱6.9 million and ₱24.2 million, respectively
- Capitalized interest amounted to ₱40.1 million

37. Events After Reporting Date

On February 24, 2023, the Board of Directors of Ayala Land, Inc. approved the following:

a. The decrease in Authorized Capital Stock (ACS) by ₱62.40 million, from ₱21,500 million to ₱21,437.60 million, through the retirement of redeemed voting preferred shares as of January 31, 2023, and any additional redeemed voting preferred shares until April 25, 2023, as well as the corresponding amendment of the Seventh Article of the Articles of Incorporation. The decrease in ACS and the amendment of the Seventh Article will be presented to the stockholders for approval at their annual meeting on April 26, 2023.

b. The 2023 stock option program pursuant to our Employee Stock Ownership Plan (the "Plan") which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 20,200,407 common shares at a subscription price of ₱24.68 per share, which is the average price of common shares at the Philippine Stock Exchange over the last 5-day trading as of February 13, 2023, less a prescribed discount.

c. The declaration of cash dividends of ₱0.1495 per outstanding common share payable on March 23, 2023 to stockholders of common shares as of record date March 7, 2023. This reflects a 11% increase from the cash dividends declared in the first half of 2021 amounting to ₱0.1352 per share.

38. Other Matters

The declaration of COVID-19 by the World Health Organization (WHO) as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures throughout the country starting March 16, 2020 have caused disruptions in the Group's business activities.

As of reporting date, all shopping malls have reopened at normal operating hours and construction works for commercial and residential projects have resumed while following the safety protocols mandated by the national government. Hotels have opened and returned to their normal operations.

In view of the improving economy that was severely impacted by the pandemic and the government's easing travel and mobility restrictions (both domestic and international), the Group's hotels and resorts segment has registered positive growth in its revenues during the year. The hotel and resorts properties continue to post significant improvements in revenues and net income from higher occupancies due to easing of health and travel restrictions, surging leisure demand and increased guests spending. In addition, many restaurants and food outlets have reopened and operated, improving the food and beverage revenues of the segment. With a better economic outlook and market forecast, the segment is expected to continue its recovery in the future. Accordingly, there are no impairment indicators in 2022 requiring the assessment of the recoverable amount of the property and equipment and right of use assets.

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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Land, Inc. and its subsidiaries (the Group) as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, included in this Form 17-A and have issued our report thereon dated February 21, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
Tax Identification No. 160-302-865
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 0664-AR-4 (Group A)
Valid to cover audit of 2022 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9564691, January 3, 2023, Makati City

February 21, 2023

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Land, Inc. and Subsidiaries (the Group) as at December 31, 2022 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated February 21, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2022 and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
Tax Identification No. 160-302-865
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 0664-AR-4 (Group A)
Valid to cover audit of 2022 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9564691, January 3, 2023, Makati City

February 21, 2023

AYALA LAND, INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

As of December 31, 2022

AYALA LAND, INC. AND SUBSIDIARIES

SCHEDULE A - Financial Assets

As of December 31, 2022

NAME OF ISSUING ENTITY AND ASSOCIATION OF EACH ISSUE	AMOUNT IN THE STATEMENT OF FINANCIAL POSITION	INCOME RECEIVED & ACCRUED
Loans and Receivables		
A. Cash in Bank	**₱10,227,349,771**	**₱110,859,639**
BPI		
Peso	6,008,668,531	48,163,266
Foreign Currency	66,269,795	209,750
Other Banks		
Peso	3,210,342,604	14,750,185
Foreign Currency	942,068,841	47,736,438
B. Cash Equivalents [1/]	**1,590,705,804**	**38,185,298**
BPI		
Special Savings Account		-
Time Deposits	357,928,698	16,384,917
Others		1,656,470
Other Banks		
Special Savings Account		-
Time Deposits	1,232,777,106	10,815,842
Others		9,328,069
C. Loans and receivable	**79,532,622,259**	**2,948,161,282**
Trade	79,532,622,259	2,933,641,210
Advances to other companies		-
Investment in bonds classified as loans and receivables [2/]	-	14,520,072
D . Financial Assets at FVPL	**291,988,826**	**1,076,818**
Investment in UITF	84,793,304	1,076,818
Investment in Funds	207,195,522	
E. AFS Financial assets	1,033,481,232	-
TOTAL :	**₱92,676,147,892**	**₱3,098,283,036**

1/ Cash equivalents are short term, highly liquid investments that are made for varying period of up to three (3) months depending on the immediate cash requirements of the group and earn interest at the respective short term rates.

2/ Investment in bonds classified as loans and receivables pertain to the Company's investment in unsecured subordinated notes of Land Bank of the Philippines and Development Bank of the Philippines and Company's investment in collateralized bonds of First Metro Investment Corp.

AYALA LAND, INC. AND SUBSIDIARIES

SCHEDULE B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

As of December 31, 2022

NAME AND DESIGNATION OF DEBTOR	BALANCE AT BEGINNING OF PERIOD	ADDITIONS	AMOUNTS COLLECTED	CURRENT	NON-CURRENT	BALANCE AT END OF PERIOD
Employees						
Notes Receivable	₱755,814,593	₱523,888,621	₱351,915,864	₱706,323,323	₱221,464,027	₱927,787,350

AYALA LAND, INC. AND SUBSIDIARIES

Schedule C - Accounts Receivable from Related Parties which are Eliminated during the Consolidation Period

As of December 31, 2022

	Amount Owed by Ayala Land, Inc. (ALI) Subsidiaries to ALI PARENT			
	Receivable Balance per ALI-PARENT	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	₱472,433,673	₱472,433,673	₱472,433,673	₱–
Adauge Commercial Corp.	4,436,505	4,436,505	4,436,505	–
Alabang Commercial Corporation (Conso)	22,904,492	22,904,492	22,904,492	–
ALI Capital Corp. (Conso)	384,595,703	384,595,703	384,595,703	–
ALI Commercial Center, Inc. (Conso)	1,213,485,300	1,213,485,300	1,213,485,300	–
ALI-CII Development Corporation	7,856,285	7,856,285	7,856,285	–
ALO Prime Realty Corporation	5,891,378	5,891,378	5,891,378	–
Altaraza Development Corporation	801,159,387	801,159,387	801,159,387	–
Alveo Land Corporation (Conso)	4,490,192,856	4,490,192,856	4,490,192,856	–
Amaia Land Corporation (Conso)	1,933,728,418	1,933,728,418	1,933,728,418	–
Amorsedia Development Corporation (Conso)	528,101,073	528,101,073	528,101,073	–
Anvaya Cove Beach and Nature Club Inc	625	625	625	–
Anvaya Cove Golf and Sports Club Inc.	78,316,634	78,316,634	78,316,634	–
APRISA Business Process Solutions, Inc	1,085,699	1,085,699	1,085,699	–
Arca South Integrated Terminal, Inc	13,895,676	13,895,676	13,895,676	–
Arvo Commercial Corporation	420,872,112	420,872,112	420,872,112	–
Aurora Properties, Inc.	71,820,403	71,820,403	71,820,403	–
Aviana Development Corporation	154,404,367	154,404,367	154,404,367	–
Avida Land Corporation (Conso)	3,976,979,036	3,976,979,036	3,976,979,036	–
Ayala Hotels Inc.	923,247,465	923,247,465	923,247,465	–
Ayala Land International Sales, Inc. (Conso)	157,412,291	157,412,291	157,412,291	–
Ayala Land Sales Inc.	68,100,842	68,100,842	68,100,842	–
Ayala Property Management Corporation (Conso)	180,707,438	180,707,438	180,707,438	–
Ayala Theaters Management, Inc.	726,447	726,447	726,447	–
AyalaLand Club Management, Inc.	25,342,356	25,342,356	25,342,356	–
AREIT Fund Manager, Inc.	39,992,456	39,992,456	39,992,456	–
AyalaLand Estates Inc. (Conso)	4,649,947,076	4,649,947,076	4,649,947,076	–
AyalaLand Hotels and Resorts Corp. (Conso)	1,474,775,101	1,474,775,101	1,474,775,101	–
Ayalaland Logistics Holdings Corp. (Conso)	1,507,488,086	1,507,488,086	1,507,488,086	–
Ayalaland Malls Synergies, Inc.	43,642,251	43,642,251	43,642,251	–
AyalaLand Malls, Inc. (Conso)	31,425,456	31,425,456	31,425,456	–
Ayalaland Medical Facilities Leasing Inc.	14,366,123	14,366,123	14,366,123	–
Ayalaland Metro North, Inc.	5,160,837	5,160,837	5,160,837	–
AyalaLand Offices, Inc. (Conso)	266,642,863	266,642,863	266,642,863	–
Ayalaland Premier, Inc.	21,596	21,596	21,596	–
Bay City Commercial Ventures Corp.	7,668,732,201	7,668,732,201	7,668,732,201	–
BellaVita Land Corp.	1,266,893,706	1,266,893,706	1,266,893,706	–
BG West Properties, Inc	1,280,214,835	1,280,214,835	1,280,214,835	–
Cagayan De Oro Gateway Corporation	166,871,933	166,871,933	166,871,933	–
Capitol Central Commercial Ventures Corp.	1,586,438,845	1,586,438,845	1,586,438,845	–
Cavite Commercial Towncenter Inc.	229,103,769	229,103,769	229,103,769	–
Cebu Leisure Co. Inc.	29,844,212	29,844,212	29,844,212	–
Central Bloc Hotel Ventures	3,813,386	3,813,386	3,813,386	–
CECI Realty Corp.	262,656,962	262,656,962	262,656,962	–
Crans Montana Property Holdings Corporation	72,618,198	72,618,198	72,618,198	–
Crimson Field Enterprises, Inc.	185,736,063	185,736,063	185,736,063	–
Direct Power Services Inc.	2,786,621	2,786,621	2,786,621	–

	Amount Owed by Ayala Land, Inc. (ALI) Subsidiaries to ALI PARENT			
	Receivable Balance per ALI-PARENT	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ecoholdings Company, Inc.	₱702,706	₱702,706	₱702,706	₱–
First Longfield Investments Ltd.	64,753	64,753	64,753	
FIVE STAR Cinema Inc.	65,093	65,093	65,093	
Hillsford Property Corporation	139,237	139,237	139,237	–
Integrated Eco-Resort Inc.	179,862	179,862	179,862	–
Lagdigan Land Corporation	699,526	699,526	699,526	–
Leisure and Allied Industries Phils. Inc.	944,985	944,985	944,985	–
Makati Cornerstone Leasing Corp.	4,359,482,911	4,359,482,911	4,359,482,911	–
Makati Development Corporation (Conso)	221,569,951	221,569,951	221,569,951	–
AREIT Property Managers, Inc.	362,294	362,294	362,294	–
North Eastern Commercial Corp.	641,358,566	641,358,566	641,358,566	–
North Triangle Depot Commercial Corp	94,176,380	94,176,380	94,176,380	–
North Ventures Commercial Corp.	74,127,546	74,127,546	74,127,546	–
NorthBeacon Commercial Corporation	16,845,515	16,845,515	16,845,515	–
Nuevocentro, Inc. (Conso)	2,357,658,780	2,357,658,780	2,357,658,780	–
AREIT, Inc.	983,654,342	983,654,342	983,654,342	–
Philippine Integrated Energy Solutions, Inc.	9,449,896	9,449,896	9,449,896	–
Primavera Towncentre, Inc.	137,321,727	137,321,727	137,321,727	–
Red Creek Properties, Inc.	171,594,697	171,594,697	171,594,697	–
Regent Time International Ltd.	148,839	148,839	148,839	–
Regent Time International, Limited	98,453,320	98,453,320	98,453,320	–
Regent Wise Investments Limited(Conso)	3,197,389,354	3,197,389,354	3,197,389,354	–
Roxas Land Corp.	10,427,727	10,427,727	10,427,727	–
Serendra Inc.	166,780,343	166,780,343	166,780,343	–
Soltea Commercial Corp.	137,320,474	137,320,474	137,320,474	–
Southportal Properties, Inc.	97,089,019	97,089,019	97,089,019	–
Station Square East Commercial Corp	48,127,737	48,127,737	48,127,737	–
Subic Bay Town Center Inc.	12,649,606	12,649,606	12,649,606	–
Summerhill Commercial Ventures Corp.	53,268,087	53,268,087	53,268,087	–
Sunnyfield E-Office Corp	13,387,712	13,387,712	13,387,712	–
Ten Knots Development Corporation(Conso)	22,834,742	22,834,742	22,834,742	–
Taft Punta Engaño Property, Inc.	181,499,670	181,499,670	181,499,670	–
Ten Knots Philippines, Inc.(Conso)	237,643,680	237,643,680	237,643,680	–
Verde Golf Development Corporation	94,614,092	94,614,092	94,614,092	–
Vesta Property Holdings Inc.	31,372,285	31,372,285	31,372,285	–
Westview Commercial Ventures Corp.	23,156,195	23,156,195	23,156,195	–
Whiteknight Holdings, Inc.	33,219,162	33,219,162	33,219,162	–
Sub-Total	**₱50,256,649,848**	**₱50,256,649,848**	**₱50,256,649,848**	**₱–**

	Amount Owed by ALI PARENT to ALI SUBSIDIARIES			
	Receivable Balance per ALI SUBSIDIARIES	**Payable Balance per ALI PARENT**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	₱14,275,587	₱14,275,587	₱14,275,587	₱–
Alabang Commercial Corporation (Conso)	33,442,760	33,442,760	33,442,760	–
ALI Capital Corp. (Conso)	67,073	67,073	67,073	–
ALI Commercial Center, Inc. (Conso)	34,038,619	34,038,619	34,038,619	–
ALI-CII Development Corporation	–	–	–	–
Alveo Land Corporation (Conso)	2,247,565,734	2,247,565,734	2,247,565,734	–
Amaia Land Corporation (Conso)	2,611,255	2,611,255	2,611,255	–
Amorsedia Development Corporation (Conso)	120,706,662	120,706,662	120,706,662	–
Anvaya Cove Beach and Nature Club Inc	222,143	222,143	222,143	–
Anvaya Cove Golf and Sports Club Inc.	7,368	7,368	7,368	–
APRISA Business Process Solutions, Inc	2,282,902	2,282,902	2,282,902	–
Arvo Commercial Corporation	978,410,844	978,410,844	978,410,844	–
Aurora Properties, Inc.	1,258,848,707	1,258,848,707	1,258,848,707	–
Aviana Development Corporation	306,198,354	306,198,354	306,198,354	–

	Amount Owed by ALI PARENT to ALI SUBSIDIARIES			
	Receivable Balance per ALI SUBSIDIARIES	**Payable Balance per ALI PARENT**	**Current**	**Non-Current**
Avida Land Corporation (Conso)	₱2,313,340,414	₱2,313,340,414	₱2,313,340,414	₱–
Ayala Hotels Inc.	1,893,652,102	1,893,652,102	1,893,652,102	–
Ayala Land International Sales, Inc. (Conso)	24,549,838	24,549,838	24,549,838	–
Ayala Land Sales Inc.	(2,975,703)	(2,975,703)	(2,975,703)	–
Ayala Property Management Corporation (Conso)	40,596,675	40,596,675	40,596,675	–
AyalaLand Club Management, Inc.	231,823	231,823	231,823	–
AREIT Fund Manager, Inc.	(6,850,291)	(6,850,291)	(6,850,291)	–
AyalaLand Estates Inc. (Conso)	4,858,330	4,858,330	4,858,330	–
AyalaLand Hotels and Resorts Corp. (Conso)	25,180,321	25,180,321	25,180,321	–
Ayalaland Logistics Holdings Corp. (Conso)	130,474,050	130,474,050	130,474,050	–
AyalaLand Malls, Inc. (Conso)	12,250,119	12,250,119	12,250,119	–
Ayalaland Medical Facilities Leasing Inc.	(478,272)	(478,272)	(478,272)	–
Ayalaland Metro North, Inc.	1,499,082	1,499,082	1,499,082	–
AyalaLand Offices, Inc. (Conso)	21,552,995	21,552,995	21,552,995	–
Ayalaland Premier, Inc.	29,370,026	29,370,026	29,370,026	–
Bay City Commercial Ventures Corp.	378,798	378,798	378,798	–
BellaVita Land Corp.	1,730,970	1,730,970	1,730,970	–
BG West Properties, Inc	7,253,737	7,253,737	7,253,737	–
Cagayan De Oro Gateway Corporation	5,211,326	5,211,326	5,211,326	–
Cavite Commercial Towncenter Inc.	23,926	23,926	23,926	–
Cebu Leisure Co. Inc.	74,620,732	74,620,732	74,620,732	–
CECI Realty Corp.	9,277,671	9,277,671	9,277,671	–
Crans Montana Property Holdings Corporation	(5,290)	(5,290)	(5,290)	–
Crimson Field Enterprises, Inc.	10,050,000	10,050,000	10,050,000	–
Direct Power Services Inc.	66,300,889	66,300,889	66,300,889	–
First Longfield Investments Ltd.	192,282,680	192,282,680	192,282,680	–
Makati Cornerstone Leasing Corp.	307,633,331	307,633,331	307,633,331	–
Makati Development Corporation (Conso)	4,027,863,047	4,027,863,047	4,027,863,047	–
North Eastern Commercial Corp.	86,255,172	86,255,172	86,255,172	–
North Triangle Depot Commercial Corp	39,095,871	39,095,871	39,095,871	–
North Ventures Commercial Corp.	21,823,255	21,823,255	21,823,255	–
NorthBeacon Commercial Corporation	6,751,133	6,751,133	6,751,133	–
Nuevocentro, Inc. (Conso)	(5,376,792)	(5,376,792)	(5,376,792)	–
AREIT, Inc.	74,301,299	74,301,299	74,301,299	–
Philippine Integrated Energy Solutions, Inc.	2,737,400	2,737,400	2,737,400	–
Primavera Towncentre, Inc.	1,407,328	1,407,328	1,407,328	–
Red Creek Properties, Inc.	18,000,592	18,000,592	18,000,592	–
Regent Time International, Limited	602,164,160	602,164,160	602,164,160	–
Regent Wise Investments Limited(Conso)	326,489,761	326,489,761	326,489,761	–
Serendra Inc.	150,561,890	150,561,890	150,561,890	–
Soltea Commercial Corp.	1,736,013	1,736,013	1,736,013	–
Southportal Properties, Inc.	159,244,878	159,244,878	159,244,878	–
Station Square East Commercial Corp	6,482,354	6,482,354	6,482,354	–
Subic Bay Town Center Inc.	3,081,732	3,081,732	3,081,732	–
Summerhill Commercial Ventures Corp.	51,161	51,161	51,161	–
Ten Knots Development Corporation (Conso)	204,600	204,600	204,600	–
Taft Punta Engaño Property, Inc.	53,532	53,532	53,532	–
Ten Knots Philippines, Inc.(Conso)	1,313,287	1,313,287	1,313,287	–
Verde Golf Development Corporation	142,445	142,445	142,445	–
Vesta Property Holdings Inc.	5,903,188	5,903,188	5,903,188	–
Westview Commercial Ventures Corp.	121,144	121,144	121,144	–
Sub-Total	**₱15,691,096,737**	**₱15,691,096,737**	**₱15,691,096,737**	**₱–**

	Conso Adjustments - Migrated Companies to ALI/ Old CoCodes			
	Receivable Balance	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
JE# 0075	₱61,178,261	₱61,178,261	₱61,178,261	–
JE# 0076	12,283,587	12,283,587	12,283,587	–
JE# 0081	539	539	539	–
Sub-Total	**₱73,462,388**	**₱73,462,388**	**₱73,462,388**	–

	Amount Owed by ALI SUBSIDIARIES TO MAKATI DEVELOPMENT CORP. AND SUBSIDIARIES			
	Receivable Balance per MDC & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	₱1,469,109	₱1,469,109	₱1,469,109	₱–
Ayalaland Medical Facilities Leasing Inc.	2,455,101	2,455,101	2,455,101	–
Bay City Commercial Ventures Corp.	485,534,664	485,534,664	485,534,664	–
BellaVita Land Corp.	50,184,860	50,184,860	50,184,860	–
BG West Properties, Inc	652,081,534	652,081,534	652,081,534	–
Cagayan De Oro Gateway Corporation	193,188,476	193,188,476	193,188,476	–
Capitol Central Commercial Ventures Corp.	43,996,591	43,996,591	43,996,591	–
Cavite Commercial Towncenter Inc.	397,876,447	397,876,447	397,876,447	–
CECI Realty Corp.	137,040,775	137,040,775	137,040,775	–
Crans Montana Property Holdings Corporation	68,401,691	68,401,691	68,401,691	–
Direct Power Services Inc.	357,482	357,482	357,482	–
Lagdigan Land Corporation	17,677,723	17,677,723	17,677,723	–
Makati Cornerstone Leasing Corp.	1,247,133	1,247,133	1,247,133	–
North Eastern Commercial Corp.	255,445	255,445	255,445	–
North Triangle Depot Commercial Corp	152,399,736	152,399,736	152,399,736	–
Nuevocentro, Inc. (Conso)	387,948,700	387,948,700	387,948,700	–
AREIT, Inc.	2,019,459	2,019,459	2,019,459	–
Philippine Integrated Energy Solutions, Inc.	297,959	297,959	297,959	–
Primavera Towncentre, Inc.	69,867,193	69,867,193	69,867,193	–
Roxas Land Corp.	12,045,049	12,045,049	12,045,049	–
Serendra Inc.	84,702,053	84,702,053	84,702,053	–
Soltea Commercial Corp.	32,080,272	32,080,272	32,080,272	–
Southportal Properties, Inc.	59,452,299	59,452,299	59,452,299	–
Summerhill Commercial Ventures Corp.	6,533,257	6,533,257	6,533,257	–
Sunnyfield E-Office Corp	2,261,577	2,261,577	2,261,577	–
Ten Knots Development Corporation(Conso)	12,785,727	12,785,727	12,785,727	–
Taft Punta Engaño Property, Inc.	18,522,686	18,522,686	18,522,686	–
Ten Knots Philippines, Inc.(Conso)	40,002,872	40,002,872	40,002,872	–
Vesta Property Holdings Inc.	25,254,851	25,254,851	25,254,851	–
Westview Commercial Ventures Corp.	4,735	4,735	4,735	–
Accendo Commercial Corp	428,828,161	428,828,161	428,828,161	–
ALI Capital Corp. (Conso)	115,374,897	115,374,897	115,374,897	–
ALI Commercial Center, Inc. (Conso)	185,845,434	185,845,434	185,845,434	–
Altaraza Development Corporation	8,468,017	8,468,017	8,468,017	–
Alveo Land Corporation (Conso)	4,182,355,609	4,182,355,609	4,182,355,609	–
Amaia Land Corporation (Conso)	988,262,764	988,262,764	988,262,764	–
Amorsedia Development Corporation (Conso)	154,218,829	154,218,829	154,218,829	–
Anvaya Cove Golf and Sports Club Inc.	4,184,402	4,184,402	4,184,402	–
Arvo Commercial Corporation	319,012,367	319,012,367	319,012,367	–
Aurora Properties, Inc.	21,796,819	21,796,819	21,796,819	–
Aviana Development Corporation	535,711,009	535,711,009	535,711,009	–
Avida Land Corporation (Conso)	3,462,254,711	3,462,254,711	3,462,254,711	–
Ayala Hotels Inc.	867,630,170	867,630,170	867,630,170	–
Ayala Land International Sales, Inc.(Conso)	2,713	2,713	2,713	–
Ayala Land-Tagle Property Inc.	22,608,010	22,608,010	22,608,010	–
Ayala Property Management Corporation (Conso)	2,034,597	2,034,597	2,034,597	–
AyalaLand Estates Inc. (Conso)	318,719,554	318,719,554	318,719,554	–
AyalaLand Hotels and Resorts Corp. (Conso)	395,580,767	395,580,767	395,580,767	–
Ayalaland Logistics Holdings Corp. (Conso)	448,548,353	448,548,353	448,548,353	–
Sub-Total	**₱15,419,382,637**	**₱15,419,382,637**	**₱15,419,382,637**	–

	Amount Owed by ALI Subsidiaries to ACCENDO COMMERCIAL CORP.			
	Receivable Balance per ACCENDO	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱473,329	₱473,329	₱473,329	₱–
Ayalaland Metro North, Inc.	800	800	800	–
AyalaLand Offices, Inc. (Conso)	19,556	19,556	19,556	–
Bay City Commercial Ventures Corp.	337,901	337,901	337,901	–
Cagayan De Oro Gateway Corporation	177,493	177,493	177,493	–
Capitol Central Commercial Ventures Corp.	44,191	44,191	44,191	–
Cebu Leisure Co. Inc.	5,080	5,080	5,080	–
Leisure and Allied Industries Phils. Inc.	165,226	165,226	165,226	–
Makati Development Corporation (Conso)	199,410	199,410	199,410	–
North Eastern Commercial Corp.	300	300	300	–
North Triangle Depot Commercial Corp	37,985	37,985	37,985	–
North Ventures Commercial Corp.	300	300	300	–
Philippine Integrated Energy Solutions, Inc.	361	361	361	–
Station Square East Commercial Corp	6,050	6,050	6,050	–
Ten Knots Development Corporation(Conso)	21,376	21,376	21,376	–
Ten Knots Philippines, Inc.(Conso)	2,818	2,818	2,818	–
Westview Commercial Ventures Corp.	22,002	22,002	22,002	–
Adauge Commercial Corp.	20,788	20,788	20,788	–
Alabang Commercial Corporation (Conso)	6,865	6,865	6,865	–
ALI Capital Corp. (Conso)	31,397	31,397	31,397	–
ALI Commercial Center, Inc. (Conso)	98,160	98,160	98,160	–
Alveo Land Corporation (Conso)	1,606,109	1,606,109	1,606,109	–
Amaia Land Corporation (Conso)	19,556	19,556	19,556	–
Amorsedia Development Corporation (Conso)	–	–	–	–
Aviana Development Corporation	2,129,949	2,129,949	2,129,949	–
Avida Land Corporation (Conso)	5,540,051	5,540,051	5,540,051	–
Ayala Property Management Corporation (Conso)	414,813	414,813	414,813	–
AyalaLand Estates Inc. (Conso)	19,556	19,556	19,556	–
AyalaLand Hotels and Resorts Corp. (Conso)	1,267,387	1,267,387	1,267,387	–
Ayalaland Logistics Holdings Corp. (Conso)	19,556	19,556	19,556	–
Arvo Commercial Corporation	₱12,688,366	₱12,688,366	₱12,688,366	₱–

	Amount Owed by ALI Subsidiaries to ADAUGE COMMERCIAL CORP.			
	Receivable Balance per ADAUGE	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱21,194	₱21,194	₱21,194	₱–
Ayalaland Metro North, Inc.	1,305	1,305	1,305	–
Bay City Commercial Ventures Corp.	5,521,670	5,521,670	5,521,670	–
Capitol Central Commercial Ventures Corp.	1,581	1,581	1,581	–
Direct Power Services Inc.	2,307	2,307	2,307	–
Soltea Commercial Corp.	4,165,589	4,165,589	4,165,589	–
Sunnyfield E-Office Corp	533,392	533,392	533,392	–
Ten Knots Philippines, Inc.(Conso)	25,190	25,190	25,190	–
ALI Capital Corp. (Conso)	11,058,331	11,058,331	11,058,331	–
ALI Commercial Center, Inc. (Conso)	6,206,143	6,206,143	6,206,143	–
Amaia Land Corporation (Conso)	8,656,265	8,656,265	8,656,265	–
Arvo Commercial Corporation	387,394	387,394	387,394	–
Avida Land Corporation (Conso)	2,025,990	2,025,990	2,025,990	–
Ayala Property Management Corporation (Conso)	4,966	4,966	4,966	–
AyalaLand Hotels and Resorts Corp. (Conso)	29,482,122	29,482,122	29,482,122	–
Ayalaland Logistics Holdings Corp. (Conso)	31,287,480	31,287,480	31,287,480	–
Sub-Total	**₱99,380,919**	**₱99,380,919**	**₱99,380,919**	**₱–**

	Amount Owed by ALI Subsidiaries to ALABANG COMMERCIAL CORP. & SUBSIDIARIES			
	Receivable Balance per ACC & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Offices, Inc. (Conso)	₱5,854,396	₱5,854,396	₱5,854,396	₱–
Bay City Commercial Ventures Corp.	70,517,899	70,517,899	70,517,899	–
Cagayan De Oro Gateway Corporation	10,906	10,906	10,906	–
Capitol Central Commercial Ventures Corp.	18,178,722	18,178,722	18,178,722	–
Cavite Commercial Towncenter Inc.	1,167,604	1,167,604	1,167,604	–
Cebu Leisure Co. Inc.	23,705	23,705	23,705	–
FIVE STAR Cinema Inc.	4,791,113	4,791,113	4,791,113	–
Leisure and Allied Industries Phils. Inc.	(435,709)	(435,709)	(435,709)	–
North Eastern Commercial Corp.	6,600	6,600	6,600	–
North Triangle Depot Commercial Corp	12,504,424	12,504,424	12,504,424	–
North Ventures Commercial Corp.	1,600	1,600	1,600	–
NorthBeacon Commercial Corporation	42,019	42,019	42,019	–
Primavera Towncentre, Inc.	2,035,113	2,035,113	2,035,113	–
Red Creek Properties, Inc.	20,050,476	20,050,476	20,050,476	–
Serendra Inc.	136,338	136,338	136,338	–
Soltea Commercial Corp.	78,153	78,153	78,153	–
Station Square East Commercial Corp	93,720	93,720	93,720	–
Summerhill Commercial Ventures Corp.	900	900	900	–
Ten Knots Philippines, Inc.(Conso)	3,184,892	3,184,892	3,184,892	–
Accendo Commercial Corp	26,329,838	26,329,838	26,329,838	–
Alabang Commercial Corporation (Conso)	11,352,159	11,352,159	11,352,159	–
ALI Capital Corp. (Conso)	587,936	587,936	587,936	–
ALI Commercial Center, Inc. (Conso)	24,073,793	24,073,793	24,073,793	–
Alveo Land Corporation (Conso)	2,426,100	2,426,100	2,426,100	–
Amaia Land Corporation (Conso)	7,135,364	7,135,364	7,135,364	–
Amorsedia Development Corporation (Conso)	106,394	106,394	106,394	–
Arvo Commercial Corporation	37,047,522	37,047,522	37,047,522	–
Avida Land Corporation (Conso)	5,658,591	5,658,591	5,658,591	–
Ayala Land Sales Inc.	159,239	159,239	159,239	–
AyalaLand Hotels and Resorts Corp. (Conso)	27,628,876	27,628,876	27,628,876	–
Ayalaland Logistics Holdings Corp. (Conso)	23,831,134	23,831,134	23,831,134	–
Sub-Total	**₱304,579,814**	**₱304,579,814**	**₱304,579,814**	**₱–**

	Amount Owed by ALI Subsidiaries to ALI CAPITAL CORP.			
	Receivable Balance per ALI CAPITAL CORP. & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Medical Facilities Leasing Inc.	₱225,225	₱225,225	₱225,225	₱–
Bay City Commercial Ventures Corp.	75,085,744	75,085,744	75,085,744	–
Direct Power Services Inc.	885,000	885,000	885,000	–
Makati Development Corporation (Conso)	25,893	25,893	25,893	–
Ten Knots Development Corporation(Conso)	1,813,783	1,813,783	1,813,783	–
Ten Knots Philippines, Inc.(Conso)	35,342,112	35,342,112	35,342,112	–
Whiteknight Holdings, Inc.	(708,680)	(708,680)	(708,680)	–
ALI Capital Corp. (Conso)	45,756,419	45,756,419	45,756,419	–
ALI Commercial Center, Inc. (Conso)	169,943	169,943	169,943	–
Amaia Land Corporation (Conso)	17,197,628	17,197,628	17,197,628	–
Arvo Commercial Corporation	11,244,883	11,244,883	11,244,883	–
AyalaLand Hotels and Resorts Corp. (Conso)	136,061,995	136,061,995	136,061,995	–
Sub-Total	**₱323,099,946**	**₱323,099,946**	**₱323,099,946**	–

	Amount Owed by ALI Subsidiaries to ALI COMMERCIAL CENTER INC.			
	Receivable Balance per ACCI & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	₱2,879,250	₱2,879,250	₱2,879,250	₱–
AyalaLand Malls, Inc. (Conso)	6,141,102	6,141,102	6,141,102	–
Ayalaland Medical Facilities Leasing Inc.	4,082	4,082	4,082	–
Ayalaland Metro North, Inc.	183,626	183,626	183,626	–
Bay City Commercial Ventures Corp.	126,725,258	126,725,258	126,725,258	–
BellaVita Land Corp.	24,600	24,600	24,600	–
Cagayan De Oro Gateway Corporation	2,864,021	2,864,021	2,864,021	–
Capitol Central Commercial Ventures Corp.	1,375,602	1,375,602	1,375,602	–
Cavite Commercial Towncenter Inc.	612,724	612,724	612,724	–
Cebu Leisure Co. Inc.	319,465	319,465	319,465	–
Crans Montana Property Holdings Corporation	682,469	682,469	682,469	–
Direct Power Services Inc.	12,672	12,672	12,672	–
FIVE STAR Cinema Inc.	18,669	18,669	18,669	–
Leisure and Allied Industries Phils. Inc.	6,893,130	6,893,130	6,893,130	–
Makati Cornerstone Leasing Corp.	1,088,181	1,088,181	1,088,181	–
Makati Development Corporation (Conso)	13,290,491	13,290,491	13,290,491	–
North Eastern Commercial Corp.	2,973,148	2,973,148	2,973,148	–
North Triangle Depot Commercial Corp	7,754,078	7,754,078	7,754,078	–
North Ventures Commercial Corp.	1,404,603	1,404,603	1,404,603	–
NorthBeacon Commercial Corporation	688,076	688,076	688,076	–
AREIT, Inc.	96,702	96,702	96,702	–
Primavera Towncentre, Inc.	191,058	191,058	191,058	–
Serendra Inc.	83,604	83,604	83,604	–
Soltea Commercial Corp.	1,248,874	1,248,874	1,248,874	–
Station Square East Commercial Corp	3,536,654	3,536,654	3,536,654	–
Subic Bay Town Center Inc.	820,340	820,340	820,340	–
Summerhill Commercial Ventures Corp.	1,372,739	1,372,739	1,372,739	–
Ten Knots Philippines, Inc.(Conso)	1,327,851	1,327,851	1,327,851	–
Westview Commercial Ventures Corp.	195,059	195,059	195,059	–
Accendo Commercial Corp	2,658,018	2,658,018	2,658,018	–
Adauge Commercial Corp.	5,378	5,378	5,378	–
Alabang Commercial Corporation (Conso)	3,799,008	3,799,008	3,799,008	–
ALI Capital Corp. (Conso)	1,443,083	1,443,083	1,443,083	–
ALI Commercial Center, Inc. (Conso)	10,138,957	10,138,957	10,138,957	–
ALI-CII Development Corporation	94,147	94,147	94,147	–
Alveo Land Corporation (Conso)	10,761,766	10,761,766	10,761,766	–
Amaia Land Corporation (Conso)	489,215	489,215	489,215	–
Arca South Integrated Terminal, Inc	50,400	50,400	50,400	–
Arvo Commercial Corporation	3,340,136	3,340,136	3,340,136	–
Avida Land Corporation (Conso)	6,943,340	6,943,340	6,943,340	–
Ayala Hotels Inc.	4,050	4,050	4,050	–
Ayala Land Sales Inc.	1,141	1,141	1,141	–
Ayala Property Management Corporation (Conso)	29,912,674	29,912,674	29,912,674	–
Ayala Theaters Management, Inc.	2,973,607	2,973,607	2,973,607	–
AREIT Fund Manager, Inc.	50,400	50,400	50,400	–
AyalaLand Hotels and Resorts Corp. (Conso)	3,111,039	3,111,039	3,111,039	–
Ayalaland Logistics Holdings Corp. (Conso)	441,793	441,793	441,793	–
Sub-Total	**₱261,026,278**	**₱261,026,278**	**₱261,026,278**	**₱–**

	Amount Owed by ALI Subsidiaries to ALI-CII DEVELOPMENT CORP			
	Receivable Balance per ALI-CII	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱82,937,744	₱82,937,744	₱82,937,744	₱–
Cagayan De Oro Gateway Corporation	29,389	29,389	29,389	–
Capitol Central Commercial Ventures Corp.	2,033,659	2,033,659	2,033,659	–
Direct Power Services Inc.	1,500,000	1,500,000	1,500,000	–
Leisure and Allied Industries Phils. Inc.	(29,485)	(29,485)	(29,485)	–
North Triangle Depot Commercial Corp	100	100	100	–
Soltea Commercial Corp.	24,570,150	24,570,150	24,570,150	–
Ten Knots Philippines, Inc.(Conso)	2,043,948	2,043,948	2,043,948	–
Accendo Commercial Corp	4,580,820	4,580,820	4,580,820	–
ALI Commercial Center, Inc. (Conso)	15,821,238	15,821,238	15,821,238	–
Amaia Land Corporation (Conso)	14,813,319	14,813,319	14,813,319	–
Arca South Integrated Terminal, Inc	33,634	33,634	33,634	–
Arvo Commercial Corporation	6,328,400	6,328,400	6,328,400	–
Avida Land Corporation (Conso)	2,896,843	2,896,843	2,896,843	–
AyalaLand Hotels and Resorts Corp. (Conso)	3,129,436	3,129,436	3,129,436	–
Ayalaland Logistics Holdings Corp. (Conso)	20,616,794	20,616,794	20,616,794	–
Sub-Total	**₱181,305,988**	**₱181,305,988**	**₱181,305,988**	**₱–**

	Amount Owed by ALI Subsidiaries to ALO PRIME REALTY CORP.			
	Receivable Balance per ALO PRIME REALTY CORP.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱3,011,458	₱3,011,458	₱3,011,458	₱–
AREIT, Inc.	915,424	915,424	915,424	–
Ayalaland Logistics Holdings Corp. (Conso)	471,547,455	471,547,455	471,547,455	–
Sub-Total	**₱475,474,337**	**₱475,474,337**	**₱475,474,337**	**₱–**

	Amount Owed by ALI Subsidiaries to ALTARAZA PRIME REALTY CORP.			
	Receivable Balance per ALTARAZA PRIME REALTY CORP.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Amaia Land Corporation (Conso)	₱2,509,549	₱2,509,549	₱2,509,549	₱–

	Amount Owed by ALI Subsidiaries to ALVEO LAND CORP. & SUBSIDIARIES			
	Receivable Balance per ALVEO LAND CORP. & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	₱454,086	₱454,086	₱454,086	₱–
AyalaLand Malls, Inc. (Conso)	54,613	54,613	54,613	–
Ayalaland Medical Facilities Leasing Inc.	273,487	273,487	273,487	–
Bay City Commercial Ventures Corp.	53,069,574	53,069,574	53,069,574	–
BellaVita Land Corp.	931,897,593	931,897,593	931,897,593	–
BG West Properties, Inc	684,020	684,020	684,020	–
Cagayan De Oro Gateway Corporation	26,297	26,297	26,297	–
Crans Montana Property Holdings Corporation	2,158,509	2,158,509	2,158,509	–
Makati Development Corporation (Conso)	39,666,759	39,666,759	39,666,759	–
North Eastern Commercial Corp.	4,987	4,987	4,987	–
Nuevocentro, Inc. (Conso)	276,507,449	276,507,449	276,507,449	–
AREIT, Inc.	22,177	22,177	22,177	–
Primavera Towncentre, Inc.	349,997	349,997	349,997	–
Serendra Inc.	(1,558,304)	(1,558,304)	(1,558,304)	–
Soltea Commercial Corp.	30,431,345	30,431,345	30,431,345	–
Summerhill Commercial Ventures Corp.	12,436,524	12,436,524	12,436,524	–

	Amount Owed by ALI Subsidiaries to ALVEO LAND CORP. & SUBSIDIARIES			
	Receivable Balance per ALVEO LAND CORP. & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ten Knots Philippines, Inc.(Conso)	₱28,462,447	₱28,462,447	₱28,462,447	₱–
Vesta Property Holdings Inc.	302,666,668	302,666,668	302,666,668	–
Westview Commercial Ventures Corp.	43,833	43,833	43,833	–
Accendo Commercial Corp	184,856,456	184,856,456	184,856,456	–
Adauge Commercial Corp.	28,238	28,238	28,238	–
ALI Capital Corp. (Conso)	6,645,462	6,645,462	6,645,462	–
ALI Commercial Center, Inc. (Conso)	52,298,370	52,298,370	52,298,370	–
Alveo Land Corporation (Conso)	3,882,935,001	3,882,935,001	3,882,935,001	–
Amaia Land Corporation (Conso)	22,089,440	22,089,440	22,089,440	–
Amorsedia Development Corporation (Conso)	2,886,241	2,886,241	2,886,241	–
Arvo Commercial Corporation	9,552,981	9,552,981	9,552,981	–
Aurora Properties, Inc.	11,416,835	11,416,835	11,416,835	–
Avida Land Corporation (Conso)	6,056,068	6,056,068	6,056,068	–
Ayala Land International Sales, Inc.(Conso)	1,007,391	1,007,391	1,007,391	–
Ayala Property Management Corporation (Conso)	3,056,541	3,056,541	3,056,541	–
AyalaLand Hotels and Resorts Corp. (Conso)	88,337,304	88,337,304	88,337,304	–
Ayalaland Logistics Holdings Corp. (Conso)	9,598,082	9,598,082	9,598,082	–
Sub-Total	**₱5,958,416,471**	**₱5,958,416,471**	**₱5,958,416,471**	**₱–**

	Amount Owed by ALI Subsidiaries to AMAIA LAND INC. & SUBSIDIARIES			
	Receivable Balance per AMAIA LAND INC. & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Offices, Inc. (Conso)	(₱1,591)	(₱1,591)	(₱1,591)	₱–
BellaVita Land Corp.	96,465,764	96,465,764	96,465,764	–
Makati Development Corporation (Conso)	3,322,901	3,322,901	3,322,901	–
Alveo Land Corporation (Conso)	150,000	150,000	150,000	–
Amaia Land Corporation (Conso)	1,100,783	1,100,783	1,100,783	–
Avida Land Corporation (Conso)	14,248,681	14,248,681	14,248,681	–
Ayala Property Management Corporation (Conso)	(37,946)	(37,946)	(37,946)	–
Sub-Total	**₱115,248,591**	**₱115,248,591**	**₱115,248,591**	**₱–**

	Amount Owed by ALI Subsidiaries to AMORSEDIA DEVPT. CORP. & SUBSIDIARIES			
	Receivable Balance per AMORSEDIA DEVPT. CORP. & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱86,081,933	₱86,081,933	₱86,081,933	₱–
BellaVita Land Corp.	17,836,000	17,836,000	17,836,000	–
BG West Properties, Inc.	781,913,037	781,913,037	781,913,037	–
Cagayan De Oro Gateway Corporation	52,289	52,289	52,289	–
AREIT, Inc.	25,868,733	25,868,733	25,868,733	–
Ten knots Development Corporation (Conso)	5,205	5,205	5,205	–
ALI Commercial Center, Inc. (Conso)	30,289,781	30,289,781	30,289,781	–
Alveo Land Corporation (Conso)	184,216,316	184,216,316	184,216,316	–
Amorsedia Development Corporation (Conso)	(0)	(0)	(0)	–
Avida Land Corporation (Conso)	(74,323)	(74,323)	(74,323)	–
Ayala Land Estates Inc.	1	1	1	–
Sub-Total	**₱1,126,188,972**	**₱1,126,188,972**	**₱1,126,188,972**	**₱–**

	Amount Owed by ALI Subsidiaries to ANVAYA COVE BEACH & NATURE CLUB, INC.			
	Receivable Balance per ANVAYA COVE BEACH	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Makati Development Corporation (Conso)	₱9,911	₱9,911	₱9,911	₱–
ALI Commercial Center, Inc. (Conso)	42,887,264	42,887,264	42,887,264	–
Amaia Land Corporation (Conso)	88,075,364	88,075,364	88,075,364	–
Anvaya Cove Golf and Sports Club Inc.	18,984,835	18,984,835	18,984,835	–
AyalaLand Club Management, Inc..	5,855	5,855	5,855	–
Sub-Total	**₱149,963,230**	**₱149,963,230**	**₱149,963,230**	₱–

	Amount Owed by ALI Subsidiaries to ANVAYA COVE GOLF & NATURE CLUB, INC.			
	Receivable Balance per ANVAYA COVE GOLF & NATURE CLUB	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Makati Development Corporation (Conso)	₱4,502	₱4,502	₱4,502	₱–
Amaia Land Corporation (Conso)	45,410,045	45,410,045	45,410,045	–
Anvaya Cove Beach and Nature Club Inc	6,420,351	6,420,351	6,420,351	–
Avida Land Corporation (Conso)	0	0	0	–
Ayala Property Management Corporation (Conso)	6,488	6,488	6,488	–
Sub-Total	**₱51,841,386**	**₱51,841,386**	**₱51,841,386**	₱–

	Amount Owed by ALI Subsidiaries to APRISA BUSINESS SOLUTIONS, INC.			
	Receivable Balance per APRISA BUSINESS SOLUTIONS, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Offices, Inc. (Conso)				₱–
Bay City Commercial Ventures Corp.	₱22,440,047	₱22,440,047	₱22,440,047	–
Cagayan De Oro Gateway Corporation	524,958	524,958	524,958	–
Capitol Central Commercial Ventures Corp.				–
Cavite Commercial Towncenter Inc.	376,182	376,182	376,182	–
Cebu Leisure Co. Inc.	67,749	67,749	67,749	–
CECI Realty Corp.	223,138	223,138	223,138	–
Makati Cornerstone Leasing Corp.	1,215,265	1,215,265	1,215,265	–
Makati Development Corporation (Conso)	1,881,612	1,881,612	1,881,612	–
North Eastern Commercial Corp.	323,448	323,448	323,448	–
North Triangle Depot Commercial Corp	54,183	54,183	54,183	–
North Ventures Commercial Corp.	523,746	523,746	523,746	–
Nuevocentro, Inc. (Conso)	158,054	158,054	158,054	–
AREIT, Inc.	415,408	415,408	415,408	–
Serendra Inc.	105,813	105,813	105,813	
Soltea Commercial Corp.	9,323,243	9,323,243	9,323,243	–
Station Square East Commercial Corp	418,318	418,318	418,318	–
Subic Bay Town Center Inc.	178,711	178,711	178,711	–
Summerhill Commercial Ventures Corp.	1,487,221	1,487,221	1,487,221	–
Ten Knots Development Corporation(Conso)	70,821	70,821	70,821	–
Taft Punta Engaño Property, Inc.	83,966	83,966	83,966	–
Ten Knots Philippines, Inc.(Conso)	4,569,910	4,569,910	4,569,910	–
Westview Commercial Ventures Corp.	29,579	29,579	29,579	–
Accendo Commercial Corp	43,582,731	43,582,731	43,582,731	–
Adauge Commercial Corp.	19,107	19,107	19,107	–
Alabang Commercial Corporation (Conso)	422,388	422,388	422,388	–
ALI Capital Corp. (Conso)	12,223,536	12,223,536	12,223,536	–
ALI Commercial Center, Inc. (Conso)	12,586,636	12,586,636	12,586,636	–
ALI-CII Development Corporation	651,269	651,269	651,269	–

	Amount Owed by ALI Subsidiaries to APRISA BUSINESS SOLUTIONS, INC.			
	Receivable Balance per APRISA BUSINESS SOLUTIONS, INC.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
ALO Prime Realty Corporation	131,432	131,432	131,432	–
Amaia Land Corporation (Conso)	11,568,267	11,568,267	11,568,267	–
Arvo Commercial Corporation	3,254,643	3,254,643	3,254,643	–
Aurora Properties, Inc.	165,357	165,357	165,357	–
Aviana Development Corporation	26,466	26,466	26,466	–
Avida Land Corporation (Conso)	2,932,603	2,932,603	2,932,603	–
Ayala Property Management Corporation (Conso)	434,594	434,594	434,594	–
AREIT Fund Manager, Inc.	208,544	208,544	208,544	–
AyalaLand Estates Inc. (Conso)	3,823,765	3,823,765	3,823,765	–
AyalaLand Hotels and Resorts Corp. (Conso)	17,452,231	17,452,231	17,452,231	–
Ayalaland Logistics Holdings Corp. (Conso)	413,995	413,995	413,995	–
Sub-Total	**₱154,368,934**	**₱154,368,934**	**₱154,368,934**	**₱–**

	Amount Owed by ALI Subsidiaries to AREIT FUND MANAGER, INC			
	Receivable Balance per AREIT FUND MANAGER, INC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Metro North, Inc.	₱16,300,000	₱16,300,000	₱16,300,000	₱–
Bay City Commercial Ventures Corp.	280,796,496	280,796,496	280,796,496	–
Cagayan De Oro Gateway Corporation	103,293	103,293	103,293	–
Capitol Central Commercial Ventures Corp.	2,026,567	2,026,567	2,026,567	–
Crans Montana Property Holdings Corporation	(32,508,760)	(32,508,760)	(32,508,760)	–
Direct Power Services Inc.	36,516	36,516	36,516	–
North Triangle Depot Commercial Corp				–
AREIT, Inc.	78,392,713	78,392,713	78,392,713	–
Soltea Commercial Corp.	35,482,937	35,482,937	35,482,937	–
Ten Knots Philippines, Inc.(Conso)	30,453,656	30,453,656	30,453,656	–
Accendo Commercial Corp	(7,446,883)	(7,446,883)	(7,446,883)	–
ALI Capital Corp. (Conso)	7,470,000	7,470,000	7,470,000	–
ALI Commercial Center, Inc. (Conso)	122,543,673	122,543,673	122,543,673	–
Amaia Land Corporation (Conso)	(58,776,177	(58,776,177	(58,776,177	–
Amorsedia Development Corporation (Conso)	(24,885,351)	(24,885,351)	(24,885,351)	–
Arvo Commercial Corporation	10,000,000	10,000,000	10,000,000	–
Ayala Property Management Corporation (Conso)	9,670,292	9,670,292	9,670,292	–
AyalaLand Hotels and Resorts Corp. (Conso)	53,670,000	53,670,000	53,670,000	–
Ayalaland Logistics Holdings Corp. (Conso)	(34,979,097)	(34,979,097)	(34,979,097)	–
Sub-Total	**₱488,349,876**	**₱488,349,876**	**₱488,349,876**	**₱–**

	Amount Owed by ALI Subsidiaries to AREIT PROPERTY MANAGER, INC.			
	Receivable Balance per AREIT PROPERTY MANAGER, INC.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
AREIT, Inc.	₱271,308,298	₱271,308,298	₱271,308,298	₱–
Sub-Total	**₱271,308,298**	**₱271,308,298**	**₱271,308,298**	**₱–**

	Amount Owed by ALI Subsidiaries to AREIT, INC.			
	Receivable Balance per AREIT, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	₱2,464,491	₱2,464,491	₱2,464,491	₱–
AyalaLand Offices, Inc. (Conso)	(776)	(776)	(776)	–
Bay City Commercial Ventures Corp.	349,519,716	349,519,716	349,519,716	–
BellaVita Land Corp.	39,830	39,830	39,830	–
Cagayan De Oro Gateway Corporation	537,083	537,083	537,083	–
Capitol Central Commercial Ventures Corp.	209,193,922	209,193,922	209,193,922	–
Cavite Commercial Towncenter Inc.	40,088,362	40,088,362	40,088,362	–
Crans Montana Property Holdings Corporation	1,246,956	1,246,956	1,246,956	–
Direct Power Services Inc.	6,351	6,351	6,351	–
Makati Cornerstone Leasing Corp.	4,921	4,921	4,921	–
North Eastern Commercial Corp.	975,303,986	975,303,986	975,303,986	–
North Triangle Depot Commercial Corp	1,218,944	1,218,944	1,218,944	–
Soltea Commercial Corp.	307,665	307,665	307,665	–
Sunnyfield E-Office Corp	150	150	150	–
Ten Knots Philippines, Inc.(Conso)	1,163,932	1,163,932	1,163,932	–
Westview Commercial Ventures Corp.	1,958,066	1,958,066	1,958,066	–
Accendo Commercial Corp	575,250	575,250	575,250	–
ALI Capital Corp. (Conso)	19,043,664	19,043,664	19,043,664	–
ALI Commercial Center, Inc. (Conso)	28,938,564	28,938,564	28,938,564	–
Alveo Land Corporation (Conso)	45,959,821	45,959,821	45,959,821	–
Amaia Land Corporation (Conso)	3,102,340	3,102,340	3,102,340	–
Amorsedia Development Corporation (Conso)	18,073,745	18,073,745	18,073,745	–
Arvo Commercial Corporation	39,203,390	39,203,390	39,203,390	–
Avida Land Corporation (Conso)	1,045,181	1,045,181	1,045,181	–
Ayala Property Management Corporation (Conso)	2,512,284	2,512,284	2,512,284	–
AyalaLand Estates Inc. (Conso)	65,694,479	65,694,479	65,694,479	–
AyalaLand Hotels and Resorts Corp. (Conso)	2,296,194,865	2,296,194,865	2,296,194,865	–
Ayalaland Logistics Holdings Corp. (Conso)	93,720,083	93,720,083	93,720,083	–
Sub-Total	**₱4,197,117,267**	**₱4,197,117,267**	**₱4,197,117,267**	**₱–**

	Amount Owed by ALI Subsidiaries to ARVO COMMERCIAL CORP.			
	Receivable Balance per ARVO COMMERCIAL CORP.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱20,307	₱20,307	₱20,307	₱–
Cavite Commercial Towncenter Inc.	807,934	807,934	807,934	–
Leisure and Allied Industries Phils. Inc.	2,908,822	2,908,822	2,908,822	–
North Triangle Depot Commercial Corp	6,520	6,520	6,520	–
North Ventures Commercial Corp.	4,158	4,158	4,158	–
AREIT, Inc.	2,914	2,914	2,914	–
Primavera Towncentre, Inc.	308,275	308,275	308,275	–
Soltea Commercial Corp.	13,450	13,450	13,450	–
Station Square East Commercial Corp	1,670	1,670	1,670	–
Alabang Commercial Corporation (Conso)	1,860	1,860	1,860	–
ALI Commercial Center, Inc. (Conso)	37,330	37,330	37,330	–
Sub-Total	**₱4,113,239**	**₱4,113,239**	**₱4,113,239**	**₱–**

	Amount Owed by ALI to AURORA PROPERTIES, INC.			
	Receivable Balance per AURORA PROPERTIES, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Metro North, Inc.	₱871	₱871	₱871	₱–
Bay City Commercial Ventures Corp.	114,661,462	114,661,462	114,661,462	–

	Amount Owed by ALI to AURORA PROPERTIES, INC.			
	Receivable Balance per AURORA PROPERTIES, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Cagayan De Oro Gateway Corporation	631,906	631,906	631,906	−
Cavite Commercial Towncenter Inc.	637,669	637,669	637,669	−
CECI Realty Corp.	167,851	167,851	167,851	−
Crans Montana Property Holdings Corporation	114,571,126	114,571,126	114,571,126	−
Crimson Field Enterprises, Inc.	5,046,986	5,046,986	5,046,986	−
Makati Development Corporation (Conso)	8,180	8,180	8,180	−
Red Creek Properties, Inc.	9,524,333	9,524,333	9,524,333	−
Ten Knots Development Corporation(Conso)	726	726	726	−
Ten Knots Philippines, Inc.(Conso)	8,621	8,621	8,621	−
Vesta Property Holdings Inc.	27,739	27,739	27,739	−
ALI Capital Corp. (Conso)	559,161	559,161	559,161	−
ALI Commercial Center, Inc. (Conso)	99,903,340	99,903,340	99,903,340	−
Alveo Land Corporation (Conso)	28,443,107	28,443,107	28,443,107	−
Amaia Land Corporation (Conso)	161,039,467	161,039,467	161,039,467	−
Amorsedia Development Corporation (Conso)	185,504,918	185,504,918	185,504,918	−
Arca South Integrated Terminal, Inc	3,007,928	3,007,928	3,007,928	−
Arvo Commercial Corporation	2,113,967	2,113,967	2,113,967	−
Avida Land Corporation (Conso)	192,927,707	192,927,707	192,927,707	−
AyalaLand Hotels and Resorts Corp. (Conso)	65,309,355	65,309,355	65,309,355	−
Sub-Total	**₱984,096,421**	**₱984,096,421**	**₱984,096,421**	**₱−**

	Amount Owed by ALI Subsidiaries to AVIANA DEVELOPMENT CORP.			
	Receivable Balance per AVIANA DEVELOPMEN T CORP.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Makati Development Corporation (Conso)	₱546,293	₱546,293	₱546,293	₱−
Sub-Total	**₱546,293**	**₱546,293**	**₱546,293**	**₱−**

	Amount Owed by ALI Subsidiaries to AVIDA LAND CORP. & SUBSIDIARIES.			
	Receivable Balance per AVIDA LAND CORP. & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	₱242,413	₱242,413	₱242,413	₱−
AyalaLand Offices, Inc. (Conso)	0	0	0	−
Bay City Commercial Ventures Corp.	1,811,515	1,811,515	1,811,515	−
BellaVita Land Corp.	439,129,363	439,129,363	439,129,363	−
BG West Properties, Inc	1,468,416,572	1,468,416,572	1,468,416,572	−
Cagayan De Oro Gateway Corporation	455,032,278	455,032,278	455,032,278	−
CECI Realty Corp.	140,000	140,000	140,000	−
Crans Montana Property Holdings Corporation	16,175	16,175	16,175	−
Makati Development Corporation (Conso)	18,494,808	18,494,808	18,494,808	−
North Triangle Depot Commercial Corp	12,460	12,460	12,460	−
Nuevocentro, Inc. (Conso)	286,132,257	286,132,257	286,132,257	−
Roxas Land Corp.	535,461	535,461	535,461	−
Serendra Inc.	131,274	131,274	131,274	−
Soltea Commercial Corp.	45,029,554	45,029,554	45,029,554	−
Station Square East Commercial Corp	420,337	420,337	420,337	−
Summerhill Commercial Ventures Corp.	10,180	10,180	10,180	−
Ten Knots Philippines, Inc.(Conso)	1,689,369	1,689,369	1,689,369	−
Vesta Property Holdings Inc.	1,966	1,966	1,966	−
Accendo Commercial Corp	192,322,280	192,322,280	192,322,280	−
ALI Commercial Center, Inc. (Conso)	20,243,539	20,243,539	20,243,539	−
ALI-CII Development Corporation	75,000	75,000	75,000	−
Altaraza Development Corporation				−
Alveo Land Corporation (Conso)	627,356,846	627,356,846	627,356,846	−

	Amount Owed by ALI Subsidiaries to AVIDA LAND CORP. & SUBSIDIARIES.			
	Receivable Balance per AVIDA LAND CORP. & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Amaia Land Corporation (Conso)	20,097,652	20,097,652	20,097,652	–
Amorsedia Development Corporation (Conso)	1,439,905	1,439,905	1,439,905	–
Arvo Commercial Corporation	28,168,158	28,168,158	28,168,158	–
Aurora Properties, Inc.	39,622,567	39,622,567	39,622,567	–
Avida Land Corporation (Conso)	(32,990,438)	(32,990,438)	(32,990,438)	–
Ayala Hotels Inc.	25,702	25,702	25,702	–
Ayala Land International Sales, Inc.(Conso)	12,748,830	12,748,830	12,748,830	–
Ayala Property Management Corporation (Conso)	10,460,476	10,460,476	10,460,476	–
Ayala Theaters Management, Inc.	69,503	69,503	69,503	–
AyalaLand Estates Inc. (Conso)	226,407,445	226,407,445	226,407,445	–
AyalaLand Hotels and Resorts Corp. (Conso)	484,767	484,767	484,767	–
Ayalaland Logistics Holdings Corp. (Conso)	834,269	834,269	834,269	–
Sub-Total	**₱3,864,612,483**	**₱3,864,612,483**	**₱3,864,612,483**	**₱–**

	Amount Owed by ALI Subsidiaries to AYALA HOTELS INC.			
	Receivable Balance per AHI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Metro North, Inc.	₱198,822	₱198,822	₱198,822	₱–
Bay City Commercial Ventures Corp.	821,785,612	821,785,612	821,785,612	–
BG West Properties, Inc	140,252,227	140,252,227	140,252,227	–
Cagayan De Oro Gateway Corporation	2,753,681	2,753,681	2,753,681	–
Capitol Central Commercial Ventures Corp.	132,413,408	132,413,408	132,413,408	–
Cavite Commercial Towncenter Inc.	198,907,803	198,907,803	198,907,803	–
Crans Montana Property Holdings Corporation	147,870	147,870	147,870	–
AREIT, Inc.	3,772	3,772	3,772	–
Primavera Towncentre, Inc.	49,744,661	49,744,661	49,744,661	–
Soltea Commercial Corp.	11,610,500	11,610,500	11,610,500	–
Summerhill Commercial Ventures Corp.	695,683	695,683	695,683	–
Ten Knots Development Corporation(Conso)	3,046,778	3,046,778	3,046,778	–
Ten Knots Philippines, Inc.(Conso)	254,430,356	254,430,356	254,430,356	–
Accendo Commercial Corp	182,671,404	182,671,404	182,671,404	–
ALI Capital Corp. (Conso)	247,460,872	247,460,872	247,460,872	–
ALI Commercial Center, Inc. (Conso)	36,359,757	36,359,757	36,359,757	–
Alveo Land Corporation (Conso)	31,505,711	31,505,711	31,505,711	–
Amaia Land Corporation (Conso)	122,160,133	122,160,133	122,160,133	–
Amorsedia Development Corporation (Conso)	16,648,522	16,648,522	16,648,522	–
Arvo Commercial Corporation	105,068,249	105,068,249	105,068,249	–
Avida Land Corporation (Conso)	2,464,484	2,464,484	2,464,484	–
Ayala Land International Sales, Inc.(Conso)	4,500,000	4,500,000	4,500,000	–
AyalaLand Hotels and Resorts Corp. (Conso)	1,033,746,661	1,033,746,661	1,033,746,661	–
Ayalaland Logistics Holdings Corp. (Conso)	57,808,154	57,808,154	57,808,154	–
Sub-Total	**₱3,456,385,122**	**₱3,456,385,122**	**₱3,456,385,122**	**₱–**

	Amount Owed by ALI Subsidiaries to AYALA LAND INTERNATIONAL SALES, INC. & SUBS..			
	Receivable Balance per ALISI & SUBSIDIARIES.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱7,094,190	₱7,094,190	₱7,094,190	₱–
BellaVita Land Corp.	1,708,007	1,708,007	1,708,007	–
Capitol Central Commercial Ventures Corp.	15,142,943	15,142,943	15,142,943	–
Crans Montana Property Holdings Corporation	15,200	15,200	15,200	–
North Triangle Depot Commercial Corp	10,408,190	10,408,190	10,408,190	–
Nuevocentro, Inc. (Conso)	6,551,233	6,551,233	6,551,233	–
Primavera Towncentre, Inc.	1,018,268	1,018,268	1,018,268	–

	Amount Owed by ALI Subsidiaries to AYALA LAND INTERNATIONAL SALES, INC. & SUBS..			
	Receivable Balance per ALISI & SUBSIDIARIES.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ten Knots Philippines, Inc.(Conso)	28,329,224	28,329,224	28,329,224	–
ALI Capital Corp. (Conso)	3,614,760	3,614,760	3,614,760	–
Alveo Land Corporation (Conso)	67,076,949	67,076,949	67,076,949	–
Amaia Land Corporation (Conso)	102,204,688	102,204,688	102,204,688	–
Amorsedia Development Corporation (Conso)	(70,115)	(70,115)	(70,115)	–
Avida Land Corporation (Conso)	127,180,611	127,180,611	127,180,611	–
AyalaLand Hotels and Resorts Corp. (Conso)	172,666	172,666	172,666	–
Sub-Total	**₱370,446,814**	**₱370,446,814**	**₱370,446,814**	**₱–**

	Amount Owed by ALI Subsidiaries to AYALA LAND SALES, INC.			
	Receivable Balance per ALSI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Premier, Inc.	₱6,322	₱6,322	₱6,322	₱–
Bay City Commercial Ventures Corp.	28,533,808	28,533,808	28,533,808	–
BellaVita Land Corp.	52,832	52,832	52,832	–
Cavite Commercial Towncenter Inc.	10,233,439	10,233,439	10,233,439	–
North Triangle Depot Commercial Corp	5,143,201	5,143,201	5,143,201	–
AREIT, Inc.	465	465	465	–
Soltea Commercial Corp.	29,788,079	29,788,079	29,788,079	–
Summerhill Commercial Ventures Corp.	214,743	214,743	214,743	–
Ten Knots Philippines, Inc.(Conso)	12,958,473	12,958,473	12,958,473	–
Accendo Commercial Corp	8,560,810	8,560,810	8,560,810	–
Alveo Land Corporation (Conso)	501,850	501,850	501,850	–
Amaia Land Corporation (Conso)	439,291	439,291	439,291	–
Arvo Commercial Corporation	2,267,349	2,267,349	2,267,349	–
Avida Land Corporation (Conso)	1,131,287	1,131,287	1,131,287	–
AyalaLand Hotels and Resorts Corp. (Conso)	50,722,796	50,722,796	50,722,796	–
Ayalaland Logistics Holdings Corp. (Conso)	5,200,076	5,200,076	5,200,076	–
Sub-Total	**₱155,754,821**	**₱155,754,821**	**₱155,754,821**	**₱–**

	Amount Owed by ALI Subsidiaries to AYALA PROPERTY MANAGEMENT CORP. & Subsidiaries			
	Receivable Balance per APMC& SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱3,792,539	₱3,792,539	₱3,792,539	₱–
Ayalaland Metro North, Inc.	0	0	0	–
AyalaLand Offices, Inc. (Conso)	4,844,380	4,844,380	4,844,380	–
Ayalaland Premier, Inc.	193,498	193,498	193,498	–
Bay City Commercial Ventures Corp.	84,675,932	84,675,932	84,675,932	–
BG West Properties, Inc	1,669,356	1,669,356	1,669,356	–
Cagayan De Oro Gateway Corporation	574,409	574,409	574,409	–
Cavite Commercial Towncenter Inc.	38,381,031	38,381,031	38,381,031	–
CECI Realty Corp.	622,511	622,511	622,511	–
Crans Montana Property Holdings Corporation	276,864	276,864	276,864	–
Hillsford Property Corporation	827,317	827,317	827,317	–
Makati Cornerstone Leasing Corp.	122,265	122,265	122,265	–
Makati Development Corporation (Conso)	2,576,283	2,576,283	2,576,283	–
North Eastern Commercial Corp.	971,259	971,259	971,259	–
North Triangle Depot Commercial Corp	9,860,924	9,860,924	9,860,924	–
North Ventures Commercial Corp.	12,490,965	12,490,965	12,490,965	–
Nuevocentro, Inc. (Conso)	12,934,266	12,934,266	12,934,266	–
AREIT, Inc.	2,992,177	2,992,177	2,992,177	–
Philippine Integrated Energy Solutions, Inc.	111,023,189	111,023,189	111,023,189	–
Roxas Land Corp.	765,610	765,610	765,610	–
Serendra Inc.	24,418,418	24,418,418	24,418,418	–
Soltea Commercial Corp.	65,954,363	65,954,363	65,954,363	–

	Amount Owed by ALI Subsidiaries to AYALA PROPERTY MANAGEMENT CORP. & Subsidiaries			
	Receivable Balance per APMC& SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Southportal Properties, Inc.	(1,259,430)	(1,259,430)	(1,259,430)	–
Ten Knots Development Corporation(Conso)	220,590	220,590	220,590	–
Ten Knots Philippines, Inc.(Conso)	25,423,614	25,423,614	25,423,614	–
Vesta Property Holdings Inc.	473,704	473,704	473,704	–
Westview Commercial Ventures Corp.	175,711	175,711	175,711	–
Accendo Commercial Corp	24,557,404	24,557,404	24,557,404	–
Adauge Commercial Corp.	150,091	150,091	150,091	–
Alabang Commercial Corporation (Conso)	591,385	591,385	591,385	–
ALI Capital Corp. (Conso)	86,492	86,492	86,492	–
ALI Commercial Center, Inc. (Conso)	91,464,345	91,464,345	91,464,345	–
ALI-CII Development Corporation	54,233	54,233	54,233	–
Alveo Land Corporation (Conso)	38,670,436	38,670,436	38,670,436	–
Amaia Land Corporation (Conso)	51,296,731	51,296,731	51,296,731	–
Amorsedia Development Corporation (Conso)	11,199,714	11,199,714	11,199,714	–
APRISA Business Process Solutions, Inc	2,961,607	2,961,607	2,961,607	–
Arvo Commercial Corporation	195,006	195,006	195,006	–
Aurora Properties, Inc.	356,081	356,081	356,081	–
Aviana Development Corporation	5,109,311	5,109,311	5,109,311	–
Avida Land Corporation (Conso)	41,665,017	41,665,017	41,665,017	–
Ayala Land Sales Inc.	300	300	300	–
Ayala Property Management Corporation (Conso)	61,255	61,255	61,255	–
AyalaLand Estates Inc. (Conso)	3,362,550	3,362,550	3,362,550	–
AyalaLand Hotels and Resorts Corp. (Conso)	380,608,040	380,608,040	380,608,040	–
Ayalaland Logistics Holdings Corp. (Conso)	100,540,677	100,540,677	100,540,677	–
Sub-Total	**₱1,157,932,418**	**₱1,157,932,418**	**₱1,157,932,418**	**₱–**

	Amount Owed by ALI Subsidiaries to AYALA THEATERS MANAGEMENT, INC.			
	Receivable Balance per ATMI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱6,993	₱6,993	₱6,993	₱–
Ayalaland Metro North, Inc.	45,640	45,640	45,640	–
Capitol Central Commercial Ventures Corp.	104,720	104,720	104,720	–
Makati Cornerstone Leasing Corp.	115,480	115,480	115,480	–
North Eastern Commercial Corp.	36,064	36,064	36,064	–
North Ventures Commercial Corp.	179,984	179,984	179,984	–
ALI Commercial Center, Inc. (Conso)	3,996	3,996	3,996	–
Arvo Commercial Corporation	46,592	46,592	46,592	–
Sub-Total	**₱539,469**	**₱539,469**	**₱539,469**	**₱–**

	Amount Owed by ALI Subsidiaries to AYALALAND CLUB MANAGEMENT, INC.			
	Receivable Balance per ACMI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱500	₱500	₱500	₱–
AyalaLand Offices, Inc. (Conso)	1,500	1,500	1,500	–
Ayalaland Premier, Inc.	319,500	319,500	319,500	–
Verde Golf Development Corporation				–
Anvaya Cove Beach and Nature Club Inc	3,040,897	3,040,897	3,040,897	–
Anvaya Cove Golf and Sports Club Inc.	1,548,093	1,548,093	1,548,093	–
APRISA Business Process Solutions, Inc	4,500	4,500	4,500	–
Ayala Land Sales Inc.	84,000	84,000	84,000	–
AyalaLand Estates Inc. (Conso)	73,500	73,500	73,500	–
Sub-Total	**₱5,072,491**	**₱5,072,491**	**₱5,072,491**	**₱–**

	Amount Owed by ALI Subsidiaries to AYALALAND ESTATES, INC. CONSOLIDATED			
	Receivable Balance per AEI CONSOLIDATED	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱467,009	₱467,009	₱467,009	₱–
Cagayan De Oro Gateway Corporation	276,823	276,823	276,823	–
CECI Realty Corp.	92,668	92,668	92,668	–
Crans Montana Property Holdings Corporation	158,633	158,633	158,633	–
Lagdigan Land Corporation	10,852	10,852	10,852	–
Makati Development Corporation (Conso)	507,285	507,285	507,285	–
North Eastern Commercial Corp.	51,507,486	51,507,486	51,507,486	–
Nuevocentro, Inc. (Conso)	8,485	8,485	8,485	–
Vesta Property Holdings Inc.	10	10	10	–
Accendo Commercial Corp	7,237	7,237	7,237	–
ALI Capital Corp. (Conso)	175,615	175,615	175,615	–
ALI Commercial Center, Inc. (Conso)	311,433	311,433	311,433	–
Altaraza Development Corporation	8,414	8,414	8,414	–
Altaraza Prime Realty Corporation	10	10	10	–
Amaia Land Corporation (Conso)	21,812	21,812	21,812	–
Amorsedia Development Corporation (Conso)	5,902,947	5,902,947	5,902,947	–
Arca South Integrated Terminal, Inc	2,242,825	2,242,825	2,242,825	–
Arvo Commercial Corporation	1,901,922	1,901,922	1,901,922	–
Aurora Properties, Inc.	10	10	10	–
Aviana Development Corporation	3,726	3,726	3,726	–
Avida Land Corporation (Conso)	15,032	15,032	15,032	–
AyalaLand Estates Inc. (Conso)	2,028,943	2,028,943	2,028,943	–
AyalaLand Hotels and Resorts Corp. (Conso)	817,730	817,730	817,730	–
Ayalaland Logistics Holdings Corp. (Conso)	40,891	40,891	40,891	–
Sub-Total	**₱66,507,798**	**₱66,507,798**	**₱66,507,798**	**₱–**

	Amount Owed by ALI Subsidiaries to AYALA HOTELS & RESORTS GROUP			
	Receivable Balance per AHRC & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.				₱–
AyalaLand Malls, Inc. (Conso)	₱419,040	₱419,040	₱419,040	–
AyalaLand Offices, Inc. (Conso)	422,070	422,070	422,070	–
Bay City Commercial Ventures Corp.	(973,563)	(973,563)	(973,563)	–
BellaVita Land Corp.	427	427	427	–
Central Bloc Hotel Ventures	18,518,430	18,518,430	18,518,430	–
Integrated Eco-Resort Inc.	29,568	29,568	29,568	–
Makati Development Corporation (Conso)	4,553	4,553	4,553	–
North Triangle Depot Commercial Corp	(5,370,696)	(5,370,696)	(5,370,696)	–
Ten Knots Development Corporation(Conso)	2,114,695	2,114,695	2,114,695	–
Ten Knots Philippines, Inc.(Conso)	50,620	50,620	50,620	–
Accendo Commercial Corp	7,000,000	7,000,000	7,000,000	–
ALI Capital Corp. (Conso)	423,195	423,195	423,195	–
Amaia Land Corporation (Conso)	(2,811)	(2,811)	(2,811)	–
Avida Land Corporation (Conso)	53,771	53,771	53,771	–
Ayala Hotels Inc.	362	362	362	–
Ayala Property Management Corporation (Conso)	370,404	370,404	370,404	–
AyalaLand Hotels and Resorts Corp. (Conso)	32,915,148	32,915,148	32,915,148	–
Ayalaland Logistics Holdings Corp. (Conso)	423,195	423,195	423,195	–
Sub-Total	**₱56,398,407**	**₱56,398,407**	**₱56,398,407**	**₱–**

	Amount Owed by ALI Subsidiaries to AYALALAND LOGISTICS HOLDINGS CORP. (Conso)			
	Receivable Balance per ALLHC & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	₱269,522	₱269,522	₱269,522	₱–
Ayalaland Metro North, Inc.	3,408,394	3,408,394	3,408,394	–
Bay City Commercial Ventures Corp.	111,716,072	111,716,072	111,716,072	–
BellaVita Land Corp.	0	0	0	–
Cagayan De Oro Gateway Corporation	134,953	134,953	134,953	–
Capitol Central Commercial Ventures Corp.	3,753,774	3,753,774	3,753,774	–
Cavite Commercial Towncenter Inc.	17,141,204	17,141,204	17,141,204	–
Crans Montana Property Holdings Corporation	4,608	4,608	4,608	–
Leisure and Allied Industries Phils. Inc.	(50,600)	(50,600)	(50,600)	–
Makati Development Corporation (Conso)	4,699,310	4,699,310	4,699,310	–
North Eastern Commercial Corp.	90,580	90,580	90,580	–
North Triangle Depot Commercial Corp	601,164	601,164	601,164	–
North Ventures Commercial Corp.	274,320	274,320	274,320	–
Nuevocentro, Inc. (Conso)	4,139,057	4,139,057	4,139,057	–
Primavera Towncentre, Inc.	50,502,605	50,502,605	50,502,605	–
Soltea Commercial Corp.	3,799,105	3,799,105	3,799,105	–
Station Square East Commercial Corp	1,687,120	1,687,120	1,687,120	–
Summerhill Commercial Ventures Corp.	51,726	51,726	51,726	–
Ten Knots Development Corporation(Conso)	8,092,258	8,092,258	8,092,258	–
Ten Knots Philippines, Inc.(Conso)	(219,942)	(219,942)	(219,942)	–
Accendo Commercial Corp	16,047,952	16,047,952	16,047,952	–
Alabang Commercial Corporation (Conso)	35,390	35,390	35,390	–
ALI Capital Corp. (Conso)	37,695,007	37,695,007	37,695,007	–
ALI Commercial Center, Inc. (Conso)	87,635,776	87,635,776	87,635,776	–
Alveo Land Corporation (Conso)	14,160	14,160	14,160	–
Amaia Land Corporation (Conso)	53,453,656	53,453,656	53,453,656	–
Amorsedia Development Corporation (Conso)	84,263	84,263	84,263	–
Arvo Commercial Corporation	28,265,720	28,265,720	28,265,720	–
Avida Land Corporation (Conso)	3,232,493	3,232,493	3,232,493	–
Ayala Property Management Corporation (Conso)	1,233	1,233	1,233	–
AyalaLand Hotels and Resorts Corp. (Conso)	9,080,814	9,080,814	9,080,814	–
Sub-Total	**₱445,641,693**	**₱445,641,693**	**₱445,641,693**	₱–

	Amount Owed by ALI Subsidiaries to AYALALAND MALLS & SYNERGIES, INC.			
	Receivable Balance per AMSI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱5,355,795	₱5,355,795	₱5,355,795	₱–
North Eastern Commercial Corp.	29,864	29,864	29,864	–
Soltea Commercial Corp.	4,155,583	4,155,583	4,155,583	–
Ten Knots Philippines, Inc.(Conso)	8,263,041	8,263,041	8,263,041	–
ALI Commercial Center, Inc. (Conso)	19,252,657	19,252,657	19,252,657	–
AREIT Fund Manager, Inc.	345	345	345	–
Ayalaland Logistics Holdings Corp. (Conso)	6,262,805	6,262,805	6,262,805	–
Sub-Total	**₱43,320,092**	**₱43,320,092**	**₱43,320,092**	₱–

	Amount Owed by ALI Subsidiaries to AYALALAND MALLS, INC. & Subsidiaries			
	Receivable Balance per ALMI & Subsidiaries	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	₱239,473	₱239,473	₱239,473	₱–
AyalaLand Malls, Inc. (Conso)	6,936,644	6,936,644	6,936,644	–
Ayalaland Metro North, Inc.	1,701,679	1,701,679	1,701,679	–
Bay City Commercial Ventures Corp.	10,547,432	10,547,432	10,547,432	–
Cagayan De Oro Gateway Corporation	1,249,181	1,249,181	1,249,181	–

	Amount Owed by ALI Subsidiaries to AYALALAND MALLS, INC. & Subsidiaries			
	Receivable Balance per ALMI & Subsidiaries	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Capitol Central Commercial Ventures Corp.	1,914,348	1,914,348	1,914,348	–
Cavite Commercial Towncenter Inc.	3,001,719	3,001,719	3,001,719	–
Makati Cornerstone Leasing Corp.	5,213,932	5,213,932	5,213,932	–
North Eastern Commercial Corp.	6,668,708	6,668,708	6,668,708	–
North Triangle Depot Commercial Corp	2,272,041	2,272,041	2,272,041	–
North Ventures Commercial Corp.	9,808,566	9,808,566	9,808,566	–
NorthBeacon Commercial Corporation	24,273	24,273	24,273	–
Nuevocentro, Inc. (Conso)	2,415	2,415	2,415	–
AREIT, Inc.	1,822,698	1,822,698	1,822,698	–
Primavera Towncentre, Inc.	282,887	282,887	282,887	–
Soltea Commercial Corp.	1,574,090	1,574,090	1,574,090	–
Station Square East Commercial Corp	3,431,098	3,431,098	3,431,098	–
Subic Bay Town Center Inc.	1,352,199	1,352,199	1,352,199	–
Summerhill Commercial Ventures Corp.	2,741,866	2,741,866	2,741,866	–
Westview Commercial Ventures Corp.	108,762	108,762	108,762	–
Accendo Commercial Corp	582,168	582,168	582,168	–
Adauge Commercial Corp.	391,583	391,583	391,583	–
Alabang Commercial Corporation (Conso)	1,804,159	1,804,159	1,804,159	–
ALI Capital Corp. (Conso)	947,784	947,784	947,784	–
ALI Commercial Center, Inc. (Conso)	16,101,571	16,101,571	16,101,571	–
Amaia Land Corporation (Conso)	(29,000,000)	(29,000,000)	(29,000,000)	–
Arvo Commercial Corporation	6,692,431	6,692,431	6,692,431	–
Avida Land Corporation (Conso)	(6,000,000)	(6,000,000)	(6,000,000)	–
Ayalaland Logistics Holdings Corp. (Conso)	1,448,491	1,448,491	1,448,491	–
Sub-Total	**₱53,862,198**	**₱53,862,198**	**₱53,862,198**	**₱–**

	Amount Owed by ALI Subsidiaries to AYALALAND MEDICAL FACILITIES LEASING, INC.			
	Receivable Balance per AMFLI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱1,227,692	₱1,227,692	₱1,227,692	₱–
Whiteknight Holdings, Inc.	291	291	291	–
Avida Land Corporation (Conso)	15,958	15,958	15,958	–
Sub-Total	**₱1,243,941**	**₱1,243,941**	**₱1,243,941**	**₱–**

	Amount Owed by ALI Subsidiaries to AYALALAND METRO NORTH, INC.			
	Receivable Balance per AMNI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱177,995,003	₱177,995,003	₱177,995,003	₱–
Cagayan De Oro Gateway Corporation	47,954	47,954	47,954	–
Capitol Central Commercial Ventures Corp.	15,266,173	15,266,173	15,266,173	–
Cavite Commercial Towncenter Inc.	34,585,169	34,585,169	34,585,169	–
North Eastern Commercial Corp.	56,946	56,946	56,946	–
North Triangle Depot Commercial Corp	1,586	1,586	1,586	–
North Ventures Commercial Corp.	1,250	1,250	1,250	–
NorthBeacon Commercial Corporation	1,581	1,581	1,581	–
AREIT, Inc.	808	808	808	–
Soltea Commercial Corp.	10,078,200	10,078,200	10,078,200	–
Station Square East Commercial Corp	34,256	34,256	34,256	–
Subic Bay Town Center Inc.	220	220	220	–
Summerhill Commercial Ventures Corp.	5,136	5,136	5,136	–
Ten Knots Philippines, Inc.(Conso)	32,199,439	32,199,439	32,199,439	–
Accendo Commercial Corp	12,092,148	12,092,148	12,092,148	–
ALI Capital Corp. (Conso)	12,501	12,501	12,501	–
ALI Commercial Center, Inc. (Conso)	13,176,573	13,176,573	13,176,573	–

	Amount Owed by ALI Subsidiaries to AYALALAND METRO NORTH, INC.			
	Receivable Balance per AMNI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Alveo Land Corporation (Conso)	(51,825,108)	(51,825,108)	(51,825,108)	–
Amaia Land Corporation (Conso)	79,258	79,258	79,258	–
Amorsedia Development Corporation (Conso)	4,823	4,823	4,823	–
Arvo Commercial Corporation	3,670,877	3,670,877	3,670,877	–
Avida Land Corporation (Conso)	0	0	0	–
AyalaLand Estates Inc. (Conso)	75,714	75,714	75,714	–
AyalaLand Hotels and Resorts Corp. (Conso)	32,031,264	32,031,264	32,031,264	–
Ayalaland Logistics Holdings Corp. (Conso)	15,225,661	15,225,661	15,225,661	–
Sub-Total	**₱294,817,433**	**₱294,817,433**	**₱294,817,433**	**₱–**

	Amount Owed by ALI Subsidiaries to AYALALAND OFFICES & Subsidiaries			
	Receivable Balance per ALO & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Metro North, Inc.	₱320,731	₱320,731	₱320,731	₱–
AyalaLand Offices, Inc. (Conso)	169,951,387	169,951,387	169,951,387	–
Bay City Commercial Ventures Corp.	1,855,092,774	1,855,092,774	1,855,092,774	–
BellaVita Land Corp.	92,091	92,091	92,091	–
Cagayan De Oro Gateway Corporation	31,352,136	31,352,136	31,352,136	–
Capitol Central Commercial Ventures Corp.	458,328,573	458,328,573	458,328,573	–
Cavite Commercial Towncenter Inc.	109,118,970	109,118,970	109,118,970	–
CECI Realty Corp.	4,905,774	4,905,774	4,905,774	–
Crans Montana Property Holdings Corporation	39,740,699	39,740,699	39,740,699	–
Direct Power Services Inc.	28,234	28,234	28,234	–
Hillsford Property Corporation	95,996	95,996	95,996	–
Makati Cornerstone Leasing Corp.	3,604,136	3,604,136	3,604,136	–
Makati Development Corporation (Conso)	560,464	560,464	560,464	–
North Eastern Commercial Corp.	3,628,823	3,628,823	3,628,823	–
North Triangle Depot Commercial Corp	148,332,044	148,332,044	148,332,044	–
North Ventures Commercial Corp.	343,672	343,672	343,672	–
Nuevocentro, Inc. (Conso)	527,126	527,126	527,126	–
AREIT, Inc.	7,495,152	7,495,152	7,495,152	–
Primavera Towncentre, Inc.	10,297,360	10,297,360	10,297,360	–
Soltea Commercial Corp.	103,658,132	103,658,132	103,658,132	–
Sunnyfield E-Office Corp	3,877,369	3,877,369	3,877,369	–
Ten Knots Development Corporation(Conso)	76,757,896	76,757,896	76,757,896	–
Ten Knots Philippines, Inc.(Conso)	401,822,297	401,822,297	401,822,297	–
Westview Commercial Ventures Corp.	336,073,299	336,073,299	336,073,299	–
Accendo Commercial Corp	132,963,556	132,963,556	132,963,556	–
Alabang Commercial Corporation (Conso)	332,837	332,837	332,837	–
ALI Capital Corp. (Conso)	189,543,921	189,543,921	189,543,921	–
ALI Commercial Center, Inc. (Conso)	205,873,053	205,873,053	205,873,053	–
ALO Prime Realty Corporation	3,021,761	3,021,761	3,021,761	–
Alveo Land Corporation (Conso)	94,633,463	94,633,463	94,633,463	–
Amaia Land Corporation (Conso)	139,705,362	139,705,362	139,705,362	–
Amorsedia Development Corporation (Conso)	1,758	1,758	1,758	–
Arvo Commercial Corporation	315,117,182	315,117,182	315,117,182	–
Avida Land Corporation (Conso)	8,911,805	8,911,805	8,911,805	–
Ayala Land International Sales, Inc.(Conso)	40,320	40,320	40,320	–
Ayala Land Sales Inc.	11,330	11,330	11,330	–
Ayala Property Management Corporation (Conso)	120,156	120,156	120,156	–
AyalaLand Estates Inc. (Conso)	5,632,960	5,632,960	5,632,960	–
AyalaLand Hotels and Resorts Corp. (Conso)	1,016,147,063	1,016,147,063	1,016,147,063	–
Ayalaland Logistics Holdings Corp. (Conso)	408,651,406	408,651,406	408,651,406	–
Sub-Total	**₱6,286,713,067**	**₱6,286,713,067**	**₱6,286,713,067**	**₱–**

	Amount Owed by ALI Subsidiaries to AYALALAND PREMIER, INC.			
	Receivable Balance per AYALALAND PREMIER, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱15,037,857	₱15,037,857	₱15,037,857	₱–
Accendo Commercial Corp	3,053,210	3,053,210	3,053,210	–
ALI Commercial Center, Inc. (Conso)	5,063,069	5,063,069	5,063,069	–
Amaia Land Corporation (Conso)	6,592	6,592	6,592	–
Amorsedia Development Corporation (Conso)	13,882,456	13,882,456	13,882,456	–
Ayala Property Management Corporation (Conso)	176,551	176,551	176,551	–
AyalaLand Hotels and Resorts Corp. (Conso)	3,023,221	3,023,221	3,023,221	–
Sub-Total	**₱40,242,956**	**₱40,242,956**	**₱40,242,956**	**₱–**

	Amount Owed by ALI Subsidiaries to BAY CITY COMMERCIAL VENTURES CORP.			
	Receivable Balance per BAY CITY	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱16,124	₱16,124	₱16,124	₱–
Ayalaland Metro North, Inc.	100,189	100,189	100,189	–
Cagayan De Oro Gateway Corporation	221,030	221,030	221,030	–
Capitol Central Commercial Ventures Corp.	218,133	218,133	218,133	–
Makati Cornerstone Leasing Corp.	10,133,967	10,133,967	10,133,967	–
Makati Development Corporation (Conso)	16,393,615	16,393,615	16,393,615	–
North Eastern Commercial Corp.	631,831	631,831	631,831	–
North Triangle Depot Commercial Corp	79,000	79,000	79,000	–
North Ventures Commercial Corp.	203,581	203,581	203,581	–
NorthBeacon Commercial Corporation	226,214	226,214	226,214	–
Soltea Commercial Corp.	172,900	172,900	172,900	–
Station Square East Commercial Corp	28,730	28,730	28,730	–
Subic Bay Town Center Inc.	145,368	145,368	145,368	–
Summerhill Commercial Ventures Corp.	115,411	115,411	115,411	–
Accendo Commercial Corp	241,471	241,471	241,471	–
Alabang Commercial Corporation (Conso)	73,900	73,900	73,900	–
ALI Commercial Center, Inc. (Conso)	258,280	258,280	258,280	–
Arca South Integrated Terminal, Inc	9,181	9,181	9,181	–
Arvo Commercial Corporation	146,469	146,469	146,469	–
Avida Land Corporation (Conso)	548,874	548,874	548,874	–
Sub-Total	**₱29,964,265**	**₱29,964,265**	**₱29,964,265**	**₱–**

	Amount Owed by ALI Subsidiaries to BELLAVITA LAND CORP.			
	Receivable Balance per BELLAVITA	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱153,540	₱153,540	₱153,540	₱–
Makati Development Corporation (Conso)	1,438,318	1,438,318	1,438,318	–
Primavera Towncentre, Inc.	1,486,693	1,486,693	1,486,693	–
Amaia Land Corporation (Conso)	85,351	85,351	85,351	–
Arvo Commercial Corporation	128,800	128,800	128,800	–
Avida Land Corporation (Conso)	846,530	846,530	846,530	–
Ayala Land Sales Inc.	21,375	21,375	21,375	–
Ayalaland Logistics Holdings Corp. (Conso)	78,740	78,740	78,740	–
Sub-Total	**₱4,239,347**	**₱4,239,347**	**₱4,239,347**	**₱–**

	Amount Owed by ALI Subsidiaries to BG WEST PROPERTIES, INC.			
	Receivable Balance per BG WEST	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
BG West Properties, Inc	₱194,500	₱194,500	₱194,500	₱–
Makati Development Corporation (Conso)	41,584,461	41,584,461	41,584,461	–

	Amount Owed by ALI Subsidiaries to BG WEST PROPERTIES, INC.			
	Receivable Balance per BG WEST	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Amorsedia Development Corporation (Conso)	8,342	8,342	8,342	−
Ayala Property Management Corporation (Conso)	60,000	60,000	60,000	−
Sub-Total	**₱41,847,303**	**₱41,847,303**	**₱41,847,303**	**₱−**

	Amount Owed by ALI Subsidiaries to CAGAYAN DE ORO GATEWAY CORP.			
	Receivable Balance per CDOGC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱18,142	₱18,142	₱18,142	₱−
Ayalaland Metro North, Inc.	200	200	200	−
BellaVita Land Corp.	20,000	20,000	20,000	−
Cagayan De Oro Gateway Corporation	78,345	78,345	78,345	−
Lagdigan Land Corporation	1,361,437	1,361,437	1,361,437	−
Leisure and Allied Industries Phils. Inc.	59,794	59,794	59,794	−
Makati Development Corporation (Conso)	24,000	24,000	24,000	−
North Eastern Commercial Corp.	600	600	600	−
North Triangle Depot Commercial Corp	11,520	11,520	11,520	−
North Ventures Commercial Corp.	50	50	50	−
Philippine Integrated Energy Solutions, Inc.	2,611,178	2,611,178	2,611,178	−
Soltea Commercial Corp.	200	200	200	−
Accendo Commercial Corp	48,112	48,112	48,112	−
ALI Commercial Center, Inc. (Conso)	41,505	41,505	41,505	−
Alveo Land Corporation (Conso)	350,432	350,432	350,432	−
Amaia Land Corporation (Conso)	22,000	22,000	22,000	−
Arvo Commercial Corporation	180	180	180	−
Avida Land Corporation (Conso)	860,859	860,859	860,859	−
Ayala Property Management Corporation (Conso)	6,000	6,000	6,000	−
AyalaLand Hotels and Resorts Corp. (Conso)	7,582,597	7,582,597	7,582,597	−
Sub-Total	**₱13,097,151**	**₱13,097,151**	**₱13,097,151**	**₱−**

	Amount Owed by ALI Subsidiaries to CAPITOL CENTRAL COMMERCIAL VENTURES CORP.			
	Receivable Balance per CAPITOL CENTRAL	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱3,500	₱3,500	₱3,500	₱−
Ayalaland Metro North, Inc.	460	460	460	−
Cagayan De Oro Gateway Corporation	6,573	6,573	6,573	−
Cebu Leisure Co. Inc.	2,520	2,520	2,520	−
Makati Development Corporation (Conso)	30,000	30,000	30,000	−
North Eastern Commercial Corp.	520	520	520	−
North Triangle Depot Commercial Corp	7,320	7,320	7,320	−
Station Square East Commercial Corp	870	870	870	−
Westview Commercial Ventures Corp.	17,506	17,506	17,506	−
Accendo Commercial Corp	6,573	6,573	6,573	−
Adauge Commercial Corp.	8,800	8,800	8,800	−
Alabang Commercial Corporation (Conso)	540	540	540	−
ALI Commercial Center, Inc. (Conso)	8,240	8,240	8,240	−
Arvo Commercial Corporation	22,489	22,489	22,489	−
Sub-Total	**₱115,911**	**₱115,911**	**₱115,911**	

	Amount Owed by ALI Subsidiaries to CAVITECOMMERCIAL TOWNCENTER, INC.			
	Receivable Balance per CCTCI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	(₱17,350)	(₱17,350)	(₱17,350)	₱–
AyalaLand Malls, Inc. (Conso)	4,000	4,000	4,000	–
AyalaLand Offices, Inc. (Conso)	24,638	24,638	24,638	–
Bay City Commercial Ventures Corp.	1,199	1,199	1,199	–
Capitol Central Commercial Ventures Corp.	28,644	28,644	28,644	–
Leisure and Allied Industries Phils. Inc.	522,555	522,555	522,555	–
Makati Cornerstone Leasing Corp.	6,116	6,116	6,116	–
Makati Development Corporation (Conso)	63,918	63,918	63,918	–
North Ventures Commercial Corp.	4,690	4,690	4,690	–
Soltea Commercial Corp.	46,750	46,750	46,750	–
Summerhill Commercial Ventures Corp.	137,276	137,276	137,276	–
Ten Knots Development Corporation(Conso)	24,638	24,638	24,638	–
Alveo Land Corporation (Conso)	(45,967)	(45,967)	(45,967)	–
Amaia Land Corporation (Conso)	465,635	465,635	465,635	–
Avida Land Corporation (Conso)	156,132	156,132	156,132	–
Ayala Property Management Corporation (Conso)	589,158	589,158	589,158	–
AyalaLand Estates Inc. (Conso)	24,638	24,638	24,638	–
Ayalaland Logistics Holdings Corp. (Conso)	24,638	24,638	24,638	–
Sub-Total	**₱2,061,308**	**₱2,061,308**	**₱2,061,308**	**₱–**

	Amount Owed by ALI Subsidiaries to CEBU LEISURE CO, INC.			
	Receivable Balance per CEBU LEISURE CO., INC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Medical Facilities Leasing Inc.	₱162,600	₱162,600	₱162,600	₱–
Ayalaland Metro North, Inc.	460	460	460	–
Bay City Commercial Ventures Corp.	77,620,041	77,620,041	77,620,041	–
Cagayan De Oro Gateway Corporation	(1,143)	(1,143)	(1,143)	–
Capitol Central Commercial Ventures Corp.	400	400	400	–
Cebu Leisure Co. Inc.	1,786	1,786	1,786	–
Leisure and Allied Industries Phils. Inc.	142,835	142,835	142,835	–
North Triangle Depot Commercial Corp	862,069	862,069	862,069	–
North Ventures Commercial Corp.	200	200	200	–
Soltea Commercial Corp.	3,229	3,229	3,229	–
Summerhill Commercial Ventures Corp.	600	600	600	–
Ten Knots Philippines, Inc.(Conso)	29,572,045	29,572,045	29,572,045	–
Accendo Commercial Corp	34,029	34,029	34,029	–
Alabang Commercial Corporation (Conso)	38,864	38,864	38,864	–
ALI Capital Corp. (Conso)	2,811,507	2,811,507	2,811,507	–
ALI Commercial Center, Inc. (Conso)	9,485,755	9,485,755	9,485,755	–
Alveo Land Corporation (Conso)	106,118	106,118	106,118	–
Amaia Land Corporation (Conso)	38,559,933	38,559,933	38,559,933	–
Amorsedia Development Corporation (Conso)	(0)	(0)	(0)	–
APRISA Business Process Solutions, Inc	638	638	638	–
Arvo Commercial Corporation	48,857	48,857	48,857	–
Avida Land Corporation (Conso)	127,263	127,263	127,263	–
Ayala Land International Sales, Inc.(Conso)	29,587	29,587	29,587	–
Sub-Total	**₱159,607,673**	**₱159,607,673**	**₱159,607,673**	**₱–**

	Amount Owed by ALI Subsidiaries to CECI REALTY, INC.			
	Receivable Balance per CECI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	₱55,211	₱55,211	₱55,211	₱–
AyalaLand Offices, Inc. (Conso)	12,262,722	12,262,722	12,262,722	–

	Amount Owed by ALI Subsidiaries to CECI REALTY, INC.			
	Receivable Balance per CECI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Bay City Commercial Ventures Corp.	6,976,307	6,976,307	6,976,307	−
Cagayan De Oro Gateway Corporation	8,697	8,697	8,697	−
Capitol Central Commercial Ventures Corp.	7,768	7,768	7,768	−
Cavite Commercial Towncenter Inc.	4,407,457	4,407,457	4,407,457	−
Crans Montana Property Holdings Corporation	910,630,520	910,630,520	910,630,520	−
Crimson Field Enterprises, Inc.	17,045,278	17,045,278	17,045,278	−
Direct Power Services Inc.	15,459	15,459	15,459	−
Leisure and Allied Industries Phils. Inc.	108,300	108,300	108,300	−
Makati Development Corporation (Conso)	4,634,938	4,634,938	4,634,938	−
North Triangle Depot Commercial Corp	108,627	108,627	108,627	−
Nuevocentro, Inc. (Conso)	9,094	9,094	9,094	−
AREIT, Inc.	36,948,490	36,948,490	36,948,490	−
Soltea Commercial Corp.	3,108,198	3,108,198	3,108,198	−
Ten Knots Philippines, Inc.(Conso)	20,794,980	20,794,980	20,794,980	−
Vesta Property Holdings Inc.	17,991,937	17,991,937	17,991,937	−
ALI Capital Corp. (Conso)	5,868,971	5,868,971	5,868,971	−
ALI Commercial Center, Inc. (Conso)	1,641,682	1,641,682	1,641,682	−
Alveo Land Corporation (Conso)	165,763	165,763	165,763	−
Amaia Land Corporation (Conso)	11,662,193	11,662,193	11,662,193	−
Amorsedia Development Corporation (Conso)	918,934,052	918,934,052	918,934,052	−
Arca South Integrated Terminal, Inc	55,584,671	55,584,671	55,584,671	−
Arvo Commercial Corporation	27,118,453	27,118,453	27,118,453	−
Aurora Properties, Inc.	14,882,016	14,882,016	14,882,016	−
Avida Land Corporation (Conso)	5,517,946	5,517,946	5,517,946	−
AyalaLand Estates Inc. (Conso)	31,103,970	31,103,970	31,103,970	−
AyalaLand Hotels and Resorts Corp. (Conso)	11,727,236	11,727,236	11,727,236	−
Ayalaland Logistics Holdings Corp. (Conso)	10,809,094	10,809,094	10,809,094	−
Sub-Total	**₱2,130,130,028**	**₱2,130,130,028**	**₱2,130,130,028**	**₱−**

	Amount Owed by ALI Subsidiaries to CENTRAL BLOC HOTEL VENTURES.			
	Receivable Balance per CENTRAL BLOC HOTEL VENTURES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Central Bloc Hotel Ventures	(₱21,732,292)	(₱21,732,292)	(₱21,732,292)	₱−
Avida Land Corporation (Conso)	7,509,203	7,509,203	7,509,203	−
AyalaLand Hotels and Resorts Corp. (Conso)	27,301,000	27,301,000	27,301,000	−
Sub-Total	**₱13,077,911**	**₱13,077,911**	**₱13,077,911**	**₱−**

	Amount Owed by ALI Subsidiaries to CRANS MONTANA PROPERTY HOLDINGSCORP.			
	Receivable Balance per CRANS MONTANA	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Medical Facilities Leasing Inc.	₱627,421	₱627,421	₱627,421	₱−
Alveo Land Corporation (Conso)	143,100	143,100	143,100	−
Ayala Property Management Corporation (Conso)	68,750	68,750	68,750	−
AyalaLand Estates Inc. (Conso)	63,686	63,686	63,686	−
Sub-Total	**₱902,958**	**₱902,958**	**₱902,958**	**₱−**

	Amount Owed by ALI to DIRECT POWER SERVICES, INC..			
	Receivable Balance per DPSI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				

	Amount Owed by ALI to DIRECT POWER SERVICES, INC..			
	Receivable Balance per DPSI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayalaland Metro North, Inc.	(₱39,290)	(₱39,290)	(₱39,290)	₱–
AyalaLand Offices, Inc. (Conso)	26,092,156	26,092,156	26,092,156	–
Bay City Commercial Ventures Corp.	15,659,322	15,659,322	15,659,322	–
Cagayan De Oro Gateway Corporation	30,070	30,070	30,070	–
Capitol Central Commercial Ventures Corp.	5,234,228	5,234,228	5,234,228	–
Cavite Commercial Towncenter Inc.	3,364,190	3,364,190	3,364,190	–
Crans Montana Property Holdings Corporation	(3,342)	(3,342)	(3,342)	–
Makati Cornerstone Leasing Corp.	219,958	219,958	219,958	–
Makati Development Corporation (Conso)	954,603	954,603	954,603	–
North Eastern Commercial Corp.	10,129,452	10,129,452	10,129,452	–
North Triangle Depot Commercial Corp	14,058,263	14,058,263	14,058,263	–
North Ventures Commercial Corp.	6,487,862	6,487,862	6,487,862	–
NorthBeacon Commercial Corporation	5,796,458	5,796,458	5,796,458	–
AREIT, Inc.	25,324,403	25,324,403	25,324,403	–
Philippine Integrated Energy Solutions, Inc.	19,212,983	19,212,983	19,212,983	–
Primavera Towncentre, Inc.	4,109,339	4,109,339	4,109,339	–
Serendra Inc.	3,219,627	3,219,627	3,219,627	–
Soltea Commercial Corp.	4,120,361	4,120,361	4,120,361	–
Station Square East Commercial Corp	15,023,801	15,023,801	15,023,801	–
Subic Bay Town Center Inc.	2,924,929	2,924,929	2,924,929	–
Summerhill Commercial Ventures Corp.	7,716,238	7,716,238	7,716,238	–
Ten Knots Philippines, Inc.(Conso)	5,440,706	5,440,706	5,440,706	–
Westview Commercial Ventures Corp.	327,121	327,121	327,121	–
Accendo Commercial Corp	11,042	11,042	11,042	–
Alabang Commercial Corporation (Conso)	11,083,597	11,083,597	11,083,597	–
ALI Commercial Center, Inc. (Conso)	38,905,913	38,905,913	38,905,913	–
ALI-CII Development Corporation	1,753,235	1,753,235	1,753,235	–
Alveo Land Corporation (Conso)	7,867	7,867	7,867	–
Amaia Land Corporation (Conso)	30,056,553	30,056,553	30,056,553	–
Arvo Commercial Corporation	4,698,468	4,698,468	4,698,468	–
Avida Land Corporation (Conso)	9,492	9,492	9,492	–
AyalaLand Hotels and Resorts Corp. (Conso)	14,401,348	14,401,348	14,401,348	–
Ayalaland Logistics Holdings Corp. (Conso)	10,036,034	10,036,034	10,036,034	–
Sub-Total	**₱286,366,987**	**₱286,366,987**	**₱286,366,987**	**₱–**

	Amount Owed by ALI to ECOHOLDING & COMPANY, INC.			
	Receivable Balance per ECI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Ten Knots Development Corporation(Conso)	₱5,040,142	₱5,040,142	₱5,040,142	₱–
Ten Knots Philippines, Inc.(Conso)	119,376,471	119,376,471	119,376,471	–
Sub-Total	**₱124,416,613**	**₱124,416,613**	**₱124,416,613**	**₱–**

	Amount Owed by ALI to FIRST LONGFIELD INVESTMENTS LTD.			
	Receivable Balance per FLIL	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	₱2,210,503	₱2,210,503	₱2,210,503	₱–
ALI Capital Corp. (Conso)	81,881,250	81,881,250	81,881,250	–
Arca South Integrated Terminal, Inc	10,798,555	10,798,555	10,798,555	–
Sub-Total	**₱94,890,308**	**₱94,890,308**	**₱94,890,308**	**₱–**

	Amount Owed by ALI to FIVE STAR CINEMA, INC.			
	Receivable Balance per FSCI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱3,179,703	₱3,179,703	₱3,179,703	₱–

	Amount Owed by ALI to FIVE STAR CINEMA, INC.			
	Receivable Balance per FSCI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Cebu Leisure Co. Inc.	400	400	400	–
Makati Cornerstone Leasing Corp.	800	800	800	–
North Eastern Commercial Corp.	4,750	4,750	4,750	–
North Triangle Depot Commercial Corp	2,280	2,280	2,280	–
Soltea Commercial Corp.	3,390	3,390	3,390	–
Station Square East Commercial Corp	2,000	2,000	2,000	–
Summerhill Commercial Ventures Corp.	(49,420)	(49,420)	(49,420)	–
Alabang Commercial Corporation (Conso)	583,109	583,109	583,109	–
ALI Commercial Center, Inc. (Conso)	11,996,624	11,996,624	11,996,624	–
Sub-Total	**₱15,723,636**	**₱15,723,636**	**₱15,723,636**	**₱–**

	Amount Owed by ALI to HILLSFORD PROPERTY, CORP.			
	Receivable Balance per HILLSFORD	Payable Balance per ALI SUBSIDIARIE S	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱74,510,438	₱74,510,438	₱74,510,438	₱–
Cavite Commercial Towncenter Inc.	35,075,430	35,075,430	35,075,430	–
North Eastern Commercial Corp.	1,550	1,550	1,550	–
NorthBeacon Commercial Corporation	1,391	1,391	1,391	–
Ten Knots Philippines, Inc.(Conso)	9,840	9,840	9,840	–
ALI Commercial Center, Inc. (Conso)	14,172,667	14,172,667	14,172,667	–
Amorsedia Development Corporation (Conso)	14,199,698	14,199,698	14,199,698	–
Avida Land Corporation (Conso)	19	19	19	–
AyalaLand Hotels and Resorts Corp. (Conso)	4,109,148	4,109,148	4,109,148	–
Sub-Total	**₱142,080,181**	**₱142,080,181**	**₱142,080,181**	**₱–**

	Amount Owed by ALI to INTEGRATED ECO-RESORT, INC.			
	Receivable Balance per INTEGRATED ECO-RESORT, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱112,341	₱112,341	₱112,341	₱–
Ten Knots Development Corporation(Conso)	22,680,637	22,680,637	22,680,637	–
Ten Knots Philippines, Inc.(Conso)	517,179,699	517,179,699	517,179,699	–
AyalaLand Hotels and Resorts Corp. (Conso)	15,186,467	15,186,467	15,186,467	–
Sub-Total	**₱555,159,143**	**₱555,159,143**	**₱555,159,143**	**₱–**

	Amount Owed by ALI to LAGDIGAN LAND CORP.			
	Receivable Balance per LAGDIGAN	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱15,474,545	₱15,474,545	₱15,474,545	₱–
Cagayan De Oro Gateway Corporation	1,044,854	1,044,854	1,044,854	–
Summerhill Commercial Ventures Corp.	128,037	128,037	128,037	–
Sub-Total	**₱16,647,435**	**₱16,647,435**	**₱16,647,435**	**₱–**

	Amount Owed by ALI to LEISURE AND ALLIED INDUSTRIES PHILS., INC.			
	Receivable Balance per LAIP	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱105,000	₱105,000	₱105,000	₱–
Cavite Commercial Towncenter Inc.	30,000	30,000	30,000	–
North Eastern Commercial Corp.	6,000	6,000	6,000	–

	Amount Owed by ALI to LEISURE AND ALLIED INDUSTRIES PHILS., INC.			
	Receivable Balance per LAIP	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
NorthBeacon Commercial Corporation	15,000	15,000	15,000	–
Soltea Commercial Corp.	90,000	90,000	90,000	–
Accendo Commercial Corp	30,000	30,000	30,000	–
Alabang Commercial Corporation (Conso)	60,000	60,000	60,000	–
ALI Commercial Center, Inc. (Conso)	51,000	51,000	51,000	–
Sub-Total	**₱387,000**	**₱387,000**	**₱387,000**	**₱–**

	Amount Owed by ALI to MAKATI CORNERSTONE LEASING CORP.			
	Receivable Balance per MAKATI CORNERSTONE	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Metro North, Inc.	(₱2,530)	(₱2,530)	(₱2,530)	₱–
Bay City Commercial Ventures Corp.	5,594,540	5,594,540	5,594,540	–
BellaVita Land Corp.	192,665	192,665	192,665	–
Cagayan De Oro Gateway Corporation	3,415	3,415	3,415	–
Capitol Central Commercial Ventures Corp.	26,375	26,375	26,375	–
Cavite Commercial Towncenter Inc.	6,830	6,830	6,830	–
Cebu Leisure Co. Inc.	4,800	4,800	4,800	–
Makati Development Corporation (Conso)	9,154,918	9,154,918	9,154,918	–
North Eastern Commercial Corp.	4,415	4,415	4,415	–
North Triangle Depot Commercial Corp	4,144,304	4,144,304	4,144,304	–
North Ventures Commercial Corp.	27,195	27,195	27,195	–
NorthBeacon Commercial Corporation	3,415	3,415	3,415	–
Soltea Commercial Corp.	201,053	201,053	201,053	–
Station Square East Commercial Corp	14,730	14,730	14,730	–
Ten Knots Philippines, Inc.(Conso)	9,068,986	9,068,986	9,068,986	–
Accendo Commercial Corp	24,509	24,509	24,509	–
Alabang Commercial Corporation (Conso)	5,715	5,715	5,715	–
ALI Capital Corp. (Conso)	2,467,846	2,467,846	2,467,846	–
ALI Commercial Center, Inc. (Conso)	37,236,789	37,236,789	37,236,789	–
Alveo Land Corporation (Conso)	40,470	40,470	40,470	–
Amaia Land Corporation (Conso)	155,066	155,066	155,066	–
Amorsedia Development Corporation (Conso)	(0)	(0)	(0)	–
Arvo Commercial Corporation	258,968	258,968	258,968	–
Avida Land Corporation (Conso)	595,276	595,276	595,276	–
Ayala Theaters Management, Inc.	2,250	2,250	2,250	–
AyalaLand Hotels and Resorts Corp. (Conso)	5,071,290	5,071,290	5,071,290	–
Ayalaland Logistics Holdings Corp. (Conso)	354,802	354,802	354,802	–
Sub-Total	**₱74,658,092**	**₱74,658,092**	**₱74,658,092**	**₱–**

	Amount Owed by ALI to NORTH EASTERN COMMERCIAL CORP.			
	Receivable Balance per NECC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	₱747,004	₱747,004	₱747,004	₱–
AyalaLand Malls, Inc. (Conso)	41,899	41,899	41,899	–
Ayalaland Metro North, Inc.	6,516	6,516	6,516	–
Bay City Commercial Ventures Corp.	282,620,833	282,620,833	282,620,833	–
Cagayan De Oro Gateway Corporation	2,970,533	2,970,533	2,970,533	–
Capitol Central Commercial Ventures Corp.	39,203,417	39,203,417	39,203,417	–
Cavite Commercial Towncenter Inc.	16,156	16,156	16,156	–
Cebu Leisure Co. Inc.	3,593	3,593	3,593	–
CECI Realty Corp.	1,067	1,067	1,067	–
Crans Montana Property Holdings Corporation	21,828	21,828	21,828	–
Direct Power Services Inc.	23,047	23,047	23,047	–
Hillsford Property Corporation	3,778	3,778	3,778	–
Leisure and Allied Industries Phils. Inc.	396,792	396,792	396,792	–

	Amount Owed by ALI to NORTH EASTERN COMMERCIAL CORP.			
	Receivable Balance per NECC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Makati Cornerstone Leasing Corp.	1,067	1,067	1,067	–
Makati Development Corporation (Conso)	50,205,970	50,205,970	50,205,970	–
North Eastern Commercial Corp.	3,260	3,260	3,260	–
North Triangle Depot Commercial Corp	10,515,687	10,515,687	10,515,687	–
North Ventures Commercial Corp.	13,378	13,378	13,378	–
NorthBeacon Commercial Corporation	8,617	8,617	8,617	–
AREIT, Inc.	106,832,507	106,832,507	106,832,507	–
Serendra Inc.	1,207	1,207	1,207	–
Soltea Commercial Corp.	106,926,519	106,926,519	106,926,519	–
Station Square East Commercial Corp	16,683	16,683	16,683	–
Subic Bay Town Center Inc.	15,243	15,243	15,243	–
Summerhill Commercial Ventures Corp.	1,639,901	1,639,901	1,639,901	–
Ten Knots Philippines, Inc.(Conso)	66,593,504	66,593,504	66,593,504	–
Westview Commercial Ventures Corp.	819	819	819	–
Accendo Commercial Corp	12,221,682	12,221,682	12,221,682	–
Alabang Commercial Corporation (Conso)	13,027	13,027	13,027	–
ALI Capital Corp. (Conso)	65,543,278	65,543,278	65,543,278	–
ALI Commercial Center, Inc. (Conso)	178,563,418	178,563,418	178,563,418	–
ALI-CII Development Corporation	470	470	470	–
Alveo Land Corporation (Conso)	699,583	699,583	699,583	–
Amaia Land Corporation (Conso)	109,149,329	109,149,329	109,149,329	–
Amorsedia Development Corporation (Conso)	329,999	329,999	329,999	–
Arvo Commercial Corporation	77,731,389	77,731,389	77,731,389	–
Avida Land Corporation (Conso)	2,790,045	2,790,045	2,790,045	–
AyalaLand Estates Inc. (Conso)	2,818,158	2,818,158	2,818,158	–
AyalaLand Hotels and Resorts Corp. (Conso)	268,060,291	268,060,291	268,060,291	–
Ayalaland Logistics Holdings Corp. (Conso)	16,882,686	16,882,686	16,882,686	–
Sub-Total	**₱1,403,634,180**	**₱1,403,634,180**	**₱1,403,634,180**	**₱–**

	Amount Owed by ALI to NORTH TRIANGLE DEPOT COMMERCIAL CORP.			
	Receivable Balance per NTDCC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱29,770	₱29,770	₱29,770	₱–
Ayalaland Medical Facilities Leasing Inc.	119,340	119,340	119,340	–
Ayalaland Metro North, Inc.	19,099	19,099	19,099	–
Bay City Commercial Ventures Corp.	314,016	314,016	314,016	–
Cagayan De Oro Gateway Corporation	105,344	105,344	105,344	–
Capitol Central Commercial Ventures Corp.	1,400	1,400	1,400	–
Cebu Leisure Co. Inc.	29,881	29,881	29,881	–
Crans Montana Property Holdings Corporation	145,428	145,428	145,428	–
Leisure and Allied Industries Phils. Inc.	567,580	567,580	567,580	–
Makati Development Corporation (Conso)	4,662,145	4,662,145	4,662,145	–
North Eastern Commercial Corp.	552,343	552,343	552,343	–
North Ventures Commercial Corp.	147,706	147,706	147,706	–
NorthBeacon Commercial Corporation	3,381	3,381	3,381	–
Nuevocentro, Inc. (Conso)	115,145	115,145	115,145	–
Soltea Commercial Corp.	417,555	417,555	417,555	–
Station Square East Commercial Corp	113,202	113,202	113,202	–
Subic Bay Town Center Inc.	1,942	1,942	1,942	–
Summerhill Commercial Ventures Corp.	684,724	684,724	684,724	–
Ten Knots Development Corporation(Conso)	19,019	19,019	19,019	–
Ten Knots Philippines, Inc.(Conso)	160,214	160,214	160,214	–
Accendo Commercial Corp	8,067	8,067	8,067	–
Alabang Commercial Corporation (Conso)	118,960	118,960	118,960	–
ALI Capital Corp. (Conso)	875,769	875,769	875,769	–
ALI Commercial Center, Inc. (Conso)	3,477,560	3,477,560	3,477,560	–
Alveo Land Corporation (Conso)	(30,281)	(30,281)	(30,281)	–
Amaia Land Corporation (Conso)	223,794	223,794	223,794	–

	Amount Owed by ALI to NORTH TRIANGLE DEPOT COMMERCIAL CORP.			
	Receivable Balance per NTDCC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Amorsedia Development Corporation (Conso)	33,689	33,689	33,689	−
Arvo Commercial Corporation	1,862,992	1,862,992	1,862,992	−
Avida Land Corporation (Conso)	709,674	709,674	709,674	−
AyalaLand Hotels and Resorts Corp. (Conso)	115,415	115,415	115,415	−
Ayalaland Logistics Holdings Corp. (Conso)	865,280	865,280	865,280	−
Sub-Total	**₱16,470,155**	**₱16,470,155**	**₱16,470,155**	**₱−**

	Amount Owed by ALI to NORTH VENTURES COMMERCIAL CORP.			
	Receivable Balance per NVCC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	₱845	₱845	₱845	₱−
AyalaLand Malls, Inc. (Conso)	10,160	10,160	10,160	−
Ayalaland Medical Facilities Leasing Inc.	193,932	193,932	193,932	−
Ayalaland Metro North, Inc.	2,642	2,642	2,642	−
Bay City Commercial Ventures Corp.	374,112,372	374,112,372	374,112,372	−
Cagayan De Oro Gateway Corporation	5,800	5,800	5,800	−
Capitol Central Commercial Ventures Corp.	107,729,382	107,729,382	107,729,382	−
Cavite Commercial Towncenter Inc.	40,438,725	40,438,725	40,438,725	−
Crans Montana Property Holdings Corporation	228,867	228,867	228,867	−
Leisure and Allied Industries Phils. Inc.	804,063	804,063	804,063	−
Makati Development Corporation (Conso)	2,742,315	2,742,315	2,742,315	−
North Eastern Commercial Corp.	137,572	137,572	137,572	−
North Triangle Depot Commercial Corp	308,881	308,881	308,881	−
NorthBeacon Commercial Corporation	1,600	1,600	1,600	−
Soltea Commercial Corp.	18,907,644	18,907,644	18,907,644	−
Station Square East Commercial Corp	20,130	20,130	20,130	−
Summerhill Commercial Ventures Corp.	282,084	282,084	282,084	−
Ten Knots Development Corporation(Conso)	2,294	2,294	2,294	−
Ten Knots Philippines, Inc.(Conso)	3,424	3,424	3,424	−
Accendo Commercial Corp	21,635,866	21,635,866	21,635,866	−
Alabang Commercial Corporation (Conso)	14,690	14,690	14,690	−
ALI Capital Corp. (Conso)	75,284,587	75,284,587	75,284,587	−
ALI Commercial Center, Inc. (Conso)	55,544,368	55,544,368	55,544,368	−
Alveo Land Corporation (Conso)	160,479	160,479	160,479	−
Amaia Land Corporation (Conso)	48,966,855	48,966,855	48,966,855	−
Amorsedia Development Corporation (Conso)	98,944	98,944	98,944	−
Arca South Integrated Terminal, Inc	187,211	187,211	187,211	−
Arvo Commercial Corporation	129,551,171	129,551,171	129,551,171	−
Avida Land Corporation (Conso)	832,955	832,955	832,955	−
Ayala Property Management Corporation (Conso)	1,790,801	1,790,801	1,790,801	−
AyalaLand Hotels and Resorts Corp. (Conso)	105,767,801	105,767,801	105,767,801	−
Ayalaland Logistics Holdings Corp. (Conso)	668,490	668,490	668,490	−
Sub-Total	**₱986,436,950**	**₱986,436,950**	**₱986,436,950**	**₱−**

	Amount Owed by ALI to NORTH BEACON COMMERCIAL CORP.			
	Receivable Balance per NBCC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱18,256	₱18,256	₱18,256	₱−
Ayalaland Metro North, Inc.	9,622	9,622	9,622	−
Bay City Commercial Ventures Corp.	243,372,103	243,372,103	243,372,103	−
Cagayan De Oro Gateway Corporation	27,852	27,852	27,852	−
Capitol Central Commercial Ventures Corp.	7,078,486	7,078,486	7,078,486	−
Cavite Commercial Towncenter Inc.	84,536,394	84,536,394	84,536,394	−
Hillsford Property Corporation	5,898	5,898	5,898	−
Leisure and Allied Industries Phils. Inc.	75,154	75,154	75,154	−
Makati Cornerstone Leasing Corp.	106,486	106,486	106,486	−

	Amount Owed by ALI to NORTH BEACON COMMERCIAL CORP.			
	Receivable Balance per NBCC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
North Eastern Commercial Corp.	99,735	99,735	99,735	–
North Triangle Depot Commercial Corp	107,185	107,185	107,185	–
North Ventures Commercial Corp.	44,716	44,716	44,716	–
Nuevocentro, Inc. (Conso)	4,993,431	4,993,431	4,993,431	–
Soltea Commercial Corp.	36,941,552	36,941,552	36,941,552	–
Station Square East Commercial Corp	17,048	17,048	17,048	–
Subic Bay Town Center Inc.	16,200	16,200	16,200	–
Summerhill Commercial Ventures Corp.	3,900	3,900	3,900	–
Accendo Commercial Corp	123,379,886	123,379,886	123,379,886	–
Alabang Commercial Corporation (Conso)	13,272	13,272	13,272	–
ALI Capital Corp. (Conso)	49,450,284	49,450,284	49,450,284	–
ALI Commercial Center, Inc. (Conso)	818,960	818,960	818,960	–
Alveo Land Corporation (Conso)	1,586,622	1,586,622	1,586,622	–
Amaia Land Corporation (Conso)	297,499	297,499	297,499	–
APRISA Business Process Solutions, Inc	1,200	1,200	1,200	–
Arvo Commercial Corporation	26,107,019	26,107,019	26,107,019	–
Avida Land Corporation (Conso)	414,243	414,243	414,243	–
AyalaLand Hotels and Resorts Corp. (Conso)	15,286,173	15,286,173	15,286,173	–
Ayalaland Logistics Holdings Corp. (Conso)	16,459,627	16,459,627	16,459,627	–
Sub-Total	**₱611,268,805**	**₱611,268,805**	**₱611,268,805**	**₱–**

	Amount Owed by ALI to NUEVOCENTRO INC., (Conso)			
	Receivable Balance per NUEVOCENTRO	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱381,944	₱381,944	₱381,944	₱–
CECI Realty Corp.	154,209	154,209	154,209	–
Crans Montana Property Holdings Corporation	151,580	151,580	151,580	–
Nuevocentro, Inc. (Conso)	4,141,799	4,141,799	4,141,799	–
Prow Holdings, Inc.	199,255,639	199,255,639	199,255,639	–
Vesta Property Holdings Inc.	26,154	26,154	26,154	–
ALI Commercial Center, Inc. (Conso)	102,461	102,461	102,461	–
Alveo Land Corporation (Conso)	25,930	25,930	25,930	–
Amaia Land Corporation (Conso)	82,099	82,099	82,099	–
Arvo Commercial Corporation	158,428	158,428	158,428	–
Avida Land Corporation (Conso)	517,412	517,412	517,412	–
AyalaLand Estates Inc. (Conso)	67,189	67,189	67,189	–
AyalaLand Hotels and Resorts Corp. (Conso)	496,136	496,136	496,136	–
Ayalaland Logistics Holdings Corp. (Conso)	196,258	196,258	196,258	–
Sub-Total	**₱205,757,240**	**₱205,757,240**	**₱205,757,240**	**₱–**

	Amount Owed by ALI to PHILIPPINE INTEGRATED ENERGY SOLUTIONS, INC.			
	Receivable Balance per PHIL. ENERGY	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱29,410,363	₱29,410,363	₱29,410,363	₱–
Cagayan De Oro Gateway Corporation	17,787,736	17,787,736	17,787,736	–
Capitol Central Commercial Ventures Corp.	122,149	122,149	122,149	–
Cavite Commercial Towncenter Inc.	61,590,128	61,590,128	61,590,128	–
North Triangle Depot Commercial Corp	5,829,331	5,829,331	5,829,331	–
Ten Knots Philippines, Inc.(Conso)	-	-	-	–
Westview Commercial Ventures Corp.	2,650,250	2,650,250	2,650,250	–
Accendo Commercial Corp	13,418,284	13,418,284	13,418,284	–
Alabang Commercial Corporation (Conso)	(199,312)	(199,312)	(199,312)	–
ALI Capital Corp. (Conso)	667,140	667,140	667,140	–
ALI Commercial Center, Inc. (Conso)	90,290,901	90,290,901	90,290,901	–

	Amount Owed by ALI to PHILIPPINE INTEGRATED ENERGY SOLUTIONS, INC.			
	Receivable Balance per PHIL. ENERGY	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Alveo Land Corporation (Conso)	56,149,784	56,149,784	56,149,784	–
Amaia Land Corporation (Conso)	6,244,459	6,244,459	6,244,459	–
Arvo Commercial Corporation	648	648	648	–
Avida Land Corporation (Conso)	(50,120,000)	(50,120,000)	(50,120,000)	–
AyalaLand Hotels and Resorts Corp. (Conso)	6,528,820	6,528,820	6,528,820	–
Ayalaland Logistics Holdings Corp. (Conso)	3,273,372	3,273,372	3,273,372	–
Sub-Total	**₱243,644,054**	**₱243,644,054**	**₱243,644,054**	**₱–**

	Amount Owed by ALI to PRIMAVERA TOWNCENTRE, INC.			
	Receivable Balance per PRIMAVERA	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱5,705	₱5,705	₱5,705	₱–
AyalaLand Offices, Inc. (Conso)	837,584	837,584	837,584	–
Cavite Commercial Towncenter Inc.	4,554,045	4,554,045	4,554,045	–
North Ventures Commercial Corp.	3,749	3,749	3,749	–
Amaia Land Corporation (Conso)	127,183	127,183	127,183	–
Arvo Commercial Corporation	401,906	401,906	401,906	–
Avida Land Corporation (Conso)	93,317	93,317	93,317	–
Sub-Total	**₱6,023,489**	**₱6,023,489**	**₱6,023,489**	**₱–**

	Amount Owed by ALI to RED CREEK PROPERTIES, INC.			
	Receivable Balance per RCPI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Crimson Field Enterprises, Inc.	₱250,000	₱250,000	₱250,000	₱–
Sub-Total	**₱250,000**	₱250,000	**₱250,000**	**₱–**

	Amount Owed by ALI to REGENT WISE INVESTMENTS, LTD. & Subsidiaries			
	Receivable Balance per RWIL & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Regent Wise Investments Limited(Conso)	(₱140,551,818)	(₱140,551,818)	(₱140,551,818)	₱–
Sub-Total	**(₱140,551,818)**	**(₱140,551,818)**	**(₱140,551,818)**	**₱–**

	Amount Owed by ALI to ROXAS LAND CORP.			
	Receivable Balance per RLC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayala Property Management Corporation (Conso)	₱ 60,000	₱60,000	₱60,000	₱–
Sub-Total	**₱60,000**	**₱60,000**	**₱60,000**	**₱–**

	Amount Owed by ALI to SERENDRA			
	Receivable Balance per SERENDRA	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱67,099	₱67,099	₱67,099	₱–
BellaVita Land Corp.	958	958	958	–
BG West Properties, Inc	17,001,618	17,001,618	17,001,618	–
Cagayan De Oro Gateway Corporation	37,862	37,862	37,862	–

	Amount Owed by ALI to SERENDRA			
	Receivable Balance per SERENDRA	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Crans Montana Property Holdings Corporation	980	980	980	–
Leisure and Allied Industries Phils. Inc.	355,950	355,950	355,950	–
Makati Development Corporation (Conso)	183,195	183,195	183,195	–
Ten Knots Philippines, Inc.(Conso)	3,375,839	3,375,839	3,375,839	–
Alveo Land Corporation (Conso)	4,792,162	4,792,162	4,792,162	–
Amaia Land Corporation (Conso)	1,852,783	1,852,783	1,852,783	–
Amorsedia Development Corporation (Conso)	2,106	2,106	2,106	–
Avida Land Corporation (Conso)	3,591,329	3,591,329	3,591,329	–
Ayala Property Management Corporation (Conso)	15,171,401	15,171,401	15,171,401	–
AyalaLand Hotels and Resorts Corp. (Conso)	5,176,745	5,176,745	5,176,745	–
Sub-Total	**₱51,610,026**	**₱51,610,026**	**₱51,610,026**	**₱–**

	Amount Owed by ALI to SOLTEA COMMERCIAL CORP.			
	Receivable Balance per SOLTEA	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	₱151,065	₱151,065	₱151,065	₱–
AyalaLand Malls, Inc. (Conso)	410	410	410	–
Bay City Commercial Ventures Corp.	15,294	15,294	15,294	–
Cagayan De Oro Gateway Corporation	15,294	15,294	15,294	–
Cavite Commercial Towncenter Inc.	88,030	88,030	88,030	–
Cebu Leisure Co. Inc.	19,300	19,300	19,300	–
Makati Cornerstone Leasing Corp.	15,294	15,294	15,294	–
North Eastern Commercial Corp.	52,382	52,382	52,382	–
North Triangle Depot Commercial Corp	93,854	93,854	93,854	–
North Ventures Commercial Corp.	16,794	16,794	16,794	–
NorthBeacon Commercial Corporation	16,164	16,164	16,164	–
Serendra Inc.	15,294	15,294	15,294	–
Station Square East Commercial Corp	61,640	61,640	61,640	–
Summerhill Commercial Ventures Corp.	21,044	21,044	21,044	–
Accendo Commercial Corp	15,294	15,294	15,294	–
Alabang Commercial Corporation (Conso)	28,624	28,624	28,624	–
ALI Commercial Center, Inc. (Conso)	1,075,554	1,075,554	1,075,554	–
Alveo Land Corporation (Conso)	2,064,306	2,064,306	2,064,306	–
Amaia Land Corporation (Conso)	107,736	107,736	107,736	–
Arvo Commercial Corporation	36,154	36,154	36,154	–
Avida Land Corporation (Conso)	2,189,428	2,189,428	2,189,428	–
Sub-Total	**₱6,098,957**	**₱6,098,957**	**₱6,098,957**	**₱–**

	Amount Owed by ALI to SOUTHPORTAL PROPERTIES, INC.			
	Receivable Balance per SOUTHPORTAL	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Metro North, Inc.	₱3,452	₱3,452	₱3,452	₱–
Bay City Commercial Ventures Corp.	295,140,041	295,140,041	295,140,041	–
Cagayan De Oro Gateway Corporation	150,538	150,538	150,538	–
Capitol Central Commercial Ventures Corp.	10,434,850	10,434,850	10,434,850	–
Cavite Commercial Towncenter Inc.	5,087,018	5,087,018	5,087,018	–
Soltea Commercial Corp.	25,271,040	25,271,040	25,271,040	–
Summerhill Commercial Ventures Corp.	543,740	543,740	543,740	–
Ten Knots Development Corporation(Conso)	90,346	90,346	90,346	–
Ten Knots Philippines, Inc.(Conso)	2,015,349	2,015,349	2,015,349	–
Accendo Commercial Corp	151,769,466	151,769,466	151,769,466	–
ALI Capital Corp. (Conso)	16,260,606	16,260,606	16,260,606	–
ALI Commercial Center, Inc. (Conso)	118,715	118,715	118,715	–
Alveo Land Corporation (Conso)	58,370	58,370	58,370	–
Amaia Land Corporation (Conso)	2,114,944	2,114,944	2,114,944	–
Amorsedia Development Corporation (Conso)	266	266	266	–
Arvo Commercial Corporation	10,203,426	10,203,426	10,203,426	–

	Amount Owed by ALI to SOUTHPORTAL PROPERTIES, INC.			
	Receivable Balance per SOUTHPORTAL	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Avida Land Corporation (Conso)	525,904	525,904	525,904	–
AyalaLand Estates Inc. (Conso)	10,048,810	10,048,810	10,048,810	–
AyalaLand Hotels and Resorts Corp. (Conso)	52,699,681	52,699,681	52,699,681	–
Ayalaland Logistics Holdings Corp. (Conso)	22,019,712	22,019,712	22,019,712	–
Sub-Total	**₱604,556,271**	**₱604,556,271**	**₱604,556,271**	**₱–**

	Amount Owed by ALI to STATION SQUARE EAST COMMERCIAL CORP.			
	Receivable Balance per SSECC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱19,118	₱19,118	₱19,118	₱–
Bay City Commercial Ventures Corp.	126,902,044	126,902,044	126,902,044	–
BellaVita Land Corp.	323,323	323,323	323,323	–
Cagayan De Oro Gateway Corporation	39,595,523	39,595,523	39,595,523	–
Capitol Central Commercial Ventures Corp.	6,465,151	6,465,151	6,465,151	–
Cavite Commercial Towncenter Inc.	113,158,779	113,158,779	113,158,779	–
Cebu Leisure Co. Inc.	18,375	18,375	18,375	–
Crans Montana Property Holdings Corporation	2,025,453	2,025,453	2,025,453	–
Leisure and Allied Industries Phils. Inc.	3,018,873	3,018,873	3,018,873	–
Makati Development Corporation (Conso)	983,593	983,593	983,593	–
North Eastern Commercial Corp.	2,053,858	2,053,858	2,053,858	–
North Triangle Depot Commercial Corp	5,336,160	5,336,160	5,336,160	–
North Ventures Commercial Corp.	8,279	8,279	8,279	–
NorthBeacon Commercial Corporation	14,396	14,396	14,396	–
Primavera Towncentre, Inc.	89,298	89,298	89,298	–
Red Creek Properties, Inc.	55,235,769	55,235,769	55,235,769	–
Serendra Inc.	955,432	955,432	955,432	–
Soltea Commercial Corp.	9,456,724	9,456,724	9,456,724	–
Subic Bay Town Center Inc.	1,500	1,500	1,500	–
Ten Knots Philippines, Inc.(Conso)	3,695,640	3,695,640	3,695,640	–
Accendo Commercial Corp	7,013	7,013	7,013	–
Alabang Commercial Corporation (Conso)	7,630	7,630	7,630	–
ALI Capital Corp. (Conso)	2,029,670	2,029,670	2,029,670	–
ALI Commercial Center, Inc. (Conso)	138,240,351	138,240,351	138,240,351	–
Alveo Land Corporation (Conso)	1,234,655	1,234,655	1,234,655	–
Amaia Land Corporation (Conso)	2,629,247	2,629,247	2,629,247	–
APRISA Business Process Solutions, Inc	365,416	365,416	365,416	–
Arca South Integrated Terminal, Inc	37,398	37,398	37,398	–
Arvo Commercial Corporation	5,228,123	5,228,123	5,228,123	–
Avida Land Corporation (Conso)	3,170,696	3,170,696	3,170,696	–
AyalaLand Hotels and Resorts Corp. (Conso)	86,705,317	86,705,317	86,705,317	–
Ayalaland Logistics Holdings Corp. (Conso)	21,686,243	21,686,243	21,686,243	–
Sub-Total	**₱630,875,834**	**₱630,875,834**	**₱630,875,834**	**₱–**

	Amount Owed by ALI to SUBIC BAY TOWN CENTER, INC.			
	Receivable Balance per SBTCI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Bay City Commercial Ventures Corp.	₱709,131	₱709,131	₱709,131	₱–
Capitol Central Commercial Ventures Corp.	41,725	41,725	41,725	–
Cavite Commercial Towncenter Inc.	16,957,197	16,957,197	16,957,197	–
Leisure and Allied Industries Phils. Inc.	(331,506)	(331,506)	(331,506)	–
North Eastern Commercial Corp.	1,400	1,400	1,400	–
North Triangle Depot Commercial Corp	24,403,808	24,403,808	24,403,808	–
North Ventures Commercial Corp.	1,500	1,500	1,500	–
NorthBeacon Commercial Corporation	1,050	1,050	1,050	–
Primavera Towncentre, Inc.	160,234	160,234	160,234	–
Soltea Commercial Corp.	1,205,053	1,205,053	1,205,053	–

	Amount Owed by ALI to SUBIC BAY TOWN CENTER, INC.			
	Receivable Balance per SBTCI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Station Square East Commercial Corp	1,000	1,000	1,000	−
Ten Knots Philippines, Inc.(Conso)	13,304	13,304	13,304	−
Accendo Commercial Corp	47,548	47,548	47,548	−
Alabang Commercial Corporation (Conso)	1,740	1,740	1,740	−
ALI Commercial Center, Inc. (Conso)	35,911,601	35,911,601	35,911,601	−
Amaia Land Corporation (Conso)	225,222	225,222	225,222	−
Arvo Commercial Corporation	14,598,937	14,598,937	14,598,937	−
AyalaLand Hotels and Resorts Corp. (Conso)	53,201,728	53,201,728	53,201,728	−
Ayalaland Logistics Holdings Corp. (Conso)	868,966	868,966	868,966	−
Sub-Total	**₱148,019,638**	**₱148,019,638**	**₱148,019,638**	**₱−**

	Amount Owed by ALI to SUMMERHILL COMMERCIAL VENTURES CORP.			
	Receivable Balance per SUMMERHILL	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Malls Synergies, Inc.	₱420,527	₱420,527	₱420,527	₱−
Ayalaland Metro North, Inc.	1,200	1,200	1,200	−
AyalaLand Offices, Inc. (Conso)	1,394	1,394	1,394	−
Bay City Commercial Ventures Corp.	270,678,092	270,678,092	270,678,092	−
BellaVita Land Corp.	535,618	535,618	535,618	−
Cagayan De Oro Gateway Corporation	11,435	11,435	11,435	−
Cavite Commercial Towncenter Inc.	67,645,733	67,645,733	67,645,733	−
Direct Power Services Inc.	162,011	162,011	162,011	−
Leisure and Allied Industries Phils. Inc.	402,093	402,093	402,093	−
Makati Development Corporation (Conso)	843,050	843,050	843,050	−
North Eastern Commercial Corp.	38,859	38,859	38,859	−
North Triangle Depot Commercial Corp	81,696,163	81,696,163	81,696,163	−
North Ventures Commercial Corp.	10,490	10,490	10,490	−
NorthBeacon Commercial Corporation	5,160	5,160	5,160	−
Soltea Commercial Corp.	18,755,636	18,755,636	18,755,636	−
Station Square East Commercial Corp	37,290	37,290	37,290	−
Subic Bay Town Center Inc.	1,380	1,380	1,380	−
Ten Knots Philippines, Inc.(Conso)	64,821,932	64,821,932	64,821,932	−
Accendo Commercial Corp	37,634,319	37,634,319	37,634,319	−
Alabang Commercial Corporation (Conso)	13,850	13,850	13,850	−
ALI Capital Corp. (Conso)	31,981,030	31,981,030	31,981,030	−
ALI Commercial Center, Inc. (Conso)	281,633,476	281,633,476	281,633,476	−
Alveo Land Corporation (Conso)	15,263,332	15,263,332	15,263,332	−
Amaia Land Corporation (Conso)	35,346,822	35,346,822	35,346,822	−
Arvo Commercial Corporation	173,783,594	173,783,594	173,783,594	−
Avida Land Corporation (Conso)	397,694,888	397,694,888	397,694,888	−
AyalaLand Hotels and Resorts Corp. (Conso)	16,117,281	16,117,281	16,117,281	−
Ayalaland Logistics Holdings Corp. (Conso)	4,491,921	4,491,921	4,491,921	−
Sub-Total	**₱1,500,028,575**	**₱1,500,028,575**	**₱1,500,028,575**	**₱−**

	Amount Owed by ALI to SUNNYFIELD E-OFFICE CORP.			
	Receivable Balance per SUNNYFIELD	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ten Knots Philippines, Inc.(Conso)	₱28,255,139	₱28,255,139	₱28,255,139	₱−
Alveo Land Corporation (Conso)	5,019,739	5,019,739	5,019,739	−
Amaia Land Corporation (Conso)	18,698,147	18,698,147	18,698,147	−
Avida Land Corporation (Conso)	301,277	301,277	301,277	−
Sub-Total	**₱52,274,302**	**₱52,274,302**	**₱52,274,302**	**₱−**

	Amount Owed by ALI to TAFT PUNTA ENGANO PROPERTY, INC.			
	Receivable Balance per TPEPI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Metro North, Inc.	(₱0)	(₱0)	(₱0)	₱–
Bay City Commercial Ventures Corp.	139,258,582	139,258,582	139,258,582	–
Capitol Central Commercial Ventures Corp.	4,480,831	4,480,831	4,480,831	–
Cavite Commercial Towncenter Inc.	67,816,755	67,816,755	67,816,755	–
Soltea Commercial Corp.	2,017	2,017	2,017	–
Ten Knots Philippines, Inc.(Conso)	25,163,104	25,163,104	25,163,104	–
Accendo Commercial Corp	63,520,510	63,520,510	63,520,510	–
ALI Capital Corp. (Conso)	7,145,941	7,145,941	7,145,941	–
ALI Commercial Center, Inc. (Conso)	9,959,865	9,959,865	9,959,865	–
Amaia Land Corporation (Conso)	70,007	70,007	70,007	–
Arvo Commercial Corporation	12,312,587	12,312,587	12,312,587	–
Avida Land Corporation (Conso)	188,174	188,174	188,174	–
AyalaLand Hotels and Resorts Corp. (Conso)	5,039,552	5,039,552	5,039,552	–
Ayalaland Logistics Holdings Corp. (Conso)	1,230,923	1,230,923	1,230,923	–
Sub-Total	**₱336,188,850**	**₱336,188,850**	**₱336,188,850**	**₱–**

	Amount Owed by ALI to TEN KNOTS DEVELOPMENT CORP.			
	Receivable Balance per TKDC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Direct Power Services Inc.	₱9,458	₱9,458	₱9,458	₱–
Ecoholdings Company, Inc.	500	500	500	–
Integrated Eco-Resort Inc.	55,293	55,293	55,293	–
Makati Development Corporation (Conso)	103,021	103,021	103,021	–
Soltea Commercial Corp.	94,511	94,511	94,511	–
Ten Knots Development Corporation(Conso)	0	0	0	–
Ten Knots Philippines, Inc.(Conso)	247,324,355	247,324,355	247,324,355	–
ALI Commercial Center, Inc. (Conso)	10,382	10,382	10,382	–
Avida Land Corporation (Conso)	551,544	551,544	551,544	–
AyalaLand Hotels and Resorts Corp. (Conso)	359,520,362	359,520,362	359,520,362	–
Sub-Total	**₱607,669,425**	**₱607,669,425**	**₱607,669,425**	**₱–**

	Amount Owed by ALI to TEN KNOTS PHILIPPINES, INC.			
	Receivable Balance per TKPI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
AyalaLand Malls, Inc. (Conso)	₱3,000	₱3,000	₱3,000	₱–
Ecoholdings Company, Inc.	645,491	645,491	645,491	–
Integrated Eco-Resort Inc.	4,174,551	4,174,551	4,174,551	–
Integrated Eco-Resort Inc.	60,215	60,215	60,215	–
Philippine Integrated Energy Solutions, Inc.	2,350	2,350	2,350	–
Ten Knots Development Corporation(Conso)	11,298,471	11,298,471	11,298,471	–
Ten Knots Philippines, Inc.(Conso)	363,309	363,309	363,309	–
Adauge Commercial Corp.	9,105	9,105	9,105	–
ALI Capital Corp. (Conso)	13,356,734	13,356,734	13,356,734	–
Ayala Land Sales Inc.	11,085	11,085	11,085	–
AyalaLand Hotels and Resorts Corp. (Conso)	2,387,503	2,387,503	2,387,503	–
Sub-Total	**₱32,311,814**	**₱32,311,814**	**₱32,311,814**	**₱–**

	Amount Owed by ALI to VESTA PROPERTY HOLDINGS, INC.			
	Receivable Balance per VPHI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Medical Facilities Leasing Inc.	₱2,795,983	₱2,795,983	₱2,795,983	₱–
Bay City Commercial Ventures Corp.	169,451,784	169,451,784	169,451,784	–
Cagayan De Oro Gateway Corporation	10,639	10,639	10,639	–
Cavite Commercial Towncenter Inc.	39,794,733	39,794,733	39,794,733	–
Crans Montana Property Holdings Corporation	123,355,929	123,355,929	123,355,929	–
Makati Development Corporation (Conso)	18,000	18,000	18,000	–
North Eastern Commercial Corp.	35,150	35,150	35,150	–
North Triangle Depot Commercial Corp	18,342,320	18,342,320	18,342,320	–
Red Creek Properties, Inc.	211,532,524	211,532,524	211,532,524	–
Soltea Commercial Corp.	3,309,060	3,309,060	3,309,060	–
Summerhill Commercial Ventures Corp.	21,690,714	21,690,714	21,690,714	–
Ten Knots Development Corporation(Conso)	3,018,902	3,018,902	3,018,902	–
Ten Knots Philippines, Inc.(Conso)	122,505,424	122,505,424	122,505,424	–
ALI Capital Corp. (Conso)	74,565,391	74,565,391	74,565,391	–
ALI Commercial Center, Inc. (Conso)	47,302,268	47,302,268	47,302,268	–
Alveo Land Corporation (Conso)	81,049,911	81,049,911	81,049,911	–
Amaia Land Corporation (Conso)	62,921,995	62,921,995	62,921,995	–
Amorsedia Development Corporation (Conso)	456,049,258	456,049,258	456,049,258	–
Arvo Commercial Corporation	119,737,197	119,737,197	119,737,197	–
Avida Land Corporation (Conso)	12,441,854	12,441,854	12,441,854	–
Ayala Land International Sales, Inc.(Conso)	188,476	188,476	188,476	–
AyalaLand Hotels and Resorts Corp. (Conso)	67,314,744	67,314,744	67,314,744	–
Ayalaland Logistics Holdings Corp. (Conso)	13,591,744	13,591,744	13,591,744	–
Sub-Total	**₱1,651,024,002**	**₱1,651,024,002**	**₱1,651,024,002**	**₱–**

	Amount Owed by ALI to WESTVIEW COMMERCIAL VENTURES CORP.			
	Receivable Balance per WESTVIEW	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Capitol Central Commercial Ventures Corp.	₱154,518	₱154,518	₱154,518	₱–
North Triangle Depot Commercial Corp	5,210	5,210	5,210	–
AREIT, Inc.	6,424,401	6,424,401	6,424,401	–
Subic Bay Town Center Inc.	9,983	9,983	9,983	–
Adauge Commercial Corp.	2,900	2,900	2,900	–
Amaia Land Corporation (Conso)	577,624	577,624	577,624	–
Avida Land Corporation (Conso)	326,282	326,282	326,282	–
Sub-Total	**₱7,500,918**	**₱7,500,918**	**₱7,500,918**	**₱–**

	Amount Owed by ALI to WHITEKNIGHT HOLDINGS, INC.			
	Receivable Balance per WHITEKNIGHT	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayalaland Medical Facilities Leasing Inc.	₱2,928,214	₱2,928,214	₱2,928,214	₱–
Bay City Commercial Ventures Corp.	10,814,555	10,814,555	10,814,555	–
Soltea Commercial Corp.	3,032,961	3,032,961	3,032,961	–
Summerhill Commercial Ventures Corp.	556,880	556,880	556,880	–
ALI Commercial Center, Inc. (Conso)	32,335,052	32,335,052	32,335,052	–
Sub-Total	**₱49,667,661**	**₱49,667,661**	**₱49,667,661**	**₱–**

TOTAL ELIMINATED RECEIVABLES	**₱125,617,899,564**	**₱125,617,899,564**	**₱125,617,899,564**	**₱–**

AYALA LAND, INC. AND SUBSIDIARIES

SCHEDULE D - Long-Term Debt

As of December 31, 2022

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE/ FACILITY AGREEMENT	CURRENT PORTION OF LONG-TERM DEBT (in '000)	LONG-TERM DEBT (NET OF CURRENT PORTION) (in '000)	Interest Rate	No. of Periodic Installment	Maturity Date
Ayala Land, Inc.:						
Bonds						
Philippine Peso	₱7,000,000	₱6,990,957	₱–	3.892%	N/A, Bullet	October 07, 2023
Philippine Peso	12,000,000	–	11,897,142	4.397%	N/A, Bullet	July 04, 2024
Philippine Peso	3,000,000	–	2,985,944	4.758%	N/A, Bullet	September 30, 2024
Philippine Peso	10,000,000	–	9,931,347	3.626%	N/A, Bullet	May 04, 2025
Philippine Peso	6,250,000	–	6,207,139	3.862%	N/A, Bullet	September 29, 2025
Philippine Peso	7,000,000	–	6,976,738	4.750%	N/A, Bullet	October 25, 2025
Philippine Peso	8,000,000	–	7,970,112	4.850%	N/A, Bullet	March 23, 2026
Philippine Peso	8,000,000	–	7,947,809	6.369%	N/A, Bullet	May 06, 2026
Philippine Peso	1,000,000	–	969,971	4.990%	N/A, Bullet	February 06, 2027
Philippine Peso	7,000,000	–	6,982,556	5.262%	N/A, Bullet	May 02, 2027
Philippine Peso	7,000,000	–	6,927,960	6.211%	N/A, Bullet	July 04, 2027
Philippine Peso	10,000,000	–	9,927,761	5.920%	N/A, Bullet	April 27, 2028
Philippine Peso	12,000,000	–	11,918,358	5.809%	N/A, Bullet	May 05, 2028
Philippine Peso	14,000,000	–	13,851,289	6.805%	N/A, Bullet	July 04, 2029
Philippine Peso	3,000,000	–	2,979,655	4.078%	N/A, Bullet	October 26, 2031
Philippine Peso	2,000,000	–	1,987,589	6.000%	N/A, Bullet	October 10, 2033
Fixed rate corporate notes (FXCNs)						
Philippine Peso	5,000,000	4,500,000		4.500%	30	March 10, 2023
Bank loan -US Dollar						
Bank Loan (MBTC)	2,641,265	–	3,066,525	Various floating rates	N/A, Bullet	November 06, 2024
Bank loan -Peso						
Bank Loan (BDO)	9,900,000	–	9,836,829	Various fixed rates	Various	Various from 2026 to 2031
Bank Loan (BPI)	1,442,875	799,227	288,261	Various fixed/ floating rates	Various	Various from 2023 to 2027
Bank Loan (CBC)	17,100,000	–	16,986,873	Various fixed rates	Various	Various from 2029 to 2031
Bank Loan (LBP)	15,000,000	100,000	14,540,730	Various fixed rates	Various	Various from 2028 to 2031
Bank Loan (MBTC)	15,000,000	300,000	13,817,306	Various fixed rates	Various	Various from 2027 to 2030

(Forward)

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE/ FACILITY AGREEMENT	CURRENT PORTION OF LONG-TERM DEBT (in '000)	LONG-TERM DEBT (NET OF CURRENT PORTION) (in '000)	Interest Rate	No. of Periodic Installment	Maturity Date
Bank Loan (PNB)	₱10,000,000	₱208,000	₱9,313,901	4.000%	39	December 18, 2030
Bank Loan (RCBC)	1,900,000	1,672,000		4.500%	26	March 30, 2023
Sub-Total	**₱195,234,140,000**	**₱14,570,184**	**₱177,311,795**			
Subsidiaries:						
Bonds						
Philippine Peso	₱3,000,000	₱2,978,824	₱	3.045%	N/A, Bullet	December 28, 2023
Bank loan -Peso						
Bank Loan (BDO)	23,955,000	82,000	23,684,896	Various fixed rates	Various	Various from 2022 to 2031
Bank Loan (BPI)	6,958,769	1,582,340	1,953,409	Various fixed and floating rates	Various	Various from 2022 to 2028
Bank Loan (LandBank of the Phil)	6,930,000	44,500	6,841,165	Various fixed rates	Various	Various from 2030 to 2032
Bank loan -MYR	Various	441	442,029	Various	Various	Various
Sub-Total	**₱**	**₱ 4,688,105**	**₱32,921,498**			
Total	**₱229,491,579,828**	**₱19,258,289**	**₱210,233,291**			

AYALA LAND, INC. AND SUBSIDIARIES

SCHEDULE E - Indebtedness to Related Parties (Long-Term Loans from Related Parties)

As of December 31, 2022

NAME OF RELATED PARTY	BALANCE AT BEGINNING OF PERIOD (in '000)	BALANCE AT END OF PERIOD (in '000)
Bank of the Philippine Islands	₱6,366,922	₱4,623,237

AYALA LAND, INC. AND SUBSIDIARIES

SCHEDULE F - Guarantees Of Securities Of Other Issuers

As of December 31, 2022

NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE COMPANY FOR W/C THIS STATEMENT IS FILED	TITLE OF ISSUE OF EACH CLASS OF SECURITIES GUARANTEED	TOTAL AMOUNT GUARANTEED & OUTSTANDING	AMOUNT OWNED BY PERSON FOR W/C STATEMENT IS FILED	NATURE OFGUARANTEE
	NOT APPLICABLE			

AYALA LAND, INC. AND SUBSIDIARIES

SCHEDULE G- Capital Stock

As of December 31, 2022

TITLE OF ISSUE	NUMBER OF SHARES AUTHORIZED	NUMBER OF SHARES ISSUED AND OUTSTANDING AT SHOWN UNDER RELATED STATEMENT OF FINANCIAL POSITION CAPTION				NUMBER OF SHARES RESERVED FOR OPTIONS, WARRANTS, CONVERSION AND OTHER RIGHTS	NUMBER OF SHARES HELD BY RELATED PARTIES	DIRECTORS, OFFICERS AND EMPLOYEES	OTHERS
		ISSUED	SUBSCRIBED	TREASURY SHARES	TOTAL				
Common	20,000,000,000	15,580,698,760	126,247,777	(642,283,806)	15,064,662,731	–	7,624,318,979	158,390,848	–
Preferred	15,000,000,000	13,066,494,760	–	(623,970,536)	12,442,524,224	–	12,163,180,640	2,157,932	–

AYALA LAND, INC. AND SUBSIDIARIES

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

As of December 31, 2022

	Amount (In '000s)
Unappropriated Retained Earnings, beginning	**₱60,197,372,483**
Less adjustments:	
Treasury shares	
Deferred tax assets	(3,406,716,256)
Fair Value adjustment	(593,852,588)
Unappropriated Retained Earnings, as adjusted, beginning	56,196,803,639
Net Income based on the face of AFS	18,987,610,104
Less: Non-actual/unrealized income net of tax	
Amount of provision for deferred tax during the year	958,877,032
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	–
Unrealized actuarial gain	–
Fair value adjustment (M2M gains)	–
Fair value adjustment of Investment Property resulting to gain adjustment due to deviation from PFRS/GAAP-gain	–
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–
Add: Non-actual losses	
Depreciation on revaluation increment (after tax)	–
Adjustment due to deviation from PFRS/GAAP – loss	–
Loss on fair value adjustment of investment property (after tax)	–
Net Income Actual/Realized	19,946,487,136
Less: Other adjustments	
Dividend declarations during the period	(4,062,008,309)
Effects of prior period adjustments	–
Related to merger	–
Treasury Shares	(19,080,713,530)
	(839,562,937)
Unappropriated Retained Earnings, as adjusted, ending	**₱55,000,568,936**

AYALA LAND, INC. AND SUBSIDIARIES

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

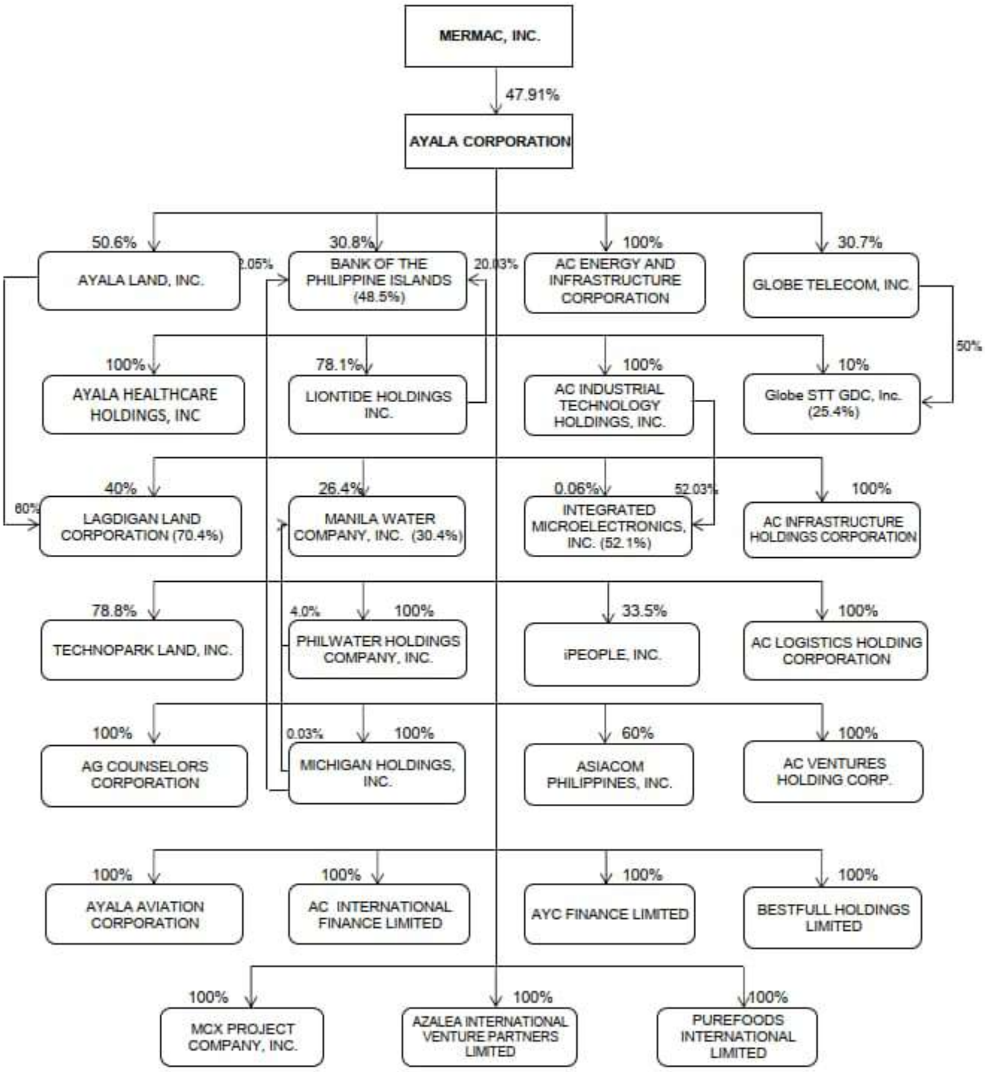
As of December 31, 2022

Ratio	Formula	Current Year	Prior Year
Current ratio	Current assets / Current liabilities	1.78	1.58
Acid test ratio	Quick assets (Total current assets excluding inventory)/ Current liabilities	0.89	0.87
Solvency ratio	EBITDA / Total debt (Total debt includes short-term debt, long-term debt and current portion of long-term debt)	0.20	0.16
Debt-to-equity ratio	Total debt / Consolidated stockholders' equity	0.80	0.82
Asset-to-equity ratio	Total assets / Consolidated stockholders' equity	2.65	2.76
Interest rate coverage ratio	EBITDA / Interest expense	4.83	4.01
Return on equity	Net income attributable to equity holders of the company / Average total stockholders' equity	0.08	0.05
Return on assets	Net income after tax / Average total assets	0.03	0.02
Net profit margin	Net income attributable to equity holders of the company / Total consolidated revenue	0.15	0.12

AYALA LAND, INC. AND SUBSIDIARIES

Corporate Organizational Chart

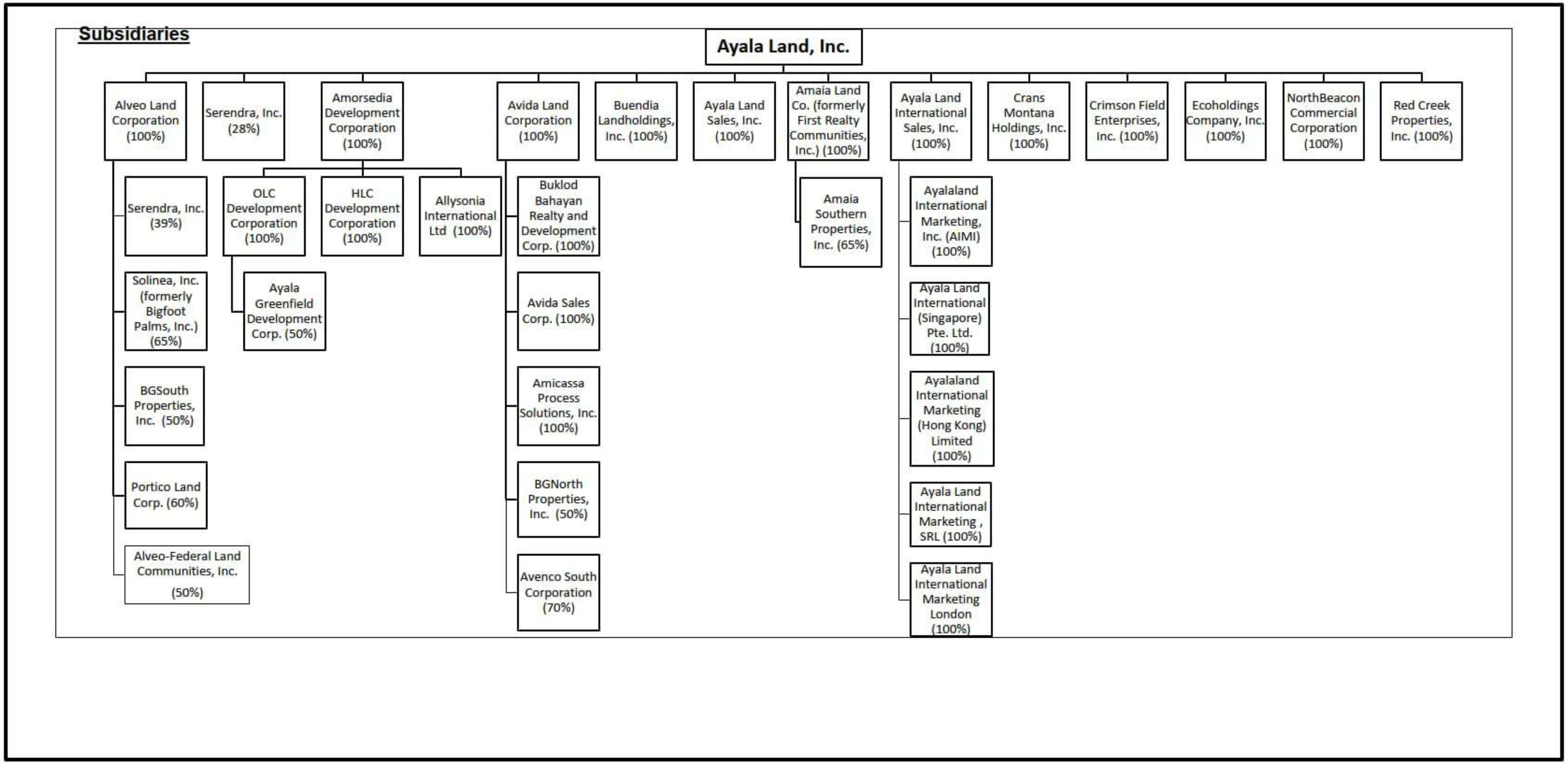
As of December 31, 2022

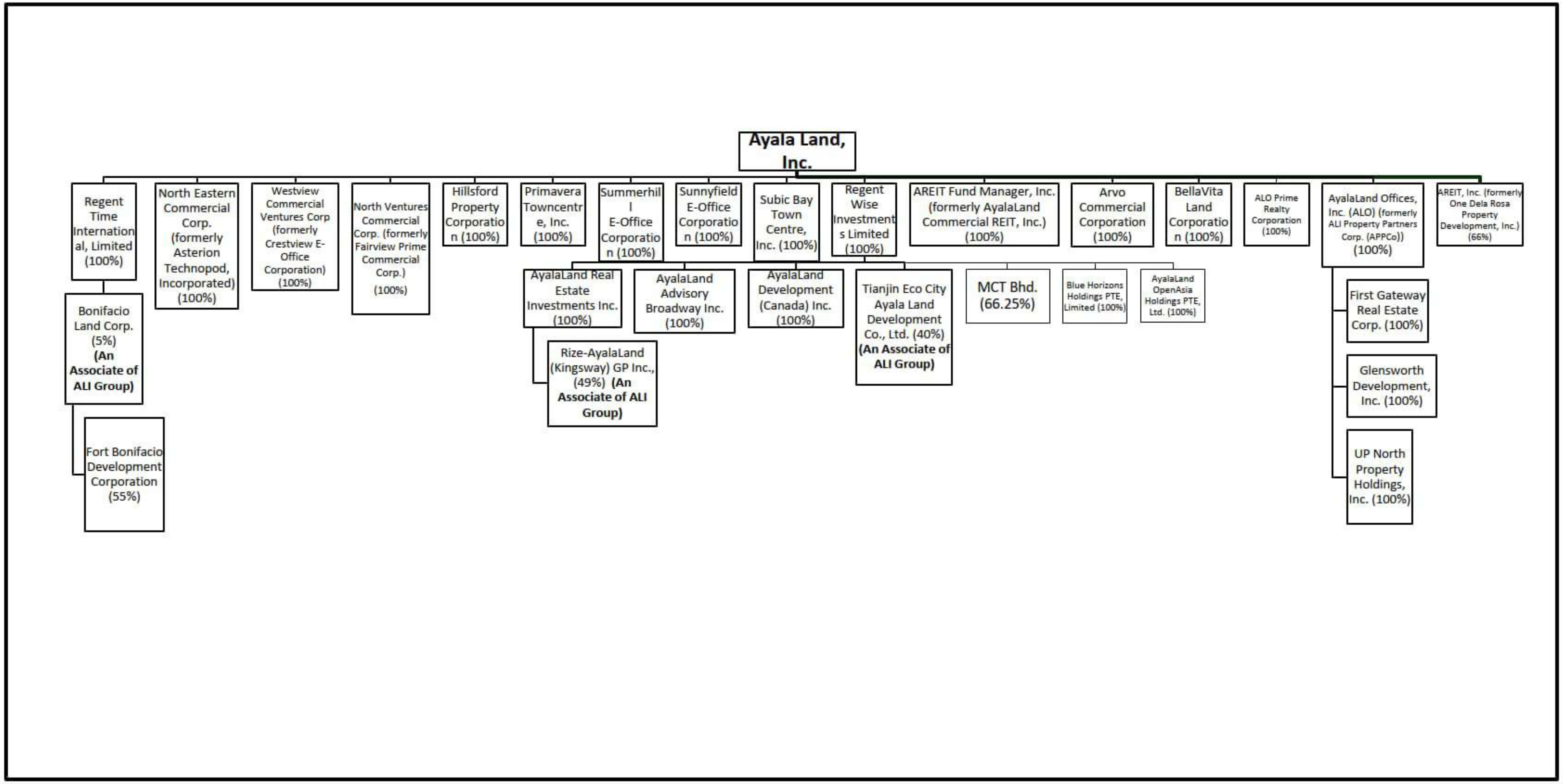


Legend:

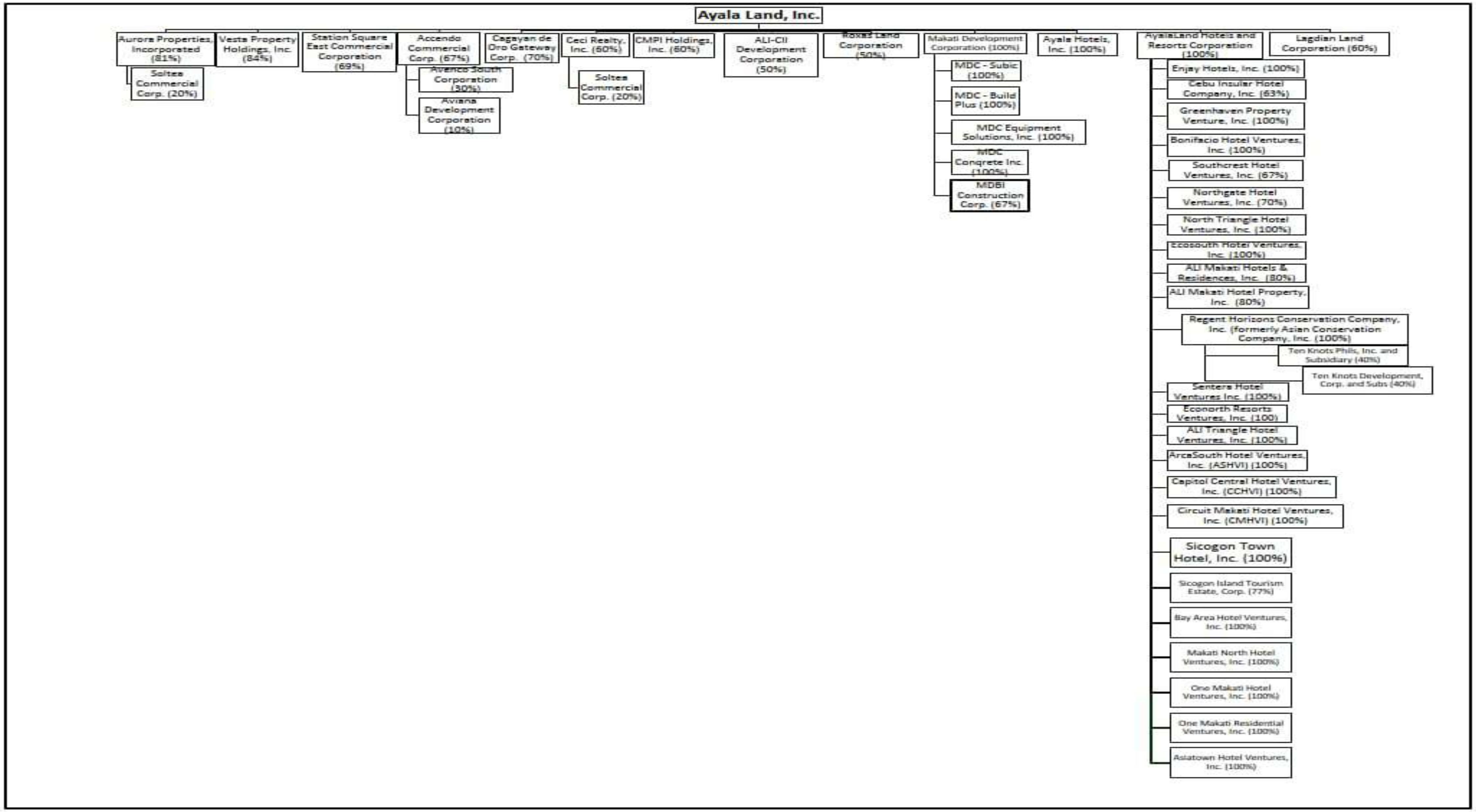
% of ownership appearing outside the box - direct % of economic ownership

% of ownership appearing inside the box - effective % of economic ownership

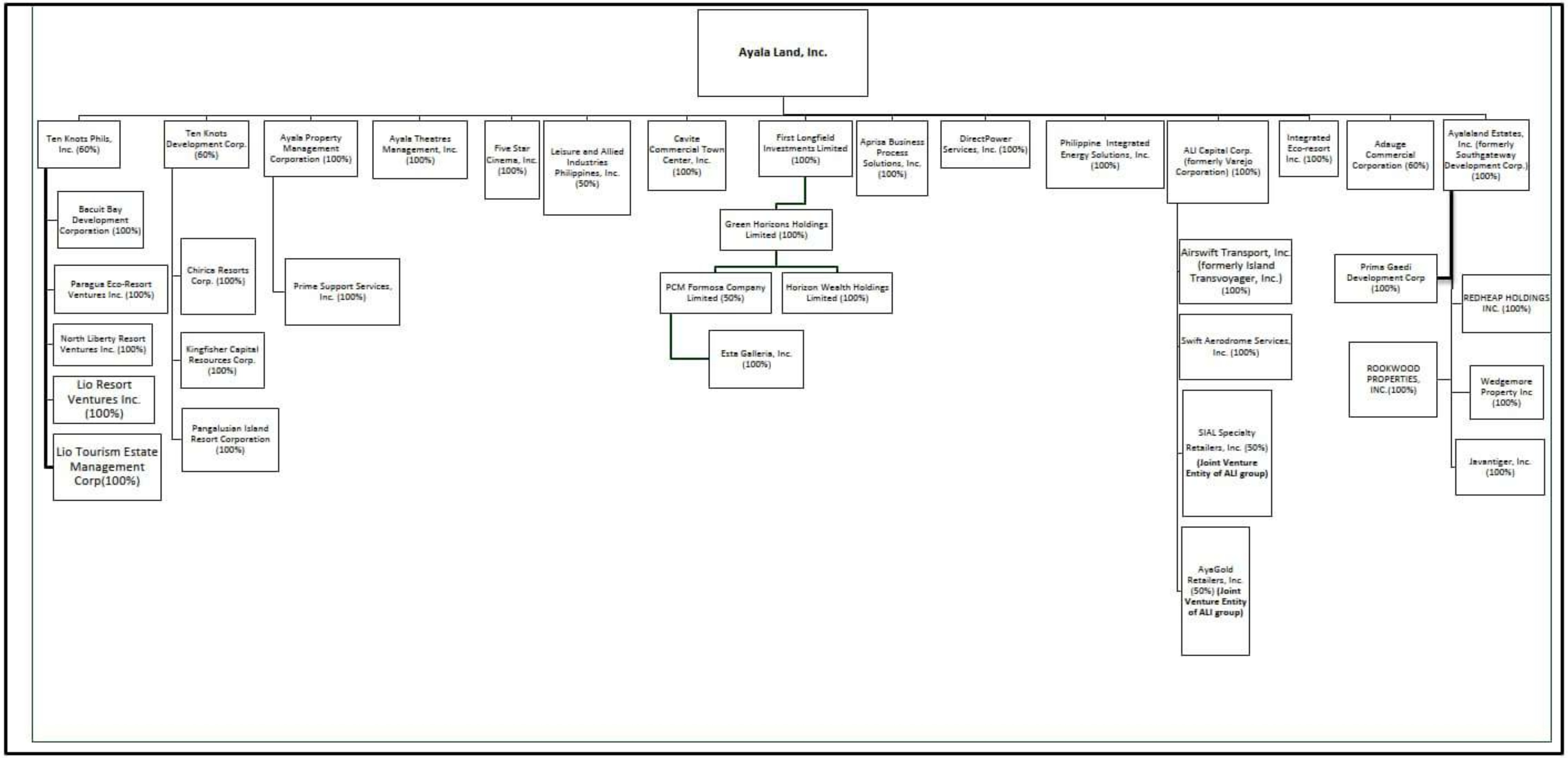

Subsidiaries
Ayala Land, Inc.
Alveo Land Corporation (100%)
Serendra, Inc. (28%)
Amorsedia Development Corporation (100%)
Avida Land Corporation (100%)
Buendia Landholdings, Inc. (100%)
Ayala Land Sales, Inc. (100%)
Amaia Land Co. (formerly First Realty Communities, Inc.) (100%)
Ayala Land International Sales, Inc. (100%)
Crans Montana Holdings, Inc. (100%)
Crimson Field Enterprises, Inc. (100%)
Ecoholdings Company, Inc. (100%)
NorthBeacon Commercial Corporation (100%)
Red Creek Properties, Inc. (100%)
Serendra, Inc. (39%)
Solinea, Inc. (formerly Bigfoot Palms, Inc.) (65%)
BGSouth Properties, Inc. (50%)
Portico Land Corp. (60%)
Alveo-Federal Land Communities, Inc. (50%)
OLC Development Corporation (100%)
HLC Development Corporation (100%)
Allysonia International Ltd (100%)
Ayala Greenfield Development Corp. (50%)
Buklod Bahayan Realty and Development Corp. (100%)
Avida Sales Corp. (100%)
Amicassa Process Solutions, Inc. (100%)
BGNorth Properties, Inc. (50%)
Avenco South Corporation (70%)
Amaia Southern Properties, Inc. (65%)
Ayalaland International Marketing, Inc. (AIMI) (100%)
Ayala Land International (Singapore) Pte. Ltd. (100%)
Ayalaland International Marketing (Hong Kong) Limited (100%)
Ayala Land International Marketing , SRL (100%)
Ayala Land International Marketing London (100%)

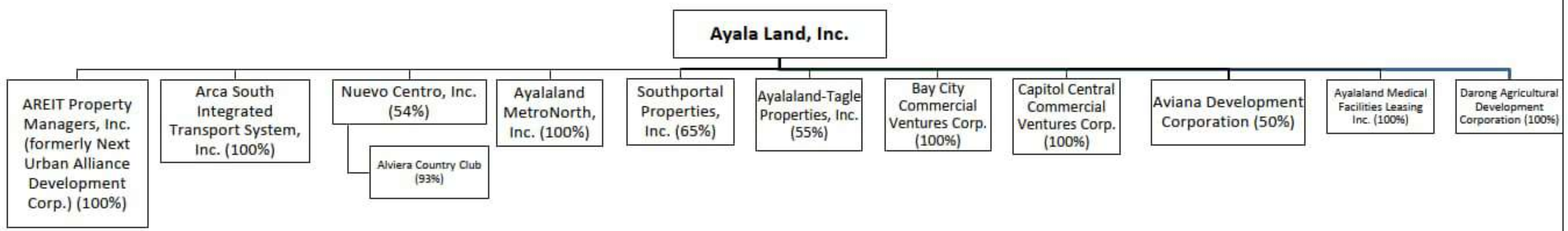


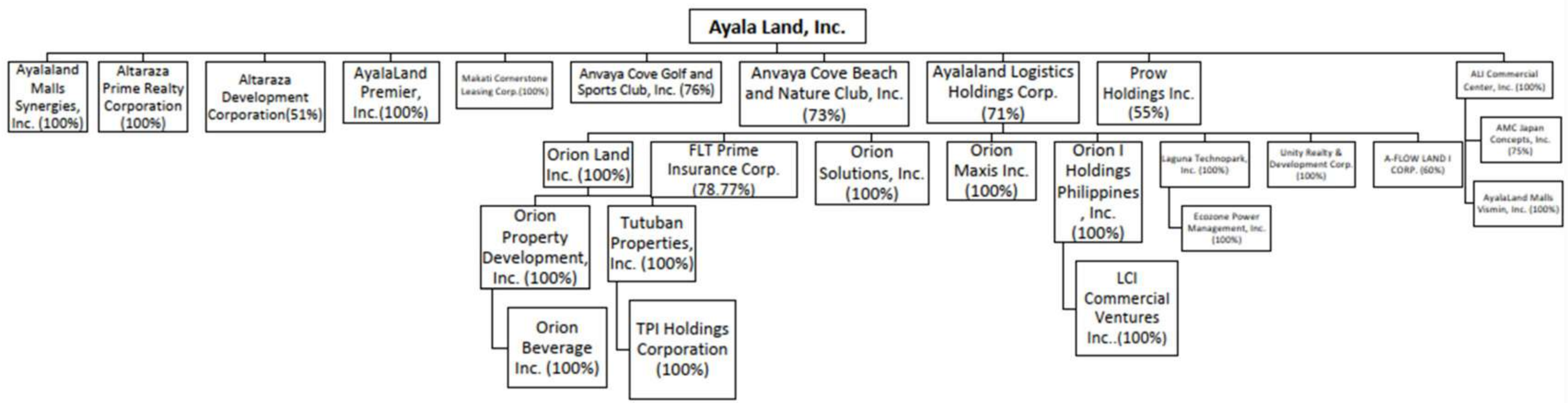
Ayala Land, Inc.
Regent Time International, Limited (100%)
Bonifacio Land Corp. (5%) (An Associate of ALI Group)
Fort Bonifacio Development Corporation (55%)
North Eastern Commercial Corp. (formerly Asterion Technopod, Incorporated) (100%)
Westview Commercial Ventures Corp (formerly Crestview E-Office Corporation) (100%)
North Ventures Commercial Corp. (formerly Fairview Prime Commercial Corp.) (100%)
Hillsford Property Corporation (100%)
Primavera Towncentre, Inc. (100%)
Summerhill E-Office Corporation (100%)
Sunnyfield E-Office Corporation (100%)
Subic Bay Town Centre, Inc. (100%)
Regent Wise Investments Limited (100%)
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc.) (100%)
Arvo Commercial Corporation (100%)
BellaVita Land Corporation (100%)
ALO Prime Realty Corporation (100%)
AyalaLand Offices, Inc. (ALO) (formerly ALI Property Partners Corp. (APPCo)) (100%)
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.) (66%)
AyalaLand Real Estate Investments Inc. (100%)
Rize-AyalaLand (Kingsway) GP Inc., (49%) (An Associate of ALI Group)
AyalaLand Advisory Broadway Inc. (100%)
AyalaLand Development (Canada) Inc. (100%)
Tianjin Eco City Ayala Land Development Co., Ltd. (40%) (An Associate of ALI Group)
MCT Bhd. (66.25%)
Blue Horizons Holdings PTE, Limited (100%)
AyalaLand OpenAsia Holdings PTE, Ltd. (100%)
First Gateway Real Estate Corp. (100%)
Glensworth Development, Inc. (100%)
UP North Property Holdings, Inc. (100%)


Ayala Land, Inc.
Aurora Properties, Incorporated (81%)
Soltea Commercial Corp. (20%)
Vesta Property Holdings, Inc. (84%)
Station Square East Commercial Corporation (69%)
Accendo Commercial Corp. (67%)
Avencosouth Corporation (30%)
Aviana Development Corporation (10%)
Cagayan de Oro Gateway Corp. (70%)
Ceci Realty, Inc. (60%)
Soltea Commercial Corp. (20%)
CMPI Holdings, Inc. (60%)
ALI-CII Development Corporation (50%)
Roxas Land Corporation (50%)
Makati Development Corporation (100%)
MDC - Subic (100%)
MDC - Build Plus (100%)
MDC Equipment Solutions, Inc. (100%)
MDC Conqrete Inc. (100%)
MDBI Construction Corp. (67%)
Ayala Hotels, Inc. (100%)
AyalaLand Hotels and Resorts Corporation (100%)
Enjay Hotels, Inc. (100%)
Cebu Insular Hotel Company, Inc. (63%)
Greenhaven Property Venture, Inc. (100%)
Bonifacio Hotel Ventures, Inc. (100%)
Southcrest Hotel Ventures, Inc. (67%)
Northgate Hotel Ventures, Inc. (70%)
North Triangle Hotel Ventures, Inc. (100%)
Ecosouth Hotel Ventures, Inc. (100%)
ALI Makati Hotels & Residences, Inc. (80%)
ALI Makati Hotel Property, Inc. (80%)
Regent Horizons Conservation Company, Inc. (formerly Asian Conservation Company, Inc. (100%)
Ten Knots Phils, Inc. and Subsidiary (40%)
Ten Knots Development, Corp. and Subs (40%)
Sentera Hotel Ventures Inc. (100%)
Econorth Resorts Ventures, Inc. (100)
ALI Triangle Hotel Ventures, Inc. (100%)
ArcaSouth Hotel Ventures, Inc. (ASHVI) (100%)
Capitol Central Hotel Ventures, Inc. (CCHVI) (100%)
Circuit Makati Hotel Ventures, Inc. (CMHVI) (100%)
Sicogon Town Hotel, Inc. (100%)
Sicogon Island Tourism Estate, Corp. (77%)
Bay Area Hotel Ventures, Inc. (100%)
Makati North Hotel Ventures, Inc. (100%)
One Makati Hotel Ventures, Inc. (100%)
One Makati Residential Ventures, Inc. (100%)
Asiatown Hotel Ventures, Inc. (100%)
Lagdian Land Corporation (60%)

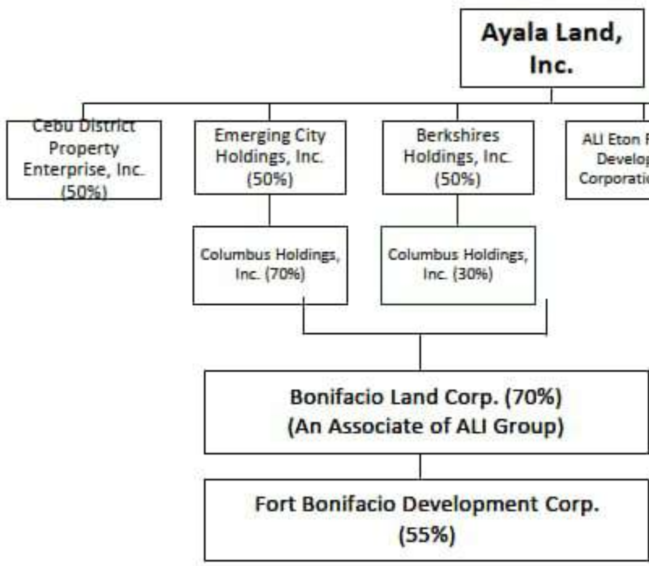

Ayala Land, Inc.
Central Bloc Hotel Ventures, Inc. (100%)
AyalaLand Club Management, Inc. (100%)
North Triangle Depot Commercial Corporation (73%)
Soltea Commercial Corp. (60%)
Taft Punta Engaño Property Inc. (55%)
Cebu Leisure Company, Inc. (100%)
CBP Theatre Management Inc. (100%)
BGWest Properties, Inc. (50%)
Cebu Insular Hotel Company, Inc. (37%)
Solinea, Inc. (formerly Bigfoot Palms, Inc. (35%)
Amaia Southern Properties, Inc. (35%)
Cebu District Property Enterprise, Inc. (50%)
Southportal Properties, Inc. (100%)
Alabang Commercial Corporation (50%)
South Innovative Theater Management, Inc. (100%)
Verde Golf Development Corporation (100%)
Whiteknight Holdings, Inc. (100%)


Ayala Land, Inc.
Ten Knots Phils, Inc. (60%)
Bacuit Bay Development Corporation (100%)
Paragua Eco-Resort Ventures Inc. (100%)
North Liberty Resort Ventures Inc. (100%)
Lio Resort Ventures Inc. (100%)
Lio Tourism Estate Management Corp(100%)
Ten Knots Development Corp. (60%)
Chirica Resorts Corp. (100%)
Kingfisher Capital Resources Corp. (100%)
Pangalusian Island Resort Corporation (100%)
Ayala Property Management Corporation (100%)
Prime Support Services, Inc. (100%)
Ayala Theatres Management, Inc. (100%)
Five Star Cinema, Inc. (100%)
Leisure and Allied Industries Philippines, Inc. (50%)
Cavite Commercial Town Center, Inc. (100%)
First Longfield Investments Limited (100%)
Green Horizons Holdings Limited (100%)
PCM Formosa Company Limited (50%)
Horizon Wealth Holdings Limited (100%)
Esta Galleria, Inc. (100%)
Aprisa Business Process Solutions, Inc. (100%)
DirectPower Services, Inc. (100%)
Philippine Integrated Energy Solutions, Inc. (100%)
ALI Capital Corp. (formerly Varejo Corporation) (100%)
Airswift Transport, Inc. (formerly Island Transvoyager, Inc.) (100%)
Swift Aerodrome Services, Inc. (100%)
SIAL Specialty Retailers, Inc. (50%) (Joint Venture Entity of ALI group)
AyaGold Retailers, Inc. (50%) (Joint Venture Entity of ALI group)
Integrated Eco-resort Inc. (100%)
Adauge Commercial Corporation (60%)
Ayalaland Estates, Inc. (formerly Southgateway Development Corp.) (100%)
Prima Gaedi Development Corp (100%)
REDHEAP HOLDINGS INC. (100%)
ROOKWOOD PROPERTIES, INC.(100%)
Wedgemore Property Inc (100%)
Javantiger, Inc. (100%)

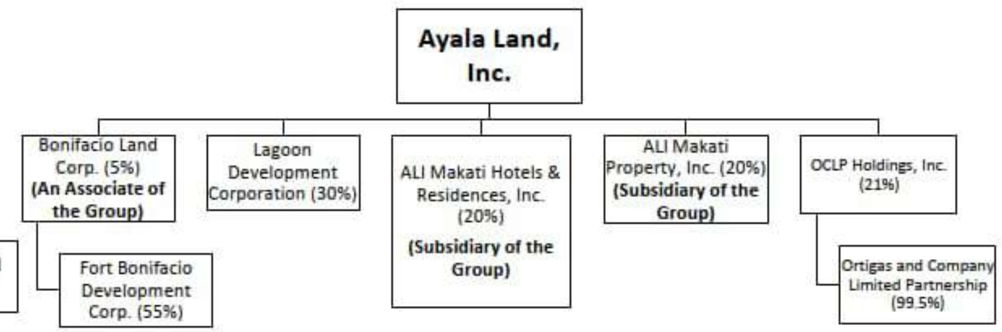

Ayala Land, Inc.
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.) (100%)
Arca South Integrated Transport System, Inc. (100%)
Nuevo Centro, Inc. (54%)
Alviera Country Club (93%)
Ayalaland MetroNorth, Inc. (100%)
Southportal Properties, Inc. (65%)
Ayalaland-Tagle Properties, Inc. (55%)
Bay City Commercial Ventures Corp. (100%)
Capitol Central Commercial Ventures Corp. (100%)
Aviana Development Corporation (50%)
Ayalaland Medical Facilities Leasing Inc. (100%)
Darong Agricultural Development Corporation (100%)


Ayala Land, Inc.
Ayalaland Malls Synergies, Inc. (100%)
Altaraza Prime Realty Corporation (100%)
Altaraza Development Corporation(51%)
AyalaLand Premier, Inc.(100%)
Makati Cornerstone Leasing Corp.(100%)
Anvaya Cove Golf and Sports Club, Inc. (76%)
Anvaya Cove Beach and Nature Club, Inc. (73%)
Ayalaland Logistics Holdings Corp. (71%)
Prow Holdings Inc. (55%)
ALI Commercial Center, Inc. (100%)
AMC Japan Concepts, Inc. (75%)
AyalaLand Malls Vismin, Inc. (100%)
Orion Land Inc. (100%)
FLT Prime Insurance Corp. (78.77%)
Orion Solutions, Inc. (100%)
Orion Maxis Inc. (100%)
Orion I Holdings Philippines , Inc. (100%)
Laguna Technopark, Inc. (100%)
Unity Realty & Development Corp. (100%)
A-FLOW LAND I CORP. (60%)
Ecozone Power Management, Inc. (100%)
Orion Property Development, Inc. (100%)
Tutuban Properties, Inc. (100%)
Orion Beverage Inc. (100%)
TPI Holdings Corporation (100%)
LCI Commercial Ventures Inc..(100%)

Direct Investments in Joint Ventures



Direct Investments in Associates



AYALA LAND, INC. AND SUBSIDIARIES

Bond Proceeds

As of December 31, 2022

₱3.0 Billion Fixed Rate Bonds due 2023

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱3,000,000,000**	**₱3,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,325,625	1,325,625
Documentary Stamp Tax	22,500,000	22,500,000
Underwriting Fee	11,250,000	11,250,000
PDEX Listing Fee	100,000	100,000
Accounting	3,200,000	2,509,500
Legal	1,620,000	1,877,286
Credit Rating	1,280,000	1,280,000
Registry and Paying Agency	187,500	–
Trusteeship	240,000	–
Out-of-pocket expenses	1,000,000	177,694
Total Estimated Upfront Expenses	42,703,125	41,020,105
	₱2,957,296,875	**₱2,958,979,895**
Balance of Proceeds as of 12.31.2022		

AREIT, Inc. raised from the Bonds gross proceeds of ₱3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱2.96 billion. Net proceeds were used to partially refinance the Philippine peso-denominated 2.0% per annum ₱4.0 billion short term loan drawn from Rizal Commercial Banking Corporation, an external counterparty bank not related to any of the JLUBs and their related parties, to partially finance the acquisition of The 30th.

₱3.0 Billion Fixed Rate Bonds due 2031

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱2,750,000,000**	**₱3,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,262,500	1,956,875
Documentary Stamp Tax	20,625,000	22,500,000
Underwriting Fee	10,312,500	11,250,000
Estimated Professional Expenses & Agency fees	7,300,000	5,733,151
Marketing/Printing/Photocopying Costs and OPEs	1,000,000	334,004
Listing Fee	100,000	100,000
Total Expenses	40,600,000	41,874,030
Net Proceeds	**₱2,709,400,000**	**₱2,958,125,970**
Balance of Proceeds as of 12.31.2022		

Ayala Land raised from the Bonds gross proceeds of ₱3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱2.96 billion. Net proceeds were used to refinance the short-term loan drawn to finance the early redemption of the Company’s 7.0239% per annum ₱8.00 billion fixed-rate bonds due 2023 issued in 2018 on October 5, 2021 (the “7.0239% p.a. 2018 Bonds”) and partially finance the Company’s capital expenditures.

₱10.0 Billion Fixed Rate Bonds due 2025

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱10,000,000,000**	**₱10,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525,030	2,525,030
Documentary Stamp Tax	75,000,000	75,000,000
Underwriting Fee	37,500,000	37,500,000
Estimated Professional Expenses & Agency fees	5,000,000	4,758,330
Marketing/Printing/Photocopying Costs and OPEs	1,000,000	176,791
Listing Fee	100,000	100,000
Total Expenses	121,125,030	120,060,151
Net Proceeds	**₱9,878,874,970**	**₱9,879,939,849**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to refinance any short-term loans that will be drawn to finance the early redemption of the Company's 5.625% per annum ₱8.0 billion fixed-rate bonds due 2025 issued in 2014, and partially finance the Company's general corporate requirements.

₱6.3 Billion Fixed Rate Bonds due 2025

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱6,250,000,000**	**₱6,250,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,578,155	1,578,155
Documentary Stamp Tax	46,875,000	46,875,000
Underwriting Fee	23,437,500	23,437,500
Estimated Professional Expenses & Agency fees	5,000,000	5,520,092
Marketing/Printing/Photocopying Costs and OPEs	1,000,000	274,183
Listing Fee	100,000	100,000
Total Expenses	77,990,655	77,784,930
Net Proceeds	**₱6,172,009,345**	**₱6,172,215,070**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱6.3 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱6.17 billion. Net proceeds were used to refinance the Company's 4.725% per annum ₱1.8 billion term loan maturity on September 29, 2020, 4.625% per annum ₱4.0 billion bond maturity on October 10, 2020 and a portion of its existing short-term loans.

₱10.0 Billion Fixed Rate Bonds due 2022

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱10,000,000,000**	**₱10,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,093,125	1,578,155
Documentary Stamp Tax	75,000,000	46,875,000
Underwriting Fee	37,500,000	23,437,500
Estimated Professional Expenses & Agency fees	9,000,000	5,478,301
Marketing/Printing/Photocopying Costs and OPEs	1,000,000	428,993
Listing Fee	150,000	100,000
Total Expenses	125,743,125	77,897,949
Net Proceeds	**₱9,874,256,875**	**₱9,922,102,051**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱9.92 billion. Net proceeds were used to partially finance the Company's general corporate requirements.

₱9.0 Billion Fixed Rate Bonds due 2021 and ₱1.0 Billion Fixed Rate Bonds due 2027

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱10,000,000,000**	**₱10,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,093,125	3,093,125
Documentary Stamp Tax	75,000,000	75,000,000
Underwriting Fee	37,500,000	37,500,000
Estimated Professional Expenses & Agency fees	9,000,000	4,206,571
Marketing/Printing/Photocopying Costs and OPEs	1,000,000	118,285
Listing Fee	150,000	253,611
Total Expenses	125,743,125	124,378,164
Net Proceeds	**₱9,874,256,875**	**₱9,875,621,836**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱9.88 billion. Net proceeds were used to partially finance various projects.

₱3.0 Billion Fixed Rate Bonds due 2024

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱3,000,000,000**	**₱3,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	757,500	757,500
Documentary Stamp Tax	22,500,000	22,500,000
Underwriting Fee	11,250,000	11,025,000
Estimated Professional Expenses & Agency fees	9,000,000	3,965,235
Marketing/Printing/Photocopying Costs and OPEs	1,000,000	69,300
Listing Fee	150,000	151,708
Total Expenses	44,657,500	42,433,978
Net Proceeds	**₱2,955,342,500**	**₱2,957,566,022**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱2.96 billion. Net proceeds were used to partially finance various projects.

₱8.0 Billion Fixed Rate Bonds due 2026

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱8,000,000,000**	**₱8,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588,125	2,588,125
Documentary Stamp Tax	60,000,000	60,000,000
Underwriting Fee	30,000,000	30,000,000
Estimated Professional Expenses & Agency fees	9,000,000	6,066,185
Marketing/Printing/Photocopying Costs and OPEs	5,000,000	338,659
Listing Fee	150,000	218,167
Total Expenses	106,738,125	99,211,136
Net Proceeds	**₱7,893,261,875**	**₱7,900,788,864**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱7.90 billion. Net proceeds were used to partially finance various projects.

₱10.0 Billion Fixed Rate Bonds due 2028

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱10,000,000,000**	**₱10,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525,000	2,525,000
Documentary Stamp Tax	75,000,000	75,000,000
Underwriting Fee	37,500,000	37,500,000
Estimated Professional Expenses & Agency fees	9,000,000	4,901,843
Marketing/Printing/Photocopying Costs and OPEs	5,000,000	622,938
Listing Fee	200,000	200,000
Total Expenses	129,225,000	120,749,781
Net Proceeds	**₱9,870,775,000**	**₱9,879,250,219**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱9.88 billion. Net proceeds were used to partially finance various projects.

₱7.0 Billion Fixed Rate Bonds due 2027

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱7,000,000,000**	**₱7,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,767,500	1,767,500
Documentary Stamp Tax	35,000,000	35,000,000
Underwriting Fee	26,250,000	26,250,000
Estimated Professional Expenses & Agency fees	9,000,000	3,161,187
Marketing/Printing/Photocopying Costs and OPEs	5,000,000	990,430
Listing Fee	100,000	100,000
Total Expenses	74,617,500	67,269,117
Net Proceeds	**₱6,925,382,500**	**₱6,932,730,883**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱6.92 billion. Net proceeds were used to partially finance various projects.

₱7.0 Billion Fixed Rate Bonds due 2023 and ₱3.0 Billion Homestarter Bonds due 2019

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱10,000,000,000**	**₱10,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525,000	2,525,000
Documentary Stamp Tax	50,000,000	50,000,000
Underwriting Fee	44,250,000	26,250,000
Estimated Professional Expenses & Agency fees	9,000,000	2,960,000
Marketing/Printing/Photocopying Costs and OPEs	5,000,000	201,849
Listing Fee	200,000	200,000
Total Expenses	110,975,000	82,136,849
Net Proceeds	**₱9,889,025,000**	**₱9,917,863,151**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱9.9 billion. Net proceeds were used to partially finance various projects.

₱7.0 Billion Fixed Rate Bonds due 2025

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱7,000,000,000**	**₱8,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,767,500	1,767,500
Documentary Stamp Tax	35,000,000	35,000,000
Underwriting Fee	26,250,000	26,250,000
Estimated Professional Expenses & Agency fees	7,500,000	2,301,963
Marketing/Printing/Photocopying Costs and OPEs	2,500,000	248,847
Listing Fee	100,000	100,000
Total Expenses	73,117,500	65,668,310
Net Proceeds	**₱6,926,882,500**	**₱6,934,331,690**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱7.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱6.9 billion. Net proceeds were used to partially finance various projects.

₱8.0 Billion Fixed Rate Bonds due 2026

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱8,000,000,000**	**₱8,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588,125	2,588,125
Documentary Stamp Tax	40,000,000	40,000,000
Underwriting Fee	30,000,000	30,000,000
Estimated Professional Expenses & Agency fees	7,500,000	3,651,246
Marketing/Printing/Photocopying Costs and OPEs	2,500,000	398,937.60
Listing Fee	100,000	100,000.00
Total Expenses	82,688,125	76,738,308.60
Net Proceeds	**₱7,917,311,875**	**₱7,923,261,691.40**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱7.9 billion. Net proceeds were used to partially finance various projects.

₱7.0 Billion Fixed Rate Bonds due 2022

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱7,000,000,000**	**₱7,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	-	–
Documentary Stamp Tax	35,000,000	35,000,000
Underwriting Fee	26,250,000	25,725,000
Estimated Professional Expenses & Agency fees	5,740,000	3,058,763
Marketing/Printing/Photocopying Costs and OPEs	2,500,000	19,308
Listing Fee	100,000	100,000
Total Expenses	69,590,000	63,903,071
Net Proceeds	**₱6,930,410,000**	**₱6,936,096,929**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱7.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱6.9 billion. Net proceeds were used to partially finance various projects.

₱4.0 Billion in Fixed Rate Bonds due 2020 and ₱2.0 Billion Fixed Rate Bonds due 2033

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱6,000,000,000**	**₱6,000,000,000**
Expenses		
Documentary Stamp Tax	30,000,000	30,000,000
Upfront Fees		
Underwriting Fee (375 bps + GRT)	22,500,000	22,500,000
Professional Expenses	1,457,500	2,517,808
Listing Fee	100,000	100,000
Out of Pocket Expenses (publication, printing etc.)	1,000,000	5,530
Total Expenses	**55,057,500**	**55,123,338**
Net Proceeds	**₱5,944,942,500**	**₱5,944,876,662**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱6.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱5.9 billion. Net proceeds were used to partially finance various projects.

₱9.35 Billion Fixed Rate Callable Bonds due 2019 and ₱5.65 Billion Fixed Rate Callable Bonds due 2022

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱15,000,000,000**	**₱15,000,000,000**
Expenses		
Documentary Stamp Tax	75,000,000	75,000,000
Underwriting Fee	54,035,000	54,035,000
Rating Fee	5,040,000	4,125,000
SEC Registration		
SEC Registration Fee	4,312,500	4,312,500
SEC Legal Research Fee	43,125	43,125
Professional Expenses	1,960,000	3,064,146
Marketing/Printing/Photocopying Costs and OPEs	500,000	383,756
Registry and Paying Agency Fee	337,500	1,056,315
Trustee Fees	112,500	20,000
Listing Fee	100,000	443,667
Total Expenses	**141,440,625**	**142,483,508**
Net Proceeds	**₱14,858,559,375**	**₱14,857,516,492**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱15.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱14.9 billion. Net proceeds were used to partially finance various projects.

₱33.0 Billion Fixed Rate Bonds due 2024 (Series A- ₱12.0 Billion), 2027 (Series B- ₱7.0 Billion) and 2029 (Series C- ₱14.0 Billion)

(In pesos)	Estimated per prospectus	Actual
Issue Amount	**₱3,000,000,000**	**₱3,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	8,332,530	8,332,530
Documentary Stamp Tax	247,500,000	247,500,000
Underwriting Fee	123,750,000	123,750,000
PDEX Listing Fee	100,000	585,200
Accounting	2,000,000	1,800,000
Legal	80,000	633,408
Credit Rating	6,600,000	3,780,000
Registry and Paying Agency	300,000	300,000
Trusteeship	150,000	150,000
Out-of-pocket expenses	500,000	186,924
Total Estimated Upfront Expenses	389,312,530	387,018,062
Net Proceeds	**₱32,610,687,470**	**₱32,612,981,938**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱33.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱32.61 billion were used to partially refinance various short-term Philippine peso-denominated obligations amounting to ₱22.10 billion and approximately ₱10.52 billion to fund general corporate requirements, including but not limited to expenses in the ordinary course of business including the ₱1.20 billion worth of various capital expenditures.

₱12.0 Billion Fixed Rate Bonds due 2028

(In pesos)	**Estimated per prospectus**	**Actual**
Issue Amount	**₱12,000,000,000**	**₱12,000,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,030,060	3,030,060
Documentary Stamp Tax	90,000,000	90,000,000
Underwriting Fee	45,000,000	45,000,000
PDEX Listing Fee	100,000	222,600
Accounting	2,500,000	2,500,000
Legal	562,768	1,012,996
Credit Rating	2,402,232	2,462,500
Registry and Paying Agency	285,000	285,000
Trusteeship	150,000	150,000
Out-of-pocket expenses	500,000	92,656
Total Estimated Upfront Expenses	144,530,060	144,755,812
Net Proceeds	**₱11,855,469,940**	**₱11,855,244,188**
Balance of Proceeds as of 12.31.2022		**NIL**

Ayala Land raised from the Bonds gross proceeds of ₱12.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱11.86 billion were used to partially refinance short-term loans that were drawn to finance the full settlement of the Company's 6.0% per annum ₱5.65 billion fixed-rate bonds issued in 20124 ("6.0% ALI 2022 Bonds") and the balance to partially fund the settlement of the 4.5% per annum ₱7.00 billion fixed-rate bonds issued in 20155 ("4.5% ALI 2022 Bonds", together, the "ALI 04-2022 Bonds") that matured on April 27 and 29, 2022, respectively, and approximately ₱1.00 billion to fund general corporate requirements, including but not limited to expenses in the ordinary course of business including capital expenditures.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Ayala Land, Inc. (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein for the years ended December 31, 2021, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company and its subsidiaries in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

FERNANDO ZOBEL DE AYALA
Chairman, Board of Directors

BERNARD VINCENT O. DY
President & Chief Executive Officer

AUGUSTO D. BENGZON
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this FEB 24 2022 at Makati City, affiants exhibiting to me their respective Passports, to wit:

Name	Passport No.	Date & Place of Issue
Fernando Zobel de Ayala	P0349883B	January 22, 2019 – DFA Manila
Bernard Vincent O. Dy	P7090533B	July 1, 2021 – DFA Manila
Augusto D. Bengzon	P4323352B	January 8, 2020 – DFA NCR East

Doc. No. 101 ;
Page No. 22 ;
Book No. XLII ;
Series of 2022.

ROBERTO T. ONGSIAKO
NOTARY PUBLIC
ROLL NO. 37041
MAKATI CITY, PHILIPPINES

ROBERTO T. ONGSIAKO
Notary Public – Makati City
Appt. No. M-149 until December 31, 2022
Roll of Attorneys No. 37041
Lifetime IBP No. 02163 – RSM Chapter
PTR No. 8852355MJ – 01/03/2022 - Makati City
MCLE Compliance No. VII – 0000267 – 07/30/2019
4th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

Notarial DST pursuant to
Section. 188 of the Tax Code
affixed in Notary Public's copy

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	5	2	7	4	7					

COMPANY NAME

AYALA LAND, INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
iru@ayalaland.com.ph	7 908-3677	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
11,789	04/27	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ma. Luisa D. Chiong	chiong.malou@ayalaland.com.ph	7 908-3681	

CONTACT PERSON's ADDRESS

30th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

Opinion

We have audited the accompanying consolidated financial statements of Ayala Land, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared are in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2021 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve the application of significant judgment and estimation on the following: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) application of the output method as the measure of progress in determining real estate revenue; (3) determination of the actual costs incurred as cost of sales; and (4) recognition of cost to obtain a contract.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as past history with buyers, age of residential and office development receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, after considering the impact of coronavirus pandemic, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's specialists (project engineers). This is based on the monthly project accomplishment report prepared by the third party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the Group itself.

In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Group identifies sales commission after contract inception as the cost of obtaining the contract. For contracts which qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain contract and recognizes the related commission payable. The Group uses percentage of completion (POC) method in amortizing sales commission consistent with the Group's revenue recognition policy.

In 2021, the Group adopted the provisions of PFRS 15 covered by Philippine Interpretations Committee (PIC) Q&A 2018-12-E on the treatment of land in the calculation of POC. The Group applied the modified retrospective approach decreasing the beginning retained earnings and non-controlling interests by ₱2.84 billion and ₱16 million, respectively.

The disclosures related to real estate revenue are included in Notes 2 and 3 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's real estate revenue recognition process, policies and procedures.

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We also considered the impact of the coronavirus pandemic to the level of cancellations during the year. We traced the analysis to supporting documents such as deed of cancellations.

For the application of the output method, in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC, and performed tests of the relevant controls. We obtained the certified POC reports prepared by the project engineers and assessed their competence and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries, including inquiries on how the coronavirus pandemic affected the POC during the period and obtained the supporting details of POC reports showing the completion of the major activities of project construction.

For the cost of real estate sales, we obtained an understanding of the Group's cost accumulation process and performed tests of the relevant controls. For selected projects, we traced costs accumulated, including those incurred but not yet billed, to supporting documents such as invoices and accomplishment reports from the contractors and official receipts.

For the recognition of cost to obtain a contract, we obtained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating the sales commission capitalized and the portion recognized in profit or loss, particularly the following: (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (i.e., net contract price) against the related contract to sell, and, (c) the POC against the POC used in recognizing the related revenue from real estate sales.

On the adoption of PIC Q&A 2018-12-E, we obtained and reviewed the computation and supporting documents consisting primarily of the reserves memo, contracts, billings and incurred costs. We recomputed the impact of the change in POC.

Impairment Testing of Property and Equipment and Right-of-Use Assets of Hotels and Resorts Segment

In view of the continuing community quarantines and restricted travel, the Group's hotels and resorts segment continues to be adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported for this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment. These events and conditions are impairment indicators requiring the assessment of the recoverable amount of the property and equipment and right-of-use assets, which involves significant judgment, estimation and assumptions about occupancy rates, average room rates, gross margin, as well as external inputs such as discount rates. In addition, because of the coronavirus pandemic, there is the heightened level of uncertainty on the future economic outlook and market forecast. Accordingly, such impairment assessment and testing is a key audit matter in our audit.

The disclosures in relation to property and equipment and right-of-use assets are included in Note 3 to the consolidated financial statements.

Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used in estimating the recoverable amount. These assumptions include occupancy rates, average room rates, gross margin as well as external inputs such as discount rate. We compared the key assumptions used such as occupancy rates, average room rates and gross margin against industry forecasts and with historical information, adjusted to take into consideration the impact associated with the coronavirus pandemic. We tested the discount rate by comparing against market data. We also reviewed the Group's disclosures about these assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of property and equipment and right-of-use assets.

Consolidation Process

The consolidated financial statements of the Group represents the consolidation of the financial statements of Ayala Land, Inc. and its various direct and indirect subsidiaries. We consider the Group's consolidation process as a key audit matter because of the complexity arising from the numerous component entities within the Group requiring layers of consolidation, voluminous intercompany transactions within the Group that require elimination, monitoring of fair value adjustments arising from business combinations, and adjustments to non-controlling interests. Note 1 to the consolidated financial statements provides the relevant information on the Group's subsidiaries.

Audit Response

We obtained an understanding of the Group's consolidation process and the Group's process for identifying related parties and related party transactions and the reconciliation of intercompany balances. We tested significant consolidation adjustments, including elimination, deferral and realization of profit or recoveries from intercompany transactions and balances, amortization/depreciation/reversal of fair value adjustments arising from business combinations, the currency translation adjustments, movements in non-controlling interests and other equity adjustments. We evaluated whether the accounting policies of the Group has been consistently applied.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the consolidated financial statements.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael C. Sabado.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
Tax Identification No. 160-302-865
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 0664-AR-4 (Group A)
November 11, 2019, valid until November 10, 2022
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023
PTR No. 8854360, January 3, 2022, Makati City

February 24, 2022

AYALA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 29)	**₱13,971,437**	₱17,037,347
Short-term investments (Notes 5 and 29)	**325,641**	358,120
Financial assets at fair value through profit or loss (Notes 6 and 29)	**700,803**	965,171
Accounts and notes receivable (Notes 7 and 29)	**100,097,451**	101,145,909
Inventories (Note 8)	**148,156,725**	146,743,592
Other current assets (Note 9)	**65,300,897**	58,020,962
Total Current Assets	**328,552,954**	324,271,101
Noncurrent Assets		
Noncurrent accounts and notes receivable (Notes 7 and 29)	**43,663,620**	46,021,255
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 10 and 29)	**981,270**	1,511,443
Investments in associates and joint ventures (Note 11)	**28,152,733**	26,601,254
Right-of-use assets (Note 33)	**12,156,240**	13,008,175
Investment properties (Note 12)	**243,397,632**	222,684,850
Property and equipment (Note 13)	**41,778,353**	43,446,968
Deferred tax assets - net (Note 23)	**12,890,122**	12,121,515
Other noncurrent assets (Notes 14 and 26)	**33,891,439**	31,827,813
Total Noncurrent Assets	**416,911,409**	397,223,273
	₱745,464,363	₱721,494,374

LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt (Notes 16 and 29)	**₱16,782,500**	₱9,131,325
Accounts and other payables (Notes 15 and 29)	**136,690,396**	144,625,922
Income tax payable	**506,638**	1,455,612
Current portion of lease liabilities (Note 33)	**599,363**	466,801
Current portion of long-term debt (Notes 16 and 29)	**26,173,997**	18,732,401
Deposits and other current liabilities (Notes 17 and 29)	**27,471,315**	25,317,246
Total Current Liabilities	**208,224,209**	199,729,307
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 16 and 29)	**180,140,242**	184,087,192
Pension liabilities (Note 26)	**2,103,735**	3,020,797
Lease liabilities - net of current portion (Note 33)	**17,237,991**	17,289,042
Deferred tax liabilities - net (Note 23)	**6,520,263**	7,148,534
Deposits and other noncurrent liabilities (Notes 18 and 29)	**60,735,602**	50,040,170
Total Noncurrent Liabilities	**266,737,833**	261,585,735
Total Liabilities	**474,962,042**	461,315,042

(Forward)

	December 31	
	2021	2020
Equity (Note 19)		
Equity attributable to equity holders of Ayala Land, Inc.		
Paid-in capital	**₱79,897,468**	₱62,953,585
Retained earnings	**168,980,632**	161,660,724
Remeasurement loss on defined benefit plans (Note 26)	**(33,279)**	(818,101)
Fair value reserve of financial assets at FVOCI (Note 10)	**(880,895)**	(748,220)
Cumulative translation adjustments	**261,612**	167,395
Equity reserves (Note 1)	**1,289,611**	585,256
Treasury stock	**(16,894,380)**	(1,260,780)
	232,620,769	222,539,859
Non-controlling interests (Note 19)	**37,881,552**	37,639,473
Total Equity	**270,502,321**	260,179,332
	₱745,464,363	₱721,494,374

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings Per Share Figures)

	Years Ended December 31		
	2021	2020	2019
REVENUE (Note 20)			
Real estate sales (Notes 20 and 30)	**₱96,144,850**	₱85,965,453	₱157,848,573
Interest income from real estate sales (Notes 7 and 20)	**6,801,012**	8,602,775	7,890,972
Equity in net earnings of associates and joint ventures (Notes 11 and 20)	**842,565**	586,502	965,787
	103,788,427	95,154,730	166,705,332
Interest and investment income (Notes 6, 21 and 25)	**253,107**	394,701	930,445
Other income (Notes 21 and 24)	**2,101,071**	723,268	1,157,935
	2,354,178	1,117,969	2,088,380
	106,142,605	96,272,699	168,793,712
COSTS AND EXPENSES			
Cost of real estate sales (Note 22)	**64,641,519**	56,673,184	94,751,939
General and administrative expenses (Notes 22, 26 and 28)	**6,538,859**	8,011,813	9,367,359
Interest and other financing charges (Note 22)	**11,037,772**	12,745,720	12,199,758
Other expenses (Note 22)	**3,636,915**	3,788,771	1,644,982
	85,855,065	81,219,488	117,964,038
INCOME BEFORE INCOME TAX	**20,287,540**	15,053,211	50,829,674
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 23)			
Current	**5,984,642**	4,687,956	12,455,010
Deferred	**(1,356,465)**	(628,983)	859,633
	4,628,177	4,058,973	13,314,643
NET INCOME	**₱15,659,363**	₱10,994,238	₱37,515,031
Net income attributable to:			
Equity holders of Ayala Land, Inc. (Note 27)	**₱12,228,148**	₱8,727,155	₱33,188,399
Non-controlling interests	**3,431,215**	2,267,083	4,326,632
	₱15,659,363	₱10,994,238	₱37,515,031
Earnings Per Share (Note 27)			
Net income attributable to equity holders of Ayala Land, Inc.:			
Basic and diluted	**₱0.83**	₱0.59	₱2.25

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019
NET INCOME	**₱15,659,363**	₱10,994,238	₱37,515,031
Other comprehensive income (loss)			
Item that will be reclassified to profit or loss in subsequent years:			
Cumulative translation adjustment	**265,284**	(237,531)	(617,831)
Items that will not be reclassified to profit or loss in subsequent years:			
Fair value reserve of financial assets at FVOCI (Note 10)	**(97,378)**	(426,088)	(3,220)
Remeasurement gain (loss) on pension liabilities (Note 26)	**1,099,585**	(686,987)	(167,754)
Income tax effect	**(274,896)**	206,096	50,326
	992,595	(1,144,510)	(738,479)
TOTAL COMPREHENSIVE INCOME	**₱16,651,958**	₱9,849,728	₱36,776,552
Total comprehensive income attributable to:			
Equity holders of Ayala Land, Inc.	**₱13,049,676**	₱7,872,357	₱32,449,920
Non-controlling interests	**3,602,282**	1,977,371	4,326,632
	₱16,651,958	₱9,849,728	₱36,776,552

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

				Attributable to equity holders of Ayala Land, Inc.										
	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscriptions Receivable	Appropriated Retained Earnings (Note 19)	Unappropriated Retained Earnings (Note 19)	Stock Options Outstanding	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 26)	Fair value reserve of financial assets at FVOCI (Note 10)	Cumulative Translation Adjustments (Note 19)	Equity Reserves (Note 19)	Treasury Stocks (Note 19)	Total	Non-Controlling Interests	Total Equity
As of January 1, 2021, as previously stated	**₱16,066,829**	**₱49,149,512**	**(₱2,262,756)**	**₱8,000,000**	**₱153,660,724**	**₱–**	**(₱818,101)**	**(₱748,220)**	**₱167,395**	**₱585,256**	**(₱1,260,780)**	**₱222,539,859**	**₱37,639,473**	**₱260,179,332**
Change in accounting policies:														
Adoption of PFRS 15 covered by PIC Q&A 2018-12E	–	–	–	–	**(2,838,041)**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,838,041)**	**(16,298)**	**(2,854,339)**
Capitalized borrowing cost	–	–	–	–	**1,993,029**	**–**	**–**	**–**	**–**	**–**	**–**	**1,993,029**	**–**	**1,993,029**
As of January 1, 2021, as restated	**16,066,829**	**49,149,512**	**(2,262,756)**	**8,000,000**	**152,815,712**	**–**	**(818,101)**	**(748,220)**	**167,395**	**585,256**	**(1,260,780)**	**219,701,818**	**37,623,175**	**257,324,993**
Net income	**–**	**–**	**–**	**–**	**12,228,148**	**–**	**–**	**–**	**–**	**–**	**–**	**12,228,148**	**3,431,215**	**15,659,363**
Other comprehensive income (loss)	**–**	**–**	**–**	**–**	**–**	**–**	**824,689**	**(97,378)**	**94,217**	**–**	**–**	**821,528**	**171,067**	**992,595**
Total comprehensive income	**–**	**–**	**–**	**–**	**12,228,148**	**–**	**824,689**	**(97,378)**	**94,217**	**–**	**–**	**13,049,676**	**3,602,282**	**16,651,958**
Appropriation of retained earnings	–	–	–	**17,000,000**	**(17,000,000)**	**–**	–	–	–	–	–	–	–	–
Cost of stock options	**–**	**150,072**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**150,072**	**–**	**150,072**
Collection of subscription receivable	**–**	**–**	**324,725**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**324,725**	**–**	**324,725**
Stock options exercised	**11,389**	**335,219**	**(346,608)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Statutory merger	**609,626**	**15,859,460**					**(39,867)**	**(35,297)**		**(276,774)**	**(13,976,965)**	**2,140,183**	**(2,140,183)**	**–**
Acquisition of treasury shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,656,635)**	**(1,656,635)**	**–**	**(1,656,635)**
Acquisition of non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**981,129**	**–**	**981,129**	**–**	**981,129**
Net change in non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**553,837**	**553,837**
Cash dividends declared	**–**	**–**	**–**	**–**	**(4,063,228)**	**–**	**–**	**–**	**–**	**–**	**–**	**(4,063,228)**	**(1,757,559)**	**(5,820,787)**
As of December 31, 2021	**₱16,687,844**	**₱65,494,263**	**(₱2,284,639)**	**₱25,000,000**	**₱143,980,632**	**₱–**	**(₱33,279)**	**(₱880,895)**	**₱261,612**	**₱1,289,611**	**(₱16,894,380)**	**₱232,620,769**	**₱37,881,552**	**₱270,502,321**
As of January 1, 2020	₱16,051,984	₱48,598,641	(₱1,878,179)	₱8,000,000	₱148,940,236	₱42,279	(₱337,210)	(₱457,358)	₱250,440	(₱7,056,459)	(₱1,104,353)	₱211,050,021	₱31,655,547	₱242,705,568
Net income	–	–	–	–	8,727,155	–	–	–	–	–	–	8,727,155	2,267,083	10,994,238
Other comprehensive loss	–	–	–	–	–	–	(480,891)	(290,862)	(83,045)	–	–	(854,798)	(289,712)	(1,144,510)
Total comprehensive income	–	–	–	–	8,727,155	–	(480,891)	(290,862)	(83,045)	–	–	7,872,357	1,977,371	9,849,728
Cost of stock options	–	154,199	–	–	–	(42,279)	–	–	–	–	–	111,920	–	111,920
Collection of subscription receivable	–	–	26,940	–	–	–	–	–	–	–	–	26,940	–	26,940
Stock options exercised	14,845	396,672	(411,517)	–	–	–	–	–	–	–	–	–	–	–
Acquisition of treasury shares	–	–	–	–	–	–	–	–	–	–	(156,427)	(156,427)	–	(156,427)
Disposal of non-controlling interest	–	–	–	–	–	–	–	–	–	7,641,715	–	7,641,715	–	7,641,715
Increase in non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	4,937,740	4,937,740
Cash dividends declared	–	–	–	–	(4,006,667)	–	–	–	–	–	–	(4,006,667)	(931,185)	(4,937,852)
As of December 31, 2020	₱16,066,829	₱49,149,512	(₱2,262,756)	₱8,000,000	₱153,660,724	₱–	(₱818,101)	(₱748,220)	₱167,395	₱585,256	(₱1,260,780)	₱222,539,859	₱37,639,473	₱260,179,332

(Forward)

				Attributable to equity holders of Ayala Land, Inc.										
	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscriptions Receivable	Appropriated Retained Earnings (Note 19)	Unappropriated Retained Earnings (Note 19)	Stock Options Outstanding	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 26)	Fair value reserve of financial assets at FVOCI (Note 10)	Cumulative Translation Adjustments (Note 19)	Equity Reserves (Note 19)	Treasury Stocks (Note 19)	Total	Non-Controlling Interests	Total Equity
As of January 1, 2019	₱16,041,530	₱47,985,990	(₱1,676,556)	₱8,000,000	₱123,473,337	₱65,462	(₱219,782)	(₱454,138)	₱868,271	(₱7,400,945)	₱–	₱186,683,169	₱32,621,997	₱219,305,166
Net income	–	–	–	–	33,188,399	–	–	–	–	–	–	33,188,399	4,326,632	37,515,031
Other comprehensive loss	–	–	–	–	–	–	(117,428)	(3,220)	(617,831)	–	–	(738,479)	–	(738,479)
Total comprehensive income	–	–	–	–	33,188,399	–	(117,428)	(3,220))	(617,831)	–	–	32,449,920	4,326,632	36,776,552
Cost of stock options	–	166,039	–	–	–	(23,183)	–	–	–	–	–	142,856	–	142,856
Collection of subscription receivable	–	–	255,443	–	–	–	–	–	–	–	–	255,443	–	255,443
Stock options exercised	10,454	446,612	(457,066)	–	–	–	–	–	–	–	–	–	–	–
Acquisition of treasury shares	–	–	–	–	–	–	–	–	–	–	(1,104,353)	(1,104,353)	–	(1,104,353)
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	–	344,486	–	344,486	(3,991,324)	(3,646,838)
Cash dividends declared	–	–	–	–	(7,721,500)	–	–	–	–	–	–	(7,721,500)	(1,301,758)	(9,023,258)
As of December 31, 2019	₱16,051,984	₱48,598,641	(₱1,878,179)	₱8,000,000	₱148,940,236	₱42,279	(₱337,210)	(₱457,358)	₱250,440	(₱7,056,459)	(₱1,104,353)	₱211,050,021	₱31,655,547	₱242,705,568

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱20,287,540**	₱15,053,211	₱50,829,674
Adjustments for:			
Interest and other financing charges (Note 22)	**11,037,772**	12,745,720	12,199,758
Depreciation and amortization (Notes 12, 13, 14, 22 and 33)	**8,820,507**	9,572,572	9,058,710
Dividends received from investees (Note 11)	**321,617**	758,714	386,241
Provision for impairment losses (Note 22)	**539,692**	977,849	568,775
Cost of share-based payments (Note 28)	**150,072**	111,920	142,856
Unrealized (gain) loss on financial assets at fair value through profit or loss (Note 6)	**(99,372)**	40,116	1,965
Gain on sale of property and equipment (Note 21)	**–**	(23,265)	(40,870)
Equity in net earnings of associates and joint ventures (Note 11)	**(842,565)**	(586,502)	(965,787)
Gain on sale of investment in associates and jointly controlled entities (Note 11)	**(807,618)**	–	–
Interest income	**(7,054,119)**	(8,971,289)	(8,780,320)
Operating income before changes in working capital	**32,353,526**	29,679,046	63,401,002
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts and notes receivable – trade	**251,492**	683,154	14,849,682
Inventories (Note 8)	**(1,459,729)**	(10,253,170)	(5,315,783)
Other current assets (Note 9)	**(7,279,935)**	(8,477,188)	(4,520,502)
Increase (decrease) in:			
Accounts and other payables	**(7,690,011)**	(16,164,090)	(15,725,408)
Deposits and other current liabilities (Note 17)	**2,154,067**	(155,341)	(3,071,965)
Pension liabilities (Note 26)	**(92,362)**	346,206	319,979
Cash generated from operations	**18,237,048**	(4,341,383)	49,937,005
Interest received	**7,008,224**	8,925,394	8,768,302
Income tax paid	**(6,933,615)**	(5,355,723)	(11,683,232)
Interest paid	**(10,385,580)**	(11,735,785)	(11,009,836)
Net cash provided by (used in) operating activities	**7,926,077**	(12,507,497)	36,012,239
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Sale/redemption of short-term investments	**41,160**	397,875	2,490,543
Sale/redemption of financial assets at FVTPL	**1,168,987**	1,917,237	765,763
Sale of investments in FVOCI (Note 10)	**–**	21,112	56,858
Disposal of property and equipment (Note 13)	**483,360**	161,997	124,832
Disposal of investment properties (Note 12)	**294,149**	2,203,774	3,669,275
Disposal of investments in associates and jointly controlled entities	**807,618**	326,602	–

(Forward)

	Years Ended December 31		
	2021	2020	2019
Additions to:			
Short-term investments	**(₱8,680)**	(₱138,846)	(₱22,293)
Financial assets at fair value through profit or loss	**(805,248)**	(2,437,088)	(776,919)
Financial assets at FVOCI (Note 10)	**–**	(98,951)	(93,463)
Investments in associates and joint ventures (Note 11)	**(778,748)**	(1,837,901)	(1,529,688)
Investment properties (Note 12)	**(22,030,868)**	(5,544,790)	(29,215,224)
Property and equipment (Note 13)	**(3,215,492)**	(3,098,436)	(10,519,576)
Net decrease (increase) in:			
Accounts and notes receivable - nontrade (Note 7)	**(12,981)**	2,046,114	(564,222)
Other noncurrent assets (Note 14)	**(2,171,784)**	2,865,904	(6,957,950)
Net cash used in investing activities	**(26,228,527)**	(3,215,397)	(42,572,063)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short and long-term debt (Note 16)	**191,282,758**	226,900,910	165,401,684
Payments of short and long-term debt (Note 16)	**(180,536,836)**	(225,720,204)	(140,675,538)
Payments of principal portion of lease liability (Note 33)	**(1,432,361)**	(1,334,674)	(1,179,645)
Increase (decrease) in deposits and other noncurrent liabilities	**10,695,432**	5,706,022	(6,241,773)
Acquisition of non-controlling interest (Note 19)	**1,534,967**	–	(3,646,838)
Increase in non-controlling interests	**–**	235,994	–
Proceeds from IPO sponsorship (Note 19)	**–**	12,343,461	–
Proceeds from capital stock subscriptions (Note 19)	**324,724**	26,940	255,443
Acquisition of treasury shares (Note 19)	**(1,656,635)**	(156,427)	(1,104,353)
Dividends paid to non-controlling interests	**(1,324,396)**	(931,185)	(1,301,758)
Dividends paid to equity holders of Ayala Land, Inc. (Note 19)	**(4,051,013)**	(4,397,061)	(7,754,047)
Net cash provided by financing activities	**14,836,640**	12,673,776	3,753,175
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(3,465,810)**	(3,049,118)	(2,806,649)
EFFECT OF CHANGES IN FOREIGN CURRENCY	**399,900**	(326,576)	(776,880)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**17,037,347**	20,413,041	23,996,570
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱13,971,437**	₱17,037,347	₱20,413,041

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

Ayala Land, Inc. (the Parent Company or ALI) is domiciled and was incorporated on June 30, 1988 in the Republic of the Philippines with corporate life of fifty years. The Parent Company's parent is Ayala Corporation (AC). AC is a publicly listed company which is 47.87%-owned by Mermac, Inc. and the rest by the public as of December 31, 2021. The Parent Company's registered office and principal place of business is 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The Parent Company and its Subsidiaries (the Group) are incorporated to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of, for itself or for others, residential including, but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of real property; to acquire, purchase, hold, manage, develop and sell subdivision lots, with or without buildings or improvements; to erect, construct, alter, manage, operate, lease, in whole or in part, buildings and tenements of the Group or of other persons; and to engage or act as real estate broker. The Group is also involved in hotels and resorts operations.

The consolidated financial statements of Ayala Land, Inc. and Subsidiaries as of December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021 were endorsed for approval by the Audit Committee on February 18, 2022 and were approved and authorized for issue by the Board of Directors (BOD) on February 24, 2022.

The consolidated financial statements represent the consolidation of the financial statements of the Parent Company and the following domestic and foreign subsidiaries:

	December 31	
	2021*	2020*
Real Estate:		
Alveo Land Corporation (Alveo)	**100%**	100%
Serendra, Inc.	**39**	39
Solinea, Inc. (Solinea)	**65**	65
BGSouth Properties, Inc. (BGSouth)	**50**	50
Portico Land Corp. (Portico)	**60**	60
Serendra, Inc.	**28**	28
Amorsedia Development Corporation (ADC)	**100**	100
OLC Development Corporation and Subsidiary	**100**	100
HLC Development Corporation	**100**	100
Allysonia International Ltd.	**100**	100
Avida Land Corporation (Avida)	**100**	100
Buklod Bahayan Realty and Development Corp.	**100**	100
Avida Sales Corp.	**100**	100
Amicassa Process Solutions, Inc.	**100**	100
Avencosouth Corp. (Avencosouth)	**70**	70
BGNorth Properties, Inc. (BGNorth)	**50**	50
Amaia Land Co. (Amaia)	**100**	100
Amaia Southern Properties, Inc. (ASPI)	**65**	65
AyalaLand Premier, Inc.	**100**	100
Ayala Land International Sales, Inc. (ALISI)	**100**	100
Ayala Land International Marketing, Inc. (AIMI)	**100**	100
Ayala Land International (Singapore) Pte. Ltd	**100**	100
Ayala Land International Marketing (Hong Kong) Ltd	**100**	100
Ayala Land International Marketing, SRL (ALIM SRL)	**100**	100
Ayala Land International Marketing London	**100**	100

	December 31	
	2021*	2020*
Ayala Land Sales, Inc.	**100%**	100%
Southportal Properties, Inc. (Southportal)	**100**	65
Buendia Landholdings, Inc.	**100**	100
Crans Montana Holdings, Inc.	**100**	100
Crimson Field Enterprises, Inc.	**100**	100
Ecoholdings Company, Inc. (ECI)	**100**	100
NorthBeacon Commercial Corporation (NBCC)	**100**	100
Red Creek Properties, Inc.	**100**	100
Regent Time International, Limited (Regent Time) (British Virgin Islands)	**100**	100
North Eastern Commercial Corp. (NECC)	**100**	100
Westview Commercial Ventures Corp. (Westview)	**100**	100
North Ventures Commercial Corporation	**100**	100
Hillsford Property Corporation (Hillsford)	**100**	100
Primavera Towncentre, Inc. (PTI)	**100**	100
Summerhill E-Office Corporation (Summerhill)	**100**	100
Sunnyfield E-Office Corporation (Sunnyfield)	**100**	100
Subic Bay Town Centre, Inc. (SBTCI)	**100**	100
Regent Wise Investments Limited (Regent Wise) (Hongkong company)	**100**	100
AyalaLand Real Estate Investments Inc. (Canada)	**100**	100
AyalaLand Advisory Broadway Inc. (Canada)	**100**	100
AyalaLand Development (Canada) Inc.	**100**	100
AyalaLand OpenAsia Holdings PTE, Ltd (Singapore)	**100**	100
Blue Horizons Holdings PTE, Ltd (Singapore)	**100**	100
Modular Construction Technology (MCT) Bhd. (Malaysia)	**66**	66
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	**100**	100
Arvo Commercial Corporation (Arvo)	**100**	100
BellaVita Land Corporation (BellaVita)	**100**	100
Nuevo Centro, Inc. (Nuevo Centro)	**54**	54
Alviera Country Club, Inc. (Alviera)	**50**	50
Cavite Commercial Town Center, Inc. (CCTCI)	**100**	100
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.)	**66**	54
AyalaLand Offices, Inc. (ALO)	**100**	100
First Gateway Real Estate Corp.	**100**	100
Glensworth Development, Inc. (Glensworth)	**100**	100
UP North Property Holdings, Inc.	**100**	100
ALO Prime Realty Corporation	**100**	100
Makati Cornerstone Leasing Corp. (MCLC)	**100**	100
Arca South Commercial Ventures Corp. (ASCVC)	**-**	100
Capitol Central Commercial Ventures Corp.	**100**	100
Bay City Commercial Venture Corp. (BCCVC)	**100**	100
Aurora Properties Incorporated	**81**	81
Soltea Commercial Corp.	**16**	16
Vesta Property Holdings, Inc. (VPHI)	**78**	78
Altaraza Prime Realty Corporation	**100**	100
Altaraza Development Corporation	**51**	51
Prow Holdings, Inc.	**55**	55
Station Square East Commercial Corporation (SSECC)	**69**	69
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.)	**100**	100
Accendo Commercial Corp. (Accendo)	**67**	67
Avencosouth Corp.	**20**	20
Aviana Development Corporation	**7**	7
Aviana Development Corporation	**50**	50

	December 31	
	2021*	2020*
Cagayan de Oro Gateway Corp. (CDOGC)	**70%**	70%
Ceci Realty, Inc. (Ceci)	**60**	60
Soltea Commercial Corp.	**12**	12
Soltea Commercial Corp.	**60**	60
CMPI Holdings, Inc.	**60**	60
CMPI Land, Inc.	**-**	36
ALI-CII Development Corporation (ALI-CII)	**50**	50
Roxas Land Corporation (RLC)	**50**	50
Adauge Commercial Corporation (Adauge)	**60**	60
AyalaLand Estates, Inc	**100**	100
Ayalaland MetroNorth, Inc. (AMNI)	**100**	100
Verde Golf Development Corp.	**100**	100
North Triangle Depot Commercial Corporation (NTDCC)	**73**	73
Ayalaland-Tagle Properties, Inc.	**55**	–
BGWest Properties, Inc. (BGW)	**50**	50
Lagdigan Land Corp. (Lagdigan)	**60**	60
Central Block Developers, Inc. (CBDI)	**–**	45
Central Bloc Hotel Ventures, Inc.	**–**	45
Central Bloc Hotel Ventures, Inc.	**100**	100
Cebu Holdings, Inc. (CHI)	**–**	71
Cebu Leisure Company, Inc.	**–**	71
CBP Theatre Management Inc.	**–**	71
Taft Punta Engaño Property Inc. (TPEPI)	**–**	39
Cebu Insular Hotel Company, Inc. (CIHCI)	**–**	26
Solinea, Inc.	**–**	25
Amaia Southern Properties, Inc. (ASPI)	**–**	25
Southportal Properties, Inc. (Southportal)	**–**	25
Central Block Developers, Inc. (CBDI)	**–**	39
Asian I-Office Properties. Inc. (AIOPI)	**–**	71
Cebu Leisure Company, Inc.	**100**	–
CBP Theatre Management Inc.	**100**	–
Taft Punta Engaño Property Inc. (TPEPI)	**55**	–
Cebu Insular Hotel Company, Inc. (CIHCI)	**37**	–
Solinea, Inc.	**35**	–
Amaia Southern Properties, Inc. (ASPI)	**35**	–
Alabang Commercial Corporation (ACC)	**50**	50
South Innovative Theater Management (SITMI)	**50**	50
ALI Commercial Center, Inc.	**100**	100
AMC Japan Concepts, Inc.	**75**	75
AyalaLand Logistics Holdings Corp. (ALLHC) (formerly Prime Orion Philippines, Inc.)	**71**	71
Orion Solutions, Inc.	**71**	71
Orion I Holdings Philippines, Inc.	**71**	71
OE Holdings, Inc.	**71**	71
Orion Land, Inc.	**71**	71
Lepanto Ceramics, Inc.	**71**	71
Laguna Technopark, Inc. and Subsidiary	**71**	68
Unity Realty & Development Corp. (URDC)	**71**	71
FLT Prime Insurance Corporation	**56**	56
Ayalaland Malls Synergies, Inc.	**100**	100
Ayalaland Malls, Inc. (formerly Solerte, Inc.)	**100**	100
Ayalaland Malls Vismin, Inc.	**100**	100
Ayalaland Malls NorthEast, Inc.	**100**	100

	December 31	
	2021*	2020*
Construction:		
Makati Development Corporation (MDC)	**100%**	100%
MDC Subic, Inc.	**100**	100
MDC Build Plus, Inc.	**100**	100
MDC Conqrete, Inc. (MCI)	**100**	100
MDC Equipment Solutions, Inc. (MESI)	**100**	100
MDBI Construction Corp.	**67**	67
Hotels and Resorts:		
Ayala Hotels, Inc. (AHI)	**50**	50
AyalaLand Hotels and Resorts Corporation (AHRC) and Subsidiaries	**100**	100
ALI Makati Hotel & Residences, Inc.	**80**	80
ALI Makati Hotel Property, Inc.	**80**	80
Regent Horizons Conservation Company, Inc.	**100**	100
Enjay Hotels, Inc. (Enjay)	**100**	100
Greenhaven Property Venture, Inc. (GPVI)	**100**	100
Cebu Insular Hotel Company, Inc. (CIHCI)	**63**	63
Bonifacio Hotel Ventures, Inc.	**100**	100
Southcrest Hotel Ventures, Inc.	**67**	67
Northgate Hotel Ventures, Inc.	**70**	70
North Triangle Hotel Ventures, Inc.	**100**	100
Ecosouth Hotel Ventures, Inc.	**100**	100
Sentera Hotel Ventures, Inc.	**100**	100
Econorth Resorts Ventures, Inc.	**100**	100
ALI Triangle Hotel Ventures, Inc.	**100**	100
Circuit Makati Hotel Ventures, Inc.	**100**	100
Capitol Central Hotel Ventures, Inc.	**100**	100
Arca South Hotel Ventures, Inc.	**100**	100
Sicogon Town Hotel, Inc.	**100**	100
Bay Area Hotel Ventures, Inc.	**100**	100
Makati North Hotel Ventures, Inc. (MNHVI)	**100**	100
One Makati Hotel Ventures, Inc. (OMHVI)	**100**	100
Sicogon Island Tourism Estate Corp. (SITE Corp.)	**100**	100
Asiatown Hotel Ventures, Inc.	**100**	100
One Makati Residential Ventures, Inc.	**100**	100
ALI Makati Hotels & Residences, Inc.	**20**	20
ALI Makati Hotel Property, Inc.	**20**	20
Ten Knots Phils., Inc. (TKPI)	**60**	60
Bacuit Bay Development Corporation	**60**	60
Lio Resort Ventures, Inc.	**60**	60
North Liberty Resort Ventures, Inc.	**60**	60
Paragua Eco-Resort Ventures, Inc.	**60**	60
Lio Tourism Estate Management Corporation	**60**	60
Ten Knots Development, Corp. (TKDC)	**60**	60
Chirica Resorts Corp.	**60**	60
Kingfisher Capital Resources Corp.	**60**	60
Pangulasian Island Resort Corporation	**60**	60
Integrated Eco-resort Inc.	**100**	100
Property Management:		
Ayala Property Management Corporation (APMC)	**100**	100
Prime Support Services, Inc.	**100**	100
Ayala Theatres Management, Inc. (ATMI) and Subsidiaries	**100**	100
DirectPower Services, Inc. (DirectPower)	**100**	100
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	**100**	100
Entertainment:		
Five Star Cinema, Inc.	**100**	100
Leisure and Allied Industries Philippines, Inc. (LAIP)	**50**	50

	December 31	
	2021*	2020*
Others:		
ALInet.com, Inc. (ALInet)	**100%**	100%
First Longfield Investments Limited (First Longfield) (Hongkong Company)	**100**	100
Green Horizons Holdings Limited and Subsidiaries	**100**	100
Aprisa Business Process Solutions, Inc. (Aprisa)	**100**	100
AyalaLand Club Management, Inc.	**100**	100
ALI Capital Corp. (formerly Varejo Corp.) (ALICap)	**100**	100
Airswift Transport, Inc. (formerly Island Transvoyager, Inc.) (Airswift)	**100**	100
Swift Aerodrome Services, Inc. (SASI)	**100**	100
Integrated Eco-resort, Inc.	**100**	100
Arca South Integrated Terminal, Inc. (ASITI)	**100**	100
Whiteknight Holdings, Inc.	**100**	100
Ayalaland Medical Facilities Leasing, Inc.	**100**	100
Anvaya Cove Beach and Nature Club, Inc. (Anvaya Cove Beach)	**73**	73
Anvaya Cove Golf and Sports Club, Inc. (Anvaya Cove Golf)	**76**	76

*represents the Group's percentage and effective ownership

The above companies are domiciled in the Philippines except for the foreign entities which are domiciled and incorporated in the country as mentioned above.

AC owns the other 50.0% of AHI. The Parent Company exercises control over AHI. Likewise, the Parent Company, through its 50.0% effective ownership and by virtue of a management contract or shareholders' agreement, exercises control over the operations and management of ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII and LAIP. Accordingly, the accounts of AHI, ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII and LAIP are consolidated to the accounts of the Parent Company (see Note 3).

The following were the changes in the group structure during 2021:

On March 16, 2021, AREIT's Board of Directors approved the increase of its authorized capital stock from ₱11,740 million to ₱29,500 million and the subscription of ALI and its subsidiaries to 483,254,375 primary common shares of AREIT in exchange for identified commercial properties valued at ₱15,464 million.

On October 8, 2021, Ayala Land, Inc. and AREIT, Inc. received the approval from the SEC of the property-for-share swap, specifically the subscription of ALI and its subsidiaries namely, Westview Commercial Ventures Corp. and Glensworth Development, Inc. (collectively referred to as Subsidiaries) to 483,254,375 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, under the Deed of Exchange dated June 8, 2021. This resulted in ALI's interest in AREIT from 54% to 66%.

Ayalaland-Tagle Properties, Inc. was incorporated with the SEC on August 27, 2021. The Company is 55% owned by ALI, 35% owned by Griffinstone, Inc. and 10% owned by CTM Management Corp. The primary purpose of the Company is to deal and engage in land or real estate business in all its branches and ramifications.

On December 16, 2021, the SEC approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). ALI shall be the surviving entity in the Merger and shall possess all the rights, privileges and immunities of CHI, AiO, ASCVC and CBDI (the "Absorbed Corporations"), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed.

As a result of the above merger, ALI's direct ownership on the seven companies also increased namely Southportal Properties, Inc. (from 85% to 100%), Cebu Leisure Company, Inc. (from 71% to 100%), CBP Theatre Management Inc. (from 71% to 100%), Taft Punta Engaño Property Inc. (from 39% to 55%), Cebu Insular Hotel Company, Inc. (from 26% to 37%), Solinea, Inc (from 25% to 35%), Amaia Southern Properties, Inc. (from 25% to 35%).

2. Summary of Significant Accounting Policies

Basis of Preparation
The consolidated financial statements of the Group have been prepared using the historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional currency and all values are rounded to the nearest thousand (₱000), except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief on the accounting for significant financing components as issued and approved by the SEC in response to the COVID-19 pandemic.

The Group has availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of PIC Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

SEC MC No. 4-2020 deferring the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, *Borrowing Cost* (the IFRIC Agenda Decision on Borrowing Cost) and is not applicable to the Group as is it is already in full compliance with the requirements of the IFRIC Agenda Decision.

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the Adoption of New and Amended Accounting Standards and Interpretations section of Note 2.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares and options under share-based transactions. The portion of profit or loss and net assets in subsidiaries not wholly-owned are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, separately from the Parent Company's equity. Non-controlling interests are net of any outstanding subscription receivable.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction and recognized as equity reserves in the consolidated statement of changes in equity. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

<u>Changes in Accounting Policies</u>
- Adoption of PIC Q&A 2018-12-E

  In 2021, the Group adopted the provision of PFRS 15 covered by PIC Q&A 2018-12-E on the treatment of land in the calculation of POC. The Group applied the modified retrospective approach to recognize the impact of the change with a reduction in the beginning retained earnings by ₱2,838 million and beginning NCI of ₱16.3 million (see Note 19).

- Capitalization of borrowing costs in property and equipment and investment properties

  In 2021, the Group started capitalizing borrowing costs to its property and equipment and investment properties under construction. The Group recognized the impact of the change against the beginning retained earnings in 2021 amounting to ₱1,993 million. The impact to the comparative accounts and amounts are increase in noncurrent assets and equity, and net income by ₱635 million and ₱354 million in 2020 and 2019, respectively.

The changes above did not have any significant impact on the consolidated statement of cash flows of the Group.

Adoption of New and Amended Accounting Standards and Interpretations
The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year except for the adoption of the following new accounting pronouncements which became effective January 1, 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*

  The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

  - The rent concession is a direct consequence of COVID-19;
  - The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
  - Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
  - There is no substantive change to other terms and conditions of the lease.

  A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

  The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted.

  This amendment is not applicable to the Group as there are no rent concessions granted to the Group as a lessee.

- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

  The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - Relief from discontinuing hedging relationships
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

  The Group shall also disclose information about:

  - The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
  - Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

  The Group adopted the amendments beginning January 1, 2021.

- Adoption of PIC Q&A 2018-14, *Accounting for Cancellation of Real Estate Sales* (as amended by PIC Q&A 2020-05)

  On June 27, 2018, PIC Q&A 2018-14 was issued providing guidance on accounting for cancellation of real estate sales. Under SEC MC No. 3-2019, the adoption of PIC Q&A No. 2018-14 was deferred until December 31, 2020. After the deferral period, real estate companies will adopt PIC Q&A No. 2018-14 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

  On November 11, 2020, PIC Q&A 2020-05 was issued which supersedes PIC Q&A 2018-14. This PIC Q&A adds a new approach where the cancellation is accounted for as a modification of the contract (i.e., from non-cancellable to being cancellable). Under this approach, revenues and related costs previously recognized shall be reversed in the period of cancellation and the inventory shall be reinstated at cost. PIC Q&A 2020-05 will have to be applied prospectively from approval date of the Financial Reporting Standards Council which was November 11, 2020.

  The adoption of this PIC Q&A did not impact the consolidated financial statements of the Group since it has previously adopted approach 3 in its accounting for sales cancellation which records the repossessed inventory at cost.

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16 , *Plant and Equipment: Proceeds before Intended Use*
  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *Annual Improvements* to PFRSs 2018-2020 Cycle
  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

  - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

    The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

    An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
  The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - o What is meant by a right to defer settlement
  - o That a right to defer must exist at the end of the reporting period
  - o That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - o That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted.

  The new standard is not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

Deferred Effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  The Group is currently assessing the impact of adopting these amendments.

- Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023. The PIC Q&A provisions covered by the SEC deferral that the Group availed in 2021 follows:

	Deferral Period
Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023

  As discussed under Changes in Accounting Policies, the Group adopted the provision of PFRS 15 that covered its treatment of land in the determination of POC as discussed in PIC Q&A 2018-12-E. As allowed under SEC MC No. 34, the Group adopted the change under the modified restrospective approach.

  The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

  a. The accounting policies applied.
  b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
  c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
  d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

  After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

  The Group availed of the SEC relief on the accounting for significant financing component of PIC Q&A No. 2018-12. Had this provision been adopted, the Group assessed that the impact would have been as follows:

  The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements. Adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable, provision for deferred income tax, deferred tax asset or liability for all years presented, and the opening balance of retained earnings. These would have impacted the cash flows from operations and cash flows from financing activities for all years presented. The Group believes that the mismatch for its contract to sell does not constitute a significant financing component that is material to the Group based on the examples provided in the PIC letter dated November 11, 2020.

Current and Noncurrent Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification. An asset is current when it is:

(a) Expected to be realized or intended to be sold or consumed in normal operating cycle;
(b) Held primarily for the purpose of trading;
(c) Expected to be realized within 12 months after reporting date; or
(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by corporate finance after discussion with and approval by the Parent Company's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Group, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and that are subject to an insignificant risk of change in value.

Financial Instruments
Date of recognition
The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Financial assets

Initial recognition of financial instruments
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables, except for contracts with customers in residential, commercial and office development receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Interest income and impairment losses or reversals are recognized in the consolidated statement of comprehensive income. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments and accounts and notes receivables.

Disposal of financial assets at amortized cost
When financial assets at amortized cost are disposed, these are assessed whether the Group is consistent with its objective of collecting contractual cash flows until maturity. In the event that disposals have been concluded as infrequent and insignificant, the financial assets continue to be accounted at amortized cost (see Note 7).

Financial assets at fair value through OCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

This category includes investment in bonds classified as financial assets at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's financial assets at fair value through OCI includes investments in quoted and unquoted equity instruments.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of income.

Investments in Unit Investment Trust Fund (UITF), treasury bills and investment in ARCH Capital Asian Partners L.P. (ARCH Capital Fund) are held for trading and classified as financial assets at FVPL.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Modification of financial assets
The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of income.

Impairment of Financial Assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for trade receivables and a vintage analysis for residential, commercial and office development receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables in default when contractual payments are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fees and other fees.

The Group's financial liabilities include "Accounts and other payables" (other than "Taxes payable" which is covered by another accounting standard), "Short-term and long-term debts", "Deposits and Other Liabilities" and "Lease liabilities".

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of income.

Only if the criteria in PFRS 9 are satisfied, the designation of financial liabilities at fair value through profit or loss at the initial date of recognition is allowed. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to short term and long term debt.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position, if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Derivatives
The Group uses derivative financial instruments, such as non-deliverable forwards, cross currency swaps, interest rate swaps and principal only swaps contracts to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Refundable Deposits
Refundable deposits are measured initially at fair value. After initial recognition, refundable deposits are subsequently measured at amortized cost using the effective interest method.

The difference between the cash received and its fair value is deferred and amortized using the straight-line method under the “Real estate revenue” account in the consolidated statement of income.

Non-refundable deposits that are applicable against costs of services incurred or goods delivered are measured at fair value.

Concession Receivable
The Group accounts for its concession arrangement with the DOTr under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial asset for its construction services from or at the direction of the grantor. Under the concession arrangement, the Group is awarded the right to build and operate an integrated transport terminal for Metro Manila and its adjacent provinces. The legal title to these assets shall be transferred to the government at the end of the concession period.

The “Concession Financial Receivable” (shown as part of “Other Noncurrent Assets”) pertains to the fair value of the Annual Grantor Payment related to the operating and maintenance services and recovery of construction costs of the terminal facility. These are amortized using the effective interest rate over the life of the related concession.

In addition, the Group recognizes and measures construction revenues and costs in accordance with 'percentage of completion method'. Contract revenue and costs from construction works are recognized as "Construction Revenue" and "Construction Costs", respectively, in profit or loss in the period in which the work is performed.

Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Land cost
- Land improvement cost
- Amounts paid to contractors for construction and development
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Inventories that are leased out at market rates to earn revenues to partly cover for expenses on the condition that the intent to sell in the ordinary course of business has not changed are accounted and presented as inventory. The rent income from inventories that are leased out is included in other income in the consolidated statement of comprehensive income.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

Prepaid Expenses

Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, and insurance.

With the exception of commission which is amortized using percentage of completion, other prepaid expenses are amortized as incurred.

Input Value-Added Tax (VAT)

Input VAT arises from the purchase of goods and services. These are applied against output VAT. The remaining balance is recoverable in future periods. These are carried at cost less allowance for impairment loss, if any. Impairment loss is recognized when input VAT can no longer be recovered.

Materials, Parts and Supplies

Materials, parts and supplies are valued at the lower of cost or NRV. Cost is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

An allowance for inventory losses is provided for slow-moving, obsolete and defective materials, parts and supplies based on management's physical inspection and evaluation. When inventories are sold, the cost and related allowance is removed from the account and the difference is charged against operations.

Advances to Other Companies and Advances to Contractors and Suppliers

Advances to other companies and advances to contractors and suppliers are carried at cost less impairment losses, if any.

Investments in Associates and Joint Ventures

Investments in associates and joint ventures (investee companies) are accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes an associate or joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as subsumed goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and instead included in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Unless otherwise, additional losses are not recognized when the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Upon loss of significant influence over the investee companies, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in the consolidated statement of income.

Interest in Joint Operation
Makati Development Corporation (MDC), a subsidiary of the Parent Company, has an interest in joint arrangement, whereby the parties have a contractual arrangement that establishes joint control. MDC recognizes its share of jointly held assets, liabilities, income and expenses of the joint operation with similar items, line by line, in its financial statements.

The financial statements of the joint operation are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investment Properties
Investment properties comprise completed property and property under construction or under re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the companies in the Group.

The Group uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Expenditures incurred after the has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Assets that are under construction are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation or under the condition as intended by the Group.

Depreciation of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful lives of investment properties which comprised of buildings, range from 20-40 years.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statement of income in the year of retirement or disposal.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

The Group discloses the fair values of its investment properties in accordance with PAS 40. The Group engages independent valuation specialist to assess the fair values as at December 31, 2021 and 2020. The Group’s investment properties consist of land and building pertaining to land properties, retail (malls) and office properties. These are valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property and income approach by reference to the value of income, cash flow or cost saving generated by the asset.

Property and Equipment

Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The initial cost of property and equipment comprises its construction cost or purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, including borrowing costs.

Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Buildings and improvements	20-40
Machinery and construction equipment	5
Furniture, fixtures and equipment	3-10
Transportation equipment	3-5
Hotel property and equipment	20-50

The assets' residual values, estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the amounts, periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment items are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

Leasehold rights with finite lives are amortized using the straight-line method over the estimated useful life of 20 to 23 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income.

As of December 31, 2021 and 2020 intangible asset pertaining to leasehold right is included under "Other noncurrent assets".

Buildings Classified as Held for Sale

Buildings classified as held for sale are stated at the lower of its carrying amount and fair value less costs to sell. These are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. The Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method which involves recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interests in the acquiree. The identifiable assets acquired and liabilities assumed of the acquiree are recognized as of the acquisition date and measured at fair value as at that date. For each business combination, the acquirer measures the non-controlling interest in the acquiree at fair value of the acquiree's identifiable net assets. Acquisition related costs are expensed in the period which the costs are incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as bargain purchase gain. The Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure amounts to be recognized at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the acquirer shall account for the combination using those provisional values. The acquirer shall recognize any adjustments to those provisional values as a result of completing the initial accounting within twelve (12) months of the acquisition date as follows: (i) the carrying amount of the identifiable asset, liability or contingent liability that is recognized or adjusted as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date; (ii) goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted; and (iii) comparative information presented for the period before the initial accounting for the combination is complete shall be presented as if the initial accounting has been completed from the acquisition date.

Combinations of entities under common control
Business combinations of entities under common control are accounted for using the pooling of interest method. The pooling of interest method is generally considered to involve the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination. The only adjustments that are made are those adjustments to harmonize accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity acquired is reflected within equity.
- The consolidated statement of income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparatives are presented as if the entities had always been combined.

The effects of intercompany transactions on current assets, current liabilities, revenues, and cost of sales for the current period presented and on retained earnings at the beginning of the current period presented are eliminated to the extent possible.

Asset Acquisitions
If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, the transaction is accounted for as an asset acquisition. The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction or event does not give rise to goodwill. Where the Group acquires a controlling interest in an entity that is not a business, but obtains less than 100% of the entity, after it has allocated the cost to the individual assets acquired, it notionally grosses up those assets and recognizes the difference as non-controlling interests.

Impairment of Nonfinancial Assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired (e.g. investments in associates and joint ventures, investment properties, property and equipment and right-of-use assets). If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The following criteria are also applied in assessing impairment of specific assets:

Investments in associates and joint ventures
After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the consolidated statement of income.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Pension Cost
Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur. Pension cost includes: a) service costs comprising current service costs, past-service costs, b) gains and losses on curtailments and non-routine settlements, and c) net interest cost on benefit obligation.

Remeasurements, comprising of actuarial gains or losses, the effect of the asset ceiling, excluding net interest cost and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

Share-based Payments
The Group has equity-settled, share-based compensation plans with its employees.

PFRS 2 Options
For options granted after November 7, 2002 that have not vested on or before January 1, 2005, the cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the Black-Scholes model, further details of which are given in Note 28.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instrument that will ultimately vest. The income or expense for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Pre-PFRS 2 Options
For options granted before November 7, 2002 that has vested before January 1, 2005, the intrinsic value of stock options determined as of grant date is recognized as expense over the vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see Note 28).

Employee Stock Ownership Plan
The Parent Company has an employee stock ownership plan (ESOWN) which allows the grantees to purchase the Parent Company's shares. The Parent Company recognizes stock compensation expense over the holding period. The Parent Company treats its ESOWN plan as option exercisable within a given period. These are accounted for similar to the PFRS 2 options. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. For the unsubscribed shares where the employees still have the option to subscribe in the future, these are accounted for as options.

Equity
When the shares are sold at a premium, the difference between the proceeds and the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Subscriptions receivable pertains to the uncollected portion of the subscribed shares.

Retained earnings represent accumulated earnings of the Group less dividends declared.

Equity reserves pertain to the excess of the cost of business combinations over the net carrying amounts of the assets and liabilities of the acquired companies. Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid shall be recognized directly in equity and included under “Equity reserves” account in the equity section of the consolidated statement of financial position.

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Revenue from Contract with Customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Except for the provisioning of water, electricity, air-conditioning and common use service area in its mall retail spaces, wherein it is acting as agent, the Group has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Real estate sales

The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group’s performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue and the related trade receivables on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by the third party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as trade receivables under residential and office development receivables account. Any excess of collections over the total of recognized trade receivables is included in the “customer’s deposit” account in the liabilities section of the consolidated statement of financial position. The impact of the significant financing component on the transaction price has not been considered since the Group availed of the relief granted by the SEC under Memorandum Circular No. 34, which has been extended until December 31, 2023.

Cost recognition

The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Hotel and resorts revenue (part of real estate sales in the consolidated statement of income)
The Group recognizes room accommodation services over time since the guest simultaneously receives and consumes the services provided by the Group. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Revenue from banquets and other special events are recognized when the events take place.

Cost of hotel operations (part of cost of real estate sales in the consolidated statement of income)
Cost of hotel operations pertains to expenses incurred in relation to sale of goods and rendering of services. These are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen than can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

Construction revenue (part of real estate sales in the consolidated statement of income) and cost
Revenue from fixed price construction contracts are recognized over time using the milestone-based revenue recognition which is in reference to the output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Rental income (part of real estate sales in the consolidated statement of income)
Rental income under noncancellable and cancellable leases on investment properties is recognized in the consolidated statement of income on a straight-line basis over the lease term and the terms of the lease, respectively, and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract.

No rental income is recognized when the Group waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment (see Note 33).

Rooms revenue from hotel and resort operations is recognized when the services are rendered. Revenue from banquets and other special events are recognized when the events take place.

Interest income is recognized as it accrues using the effective interest method.

Dividend income is recognized when the Group's right to receive the payment is established.

Common usage service area (CUSA) charges

The contract for the commercial spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance, janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Group, are primarily responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the Buildings, the Group acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air-conditioning charges.

Customers' deposit
Customers' deposit is a contract liability which is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a customers' deposit is recognized when the payment is made or the payment is due (whichever is earlier). Customers' deposit are recognized as revenue when the control of the goods or services are transferred to the customers by the Group which is essentially fulfillment of its performance obligation under the contract.

Customers' deposit also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

<u>Costs to obtain contract</u>
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Real estate costs and expenses" account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, de-recognition and impairment of capitalized costs to obtain a contract
Following the pattern of real estate revenue recognition, the Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Expense Recognition
Expenses are recognized in the consolidated statement of income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the consolidated statement of income as follow:
- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure has been assessed as no future economic benefits or when, and to the extent that future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Direct operating expenses and general and administrative expenses are recognized as they are incurred.

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in “Investment properties” and “Property and equipment” accounts in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group’s weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of cost to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Building	20-40
Aircraft	10
Others	5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of nonfinancial assets section.

ii) Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases
The Group applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Current Tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period.

Deferred Tax
Deferred tax is provided, using the liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and NOLCO can be utilized.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic associates and interests in joint ventures.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged against or credited to income for the period (see Note 23).

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Foreign Currency Transactions
Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded using the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate prevailing at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the year.

As at reporting date, the assets and liabilities of subsidiaries whose functional currency is not the Philippines Peso are translated into the presentation currency of the Parent Company (the Philippine Peso) at the closing rate as at the reporting date, and the consolidated statement of income accounts are translated at monthly weighted average exchange rate. The exchange differences arising on the translation are taken directly to a separate component of equity under “Cumulative translation adjustments” account. Upon disposal of a foreign subsidiary, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the consolidated statement of income.

Investments in foreign associates are translated to Philippine Peso using the closing exchange rate prevailing at reporting date. The Group's share in the results of operations of the foreign investee is translated using the exchange rate at the dates of the transactions or, where practicable, the rate that approximates the exchange rates at the dates of the transactions, such as the average rate for the period. Any resulting exchange difference is recognized as a separate component of equity.

Earnings Per Share (EPS)
Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. Calculation of dilutive EPS considers the potential ordinary shares of subsidiaries, associates and joint ventures that have dilutive effect on the basic EPS of the Parent Company. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 30 to the consolidated financial statements.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events after the Reporting Period
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

The preparation of the accompanying consolidated financial statements in conformity with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Existence of a contract
The Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other duly executed and signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Revenue recognition method and measure of progress
The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

The Group has determined that the output method used in measuring the progress of the performance obligation (i.e. percentage of completion) faithfully depicts the Group's performance in transferring control of real estate development to the customers. As discussed in Note 2, Changes in Accounting Policies, the Group adopted the provision of PFRS 15 that covered the treatment of land in the determination of the POC as discussed in PIC Q&A 2018-12-E.

Distinction of land between real estate inventories and investment properties
The Group determines whether a property will be classified as real estate inventories or investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. All other properties that are not yet determined to be sold in the normal operating cycle are classified as investment properties.

Consolidation of entities in which the Group holds only 50% or less than majority of voting rights
The Group considers that it controls the following entities even though it owns 50% or less than majority of the voting rights. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

ACC
For ACC, ALI holds 50% of the voting rights, and is also the single largest shareholder and the remaining 50% of the equity shares are held by several shareholders. The second largest stockholder of ACC holds 8.3% share while the other shareholders' equity interest ranges from 2.1% to 8.3%. In addition, ALI has an existing management services agreement with ACC which gives ALI the exclusive control and decision over the relevant activities of ACC.

BG Entities (BGWest, BGNorth and BGSouth)
For the BG entities, wherein ALI and the other shareholder each own 50% of the voting rights, ALI controls the investee through exercise of its exclusive project development and marketing agreement as well as the ability to decide on the financing, operating and strategic policies of the investees. This enabled ALI to conclude that it has control.

AHI, RLC, ALI-CII and LAIP
ALI has an existing management services agreement with AHI, RLC, ALI-CII and LAIP which gives ALI the exclusive control and decision over the relevant activities of AHI, RLC, ALI-CII and LAIP.

Service concession agreement
The Group has made a judgment that the concession agreement with DOTr qualifies under Philippine Interpretation IFRIC 12, *Service Concession Arrangements* (see Note 36). Management has assessed that DOTr controls and regulates the service, determines to whom this service will be provided and controls the price. In addition, management has also determined that the DOTr has the significant control over the residual interest of the Terminal at the end of the term. Management has also made a judgment that the Terminal and commercial assets (mall facilities) are physically separable and are capable of being operated independently.

Management has further assessed that said concession agreement qualifies under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial assets (i.e. the Annual Grantor Payment) for its construction, operating and maintenance services directly from DOTr.

Contingencies
The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense of these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material effect on the Group's consolidated financial statements (see Note 35).

Sale of real estate receivables
The Group has entered into arrangements with banks wherein it discounted its real estate receivables without recourse. The Group believes that the sales transactions are not more than infrequent and that the receivables discounted is insignificant in value both individually and in aggregate. Accordingly, the Group continues to present trade receivables at amortized cost as it remains to hold trade receivables with the objective of collecting contractual cash flows until maturity.

Definition of default and credit-impaired financial assets
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria – for residential, commercial and office development receivables, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria
The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:
a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for that financial assets has disappeared because of financial difficulties
d. Concessions or deferrals have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty (e.g. Bayanihan Acts I and II considerations)
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Determination of lease term of contracts with renewal and termination options – Group as a lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether the provisions to renew or terminate the lease is enforceable. For leases where the Group has the unilateral option to renew or terminate, it then applies judgment on whether it is reasonably certain or not to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Assessment on whether lease concessions granted constitute a lease modification
In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

The Group applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Group determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Group assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16.

The rent concessions granted by the Group for the year ended December 31, 2021 and 2020 amounted to ₱7.15 billion and ₱6.15 billion, respectively.

Judgements made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraph 122 of PAS 1, Presentation of Financial Statements
Upon adoption of the Interpretation, the Group has assessed whether it has any uncertain tax position. The Group applies significant judgement in identifying uncertainties over its income tax treatments. The Group determined, based on its assessment, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

Management's Use of Estimates
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition on real estate projects
The Group's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Group's revenue from real estate is recognized based on the percentage of completion and this is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management's specialists (project engineers). Prior to 2021, the Group includes land in the calculation of POC since the Group availed the relief granted by the SEC under Memorandum Circular Nos. 14-2018 as of 2018 for the implementation issues of PFRS 15 affecting the real estate industry. In 2021, the Group did not avail of the relief provided by the SEC and adopted the provision on the treatment of land in the determination of POC. See Notes 20 and 22 for the related balances.

Following the pattern of real estate revenue recognition, the cost to obtain a contract (e.g. commission), is determined using the percentage of completion. In view of the continuing community quarantines and restricted mobility, the progress of the Group's performance obligation is adversely affected which resulted to lower percentage-of-completion in 2021 and 2020 as compared to previous years.

Evaluation of net realizable value of real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In line with the impact of COVID-19, the Group experienced limited selling activities that resulted to lower sales in 2021 and 2020. In evaluating NRV, recent market conditions and current market prices have been considered. See Note 8 for the related balances.

Share-based payments
The expected life of the options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of stock of the Group. See Note 28 for the related balances.

Estimating pension liabilities and other retirement benefits
The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Significant assumptions are disclosed in Note 26 and include among others, discount rate and salary increase rate.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on 1994 Group Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions could materially affect retirement obligations. See Note 26 for the related balances.

Fair value of financial instruments
When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities were initially recorded at their fair values by using the discounted cash flow methodology. See Note 29 for the related balances.

Provision for expected credit losses of trade receivables
The Group uses a provision matrix to calculate ECLs for trade receivables other than residential, commercial and office development receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for residential, commercial and office development receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group has considered the impact of COVID-19 pandemic and revised its assumptions in determining the macroeconomic variables and loss rates in the computation of ECL. The changes in the gross carrying amount of receivables from sale of real estate during the year and impact of COVID-19 pandemic did not materially affect the allowance for ECLs.

The information about the ECLs on the Group's trade receivables is disclosed in Notes 7 and 29.

Estimating the incremental borrowing rate for leases
The Group uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Group's lease liabilities as of December 31, 2021 and 2020 amounted to ₱17,837.4 million and ₱17,755.8 million, respectively (see Note 33).

Evaluation of impairment of nonfinancial assets
The Group assesses whether there are any indicators of impairment for all nonfinancial assets (i.e., property and equipment, investment properties, right of use assets and other current assets) at each financial reporting date. These nonfinancial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In view of the continuing community quarantines and restricted travel, the Group's hotels and resorts segment continues to be adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported for this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment. In addition, because of the coronavirus pandemic, there is the heightened level of uncertainty on the future economic outlook and market forecast. These events and conditions are impairment indicators requiring the assessment of the recoverable amount of the property and equipment and right-of-use assets.

The carrying value of the property and equipment and right-of-use assets of the hotels and resorts segment amounted to ₱21,219.8 million and ₱1,360.0 million and ₱21,527.0 million and ₱1,034.9 million, respectively, as of December 31, 2021 and 2020. Impairment of investment properties in 2021 and 2020 amounted to ₱129.6 million and ₱225.2 million, respectively (Note 22).

The Group estimates the recoverable amount through value in use. In determining the present value of estimated future cash flows expected to be generated from the continued use of these assets of the hotels and resorts segment, the Group is required to make estimates and assumptions that may affect the nonfinancial assets. The significant assumptions used in the valuation are discount rates of 5.00% to 13.00% with an average growth rate of 3.00%. The Group also considered in its assumptions the impact of the pandemic on the occupancy rate, room rates and gross margin which are not expected to normalize until 2024. No impairment loss was recognized in 2021 and 2020.

4. Cash and Cash Equivalents

This account consists of:

	2021	2020
	(In Thousands)	
Cash on hand	**₱66,575**	₱64,303
Cash in banks	**11,745,823**	13,678,488
Cash equivalents	**2,159,039**	3,294,556
	₱13,971,437	₱17,037,347

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term rates.

The annual interest rates of the cash equivalents are as follows:

	2021	2020
Philippine Peso	**0.35% to 1.2%**	0.5% to 1.8%
US Dollar	**–**	0.1% to 0.25%

There is no restriction on the Group's cash and cash equivalents balances as of December 31, 2021 and 2020.

5. Short-term Investments

Short-term investments consist of money market placements made for varying periods of more than three (3) months and up to one (1) year and earn interest at the respective short-term investment rates.

The annual interest rates of the short-term investments are as follows:

	2021	2020
Philippine Peso	**–**	0.75%
US Dollar	**–**	0.05% to 0.10%
Malaysian Ringgit	**1.00% to 1.80%**	0.85% to 1.80%

6. Financial Assets at FVTPL

This account consists of:

	2021	2020
	(In Thousands)	
Investment in Unit Investment Trust Funds (UITF)	**₱407,025**	₱378,066
Investment in ARCH Capital Fund	**293,778**	327,953
Investment in Treasury Bills	**–**	259,152
	₱700,803	₱965,171

The Group invests in money market UITF which aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments and with no minimum holding period requirement.

The Group's investment in UITF includes investment in BPI (Note 25).

As of December 31, 2021, the Group invested in UITF with a fair value of ₱179 million for BPI Money Market Fund, ₱9.6 million for BPI USD Short Term Funds. The Funds' Net Asset Value (NAV) was at ₱61,969.7 million with duration of 241 days and ₱45,783.84 million with duration of 267 days, respectively.

As of December 31, 2020, the Group invested in UITF with a fair value of ₱209 million for BPI Money Market Fund and ₱95 million for BPI USD Short Term Funds. The Funds' Net Asset Value (NAV) was at ₱61,961.9 million with duration of 255 days and ₱41,101.9 million with duration of 307 days, respectively.

Investment in ARCH Capital Fund pertains to monetary interest in a fund in which the management takes the view that these are held for trading and it is a portfolio of identified property funds invested and managed by professional managers.

In 2020, the Group also invested in Treasury Bills which are short-term secure investments issued by the Philippine government through the Bureau of Treasury (BTr) and these are held for trading. These all matured in 2021.

The following table provides the fair value hierarchy of the Group's financial assets at FVTPL which are measured at fair value as of December 31, 2021 and 2020:

2021

			Fair value measurement using		
	Date of Valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
			(In Thousands)		
Investment in Unit Investment Trust Fund (UITF)	**December 31, 2021**	**₱407,025**	**₱–**	**₱407,025**	**₱–**
Investment in ARCH Capital Fund	**December 31, 2021**	**293,778**	**–**	**–**	**293,778**

2020

			Fair value measurement using		
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			(In Thousands)		
Investment in Unit Investment Trust Fund (UITF)	December 31, 2020	₱378,066	₱–	₱378,066	₱–
Investment in ARCH Capital Fund	December 31, 2020	327,953	–	–	327,953
Investment in Treasury Bills	December 31, 2020	259,152	–	259,152	–

The fair value of the investment in UITF is based on net asset values as of reporting dates.

The fair value of the investment in ARCH Capital Fund is determined using the discounted cash flow (DCF) method. Under the DCF method in fund fair valuation, it is estimated using assumptions regarding the benefits and liabilities of ownership over the underlying asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream, associated with the underlying asset. The exit yield is normally separately determined and differs from the discount rate. Significant inputs considered were rental, growth and discount rates. The higher the rental and growth rates, the higher the fair value. The higher the discount rates, the lower the fair value.

The fair value of investment in treasury bills is based on BVAL reference rates on government securities. For the year ended December 31, 2020, the BVAL reference rates range from 1.002% to 3.953%.

Reconciliation of fair value measurement of Investment in ARCH Fund is shown below:

	2021	2020
	(In Thousands)	
Balance at beginning of year	**₱327,953**	₱389,031
Net redemptions	**(108,913)**	(12,478)
Unrealized gain (loss) included under "Other income"	**74,738**	(48,600)
Balance at end of year	**₱293,778**	₱327,953

Reconciliation of fair value measurement of Investment in UITF is shown below:

	2021	2020
	(In Thousands)	
Balance at beginning of year	**₱378,066**	₱96,405
Redemptions	**(800,922)**	(1,904,759)
Additions	**805,248**	2,177,936
Unrealized gains included under "Other income"	**24,633**	8,484
Balance at end of year	**₱407,025**	₱378,066

7. **Accounts and Notes Receivable**

Accounts and notes receivable account consists of:

	2021	2020
	(In Thousands)	
Trade:		
Residential, commercial and office development	**₱98,489,459**	₱101,328,095
Shopping centers	**5,654,697**	5,414,606
Corporate business	**3,041,826**	3,948,672
Construction contracts	**2,142,028**	1,774,741
Management fees	**127,766**	124,553
Others	**4,736,218**	4,717,601
Advances to other companies	**16,940,104**	17,686,292
Accrued receivables	**8,208,571**	7,786,399
Receivables from related parties (Note 25)	**5,958,742**	5,489,159
Receivables from employees	**755,814**	842,506
	146,055,225	149,112,624
Less allowance for impairment losses	**2,294,154**	1,945,460
	143,761,071	147,167,164
Less noncurrent portion	**43,663,620**	46,021,255
	₱100,097,451	₱101,145,909

The classes of trade receivables of the Group are as follows:

- Residential, commercial and office development - pertain to receivables from the sale of high-end, upper middle-income and affordable residential lots and units; economic and socialized housing units and sale of commercial lots; sale of office units; and leisure community developments.
- Shopping centers - pertain to lease receivables from retail spaces
- Corporate business - pertain to lease receivables from office and factory buildings and receivables from sale of industrial lots
- Construction contracts - pertain to receivables from third party construction projects
- Management fees - pertain to receivables from facilities management services
- Others - pertain to receivables from hotel operations and other support services

Residential, commercial and office development receivables are collectible in monthly installments over a period of one (1) to ten (10) years. These are carried at amortized cost using the effective interest rate method with annual interest rates ranging from 5.50% to 18.00%. Titles to real estate properties are transferred to the buyers only once full payment has been made.

Corporate business receivables are collectible on a monthly or quarterly basis depending on the terms of the lease contracts.

Receivables from shopping centers, construction contracts and management fees are due within 30 days upon billing.

Receivables from hotel operations and other support services included under other trade receivables are normally due within 30 to 90 days upon billing.

Advances to other companies includes advances made to joint venture partners that have been made in consideration of project costs and purchases of land that are still subject to completion. The documentation for these advances provides that these will be payable over a fixed term or on demand in order to allow for repayment of the advances when closing does not occur or not settled. The advances are liquidated when proceeds from the sale of the related projects are applied.

Advances to other companies also includes receivables from MRT Development Corporation (MRTDC) shareholders which pertains to interest-bearing advances made by NTDCC to MRTDC equivalent to the Pre-2006 Development Rights Payment (DRP) Payables and the Residual Depot DRP which is due more than one year, in relation to the funding and repayment agreement. As of December 31, 2021 and 2020, receivables including interest from MRTDC shareholders amounted to ₱467.9 million and ₱441.1 million, respectively.

On December 17, 2014, NTDCC and MRTDC shareholders executed a “funding and repayment agreement” wherein the latter agrees to repay NTDCC, for the account of MRTDC, its respective pro rata share in the Total Depot DRP Advances (the Pre-2006 DRP Payables and the Residual Depot DRP, including 15% interest rate accrued on such DRP payables).

Commencing on January 1, 2015, the MRTDC Shareholders shall effect the repayment of their respective pro rata share in the Total Depot DRP Payables, through a set-off against their respective share in the commercial center royalties to be received from the Group.

Set off shall be effective as of the beginning of every calendar month, commencing January 30, 2015 and shall result in the settlement of the portion of the Total DRP Payables to the extent of the amount of the commercial center royalties then the balance will fall due to the relevant MRTDC Shareholders.

Accrued receivables and receivables from related parties are due and demandable. Receivables from employees pertain to housing, car, salary and other loans granted to the Group’s employees which are collectible through salary deduction, are interest-bearing (6.0% per annum) and payable on various maturity dates.

Receivables amounting to ₱2,294.2 million and ₱1,945.5 million as of December 31, 2021 and 2020, respectively, were impaired and fully provided for. Movements in the allowance for impairment losses follow:

2021

	Residential and office Development	Trade					Advances to Other Companies	Total
		Shopping Centers	Construction Contracts	Corporate Business	Management Fees	Others		
				(In Thousands)				
Balance at beginning of year	**₱50,767**	**₱1,060,057**	**₱37,778**	**₱519,642**	**₱6,678**	**₱149,246**	**₱121,292**	**₱1,945,460**
Provisions during the year (Note 22)	**11,547**	**56,855**	**115,398**	**113,466**	**9,952**	**85,462**	**12,433**	**405,113**
Reversal (Note 22)	**–**	**(35,039)**	**(945)**	**–**	**–**	**(10,000)**	**–**	**(45,984)**
Accounts written off	**–**	**(7,215)**	**–**	**–**	**–**	**(3,220)**	**–**	**(10,435)**
Balance at end of year	**₱62,314**	**₱1,074,658**	**₱152,231**	**₱633,108**	**₱16,630**	**₱221,488**	**₱133,725**	**₱2,294,154**

2020

	Residential and office Development	Trade					Advances to Other Companies	Total
		Shopping Centers	Construction Contracts	Corporate Business	Management Fees	Others		
				(In Thousands)				
Balance at beginning of year	₱13,555	₱772,513	₱37,778	₱182,208	₱6,678	₱110,409	₱63,152	₱1,186,293
Provisions during the year (Note 22)	40,665	298,587	–	338,870	–	69,520	58,165	805,807
Reversal (Note 22)	(3,453)	(11,043)	–	(7,962)	–	(30,683)	(25)	(53,166)
Accounts written off	–	–	–	(2,116)	–	–	–	(2,116)
Translation adjustment	–	–	–	8,642	–	–	–	8,642
Balance at end of year	₱50,767	₱1,060,057	₱37,778	₱519,642	₱6,678	₱149,246	₱121,292	₱1,945,460

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act ("Bayanihan 1 Act") was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act ("Bayanihan 2 Act"), was enacted. Under Bayanihan 2 Act, a one-time sixty (60)-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other charges.

In 2020, the Group, provided reliefs under Bayanihan 1 Act and Bayanihan 2 Act, which offered financial reliefs to its borrowers/counterparties as a response to the effect of the COVID-19 pandemic. These relief measures included the restructuring of existing receivables including extension of payment terms.

Based on the Group's assessment, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and therefore do not result in the derecognition of the affected financial assets.

As of December 31, 2021 and 2020, nominal amounts of trade receivables from residential, commercial and office development totaling ₱106,936.8 million and ₱115,407.8 million, respectively, were recorded initially at fair value. The fair values of the receivables were obtained by discounting future cash flows using the applicable rates of similar types of instruments.

Movements in the unamortized discount of the Group's receivables as of December 31, 2021 and 2020 follow:

	2021	2020
	(In Thousands)	
Balance at beginning of year	**₱14,079,688**	₱17,997,007
Additions during the year	**1,168,680**	4,685,456
Accretion for the year (Note 20)	**(6,801,012)**	(8,602,775)
Balance at end of year	**₱8,447,356**	₱14,079,688

The Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting to ₱43.7 million and ₱16.1 million in 2021 and 2020, respectively. The transactions were without recourse and did not result to any gain or loss.

The Group sold residential receivables on a without recourse basis to partner mortgage banks, which include BPI Family Savings Bank, a related party, amounting to ₱21,884.5 million and ₱20,458.0 million in 2021 and 2020. These were sold at a discount with total proceeds of ₱19,794.7 million and ₱18,431.9 million, respectively. The Group recognized loss on sale (under "Other expenses") amounting to ₱2,089.8 million and ₱2,064.0 million in 2021 and 2020, respectively (see Note 22).

8. Inventories

This account consists of:

	2021	2020
	(In Thousands)	
Real estate - at cost		
Residential and condominium units	**₱58,590,787**	₱84,011,309
Residential and commercial lots	**87,509,406**	61,137,607
Offices - at cost	**2,056,532**	1,594,676
	₱148,156,725	₱146,743,592

A summary of the movements in inventories is set out below:

2021

	Residential and commercial lots	**Residential and condominium units**	**Offices**	**Total**
		(In Thousands)		
Balances at beginning of year	**₱61,137,607**	**₱84,011,309**	**₱1,594,676**	**₱146,743,592**
Land acquired during the year	**306,263**	**3,688,555**	**782,338**	**4,777,157**
Construction/development costs incurred	**7,897,509**	**26,493,655**	**1,085,374**	**33,904,330**
Disposals (recognized as cost of real estate sales) (Note 22)	**(14,903,447)**	**(22,584,577)**	**(1,395,940)**	**(38,883,964)**
Transfers from (to) investment properties (Notes 12 and 37)	**4,062,855**	**(4,099,536)**	**(9,916)**	**(46,597)**
Balances at end of year	**₱58,590,787**	**₱87,509,406**	**₱2,056,532**	**₱148,156,725**

2020

	Residential and commercial lots	Residential and condominium units	Offices	Total
	(In Thousands)			
Balances at beginning of year	₱52,363,671	₱65,659,786	₱2,264,229	₱120,287,686
Land acquired during the year	3,269,732	17,744,257	–	21,013,989
Construction/development costs incurred	7,148,687	14,786,408	220,314	22,155,409
Disposals (recognized as cost of real estate sales) (Note 22)	(15,932,741)	(16,093,619)	(889,867)	(32,916,227)
Transfers from (to) investment properties (Notes 12 and 37)	14,288,258	1,914,477	–	16,202,735
Balances at end of year	₱61,137,607	₱84,011,309	₱1,594,676	₱146,743,592

The Group has no purchase commitments pertaining to its inventories as of December 31, 2021 and 2020.

There are no liens and encumbrances on the Group's real estate inventories.

9. Other Current Assets

This account consists of:

	2021	2020
	(In Thousands)	
Advances to contractors and suppliers	**₱23,641,576**	₱18,139,411
Prepaid expenses	**19,174,874**	16,756,037
Value-added input tax	**12,387,774**	12,575,713
Creditable withholding taxes	**8,096,828**	8,321,770
Materials, parts and supplies - at cost	**810,731**	732,881
Buildings classified as held for sale (Notes 12 and 13)	**–**	952,142
Others	**1,189,113**	543,008
	₱65,300,897	₱58,020,962

Advances to contractors and suppliers represents prepayments for the construction of inventories. These are recouped from billings which are expected to occur in a short period of time.

Prepaid expenses consist of prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, rentals and insurance. The cost to obtain contracts which includes prepaid commissions and advances to brokers amounted to ₱2,866.4 million and ₱3,281.1 million in 2021 and 2020, respectively. In line with the Group's accounting policy, as set out in Note 2, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgment was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits (Note 14).

Value-added input tax is applied against value-added output tax. The remaining balance is recoverable in future periods.

Creditable withholding taxes are applied against income tax payable.

Materials, parts and supplies pertain to inventories to be used in the construction and maintenance of projects.

Buildings classified as held for sale in 2020 include Qualimed Hospitals in Iloilo City, Santa Rosa and San Jose del Monte City which were sold in 2021 in a move to transfer healthcare-related properties to AC Healthcare Holdings, Inc.

Others include deferred charges and letters of credit. Deferred charges pertain to project-related costs already paid but not yet consumed in the actual construction activities.

10. Financial Assets at Fair Value through OCI

This account consists of:

	2021	2020
	(in Thousands)	
Shares of stock:		
Quoted	**₱1,411,239**	₱1,578,590
Unquoted	**583,543**	483,177
	1,994,782	2,061,767
Net unrealized loss	**(1,013,512)**	(550,324)
	₱981,270	₱1,511,443

Investments in quoted shares of stock include shares held for clubs wherein the Group does not exercise control or demonstrate significant influence.

Investments in unquoted shares of stock include unlisted shares of public utility companies which the Group will continue to carry as part of the infrastructure that it provides to its real estate projects.

In 2020, the Group made additional investments in equity instruments amounting to ₱99.0 million and disposed investments amounting to ₱21.1 million. No gain or loss was recognized from the disposal. There were no additional investment and disposal made in 2021.

Movements in the reserves for financial assets at FVOCI as of December 31, 2021 and 2020 are as follows:

	2021	2020
	(In Thousands)	
Balance at beginning of year	**(₱880,837)**	(₱454,749)
Fair value changes during the year	**(132,675)**	(426,088)
Balance at end of year	**(₱1,013,512)**	(₱880,837)

The Group entered into and designated interest rate swaps as hedging instruments as a cashflow hedge from loans bearing interest at floating rate. The fair value of the interest rate swap is estimated using valuation techniques with observable inputs, which uses present value calculations and incorporate various input including interest rate curves. Total fair value amounted to ₱330 million in 2021 and 2020.

As of December 31, 2021 and 2020 reserves for financial assets at FVOCI attributable to non-controlling interests amounted to ₱132.6 million.

The following table provides the fair value hierarchy of the Group's financial assets at fair value through OCI which are measured at fair value as of December 31, 2021 and 2020 (in thousands):

December 31, 2021

			Fair value measurement using		
	Date of Valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Shares of stock:					
Quoted					
Tourism and leisure	**December 31, 2021**	**₱287,231**	**₱287,231**	**₱–**	**₱–**
Retail	**December 31, 2021**	**54,499**	**54,499**	**–**	**–**
Real estate	**December 31, 2021**	**18,593**	**18,593**	**–**	**–**
Utilities and energy	**December 31, 2021**	**15,245**	**15,245**	**–**	**–**
Financial asset management	**December 31, 2021**	**14,328**	**14,328**	**–**	**–**
Telecommunication	**December 31, 2021**	**7,831**	**7,831**	**–**	**–**
Unquoted					
Tourism and leisure	**Various**	**478,704**	**–**	**–**	**478,704**
Financial asset management	**Various**	**76,711**	**–**	**–**	**76,711**
Utilities and energy	**Various**	**19,787**	**–**	**–**	**19,787**
Real estate	**Various**	**7,468**	**–**	**–**	**7,468**
Telecommunication	**Various**	**873**	**–**	**–**	**873**
		₱981,270	**₱397,727**	**₱–**	**₱583,543**

December 31, 2020

			Fair value measurement using		
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shares of stock:					
Quoted					
Real estate	December 31, 2020	₱484,705	₱484,705	₱–	₱–
Tourism and leisure	December 31, 2020	263,041	263,041	–	–
Retail	December 31, 2020	54,980	54,980	–	–
Utilities and energy	December 31, 2020	34,300	34,300	–	–
Telecommunication	December 31, 2020	6,929	6,929	–	–
Financial asset management	December 31, 2020	500	500	–	–
Unquoted					
Tourism and leisure	Various	556,260	–	–	556,260
Financial asset management	Various	82,599	–	–	82,599
Utilities and energy	Various	19,787	–	–	19,787
Real estate	Various	7,468	–	–	7,468
Telecommunication	Various	874	–	–	874
		₱1,511,443	₱844,455	₱–	₱666,988

11. **Investments in Associates and Joint Ventures**

This account consists of:

	2021	2020
	(In Thousands)	
Investment in stocks – cost		
Balance at beginning of year	**₱22,533,689**	₱21,022,390
Additions	**778,748**	1,837,901
Disposals*	**(365,860)**	(326,602)
Balance at end of year	**22,946,577**	22,533,689
Accumulated equity in net earnings:		
Balance at beginning of year	**₱4,194,440**	₱4,366,651
Equity in net earnings	**842,565**	586,502
Dividends received	**(321,617)**	(758,714)
Disposal*	**365,860**	–
Balance at end of year	**5,081,248**	4,194,439
Subtotal	**28,027,825**	26,728,128
Equity share in cumulative translation adjustment	**124,908**	(126,874)
	₱28,152,733	₱26,601,254

**MGHI in 2021 and Tianjin Eco-City in 2020*

The equity share in cumulative translation adjustments represents exchange differences arising from the translation of financial statements of the foreign operations, whose functional currency is other than Philippine Peso.

Details of the Group's investments in associates and joint ventures and the related percentages of ownership are shown below:

	Percentages of Ownership		**Carrying Amounts**	
	2021	2020	**2021**	2020
			(In Thousands)	
Joint ventures:				
Emerging City Holdings, Inc. (ECHI)	**50%**	50%	**₱3,871,455**	₱3,886,019
ALI-ETON Property Development Corporation (ALI ETON)	**50**	50	**5,084,364**	4,498,958
AKL Properties, Inc. (AKL)	**50**	50	**3,108,096**	3,034,209
Berkshires Holdings, Inc. (BHI)	**50**	50	**1,915,164**	1,920,659
Cebu District Property Enterprise, Inc. (CDPEI)	**50**	35	**1,629,807**	1,426,339
Alveo-Federal Land Communities, Inc.	**50**	50	**1,122,005**	928,621
AyaGold Retailers, Inc. (AyaGold)	**50**	50	**145,537**	161,407
BYMCW, Inc.	**30**	30	**54,717**	51,732
SIAL Specialty Retailers, Inc. (SIAL Specialty)	**50**	50	**26,462**	26,461
			16,957,607	15,934,405
Associates:				
OCLP Holdings, Inc.(OHI)	**21**	21	**₱9,016,865**	₱8,676,598
Bonifacio Land Corp. (BLC)	**10**	10	**1,401,225**	1,405,759
Rize-Ayalaland (Kingsway) GP, Inc. (Rize-Ayalaland)	**49**	49	**541,604**	401,194
Tianjin Eco-City Ayala Land Development Co., Ltd (Tianjin Eco-City)	**40**	40	**199,259**	153,982
Lagoon Development Corporation	**30**	30	**36,173**	29,316
			11,195,126	10,666,849
			₱28,152,733	₱26,601,254

The Parent Company considers an associate and a joint venture with material interest if its net assets exceed 5% of its total consolidated net assets of the Group as of reporting period and considers the relevance of the nature of activities of the associate and joint venture compared to other operations of the Group. The financial information on the Parent Company's significant associates and joint ventures with material interest follows:

Financial information of the associate with material interest

OHI

Consistent with its thrust of expanding its operations to other areas within and outside of Metro Manila through partnerships, ALI acquired a 21.1% stake in OHI. The acquisition was made possible via the purchase of shares from existing OHI shareholders. OHI owns 99.5% interest in Ortigas & Company Limited Partnership (OCLP), an entity engaged in real estate development and leasing businesses.

Set out below is the summarized financial information for OHI:

	2021	2020
	(In Thousands)	
Current assets	**₱25,229,814**	₱17,440,519
Noncurrent assets	**19,702,848**	22,507,390
Current liabilities	**(14,584,974)**	(11,410,775)
Noncurrent liabilities	**(18,784,134)**	(18,597,214)
Equity	**11,563,554**	9,939,920
Proportion of Group's ownership	**21.1%**	21.1%
Group's share in identifiable net assets	**2,439,910**	2,097,323
Carrying amount of the investment	**9,016,865**	8,676,598
Fair value adjustments	**6,602,256**	6,589,215
Negative Goodwill	**₱148,046**	₱148,046
Dividends received	**₱33,558**	₱33,558

Net assets attributable to the equity holders of OHI amounted to ₱11,563.5 million and ₱9,939.9 million as of December 31, 2021 and 2020, respectively.

	2021	2020
	(In Thousands)	
Revenue	**₱8,418,096**	₱7,204,436
Cost and expenses	**(6,646,415)**	(6,398,747)
Net income (continuing operations)	**1,771,681**	805,689
Group's share in net income for the year	**373,825**	170,000
Total comprehensive income	**1,771,681**	805,689
Group's share in total comprehensive income for the year	**373,825**	170,000

BLC

The Group has a 10% interest in BLC, which is involved in the purchase, subscription or otherwise disposal of real and personal properties. BLC is a private company incorporated on October 20, 1994 and there is no quoted market price available for its shares. Its registered office and principal place of business is Taguig City, Philippines.

Set out below is the summarized financial information for BLC:

	2021	2020
	(In Thousands)	
Current assets	**₱8,474,309**	₱3,261,099
Noncurrent assets	**32,866,620**	38,420,664
Current liabilities	**(2,204,975)**	(2,534,735)
Noncurrent liabilities	**(7,351,740)**	(7,285,960)
Equity	**31,784,214**	31,861,068
Less: noncontrolling interest	**14,054,976**	14,292,676

(Forward)

	2021	2020
	(In Thousands)	
Equity attributable to Parent Company	**₱17,729,238**	₱17,568,392
Proportion of Group's ownership	**10.1%**	10.1%
Group's share in identifiable net assets	**1,790,653**	1,774,408
Carrying amount of the investment	**1,401,225**	1,405,759
Negative goodwill	**(₱389,428)**	(₱368,649)
Dividends received	**₱35,125**	₱155,508

Net assets attributable to the equity holders of BLC amounted ₱17,729.3 million and ₱17,568.4 million as of December 31, 2021 and 2020, respectively.

	2021	2020
	(In Thousands)	
Revenue	**₱3,685,650**	₱3,869,359
Cost and expenses	**(2,543,308)**	(2,466,924)
Net income (continuing operations)	**1,142,342**	1,402,435
Net loss attributable to minority interest	**(526,941)**	(590,732)
Net income attributable to parent	**615,401**	811,703
Group's share in net income for the year	**62,156**	81,982
Total comprehensive income attributable to equity holders of the Parent Company	**615,401**	811,703
Group's share in total comprehensive income for the year	**62,156**	81,982

Aggregate financial information on the associates with immaterial interest (Rize-Ayalaland, Tianjin Eco-City, and LDC) follows:

	2021	2020
	(In Thousands)	
Carrying amount	**₱777,036**	₱584,492
Share in net loss from continuing operations	**(113,230)**	(89,529)
Share in total comprehensive loss	**(113,230)**	(89,529)
Dividends received	**9,000**	–

Financial information of joint ventures

ECHI

	2021	2020
	(In Thousands)	
Current assets	**₱8,532,495**	₱11,741,302
Noncurrent assets	**32,871,398**	30,017,735
Current liabilities	**(2,677,269)**	(2,863,497)
Noncurrent liabilities	**(7,351,740)**	(7,285,960)
Equity	**31,374,884**	31,609,580
Less: noncontrolling interest	**22,230,335**	23,307,423
Equity attributable to Parent Company	**9,144,549**	8,302,157
Proportion of Group's ownership	**50%**	50%
Group's share in identifiable net assets	**4,572,275**	4,151,079
Carrying amount of the investment	**3,871,455**	3,886,019
Dividends received	**₱170,750**	₱397,854

Net assets attributable to the equity holders of ECHI amounted to ₱9,144.5 million and ₱8,302.2 million as of December 31, 2021 and 2020, respectively.

	2021	2020
	(In Thousands)	
Revenue	**₱3,685,991**	₱3,872,498
Cost and expenses	**(2,546,834)**	(2,475,532)
Net income (continuing operations)	**1,139,157**	1,396,966
Net loss attributable to noncontrolling interest	**(826,786)**	(980,460)
Net income attributable to parent	**312,371**	416,506
Group's share in net income for the year	**156,186**	208,253
Total comprehensive income attributable to equity holders of the Parent Company	**312,371**	416,506
Group's share in total comprehensive income for the year	**156,186**	208,253

ALI Eton

	2021	2020
	(In Thousands)	
Current assets	**₱13,811,748**	₱12,838,898
Noncurrent assets	**4,014,578**	3,985,368
Current liabilities	**(5,822,376)**	(8,394,044)
Noncurrent liabilities	**(928,951)**	(3,390,318)
Equity	**11,074,998**	5,039,904
Proportion of Group's ownership	**50%**	50%
Group's share in identifiable net assets	**5,537,499**	2,519,952
Carrying amount of the investment	**5,084,364**	4,498,958

Net assets attributable to the equity holders of ALI Eton amounted to ₱11,074.9 million and ₱5,039.9 million as of December 31, 2021 and 2020, respectively.

	2021	2020
	(In Thousands)	
Revenue	**₱825,159**	₱975,701
Cost and expenses	**(708,347)**	(734,502)
Net income (continuing operations)	**116,812**	241,199
Group's share in net income for the year	**58,406**	120,599
Total comprehensive income attributable to equity holders of the Parent Company	**116,812**	241,199
Group's share in total comprehensive income for the year	**58,406**	120,599

Aggregate financial information on joint ventures with immaterial interest (BHI, CDPEI, Alveo-Federal, SIAL Specialty, AyaGold and BYMCW, Inc.) is as follows:

	2021	2020
	(In Thousands)	
Carrying amount	**₱8,001,788**	₱7,549,428
Share in net income from continuing operations	**305,223**	95,197
Share in total comprehensive income	**305,223**	95,197
Dividends received	**73,185**	–

The following are the significant transactions affecting the Group's investments in associates and joint ventures:

Investments in BLC, ECHI, and BHI
As of December 31, 2021 and 2020, the Group's effective interest in BLC is 45.1%. The Parent Company's 5.3% direct investment in BLC and 4.8% through Regent Time are accounted for using the equity method because the Parent Company has significant influence over BLC.

On April 17, 2003, the following transactions were consummated pursuant to the terms and conditions of the Assignment Agreement (Agreement), dated February 8, 2003, among the Parent Company, Evergreen Holdings, Inc. (EHI), Greenfield Development Corporation and Larouge, B.V. (Larouge), as amended, and the Agreement, dated November 23, 2002, among the Company, EHI and Neo Oracle Holdings, Inc. [formerly Metro Pacific Corporation (MPC)] as amended:

(a) The assignment to the Parent Company and EHI of the rights and obligations of Larouge under the loan agreement between Larouge and MPC, pursuant to which, Larouge extended MPC a loan in the principal amount of US$90.0 million, together with all the rights, title and interests of Larouge in the pledge constituted on 50.4% of the outstanding shares in BLC. The consideration paid by the Company and EHI for such assignment was approximately US$90.0 million, subject in part to foreign exchange adjustment.
(b) The assignment to the Parent Company and EHI, acting in this instance through the joint venture corporation, Columbus Holdings, Inc. (Columbus), of the controlling interest in BLC representing 50.4% of BLC's outstanding capital stock. This assignment was effected by MPC under a dacion en pago arrangement, and included an assignment of payables of BLC in the principal amount of ₱655.0 million together with its underlying security in the form of shares in Fort Bonifacio Development Corporation (FBDC) representing 5.6% of its outstanding capital stock.

The Agreement, as amended, also provides for the constitution of a pledge over 5.0% of BLC's unencumbered shares as security for contingent liabilities and breach of representation and warranties. The pledge lien over the 5.0% BLC shares shall continue to subsist until the third anniversary of the closing date.

The Parent Company and EHI jointly hold the 50.4% equity interest in BLC through ECHI and BHI. The Parent Company and EHI assigned the notes receivable from MPC to ECHI and BHI, which acquired the shares of stock of Columbus. Columbus directly owns the 50.4% interest in BLC. BLC owns 55.0% interest in FBDC, the primary developer of certain areas in Fort Bonifacio Global City for residential, commercial and business development. Columbus accounted for the acquisition of the 50.4% interest in BLC using the purchase method.

Subsequent to this, the Parent Company and EHI acquired additional shares of BLC through a combination of direct acquisition and through its associates at varying dates:

On July 31, 2008, the Group acquired, through the Parent Company, Regent Time and Columbus, additional 4,360,178 shares of BLC from FBDC amounting to ₱689.0 million, equivalent to 7.7% ownership in BLC. In January and October 2009, a total of 2,295,207 BLC shares were acquired from Development Bank of the Philippines and MPC, pertaining to the pledged shares, through Columbus amounting to ₱362.6 million. This resulted in an increase in Group's effective interest in BLC to 45.1% and unchanged thereafter.

Investment in Rize-Ayalaland
Rize-Ayalaland (Kingsway) GP, Inc. was incorporated on January 25, 2013 under the laws of British Columbia, Canada. The Company's effective ownership is 49.0% through its Vancouver-based subsidiary, AyalaLand Real Estate Investments, Inc.

Investment in Tianjin Eco-City
Tianjin Eco-City is a registered Sino-foreign equity joint venture between RWIL and Sino-Singapore Tianjin Eco-City Investment & Development Co. (SSTEC) under the law of the People's Republic of China to operate for 50 years until 2060. The agreement was entered into to develop a 19-tower residential complex in China, marking its initially foray into the growing China market. It's principal activities include property development rental, management property and parking lot management.

In 2020, Tianjin Eco-City reduced its registered capital from RMB292.75 million to RMB176.25 million, with each shareholder getting back capital in proportion to its current share of ownership. After the capital reduction, the shareholders' share of ownership remain unchanged. The Group's share in the capital reduction amounted to ₱326.60 million.

Investment in Cebu District Property Enterprise, Inc.
Cebu District Property Enterprise, Inc. (CDPEI) was incorporated on February 20, 2014 and is a 50:50 joint venture between the Company and Aboitiz Land, Inc. CDPEI's main purpose is to create a mixed-use commercial and residential district with the 15.4 hectare property in Subangdaku, Mandaue. In 2021, the Group made additional equity infusions to CDPEI amounting to ₱217.0 million.

Investment in Alveo-Federal Land Communities, Inc.
Alveo Land Corp. signed a Joint Venture Agreement (JVA) with Federal Land, Inc. last April 29, 2015 for equal ownership over AFLCI. The JV is for the development of Venido and Aveia projects located in Laguna near Nuvali.

Investment in ALI-ETON Property Development Corporation
ALI-ETON Property Development Corporation was incorporated on March 13, 2016. The company is a joint venture between Ayala Land, Inc. and LT Group, Inc. ALI and LT Group, Inc. entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be a township development that spans portions of Pasig City and Quezon City.

In 2021 and 2020, the Parent Company and LT Group, Inc. made additional equity infusions to ALI-Eton to fund the development requirements of Parklinks amounting to ₱527.0 million and ₱1,083.5 million as of December 31, 2021 and 2020, respectively.

Investment in BYMCW, Inc.
On August 2, 2017, Bouygues Travaux Publics Philippines Inc. (BYTPPI) incorporated BYMCW Inc. (BYMCW) to engage in general building and contracting business. BYMCW's registered office address is at 2nd floor, Welfare Building, LRTA Compound, Aurora Blvd., Barangay 189, Pasay City, Metro Manila.

Investment in AyaGold Retailers, Inc.
AyaGold Retailers, Inc., a joint venture between Entenso Equities Incorporated (EEI, a wholly owned subsidiary of Puregold Price Club, Inc.) and ALI Capital Corp. (a wholly owned subsidiary of the Company and the holding company for its retail-related initiatives), was incorporated on October 2, 2013. It is organized primarily to finance, build and operate mid-market supermarkets for some of Company's new integrated and mixed-use developments. The mid-market supermarkets will be carried under a new brand to be jointly developed by both ALI Capital Corp. and EEI. The partnership with EEI will enable the Company to support its mixed-use developments and, at the same time, grow its recurring income portfolio.

Investment in SIAL Specialty
SIAL Specialty was incorporated on September 27, 2012 as a joint venture between ALI Capital Corp. and Store Specialist, Inc. (SSI). ALICap is a wholly owned subsidiary of the Parent Company. SSI is one of the largest specialty retail companies in the Philippines with the exclusive distribution rights to a variety of brands from around the world.

The partnership, which combines the ALI Capital Corp.'s expertise in developing mixed-use developments and SSI's proven track record in retail, is aimed at pursuing retail solutions to address the growing and changing lifestyle needs of the market.

SIAL Specialty was organized primarily for the investment and operation of mid-market department stores and to pursue other investment opportunities in the Philippine retail sector.

Investment in MGHI
In July 2013, the Parent Company entered into an agreement with the Mercado Family to acquire Whiteknight Holdings, Inc. (WHI), a 33% equity stockholder of MGHI. Its acquisition of WHI will allow the Parent Company to build a strategic partnership with the Mercado Group and support MGHI's future growth. This partnership also enhances the potential of Ayala Land's development of mixed-use communities by offering the critical component of medical services to complement the residential, shopping centers, office and hotel developments therein.

On February 26, 2021, White Knight Holdings Inc., a wholly-owned subsidiary of ALI completed the sale of its 39.20% share in the outstanding capital stock of Mercado General Hospital, Inc., the holding company for the Qualimed network of hospital and clinics to Healthway Philippines Inc., a wholly-owned subsidiary of Ayala Healthcare Holdings, Inc. The original cost of the investment amounted to ₱365.9 million and the sale resulted to a gain of ₱807.6 million recorded under other income account (see Note 21).

Investment in AKL
In 2018, the Parent Company invested ₱1,959.7 million in AKL, which is a 50:50 joint venture between the Parent Company and Royal Asia Land, Inc. (RALI), and is organized primarily for future mixed-use development in South Luzon area.

On June 26, 2019, the Parent Company approved the equity call to fund the advance payment to Manila Jockey Club, Inc. (MJCI) upon signing the Memorandum of Agreement (MOA) for the 60 hectares. property in Carmona, Cavite between AKL and MJCI. The Parent Company's share in the additional total capital requirement amounted to ₱250.0 million.

On September 12, 2019, the Parent Company approved the equity call for the minimum subscription to increase the Authorized Capital Stock (ACS) of AKL from ₱4,545.0 million to ₱7,250.0 million which was approved in the AKL board meeting on May 14, 2019. The increase in the ACS shall cover the land acquisition requirements in Carmona and Silang, Cavite for the next 3 years. The 50% share of the Parent Company in the minimum paid-up capital (25% of the minimum subscription) of the increase amounted to ₱84.7 million.

On July 13, 2020, the Parent Company paid the equity call for the existing subscription and for the additional subscription to AKL for a total of ₱508.4 million. The additional subscription will cover the scheduled infusion of the parcels for the first phase of Project Newton Residential as per joint venture agreement (JVA). RALI also entered with the same subscription agreement with AKL.

On December 7, 2020, the Parent Company entered into another subscription agreement with AKL amounting to ₱246.0 million which will cover the amount due for the DOAS of Dolfo and Ledesco parcels of land for the first phase of Project Newton Residential. RALI also entered with the same subscription agreement with AKL.

On January 22, 2021, the Parent Company entered into another subscription agreement with AKL amounting to ₱12.8 million which will cover the amount of parcels of land for the first phase of Project Newton Residential. RALI also entered with the same subscription agreement with AKL.

On November 17, 2021, the Parent Company entered into another subscription agreement with AKL amounting to ₱21.9 million CALAX Link Lots located in Silang, Cavite. RALI also entered with the same subscription agreement with AKL.

12. **Investment Properties**

The rollforward analysis of this account follows:

2021

	Land	**Buildings**	**Construction in Progress**	**Total**
		(In Thousands)		
Cost				
Balance at beginning of year	**₱70,764,540**	**₱127,032,731**	**₱65,938,191**	**₱263,735,462**
Additions (Note 33)	**4,024,563**	**8,824,653**	**11,332,096**	**24,181,312**
Disposals	**(262,952)**	**(303,472)**	**–**	**(566,424)**
Cumulative translation difference	**(11,993)**	**30,042**	**–**	**18,049**
Transfers (Notes 8,13, and 37)	**29,315**	**15,893**	**–**	**45,208**
Balance at end of year	**74,543,473**	**135,599,847**	**77,270,287**	**287,413,607**
Accumulated Depreciation				
Balance at beginning of year	**–**	**40,722,579**	**–**	**40,722,579**
Depreciation (Note 22)	**–**	**3,645,318**	**–**	**3,645,318**
Disposals	**–**	**(860,573)**	**–**	**(860,573)**
Cumulative translation difference	**–**	**55**	**–**	**55**
Balance at end of year	**–**	**43,507,379**	**–**	**43,507,379**
Accumulated impairment losses				
Balance at beginning of year	**102,825**	**225,208**	**–**	**328,033**
Impairment losses (Note 22)	**57,553**	**123,010**	**–**	**180,563**
Balance at the end of year	**160,378**	**348,218**	**–**	**508,596**
Net Book Value	**₱74,383,095**	**₱91,744,250**	**₱77,270,287**	**₱243,397,632**

2020

	Land	Buildings	Construction in Progress	Total
		(In Thousands)		
Cost				
Balance at beginning of year	₱87,592,430	₱127,132,394	₱64,013,813	₱278,738,637
Additions	1,523,773	2,010,308	2,081,919	5,616,000
Disposals	(562,236)	(1,812,086)	(157,541)	(2,531,863)
Buildings classified as held for sale (Note 9)	–	(1,080,859)	–	(1,080,859)
Cumulative translation difference	(150,753)	(61,320)	–	(212,073)
Transfers (Notes 8,13, and 37)	(17,638,674)	844,294	–	(16,794,380)
Balance at end of year	70,764,540	127,032,731	65,938,191	263,735,462
Accumulated Depreciation				
Balance at beginning of year	–	35,592,364	–	35,592,364
Depreciation (Note 22)	–	5,590,050	–	5,590,050
Disposals	–	(328,089)	–	(328,089)
Buildings classified as held for sale	–	(130,786)	–	(130,786)
Cumulative translation difference	–	(960)	–	(960)
Balance at end of year	–	40,722,579	–	40,722,579
Accumulated impairment losses				
Balance at beginning of year	102,825	–	–	102,825
Impairment losses (Note 22)	–	225,208	–	225,208
Balance at the end of year	102,825	225,208	–	328,033
Net Book Value	₱70,661,715	₱86,084,944	₱65,938,191	₱222,684,850

Certain parcels of land are leased to several individuals and corporations. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove any and all improvements (such as buildings) introduced or built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its use and benefit.

Construction in progress pertain to buildings under construction to be leased as retail and office spaces upon completion. The development and construction period normally range from three years to five years and depends heavily on the size of the assets.

The aggregate fair value of the Group's investment properties amounted to ₱485,358.7 million and ₱458,146.2 million as of December 31, 2021, and 2020, respectively.

The fair values of the investment properties were determined by independent professionally qualified appraisers.

The following table provides the fair value hierarchy of the Group's investment properties as of December 31, 2021 and 2020:

2021

			Fair value measurement using		
	Date of Valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
			(In Thousands)		
Land properties	**Various**	**₱287,151,049**	**₱–**	**₱–**	**₱287,151,049**
Retail properties	**Various**	**90,873,025**	**–**	**–**	**90,873,025**
Office properties	**Various**	**106,293,498**	**–**	**–**	**106,293,498**
Hospital properties	**Various**	**1,014,323**	**–**	**–**	**1,014,323**

2020

			Fair value measurement using		
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			(In Thousands)		
Land properties	Various	₱266,211,236	₱–	₱–	₱266,211,236
Retail properties	Various	84,187,480	–	–	84,187,480
Office properties	Various	106,441,044	–	–	106,441,044
Hospital properties	Various	1,306,435	–	–	1,306,435

The values of the land were arrived using the Market Data Approach. Market Data Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available. For Market Data Approach, the higher the price per sqm., the higher the fair value.

The values of the buildings (retail, office, hospital) were arrived using the Income Approach. Income Approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset.

The significant unobservable inputs to valuation of investment properties ranges from ₱1,500-₱278,000 per sqm.

In 2021, the Group started capitalizing borrowing costs to its investment properties under construction. Interest capitalized amounted to ₱574.1 million. For the years 2020, 2019 and 2018, total capitalized interest aggregated to ₱1,993 million (included in additions). The capitalization rates are 3.84% - 4.17% (see Note 16).

Consolidated rental income from investment properties amounted to ₱17,797.7 million, ₱18,468.9 million and ₱31,687.1 million in 2021, 2020 and 2019, respectively (see Note 20). Consolidated direct operating expenses arising from the investment properties in 2021, 2020 and 2019 amounted to ₱7,663.1 million, ₱7,467.0 million and ₱6,822.3 million, respectively (see Note 22).

Depreciation and amortization expense pertaining to investment properties amounted to ₱3,645.3 million, ₱5,590.1 million and ₱4,404.5 million in 2021, 2020 and 2019, respectively (see Note 22).

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Certain short-term and long-term debt are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. Net book value of the investment property amounted to ₱2,907.2 million and ₱2,288.3 million as of December 31, 2021 and 2020, respectively (see Note 16).

13. Property and Equipment

The rollforward analysis of this account as of December 31 follow:

2021

	Land, Buildings and Improvements	Machinery and Construction Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Hotel Property and Equipment	Total
			(In Thousands)			
Cost						
Balance at beginning of year	₱15,813,109	₱14,333,110	₱9,279,284	₱3,356,921	₱24,933,163	₱67,715,587
Additions	2,450,606	106,158	212,872	160,836	285,022	3,215,494
Disposals	(5,395)	(869,355)	(28,549)	(22,749)	–	(926,048)
Foreign currency exchange difference	80,133	255,048	4,111	1,304	–	340,596
Transfers (Notes 12 and 37)	79,456	–	(77,175)	(893)	–	1,388
Balance at end of year	18,417,909	13,824,961	9,390,543	3,495,419	25,218,185	70,347,017
Accumulated Depreciation and Amortization						
Balance at beginning of year	4,949,034	9,327,981	4,905,266	1,680,185	3,406,153	24,268,619
Depreciation and amortization (Note 22)	2,632,657	868,312	214,016	136,541	592,235	4,443,760
Foreign currency exchange difference	72,119	230,057	(3,204)	–	–	298,972
Disposals	(2,386)	(238,347)	(43,818)	(158,136)	–	(442,687)
Balance at end of year	7,651,424	10,188,003	5,072,260	1,658,590	3,998,388	28,568,665
Net Book Value	₱10,766,485	₱3,636,959	₱4,318,283	₱1,836,829	₱21,219,797	₱41,778,353

2020

	Land, Buildings and Improvements	Machinery and Construction Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Hotel Property and Equipment	Total
			(In Thousands)			
Cost						
Balance at beginning of year	₱14,515,989	₱14,435,222	₱8,645,130	₱3,462,991	₱24,049,471	₱65,108,803
Additions	863,343	454,190	850,886	46,325	883,692	3,098,436
Disposals	(67,608)	(293,624)	(212,201)	(150,638)	–	(724,071)
Foreign currency exchange difference	(87,818)	(262,678)	(4,531)	(1,757)	–	(356,784)
Building held for sale (Note 9)	(2,442)	–	–	–	–	(2,442)
Transfers (Notes 12 and 37)	591,645	–	–	–	–	591,645
Balance at end of year	15,813,109	14,333,110	9,279,284	3,356,921	24,933,163	67,715,587
Accumulated Depreciation and Amortization						
Balance at beginning of year	₱4,208,323	₱8,864,301	₱4,687,040	₱1,446,549	₱2,840,233	₱22,046,446
Depreciation and amortization (Note 22)	787,280	961,935	430,778	304,116	565,920	3,050,029
Disposals	(37,863)	(269,194)	(209,348)	(68,934)	–	(585,339)
Foreign currency exchange difference	(8,333)	(229,061)	(3,204)	(1,546)	–	(242,144)
Building held for sale	(373)	–	–	–	–	(373)
Balance at end of year	4,949,034	9,327,981	4,905,266	1,680,185	3,406,153	24,268,619
Net Book Value	₱10,864,075	₱5,005,129	₱4,374,018	₱1,676,736	₱21,527,010	₱43,446,968

The depreciation and amortization of property and equipment (included under various consolidated statements of income accounts) amounted to ₱4,443.8 million, ₱3,050.0 million and ₱3,851.0 million in 2021, 2020 and 2019, respectively. No interest was capitalized in 2021 and 2020 (see Note 16).

The Group has no restrictions on its property and equipment and none of these have been pledged as security for its obligations. Capital expenditures for hotel buildings in the course of construction amounted to ₱1,133.59 and ₱3,103.80 million as of December 31, 2021 and 2020, respectively, and are included in property and equipment. The total contractual commitments arising from awarded contracts for the acquisition, development and construction of property and equipment amounted to ₱368.71 million in 2021.

The Group performed impairment testing on its hotel property and equipment with a carrying value of ₱21,219.8 million and ₱21,527.0 million as of December 31, 2021 and 2020, by assessing its recoverable amount through estimation of its value in use (VIU). VIU is the present value of the future cash flows expected to be derived from an asset. The significant assumptions used in the valuation are discount rates of 5.00% to 13.00% with an average growth rate of 3.00%. The Group also considered in its assumptions the impact of the pandemic on the occupancy rate and room rates which are not expected to normalize until 2024. Based on the impairment testing, there is no impairment loss on the Group's hotel property and equipment (see Note 3).

14. **Other Noncurrent Assets**

This account consists of:

	2021	2020
	(In Thousands)	
Prepaid expenses	**₱14,954,424**	₱10,544,253
Advances to contractors and suppliers	**8,453,875**	9,387,018
Leasehold rights	**3,398,659**	3,506,816
Investment in bonds	**2,309,440**	2,309,440
Deposits – others	**2,005,003**	2,339,575
Deferred input VAT	**1,515,092**	2,918,601
Development rights	**37,678**	49,791
Net pension assets (Note 26)	**10,961**	12,220
Others	**1,206,307**	760,099
	₱33,891,439	₱31,827,813

Prepaid expenses consist of project costs incurred for unlaunched projects of the Group, advance rental payments and noncurrent prepaid management fees. This also includes the noncurrent portion of cost to obtain contracts (see Note 9) which includes prepaid commissions and advances to brokers, which amounted to ₱1,070.9 million and ₱914.8 million in 2021 and 2020, respectively.

Advances to contractors and suppliers represents prepayments for the construction of investment properties and property and equipment.

Leasehold rights consist of the following:
- Through the acquisition of ALLHC, ALI acquired leasehold rights arising from their lease agreement with Philippine National Railways (PNR) which amounted to ₱2,748.11 million and ₱2,905.15 million as of December 31, 2021 and 2020, respectively (see Note 33).
- TKPI's leasehold rights pertains to the right to use the property in Apulit Island located in Taytay, Palawan expiring on December 31, 2029 which amounted to ₱53.41 million and ₱60.09 million as of December 31, 2021 and 2020, respectively.

- NTDCC's leasehold rights refer to development rights on an 8.3-hectare portion of the MRT Development Corporation, which is located on the North Triangle property, and enabled the Group to develop and construct a commercial center which amounted to ₱515.93 million and ₱535.91 million as of December 31, 2021 and 2020, respectively.

Movements of leasehold rights follow:

	2021	2020
	(In Thousands)	
As of January 1, 2021	**₱3,506,816**	₱3,684,840
Additions	**–**	8,736
Amortizations	**(108,157)**	(186,760)
Balance at end of year	**₱3,398,659**	₱3,506,816

Deposits - others pertain to various utility deposits and security deposits for leases.

Investment in bonds pertain to non-interest bearing bonds with a term of 36-months. The Group recorded the investment as financial asset at fair value through other comprehensive income. The fair value of the investment in bonds is determined using the binomial lattice approach. The fair value of the investment is categorized under Level 3.

Deferred input VAT pertains to unamortized VAT portion from purchases of capital goods.

Development rights pertain to the saleable and non-saleable development rights acquired by the Parent Company. The non-saleable portion is allocated to the gross floor area of a structure in a particular lot that can be developed in the future. The amortization of development rights are capitalized as additional cost of the structure once the development commences.

Others pertain to prepayments for expenses that is amortized for more than one year.

15. Accounts and Other Payables

This account consists of:

	2021	2020
	(In Thousands)	
Accounts payable	**₱69,486,598**	₱77,332,265
Taxes payable	**19,413,474**	19,215,550
Accrued project costs	**17,765,659**	18,220,433
Liability for purchased land	**9,576,947**	9,316,978
Accrued salaries and employee benefits	**5,309,047**	5,669,563
Retentions payable	**5,198,897**	4,131,302
Accrued professional and management fees	**2,034,248**	2,448,396
Accrued repairs and maintenance	**2,027,742**	1,634,398
Interest payable	**1,592,727**	1,775,627
Payable to related parties (Note 25)	**923,241**	1,128,192
Accrued advertising and promotions	**922,513**	968,291
Dividends payable	**686,982**	241,604
Accrued utilities	**552,337**	697,231
Accrued rentals	**91,477**	369,960
Other accrued expenses	**1,108,507**	1,476,132
	₱136,690,396	₱144,625,922

Accounts payable and accrued expenses are noninterest-bearing and are normally settled on 30- to 60-day terms.

Taxes payable pertains to the Group's output VAT, expanded withholding tax, capital gains tax and fringe benefit tax.

Accrued project costs are billings not yet received from suppliers for direct materials, and services from subcontractors. These are accruals of project costs such as equipment charges, materials, labor, overhead, and provision for repairs and maintenance.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired payable during the year. These are normally payable in quarterly or annual installment payments or upon demand.

Retentions payable pertains to the amount withheld by the Group on contractor's billings to be released after the guarantee period, usually one (1) year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in the project.

Other accrued expenses consist mainly of accruals from commissions, royalty, transportation and travel, janitorial and security, postal and communication and other expenses.

16. Short-term and Long-term Debts

The short-term debt amounting to ₱16,782.5 million and ₱9,131.3 million as of December 31, 2021 and 2020, respectively, represents both peso and foreign currency-denominated bank loans. Peso-denominated short-term loans had a weighted average cost of 2.12% and 4.00% per annum in 2021 and 2020, respectively.

In compliance with BSP rules on directors, officers, stockholders and related interests, certain short-term and long-term debt with a carrying value of ₱6,368.9 million and ₱13,231.3 million as of December 31, 2021 and 2020 are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. Net book value of the property amounted to ₱2,907.2 million and ₱2,288.3 million as of December 31, 2021 and 2020, respectively, which is accounted as part of the "Investment properties" account.

Long-term debt consists of:

	2021	2020
	(In Thousands)	
Parent Company:		
Bonds:		
Due 2021	**₱–**	₱9,000,000
Due 2022	**22,650,000**	22,650,000
Due 2023	**7,000,000**	15,000,000
Due 2024	**3,000,000**	18,000,000
Due 2025	**23,250,000**	21,250,000
Due 2026	**16,000,000**	16,000,000
Due 2027	**8,000,000**	8,000,000
Due 2028	**10,000,000**	10,000,000
Due 2031	**3,000,000**	–
Due 2033	**2,000,000**	2,000,000
Fixed rate corporate notes (FXCNs)	**4,650,000**	5,650,000
Php - denominated long-term loans	**76,814,570**	41,230,039
US Dollar - denominated long-term loans	**6,374,875**	6,002,875
	182,739,445	174,782,914

	2021	2020
	(In Thousands)	
Subsidiaries:		
Bank loans - Philippine Peso	**₱21,719,292**	₱24,152,698
Bonds	**3,000,000**	5,000,000
Bank loans - Malaysian Ringgit	**1,246**	1,749
	24,720,538	29,154,447
	207,459,983	203,937,361
Less unamortized transaction costs	**1,145,744**	1,117,768
	206,314,239	202,819,593
Less current portion	**26,173,997**	18,732,401
	₱180,140,242	₱184,087,192

ALI Parent
Below is the summary of the outstanding Peso bonds issued by the Parent Company:

Year Issued	Term (Years)	Interest rate	Principal Amount (In thousands)	Carrying Value (In thousands) 2021	2020	Features
2012	10	6.00%	5,650,000	**₱5,650,000**	₱5,650,000	Fixed rate bond due 2022
2013	20	6.00%	2,000,000	**1,986,794**	1,986,730	Fixed rate bond due 2033
2013	10.5	5.00%	15,000,000	**–**	14,966,062	Fixed rate bond due 2024
2014	11	5.63%	8,000,000	**–**	7,968,512	Fixed rate bond due 2025
2015	7	4.50%	7,000,000	**6,987,688**	6,978,851	Fixed rate bond due 2022
2016	9.5	4.75%	7,000,000	**6,969,407**	6,962,422	Fixed rate bond due 2025
2016	10	4.85%	8,000,000	**7,961,918**	7,954,090	Fixed rate bond due 2026
2016	7	3.89%	7,000,000	**6,980,787**	6,971,017	Fixed rate bond due 2023
2017	10	5.26%	7,000,000	**6,979,065**	6,975,753	Fixed rate bond due 2027
2018	10	5.92%	10,000,000	**9,916,583**	9,906,061	Fixed rate bond due 2028
2018	5	7.02%	8,000,000	**–**	7,962,717	Fixed rate bond due 2023
2019	7	6.37%	8,000,000	**7,934,304**	7,921,653	Fixed rate bond due 2026
2019	5	4.76%	3,000,000	**2,978,436**	2,971,294	Fixed rate bond due 2024
2019	2	4.25%	9,000,000	**–**	8,781,628	Fixed rate bond due 2021
2019	7.3	4.99%	1,000,000	**963,622**	957,658	Fixed rate bond due 2027
2020	2	3.00%	10,000,000	**9,970,491**	9,911,380	Fixed rate bond due 2022
2020	5	3.86%	6,250,000	**6,192,684**	6,178,810	Fixed rate bond due 2025
2021	4	3.63%	10,000,000	**9,903,889**	–	Fixed rate bond due 2025
2021	10	4.08%	3,000,000	**2,977,789**	–	Fixed rate bond due 2031
Total				**₱94,353,457**	₱121,004,638	

Philippine Rating Services Corporation (PhilRatings) rated the Parent Company's 2021 bond issue "PRS Aaa" with a stable outlook, and maintained the "PRS Aaa" rating with a stable outlook for all other outstanding bonds. PRS Aaa is the highest rating assigned by PhilRatings, indicating that obligor's capacity to meet its financial commitment on the obligation is extremely strong and that it has the smallest degree of investment risk. On the other hand, an Outlook is an indication as to the possible direction of any rating change within a one year period and serves as a further refinement to the assigned credit rating for the guidance of investors, regulators, and the general public. A Stable Outlook indicates that the rating is likely to be maintained or to remain unchanged in the next twelve months

Bonds:
Philippine Peso 2-year Bonds due 2021
In November 2019, the Parent Company issued a ₱9,000.0 million fixed rate bond due 2021 at a rate equivalent to 4.25% p.a. The Bonds form part of the third tranche of debt securities issued under the Parent Company's new ₱50,000.0 million Debt Securities Program registered with the SEC, and listed on the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2022
In April 2012, the Parent Company issued a ₱5,650.0 million bond due 2022 at a fixed rate equivalent to 6.0% p.a. PhilRatings assigned a PRS Aaa rating on the bonds indicating that it has the smallest degree of investment risk. Interest payments are protected by a large or by an exceptionally stable margin and principal is assured. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues. PRS Aaa is the highest credit rating possible on PhilRatings' rating scales for long-term issuances.

Philippine Peso 7.0 Billion Fixed Rate Bonds due 2022
In April 2015, the Parent Company issued a total of ₱7,000.0 million bonds due 2022 at a fixed rate equivalent to 4.5% p.a. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings.

Philippine Peso 2-year Bonds due 2022
In June 2020, the Parent Company issued a ₱10,000.0 million fixed rate bond due 2022 at a rate equivalent to 3.00% p.a. The Bonds form part of the fourth tranche of debt securities issued under the Parent Company's new ₱50,000.0 million Debt Securities Program registered with the SEC, and the first issuer to hold a virtual listing ceremony on the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings and the first corporate bond to bookbuild, price, and issue within the community quarantine period.

Philippine Peso 7-year Bonds due 2023
In October 2016, the Parent Company issued a ₱7,000.0 million fixed rate bond due 2023 at a rate equivalent to 3.89% p.a. The Bonds represent the third tranche of the Fixed-rate Bonds Series issued under the Parent Company's ₱50,000.0 million Debt Securities Program registered with the SEC, and listed in the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2023
In October 2018, the Parent Company issued a ₱8,000.0 million fixed rate bond due 2023 at a rate equivalent to 7.02% p.a. The Bonds represent the sixth and final tranche of the Fixed-rate Bonds Series issued under the Parent Company's ₱50,000.0 million Debt Securities Program registered with the SEC, and listed on the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings. In October 2021, the Bonds were fully redeemed by the Parent Company when it exercised the call option on the 3rd anniversary the bonds with a call option price of 101.00% of the outstanding principal amount.

Philippine Peso 5-year and 10-year and 6-month Bonds due 2024
In July 2013, the Parent Company issued a total of ₱15,000.0 million bonds due 2024 at a fixed rate equivalent to 5.0% p.a. Credit Rating and Investors Services Philippines, Inc. (CRISP) assigned a "AAA" on the bonds indicating that it has a minimal credit risk owing to the Company's capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP. In 2019, the Parent Company issued a total of ₱3,000.0 million bonds due 2024 at a fixed rate equivalent to 4.76% p.a. under its new shelf registration. PhilRatings assigned a PRS Aaa rating on the bonds. In July 2021, the Parent Company fully redeemed the ₱15,000.0 million bonds due 2024 when it exercised the call option on the 8th anniversary of the bonds with a call option price of 101.00% of the outstanding principal amount.

Philippine Peso 11-year Bonds due 2025
In April 2014, the Parent Company issued a total of ₱8,000.0 million bonds due 2025 at a fixed rate equivalent to 5.6% p.a. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings. In April 2021, the Parent Company fully redeemed the bonds when it exercised the call option on the 7th anniversary of the bonds with a call option price of 102.00% of the outstanding principal amount.

Philippine Peso 9-year and 6-month Bonds due 2025
In April 2016, the Parent Company issued a total of ₱7,000.0 million bonds due 2025 at a fixed rate equivalent to 4.75% p.a. The Bonds is the second tranche of the Fixed-rate Bonds Series under the Parent Company's ₱50,000.0 million Debt Securities Program registered in the SEC. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings.

Philippine Peso 5-year Bonds due 2025
In September 2020, the Parent Company issued a ₱6,250.0 million fixed rate bond due 2025 at a rate equivalent to 3.86% p.a. The Bonds represent the fifth tranche of debt securities issued under the Parent Company's new ₱50,000.0 million Debt Securities Program registered with the SEC and listed on the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings and the largest 5-year bond issuance during the quarantine period.

Philippine Peso 4-year Bonds due 2025
In May 2021, the Parent Company issued a 10,000.0 million fixed rate bond due 2025 at a rate equivalent to 3.63% p.a. The Bonds represent the sixth tranche of debt securities issued under the Parent Company's new 50,000.0 million Debt Securities Program registered with the SEC and listed on the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings and the first fixed income offering in the Philippines that used the e-Securities Issue Portal (“eSIP”) of the Philippine Depository & Trust Corp.

Philippine Peso 7-year and 10-year Bonds due 2026
In March 2016, the Parent Company issued a total of ₱8,000.0 million bonds due 2026 at a fixed rate equivalent to 4.85% p.a. The Bonds is the first tranche of the Fixed-rate Bonds Series under the Parent Company's ₱50,000 million Debt Securities Program registered in the SEC. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings. In May 2019, the Parent Company issued an ₱8,000.0 million fixed rate bond due 2026 at a rate equivalent to 6.37% p.a. The Bonds represent the first tranche of debt securities issued under the Parent Company's new ₱50,000.0 million Debt Securities Program registered with the SEC, and listed on the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 7-year and 3-month and 10-year Bonds due 2027
In May 2017, the Parent Company issued a ₱7,000.0 million fixed rate bond due 2027 at a rate equivalent to 5.26% p.a. The Bonds represent the fourth tranche of the Fixed-rate Bonds Series issued under the Parent Company's ₱50,000.0 million Debt Securities Program registered with the SEC, and listed in PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings. In November 2019, the Parent Company issued a ₱1,000.0 million fixed rate bond due 2027 at a rate equivalent to 4.99% p.a. This was the third tranche of bonds issued under the new ₱50,000.0 million shelf registration of the Parent Company. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2028
In April 2018, the Parent Company issued a ₱10,000.0 million fixed rate bond due 2028 at a rate equivalent to 5.92% p.a. and subject to repricing on 27 April 2023, the fifth anniversary of the Issue Date, at the higher of 5.92% or the prevailing 5-year benchmark plus 75 bps. The Bonds represent the fifth tranche of the Fixed-rate Bonds Series issued under the Parent Company's ₱50,000.0 million Debt Securities Program registered with the SEC, and listed in the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2031
In October 2021, the Parent Company issued a total of 3,000.0 million bonds due 2031 at a fixed rate equivalent to 4.08% p.a. The Bonds is composed of 2,750.0 million from the first tranche of debt securities issued under the Parent Company's new 50,000.0 million Debt Securities Program approved by the SEC and listed on the PDEx in October 2021 while 250.0 million represent the seventh tranche of debt securities issued under the existing 50,000.0 million Debt Securities Program

in May 2019. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings.

Philippine Peso 7-Year and 20-year Bonds due 2020 and 2033
In October 2013, the Parent Company issued a total of ₱6,000.0 million bonds, broken down into a ₱4,000.0 million bond due 2020 at a fixed rate equivalent to 4.6% p.a. and a ₱2,000.0 million bond due 2033 at a fixed rate equivalent to 6.0% p.a. CRISP assigned a "AAA" rating on the bonds indicating that it has a minimal credit risk owing to the Parent Company's capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP. The Parent Company fully paid the bonds that matured in October 2020.

<u>FXCNs:</u>
Philippine Peso 5-, 10-, 15-Year FXCN due on 2016, 2021 and 2026
In January 2011, the Parent Company issued ₱10,000.0 million FXCNs to various financial institutions and retail investors. The notes will mature on various dates up to 2026. The FXCNs bear fixed interest rates ranging from 5.6% to 7.5% p.a. depending on the term of the notes. The Parent Company prepaid ₱1,950.0 million of notes due in 2016 on January 19, 2013. Thereafter, the Parent Company either prepaid the loans before its maturity or paid the loans upon maturity. From 2014 until 2020, the Parent Company paid a total of ₱7,100.0 million, in which ₱10.0 million were each paid in 2020 and 2019. In January 2021, the Parent Company paid in full the remaining balance of ₱950.0 million.

<u>Philippine-denominated Long-term Loans:</u>
Philippine Peso 10-year Note due 2023
In December 2012, the Parent Company executed a ₱5,000.0 million committed Corporate Note facility with a local bank, of which an initial ₱3,500.0 million was drawn in 2012. The balance of ₱1,500.0 million was subsequently drawn in January 2013. Notes currently bear a fixed interest rate of 4.5% p.a. The Corporate Notes will mature on the third month succeeding the tenth anniversary of the initial drawdown date. In 2015, ₱50.0 million was prepaid by the Company. Thereafter, the Parent Company paid the ₱50.0 million loan amortizations until 2021. From 2016 until 2021, the Parent Company paid a total of ₱300.0 million, in which ₱50.0 million amortizations were each paid in 2021 and 2020. As of December 31, 2021 and 2020, the remaining balance of the note amounted to ₱4,650.0 million and ₱4,700.0 million, respectively.

Peso-denominated Long-term Loans
In August to September 2015, the Parent Company assumed an aggregate of ₱15,526.9 million various long-term facilities of some subsidiaries from various banks. The loans bear fixed interest rates ranging from 4.5% to 4.7% p.a. and terms ranging from 4.4 years to 10.5 years. In March 2016, the Company additionally assumed from ALI Makati Hotel Property, Inc. US$30.0 million in long-term loans from the Bank of the Philippine Islands. The loan carried a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR) and is repriceable quarterly. The loan was prepaid in December 2018. As of December 31, 2021 and 2020, the remaining balance of the assumed long-term facilities amounted to ₱9,820.9 million and ₱11,592.5 million respectively.

In March 2017, the Parent Company executed a ₱10,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn an initial ₱5,000.0 million. The loan carries a fixed interest rate of 4.95% p.a. and a term of 10 years. The balance under the long-term facility of ₱5,000.0 million was drawn in April 2017.

In March 2018, the Parent Company executed a ₱5,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn the entire facility amount.

In March 2019, the Parent Company executed a ₱13,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn an initial ₱6,500.0 million. The loan carries a fixed interest rate of 6.272% p.a. and a term of 10 years. The ₱6,500.0 million balance was drawn in April 2019 at an interest rate of 6.307% per annum. In June 2020, the Parent Company prepaid the remaining long-term balance of ₱12,662.0 million with a pre-termination fee of ₱126.6 million recorded under interest expense and other financing charges account.

In January 2020, the Parent Company executed and availed a ₱5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.5% p.a. for the initial 5 years. In December 2020, the Parent Company also executed and availed a ₱10,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.0% p.a. for the first 7 years. Both loans will be repriced on the 5th and 7th anniversary, respectively.

In July 2021, the Company executed a ₱10,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.875% for the initial 5 years.In August 2021, the Company executed a ₱5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.875% p.a. for the initial 5 years. Another ₱4,900.0 million 6-year long-term facility was drawn in October 2021 at an interest rate of 3.7792% p.a. for the initial 3 years. In October 2021, the Company executed a ₱5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.75% p.a. for the initial 5 years. In November 2021, the Company also executed a ₱5,000.0 million 9-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.95% p.a. for the initial 5 years. In December 2021, the Company executed a ₱7,100.0 million 8-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 3.8658% p.a. for the initial 3 years.

On December 16, 2021, the SEC approved and made effective the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the “Merger”). ALI shall be the surviving entity in the Merger and shall possess all the rights, privileges and immunities of CHI, AiO, ASCVC and CDBI (the “Absorbed Corporations”), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed. With that, the Parent Company assumed an aggregate of ₱914.1 million long-term facilities of AiO from a domestic bank.

As of December 31, 2021 and 2020, remaining aggregate balance of the Peso-denominated long-term loans amounted to ₱76,814.6 million and ₱41,230.0 million, respectively.

US Dollar-denominated Long-term Loans:
In November 2019, the Parent Company executed and had simultaneously drawn a US$125.0 million long-term facility. The loan bears a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR), repriceable quarterly. All proceeds were onlent to MCT to refinance its existing loans. The loan will mature on the fifth anniversary of the initial drawdown date.

As of December 31, 2021 and 2020, the remaining aggregate balance of US Dollar-denominated long term loans amounted to ₱6,374.9 million and ₱6,002.9 million, respectively.

Subsidiaries
The subsidiaries’ loans will mature on various dates up to 2031. Peso-denominated loans bear various floating interest rates at 60 bps to 80 bps spread over the benchmark 91-day PHP BVAL Reference Rate (previously PDST-R2) or and fixed interest rates ranging from 1.83% to 4.83% p.a. Certain loans which are subject to floating interest rates are subject to floor floating interest rates equivalent to (i) 95.0% or par of the Overnight Reverse Repurchase Agreement Rate of the Bangko Sentral ng Pilipinas (BSPOvernightRate) or (ii) the BSP Overnight Rate plus a spread of 20 bps to 75 bps p.a. or (iii) the average of the Bangko Sentral ng Pilipinas Overnight Deposit Rate and Term Deposit Facility with a term closed to the 90-day interest period.

In 2021 and 2020, the subsidiaries made a total bank loan availment of ₱5,830.0 million and ₱9,600.0 million, respectively. In 2021, the subsidiaries paid a total bank loan of ₱7,349.83 million and another ₱5,000.0 million for the matured fixed rate bonds. In 2020, the subsidiaries made a total bank loan payment of ₱9,496.67 million and another ₱1,350.0 million for the matured fixed rate corporate notes.. The total outstanding balance of the subsidiaries' loans as of December 31, 2021 and 2020 amounted to ₱21,720.54 million and ₱24,154.45 million loans, respectively.

Philippine Peso 3.0 Billion Fixed Rate Bonds *due 2023*
In December 2021, AREIT, Inc. issued a total of ₱3,000.0 million bonds due 2023 at a fixed rate equivalent to 3.0445% p.a. The Bonds represent the first tranche of debt securities issued under its ₱15,000.0 million Debt Securities Program registered with the SEC and listed on the PDEx.The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings, indicating that obligor's capacity to meet its financial commitment on the obligation is extremely strong.

The loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional loans maturing beyond a year which will result to non-compliance of the required debt-to-equity ratios; merger or consolidation where the Company/subsidiary is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets. These restrictions and requirements were complied with by the Group as of December 31, 2021 and 2020.

Interest capitalized amounted to ₱560.14 million, ₱40.1 million, ₱145.5 million in 2021, 2020 and 2019 respectively. The capitalization rates are 2.14% -3.44%% in 2021, 2.63% - 5.18% in 2020 and 4.41%-7.01% in 2019 (see Note 8 and 12).

Transaction costs capitalized amounted to ₱500.0 million, ₱423.0 million, ₱333.8 million in 2021, 2020 and 2019, respectively. Amortization amounted to ₱472.07 million, ₱216.93 million and ₱151.9 million in 2021, 2020 and 2019, respectively, and included under "Interest and other financing charges" (see Note 22).

17. **Deposits and Other Current Liabilities**

This account consists of:

	2021	2020
	(In Thousands)	
Current portion of customers' deposits	**₱23,858,675**	₱19,760,584
Security deposits	**3,372,817**	5,311,506
Others	**239,823**	245,156
	₱27,471,315	₱25,317,246

Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion.

The amount of revenue recognized from amounts included in customers' deposits at the beginning of the year amounted to ₱30,239.3 million, ₱21,087.9 million and ₱22,826.6 million in 2021, 2020 and 2019, respectively.

Security deposits are equivalent to three (3) to six (6) months' rent of tenants with cancellable lease contracts and whose lease term will end in the succeeding year. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts.

Other current liabilities mostly pertain to accrued project costs and unearned income.

18. Deposits and Other Noncurrent Liabilities

This account consists of:

	2021	2020
	(In Thousands)	
Deposits	**₱21,682,003**	₱19,712,684
Customers' deposit - noncurrent portion	**17,032,950**	13,708,188
Liability for purchased land	**12,835,369**	2,111,165
Retentions payable	**4,174,016**	6,058,579
Contractors payable	**3,167,215**	5,711,140
Deferred output VAT	**1,048,615**	1,457,411
Subscriptions payable	**256,068**	498,175
Other liabilities	**539,366**	782,828
	₱60,735,602	₱50,040,170

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties. Security deposits are equivalent to three (3) to six (6) months' rent of long-term tenants with noncancellable leases. This will be refunded to the lessees at the end of the lease term or applied to the last months' rentals on the related contracts. Deferred credits pertain to advances from buyers of real estate properties to cover various processing fees including, but not limited to, fees related to transfer of title such as registration fees, documentary taxes and transfer taxes. Payments made by the Group for the processing of title are charged to this account.

Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion.

Retentions payable pertains to the amount withheld by the Group on contractor's billings to be released after the guarantee period, usually one (1) year after the completion of the project or upon demand. The retention serves as a security from the contractor when there are claims for defects in projects requiring rework.

Contractors payable represents accrued costs incurred for property development that are not yet billed.

Liability for purchased land pertains to the portion of unpaid unsubdivided land acquired during the year. These are normally payable in quarterly or annual installment payments within three (3) or five (5) years.

Deferred output VAT pertains to output VAT on receivables for which sales recognition has been deferred based on sales collection threshold for VAT recognition purposes.

The Group's subscription payable pertains to ALLHC's investment in Cyber Bay.

On April 25, 1995, Central Bay, a wholly owned subsidiary of Cyber Bay, entered into a Joint Venture Agreement with the Philippine Reclamation Authority (PRA; formerly Public Estates Authority) for the complete and entire reclamation and horizontal development of a portion of the Manila-Cavite Coastal Road and Reclamation Project (the Project) consisting of three partially reclaimed and substantially eroded islands (the Three Islands) along Emilio Aguinaldo Boulevard in Parañaque and Las Piñas, Metro Manila with a combined total area of 157.8 hectares, another area of 242.2 hectares contiguous to the Three Islands and, at Central Bay's option as approved by the PRA, an additional 350 hectares more or less to regularize the configuration of the reclaimed area.

On March 30, 1999, the PRA and Central Bay executed an Amended Joint Venture Agreement (AJVA) to enhance the Philippine Government's share and benefits from the Project which was approved by the Office of the President of the Philippines on May 28, 1999.

On July 9, 2002, the Supreme Court (SC) (in the case entitled "Francisco Chavez vs. Amari Coastal Bay and Reclamation Corp.") issued a ruling declaring the AJVA null and void. Accordingly, PRA and Central Bay were permanently enjoined from implementing the AJVA.

On July 26, 2002, Central Bay filed a Motion for Reconsideration (MR) of said SC decision. On May 6, 2003, the SC En Banc denied with finality Central Bay's MR. On May 15, 2003, Central Bay filed a Motion for Leave to Admit Second MR. In an En Banc Resolution of the SC dated July 8, 2003, the SC resolved to admit the Second MR of Central Bay.

On November 11, 2003, the SC rendered a 7-7 split decision on Central Bay's Second MR. Because of the new issues raised in the SC's latest resolution that were never tried or heard in the case, Central Bay was constrained to file on December 5, 2003 a Motion for Re-deliberation of the SC's latest resolution which motion was denied with finality by the SC.

With the nullification of the AJVA, Central Bay has suspended all Project operations. On August 10, 2007, in view of the failure by the PRA to comply with its obligations and representations under the AJVA, Cyber Bay and Central Bay have filed their claims for reimbursement of Project expenses in the amount of ₱10,200.0 million with the PRA. Cyber Bay and Central Bay provided the PRA with the summary and details of their claims on September 5, 2007. On July 15, 2008, Cyber Bay sent a follow-up letter to the PRA. The PRA, in its letter dated July 18, 2008, informed Cyber Bay that its claim is still being evaluated by the PRA.

As at December 31, 2021 and 2020, the Group has unpaid subscription in Cyber Bay amounting to ₱481.7 million. The investment in Cyber Bay under "financial assets through FVOCI" amounted to ₱472.0 million as of December 31, 2020 (nil in 2021) (see Note 10).

Other liabilities include nontrade payables, accrued payables and warranty payables.

19. Equity

The details of the number of shares follow:

December 31, 2021

	Number of Shares		**Amount**	
	Preferred	**Common**	**Preferred**	**Common**
	(In Thousands)			
Authorized	**15,000,000**	**20,000,000**	**₱1,500,000**	**₱20,000,000**
Issued*	**13,066,495**	**15,257,294**	**₱1,306,649**	**₱15,257,294**
Subscribed	**–**	**123,901**	**–**	**123,901**
	13,066,495	**15,381,195**	**₱1,306,649**	**₱15,381,195**

*Out of the total issued shares (in thousands), 570,069 shares or ₱16,894.4 million as of December 31, 2021 pertain to Treasury shares

December 31, 2020

	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
	(In Thousands)			
Authorized	15,000,000	20,000,000	₱1,500,000	₱20,000,000
Issued*	13,066,495	14,635,298	₱1,306,649	₱14,635,298
Subscribed	–	124,882	–	124,882
	13,066,495	14,760,180	₱1,306,649	₱14,760,180

*Out of the total issued shares (in thousands), 29,785 shares or ₱1,260.8 million as of December 31, 2020 pertain to Treasury shares

December 31, 2019

	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
	(In Thousands)			
Authorized	15,000,000	20,000,000	₱1,500,000	₱20,000,000
Issued*	13,066,495	14,632,062	₱1,306,649	₱14,632,062
Subscribed	–	113,273	–	113,273
	13,066,495	14,745,335	₱1,306,649	₱14,745,335

*Out of the total issued shares (in thousands), 25,373 shares or ₱1,104.4 million as of December 31, 2019 pertain to Treasury shares

The movement in the Parent Company's treasury shares follows:

	2021		2020		2019	
	Shares In thousand	**Amount in millions**	Shares In thousand	Amount in millions	Shares In thousand	Amount in millions
At January 1	**29,785**	**₱1,260.8**	25,373	₱1,104.4	–	₱–
Additions	**540,284**	**15,633.6**	4,412	156.4	25,373	1,104.4
At December 31	**570,069**	**₱16,894.4**	29,785	₱1,260.8	25,373	₱1,104.4

Preferred Shares (₱0.10 par value per share)
The Parent Company's preferred shares prior to 2012 were subscribed and issued through a stock rights offer with the following features: (a) non-voting; (b) dividend rate of 4.6% p.a., payable annually, noncumulative; (c) nonparticipating; (d) convertible at the option of the holder at a ratio of one (1) preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (e) no pre-emptive rights; (f) non-redeemable; (g) non-listed; and, (h) preferred in liquidation to the extent of par value.

The dividends for preferred shares are declared upon the sole discretion of the Parent Company's BOD.

On February 20, 2012, the BOD approved the following restructuring exercise in order to comply with the regulatory requirement on Filipino-ownership following the Supreme Court's ruling that nonvoting shares do not count as equity when computing for a Parent Company's Filipino-ownership level:

a. Redemption and retirement of the 13.0 billion outstanding preferred shares with par value of ₱0.10.
b. Reclassification of the 1,970.0 million unissued preferred shares to voting preferred shares through an amendment of Article Seventh of the Articles of Incorporation.
c. Increase in authorized capital stock by ₱1,300.0 million creating new voting preferred shares and a stock rights offer of 13,000 million voting preferred shares from the increase in the authorized capital stock.

On April 18, 2012, the stockholders ratified the BOD resolution on the capital restructuring. The voting preferred shares shall have the following features, rights, and privileges: (a) voting; (b) dividend rate of 4.7% per annum, equivalent to 90.0% of the 10-year PDST R2 (repriced every ten (10) years from issue date), payable annually, non-cumulative; (c) convertible at the option of the holder at a ratio of one (1) voting preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (d) no pre-emptive rights; (e) redeemable at par at the sole option of the corporation; (f) non-listed; and, (g) preferred in liquidation to the extent of par value.

The SEC approved on January 31, 2013 the following:

a. The decrease in authorized capital stock by ₱1,303.5 million, the aggregate par value of the 13,034.6 million preferred shares which have been redeemed and retired, from ₱22,803.5 million to ₱21,500.0 million, and

b. The amendments to Articles of Incorporation reflecting the decrease in capital stock.

As of December 31, 2021 and 2020 the Parent Company's authorized and outstanding preferred shares amounted to ₱1,500.0 million and ₱1,306.6 million, respectively at ₱0.10 par value per share.

Common Shares (₱1.00 par value per share)
On April 7, 2014, the stockholders resolved to approve the amendment of the Seventh Article of the Articles of Incorporation exempting from pre-emptive rights (1) the issuance of 1 billion common shares for properties or assets needed for the business of the Parent Company or for cash to acquire properties or assets needed for the business of the Parent Company or in payment of a debt contracted prior to the issuance of such shares, and (2) the issuance of common shares covered by the Parent Company's Stock Option Plans for members of the management committees of the Parent Company's subsidiaries or affiliates.

Likewise, the stockholders resolved to approve the amendment of the Stock Option Plan of the Parent Company to include the members of the Management Committees of the Parent Company's subsidiaries and affiliates as eligible grantees of stock options.

The rollforward analysis of the common shares follows:

	Number of Shares			Amount		
	2021	2020	2019	**2021**	2020	2019
			(In Thousands)			
Issued capital stock*						
At beginning of year	**14,635,298**	14,632,062	14,614,387	**₱14,635,298**	₱14,632,062	₱14,614,387
Issued shares	**621,995**	3,236	17,675	**621,995**	3,236	17,675
At end of year	**15,257,294**	14,635,298	14,632,062	**15,257,294**	14,635,298	14,632,062
Subscribed capital stock						
At beginning of year	**124,882**	113,273	120,494	**124,882**	113,273	120,494
Issued shares	**(12,369)**	(3,236)	(17,675)	**(12,369)**	(3,236)	(17,675)
Additional subscriptions	**11,389**	14,845	10,454	**11,389**	14,845	10,454
At end of year	**123,901**	124,882	113,273	**123,901**	124,882	113,273
	15,381,195	14,760,180	14,745,335	**₱15,381,195**	₱14,760,180	₱14,745,335

*Out of the total issued shares (in thousands), 570,069 shares or ₱16,894.4 million as of December 31, 2021, 29,785 shares or ₱1,260.1 million as of December 31, 2020 and 25,373 shares or ₱1,104.4 million as of December 31, 2019 pertain to Treasury shares

No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Parent Company.

The Parent Company's track record of capital stock is as follows:

Type of Shares	Number of shares registered	Issue/ Offer price	Date of approval	Number of holders of securities as of 2021	Number of holders of securities as of 2020
Class B shares	800,000,000	Par Value - ₱1.00 /Issue Price ₱26.00	April 18, 1991	8,926	8,985
Class B shares	400,000,000	Par Value - ₱1.00*	July 06, 1992		
Class A shares	900,000,000	Par Value - ₱1.00**	July 05, 1993		
Class B shares	600,000,000	Par Value - ₱1.00**	July 05, 1993		

Note: Class A Shares and Class B Shares were declassified into one type of Common Shares on September 12, 1997.
**increase in authorized capital stock, registered to cover the shares held by the directors and 20% stock dividend amounting to ₱108,662,000.00*
***increase in authorized capital stock, registered to cover the 20% stock dividend amounting to P391,240,953.00*

On January 9, 2015, the Executive Committee of the Parent Company approved a top-up placement of 484,848,500 common shares of the Parent Company at a price of ₱33.00 per share. The placement was conducted via an accelerated bookbuilt offering structured as a top-up placement, whereby AC sold 484,848,500 listed common shares of stock to qualified third party buyers and subscribe to the same number of new shares from the Parent Company. The Parent Company completed the placement on January 12, 2015, raising an aggregate of ₱16,000.0 million in paid-up capital. The price was at 3.9% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to ₱194.0 million.

On April 13, 2013, the stockholders resolved to approve the amendment of the Seventh Article of the Company's Articles of Incorporation for the purpose of excluding or exempting treasury shares from the pre-emptive rights of stockholders.

On March 6, 2013, the Parent Company's Board resolved to approve the placement made by AC of its existing 320,000,000 listed common shares of the Company to certain qualified third party buyers or investors at ₱30.50 per share. The Parent Company completed the top-up placement, raising an aggregate of ₱12,200.0 million in paid up capital. The price was at 3.6% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to ₱162.4 million.

On July 10, 2012, the Parent Company's executive committee approved the placement of 680 million listed common shares of stock with par value of ₱1.00 per share, at a price of ₱20.00 per share, and the issuance of equal number of new shares of the Parent Company, at the same price of ₱20.00 per share, with AC as the seller of the placement tranche and subscriber of the subscription tranche. The Parent Company completed the top-up placement, raising an aggregate of ₱13,600 million in paid up capital. The price was at 5.0% discount to the closing price. Transaction cost charged to additional paid-in capital amounted to ₱200.0 million.

On April 2, 2008, the Parent Company's stockholders approved the allotment and subsequent issuance of the shares for the above-mentioned purposes and for the further amendment of the Amended Articles of Incorporation of the Parent Company to exclude the issuance of shares from the pre-emptive rights of the stockholders pursuant to Section 39 of the Philippine Corporation Code.

On February 12, 2008, the BOD approved the allotment and subsequent issuance of up to 1 billion common shares of stock with an aggregate par value of ₱1,000.0 million for the purpose of exchanging such shares for properties or assets and/or to raise funds to acquire properties or assets needed for the business of the Parent Company via issuance of equity or equity-linked instruments, the price and the terms and conditions of which shall be determined by the BOD based on prevailing market conditions or on agreements negotiated.

On July 5, 1991, the Parent Company launched its initial public offering where a total of 400 million common shares were offered at an offering price of ₱26.00 per share. The registration statement was approved on July 20, 1992. The Parent Company has 8,985 and 9,009 existing shareholders as of December 31, 2020 and 2019, respectively.

Treasury Shares

In April and December 2021, Ayala Land, Inc. (ALI) purchased a total of 48,976,900 common shares at an average price of ₱33.90/share for a total consideration of ₱1,656.6 million under its share buyback program.

On December 16, 2021, SEC has approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). All of the shares of the absorbed entities owned by their respective stockholders prior to the Merger shall be acquired by ALI, and in exchange for the net assets of the absorbed entities, a total of 609,626,351 ALI common shares will be issued to the stockholders of the absorbed entities. Of these shares, 491,306,375 shares shall be issued to ALI itself and shall be treated as treasury shares with a total consideration of ₱13,977.0 million.

On February 28, March 11, March 12, and March 16, 2020, Ayala Land, Inc. purchased a total of 4,412,000 common shares at an average price of ₱35.67 per share for a total consideration of ₱156.4 million, pursuant to its share buyback program.

On February 21, 2020, the Board of Directors of Ayala Land, Inc. at its regular meeting approved the increase of an additional ₱25 billion to the Company's current share buyback program bringing the available balance to ₱26.1 billion. The program will be implemented through open market purchases executed via the trading facilities of the Philippine Stock Exchange.

On March 5, 2019, the Parent Company purchased a total of 10,372,746 of its common shares at ₱43.20 per share through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of ₱448.10 million in relation to its share buyback program. On November 26, 2019, the Parent Company also acquired a total of 15,000,000 of its common shares at ₱43.75 per share for a total purchase price of ₱656.25 million.

The amendment of the Articles of Incorporation on April 17, 2013 allowed the re-selling of the 79,528,299 listed common shares as part of the top-up placement transaction completed in July 2013. Treasury common shares were sold at ₱30.50 per share resulting to additional paid-in capital of ₱1,601.6 million.

On August 12, 2008, the BOD approved a share buyback program. It is part of the Parent Company's balance sheet management program and aims to (i) improve the Parent Company's balance sheet structure and capital efficiency and (ii) enhance shareholder value through the repurchase of shares whenever the stock is trading at a price discount perceived by the Parent Company as not reflective of its fair corporate value.

In 2008, the Parent Company repurchased a total of 79,528,228 of its common shares through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of ₱823.9 million in relation to its share buyback program. These have been reported as treasury shares.

Retained Earnings

The BOD approved the declaration and payment from unappropriated retained earnings of cash dividends of ₱0.28, ₱0.27 and ₱0.52 per share in 2021, 2020 and 2019, respectively, to all issued and outstanding shares.

On February 23, 2021, the BOD during its meeting approved the declaration of cash dividends of ₱0.1358 per outstanding common share. The cash dividend was paid on March 25, 2021 to stockholders of common shares as of record date March 10, 2021.

On May 27, 2021, the Board of Directors during its meeting approved the declaration of cash dividends of ₱0.0047 per outstanding preferred share. The cash dividend was paid on June 25, 2021 to stockholders of preferred shares as of record date June 10, 2021.

On October 19, 2021, the BOD during its meeting approved the declaration of cash dividends of ₱0.1360 per outstanding common share. The cash dividend was paid on November 18, 2021 to stockholders of common shares as of record date November 3, 2021.

On February 20, 2020, the BOD during its meeting approved the declaration of cash dividends of ₱0.27 per outstanding common share. The cash dividend was paid on March 20, 2020 to stockholders of common shares as of record date March 6, 2020.

On May 26, 2020, the BOD during its meeting approved the declaration of cash dividends of ₱0.00474786 per outstanding preferred share. The cash dividend was paid on June 25, 2020 to stockholders of preferred shares as of record date June 9, 2020.

On February 27, 2019, the BOD approved the declaration of cash dividends amounting to ₱0.26 per outstanding common share and was paid on March 29, 2019 to the shareholders on record as of March 13, 2019.

On May 24, 2019, the BOD declared annual cash dividends of 4.7% per year or ₱0.0047 per share to all shareholders of the Parent Company's unlisted voting preferred shares. These were paid on June 21, 2019 to the shareholders on record as of June 7, 2019.

On October 31, 2019, the BOD approved the declaration of cash dividends amounting to ₱0.26 per outstanding common share and was paid on November 29, 2019 to the shareholders on record as of November 15, 2019.

Total dividends for common shares declared for 2021, 2020 and 2019 amounted to ₱4,001.1 million, ₱3,944.6 million and ₱7,659.5 million, respectively. Total dividends for preferred shares declared for 2021, 2020 and 2019 amounted to ₱62.0 million each year.

As of December 31, 2021 and 2020, retained earnings of ₱25,000.0 million and ₱8,000.0 million are appropriated for future expansion. The increase of ₱17,000.0 million, as approved by the BOD on November 25, 2021, represents a continuing appropriation for land banking activities and planned building construction projects. Each year, the Parent Company incurs capital expenditures for property development which include among others land banking and building construction projects. The appropriation is being fully utilized to cover part of the annual expenditure requirement of the Parent Company.

The Parent Company has earmarked additional funds for expansion projects in the residential, shopping centers, office and hotel business segments, as well as various infrastructure projects for the Parent Company's mixed-use developments.

The following are among the major capital expenditures of the Parent Company which were approved by the BOD on November 25, 2021:

a) Arca South, a 74 hectares lifestyle district in the City of Taguig with residential, office, retail, hotel and other commercial component. Phase 1 of the mixed-use development was approved by the board on November 25, 2014. It consists a retail project with 4k sqm GLA, 2 BPO towers with 34k sqm GLA and a 265-room hotel with total estimated cost of ₱11 billion, for completion in 2026.

b) Vertis North, a 29 hectares estate positioned as the Central Business District of the North with residential, office, retail and hotel component. Phase 1 of the mixed-use development was approved by the board on October 11, 2013. It consists of the completed Vertis mall with 40k sqm GLA, 3 office towers with 125k sqm GLA and a 438 room Seda hotel. For future development consists of the 4th Office Tower with 46k sqm GLA estimated at ₱5 billion, for completion beyond 2026.

c) Vermosa , 700-hectare estate located south of Ayala Alabang. It is a mixed use development with residential and commercial component. Phase 1 of the mixed-use development consists of residential developments, commercial lots, school and sports and lifestyle complex. For future development consists of a mall with 41k sqm GLA approved by the board on May 19, 2017. Estimated cost for this project is at ₱2.5 billion, for completion in phases by 2022-2024.

d) Continuing payments for various acquisitions within the country amounting to ₱14.5 billion to be paid until 2024-2026.

Retained earnings also include undistributed net earnings amounting to ₱101,582.19 million and ₱92,123.69 million as of December 31, 2021 and 2020, respectively, representing accumulated equity in the net earnings of subsidiaries, associates and joint ventures. These are not available for dividend distribution unless declared by subsidiaries and other investees.

In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company's retained earnings available for dividend declaration as of December 31, 2021 and 2020 amounted to ₱39.30 billion and ₱67.87 billion, respectively.
Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

In 2021, the Group adopted the provision of PFRS 15 covered by PIC Q&A 2018-12-E on the treatment of land in the calculation of POC. The Group applied the modified retrospective approach to recognize the impact of the change with a reduction in the beginning retained earnings by ₱2,838 million and beginning NCI of ₱16.3 million. Further, the Group started capitalizing borrowing costs to its property and equipment and investment properties under construction. The Group recognized the impact of the change against the beginning retained earnings in 2021 amounting to ₱1,993 million.

Cumulative Translation Adjustment
The cumulative translation adjustments represents exchange differences arising from the translation of financial statements of the foreign operations, whose functional currency is other than Philippine Peso.

Equity Reserves
On December 16, 2021, the SEC has approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). ALI shall be the surviving entity in the Merger and shall possess all the rights, privileges and immunities of CHI, AiO, ASCVC and CDBI (the "Absorbed Corporations"), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed. The impact to equity reserve as a result of the merger amounted to ₱276.8 million.

On October 8, 2021, Ayala Land, Inc. and AREIT, Inc. received the approval from the SEC of the property-for-share swap, specifically the subscription of ALI and its subsidiaries namely, Westview Commercial Ventures Corp. and Glensworth Development, Inc. (collectively referred to as Subsidiaries) to 483,254,375 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, under the Deed of Exchange dated June 8, 2021. This resulted in ALI's interest in AREIT from 54% to 66%. The impact to equity reserve amounted to ₱981.1 million.

On August 13, 2020, ALI sold through a public listing its 49.0% effective noncontrolling interest in AREIT, Inc. at ₱27.0 per share. Subsequently during a one-month stabilization process, BPI Capital Corporation acquired a 3.4% interest in AREIT at an average price of ₱26.0/share and redelivered this to ALI. As a result of the sale and buy-back transactions, ALI's ownership interest in AREIT was diluted from 100.00% to 54.4%. In relation to the dilution without loss of control, the impact to ALI's net equity reserve amounted to ₱7,641.7 million. ALI's non-controlling interest increased by ₱4,701.7 million, as a result of the public offering of AREIT Inc. The difference between the consideration and carrying value of the non-controlling interest was credited to equity reserve as shown below:

	2020		
	Consideration received	Carrying value of Non-controlling interests deemed disposed	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
45.6% in AREIT	₱12,343,461	₱4,701,746	₱7,641,715

In September 2019, ALI purchased additional 648,177 shares of VPHI for ₱799.4 million increasing the Parent Company's ownership to 78.41%.

On April 17, 2019 ALI acquired additional 14,913,200 common shares of CHI through open market purchases using the trading facilities of the Philippine Stock Exchange totaling ₱88.7 million resulting in ALI's ownership from 70.4% to 71.1%.

On April 30, 2018, ALI and ALLHC executed a Deed of Exchange where ALI will subscribe to 1,225,370,620 common shares of ALLHC for an aggregate subscription price of ₱3.0 billion in exchange for 30,186 common shares of LTI. The subscription and exchange shall be subject to and deemed effective only upon the issuance by the SEC of the confirmation of valuation of the shares. The SEC issued its approval on February 28, 2019. This increased ALI's ownership to 69.50%. This resulted in a decrease in equity reserve amounting to ₱664.9 million.

On February 4, 2019, The Executive Committee of Ayala Land, Inc. (ALI) approved the purchase of a 20% equity interest owned by Mitsubishi Corporation in Laguna Technopark, Inc. (LTI), equivalent to 8,051 common shares, with a total value of ₱800 million. Subsequently, ALI will exchange the 20% equity interest in LTI for additional shares of stock in Prime Orion Philippines, Inc. (POPI), equivalent to 323,886,640 common shares, subject to conditions to be fulfilled by POPI. On May 10, 2019, Prime Orion Philippines, Inc., changed its corporate name to Ayalaland Logistics Holdings Corp. (ALLHC). On June 10, 2019, ALI sold its 20% equity interest or 8,051 common shares in LTI to ALLHC for a consideration of ₱800 million resulting to increase in ALI's ownership from 69.5% to 70.36%.

On September 9, 2019, OLI sold through a special block sale, 215,090,031 common shares of ALLHC to Avida Land Corporation, a wholly-owned subsidiary of ALI, for a total consideration of ₱628.1 million. Subsequently, these shares were acquired by ALI through a special block sale for a total consideration of ₱628.1 million. This resulted to ALI's effective ownership in ALLHC from 70.36% to 71.46%.

The transactions were accounted for as an equity transaction since there were no changes in control. The movements within equity are accounted for as follows:

	2019		
	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
8.41% in VPHI	₱799,420	₱68,916	₱730,504
0.69% in CHI	88,734	73,977	14,757
0.86% in ALLHC	800,000	825,447	(25,447)
1.10% in ALLHC	628,100	1,033,335	(405,235)
	₱2,316,254	₱2,001,675	₱314,579

In January 2018, ALI purchased additional 202,774,547 shares of ALLHC from Genez Investment Corporation for ₱497.7 million increasing the Parent Company's ownership from 62.9% to 67%.

In December 2018, ALI acquired 8,051 common shares of LTI for ₱800.0 million increasing its ownership from 75% to 95%.

In 2018, ALI acquired additional 59,631,200 common shares of CHI totaling to ₱352.8 million. Further, an additional 77,742,516 shares was acquired as a result of swap of CPVDC shares for a total consideration of ₱229.3 million which brings Parent Company's ownership to 70.4%.

In March 2018, the Irredeemable Convertible Unsecured Loan Stock of Dato Sri Tong and Tan Sri Barry Go, founders of MCT, were converted into 122,218,357 shares. This resulted in a 6.07% dilution of ALI's stake in MCT as of date of share issuance. As such, the current ownership stake of ALI in MCT is 66.25%. This resulted in an increase in Equity reserve amounting to ₱1,044.5 million.

The transactions were accounted for as an equity transaction since there were no changes in control.

The movements within equity are accounted for as follows:

	2018		
	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
4.14% in ALLHC	₱497,652	₱315,951	₱181,701
20.00% in LTI	800,000	528,295	271,705
1.53% net reduction in CHI	582,106	826,752	(244,646)
	₱1,879,758	₱1,670,998	₱208,760

In 2017, ALI purchased additional 97,763,900 common shares of CHI from BPI Securities Corporation totaling ₱575.0 million which increased the Company's ownership to 72% of the total outstanding capital stock of CHI.

In February 2017, ALI purchased additional 631,000 common shares of ALLHC from BPI Securities Corporation for ₱1.26 million. ALI's interest remains at 51% of the total ALLHC's outstanding capital stock.

In June 2017, Orion Land, Inc. (OLI), a subsidiary of ALLHC, acquired 512,480,671 common shares equivalent to 11.69% ownership at ₱2.45 share amounting to ₱1,255.58 million. The acquisition of ALLHC shares by OLI was treated as an acquisition of non-controlling interest resulting to a debit to equity reserve of ₱405.18 million. This increased ALI's effective ownership from 51.36% to 63.05%.

The transactions were accounted for as an equity transaction since there were no change in control. The movements within equity are accounted for as follows:

	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
5.09% in CHI	₱574,994	₱394,907	₱180,087
11.69% in ALLHC	1,258,579	852,656	405,923
	₱1,833,573	₱1,247,563	₱586,010

In August 2017, AHRC entered into a memorandum of agreement with Sicogon Development Corporation (SIDECO) and an individual to develop Sicogon Island into a new leisure destination. The investment of SIDECO and an individual to SITEC changed the ownership interest of AHRC in SITEC from 100% to 77% without a loss of control. The difference between the amount by which non-controlling interest of 23% are adjusted and the fair value of consideration paid is recognized directly to equity amounting to ₱134.1 million.

Below are several acquisitions of shares in existing subsidiaries in 2013 up to 2016 that resulted to equity reserves. Details follow:

	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
2016			
10.5% in CHI	₱1,209,784	₱748,746	₱461,038
2015			
6.7% in CHI	₱649,927	₱434,074	₱215,853
9.4% in NTDCC	778,356	174,770	603,586
1.9% in API	58,157	45,540	12,617
	₱1,486,440	₱654,384	₱832,056

	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
2013			
6.7% in CHI	₱3,520,000	₱797,411	₱2,722,589
9.4% in NTDCC	2,000,000	1,413,960	586,040
	₱5,520,000	₱2,211,371	₱3,308,629

Non-controlling interests
The Parent Company considers a subsidiary as a subsidiary with material NCI if its net assets exceed 5% of its total consolidated net assets of the Group as of reporting period and considers the relevance of the nature of activities of the subsidiary compared to other operations of the Group. There are no significant restrictions on the Parent Company's ability to use assets and settle liabilities of the Group. The financial information on the Parent Company's significant subsidiaries with material NCI follows:

AREIT, Inc.
AREIT, Inc., was incorporated on September 4, 2006. As of December 31, 2021, it is 53.13% owned by ALI, 6.38% owned by ALO, 4.12% owned by GDI, 2.48% owned by WCVC, and 33.9% public after being listed in the Philippine Stock Exchange (PSE) on August 13, 2020. It was organized primarily as a real estate investment trust, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations and other applicable laws.

The related balances for the year ended December 31, 2021 and 2020 follows:

	2021	2020
	(In Thousands, except for %)	
Proportion of equity interests held by non-controlling interests	**33.9%**	45.6%
Accumulated balances of material non-controlling interests	**₱5,040,631**	₱4,489,157
Net income allocated to material non-controlling interests	**927,789**	282,680
Comprehensive income allocated to material non-controlling interests	**927,789**	282,680

The summarized financial information of AREIT, Inc. as of and for the year ended December 31, 2021 and 2020 are provided below. This information is based on amounts before inter-company eliminations.

	2021	2020
	(In Thousands)	
Statements of financial position		
Current assets	**₱1,523,243**	₱2,705,442
Noncurrent assets	**54,980,285**	11,915,782
Current liabilities	**(2,257,257)**	(722,609)
Noncurrent liabilities	**(5,358,681)**	(1,560,237)
Total equity	**48,887,590**	12,338,378
Attributable to:		
Equity holders of AREIT	**48,887,590**	12,338,378
Non-controlling interests	**–**	–
Dividends paid to non-controlling interests	**–**	–

	For the years ended December 31	
	2021	2020
	(In Thousands)	
Statements of comprehensive income		
Revenue	**₱3,316,464**	₱1,951,625
Cost and expenses	**919,264**	617,862
Income before income tax	**2,433,316**	1,333,763
Provision for income tax	**(48)**	(106,576)
Income from operations	**2,433,267**	1,227,187
Other comprehensive (loss) income	**–**	–
Total comprehensive income	**2,433,267**	1,227,187
Attributable to:		
Equity holders of AREIT	**₱2,433,267**	₱1,227,187
Non-controlling interests	**–**	–

	For the years ended December 31	
	2021	2020
	(In Thousands)	
Statements of cash flows		
Operating activities	**₱2,145,006**	₱1,475,827
Investing activities	**(4,137,567)**	(1,849,491)
Financing activities	**2,025,594**	310,461
Effect of exchange rate changes	**33,033**	(63,203)
Net increase in cash and cash equivalents	**₱2,145,006**	₱1,475,827

The fair value of the investment in AREIT, Inc. amounted to ₱38,959.8 million and ₱12,526.4 million as of December 31, 2021 and 2020, respectively.

CHI and Subsidiaries
CHI, a publicly-listed company, was incorporated in the Republic of the Philippines. It is engaged in real estate development, sale of subdivided land, residential and office condominium units, sports club shares, and lease of commercial spaces. The registered office address of CHI is at 20F ACC Tower, Bohol St., Cebu Business Park, Cebu City, Philippines. CHI was merged to ALI on December 16, 2021.

	2020
Proportion of equity interests held by non-controlling interests	28.9%
Accumulated balances of material non-controlling interests	₱2,528,941
Net income allocated to material non-controlling interests	201,523
Comprehensive income allocated to material non-controlling interests	201,523

Prior to the merger in 2021, the summarized financial information of CHI in 2020 is provided below. This information is based on amounts before inter-company eliminations.

	2020
Statements of financial position	
Current assets	₱4,154,937
Noncurrent assets	24,894,482
Current liabilities	(14,911,598)
Noncurrent liabilities	(1,661,300)
Total equity	12,476,521
Attributable to:	
Equity holders of CHI	9,744,862
Non-controlling interests	2,731,659
Dividends paid to non-controlling interests	–

	2020
Statements of comprehensive income	
Revenue	₱2,933,252
Cost and expenses	(2,506,461)
Income before income tax	426,791
Provision for income tax	(26,374)
Income from operations	400,417
Other comprehensive (loss) income	(48,755)
Total comprehensive income	351,662
Attributable to:	
Equity holders of CHI	₱343,132
Non-controlling interests	8,530

	2020
Statements of cash flows	
Operating activities	₱1,170,848
Investing activities	(1,220,472)
Financing activities	(78,000)
Effect of exchange rate changes	(337)
Net increase in cash and cash equivalents	(₱127,961)

The fair value of the investment in CHI amounted to ₱9,050.7 million as of December 31, 2020, respectively.

ALLHC and Subsidiaries
ALLHC was incorporated in the Republic of the Philippines. It is engaged in real estate and property development, manufacturing and retailing/distribution, non-life insurance and other allied services, organized under a number of intermediate holding companies. The Company wholly owns Tutuban Properties, Inc., which holds the lease and development rights over Tutuban Center in downtown Divisoria.

	2021	2020
	(In Thousands, except for %)	
Proportion of equity interests held by non-controlling interests	**29.1%**	29.1%
Accumulated balances of material non-controlling interests	**₱4,412,056**	₱4,192,761
Net income allocated to material non-controlling interests	**219,295**	178,995
Comprehensive income allocated to material non-controlling interests	**219,295**	178,995

The summarized financial information of ALLHC is provided below. This information is based on amounts before inter-company eliminations (In Thousands).

	December 31, 2021	December 31, 2020
Statements of financial position		
Current assets	**₱7,114,121**	₱6,652,483
Noncurrent assets	**13,244,125**	12,768,607
Current liabilities	**3,529,675**	(5,053,355)
Noncurrent liabilities	**4,836,594**	(2,526,349)
Total equity	**11,991,978**	11,841,386
Attributable to:		
Equity holders of ALLHC	**11,971,624**	₱11,564,113
Non-controlling interests	**20,354**	138,637
Dividends paid to non-controlling interests	–	–

	For the years ended December 31	
	2021	2020
Statements of comprehensive income		
Revenue	**₱4,293,068**	₱3,751,070
Cost and expenses	**3,339,428**	(2,915,978)
Income before income tax	**876,028**	835,092
Provision for income tax	**95,474**	(133,079)
Income from operations	**780,554**	702,013
Other comprehensive income	–	–
Total comprehensive income	**780,554**	702,013
Attributable to:		
Equity holders of ALLHC	**784,982**	₱680,864
Non-controlling interests	**(4,428)**	21,149
Statements of cash flows		
Operating activities	**₱966,407**	₱744,162
Investing activities	**(1,768,956)**	(883,705)
Financing activities	**705,739**	139,194
Net decrease in cash and cash equivalents	**(₱96,810)**	(₱349)

The fair value of the investment in ALLHC amounted to ₱30,068.0 million and ₱15,190.4 million as of December 31, 2021 and 2020, respectively.

Capital Management

The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As of December 31, 2021 and 2020, the Group had the following ratios:

	2021	2020
Debt to equity	**0.82:1**	0.81:1
Net debt to equity	**0.77:1**	0.74:1

Debt consists of short-term and long-term debts. Net debt includes short-term and long-term debt less cash and cash equivalents, short-term investments and financial assets at FVPL. Equity, which the Group considers as capital, pertains to the total equity. The Group excludes the “Fair value reserve of financial assets at FVOCI” attributable to the equity holders of the Company in computing the debt to equity ratio.

The Group is subject to externally imposed capital requirements due to loan covenants (see Note 16). No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2021 and 2020.

Financial risk assessment
The Group’s financial condition and operating results would not be materially affected by the current changes in interest, currency, credit, liquidity and market conditions.

Exposure to changes in interest rates is reduced by a debt portfolio mix of both fixed and floating interest rates. The Group’s ratio of fixed to floating rate debt stood at 91:9 and 95:5 as of December 31, 2021 and 2020, respectively. As a result, any adverse movement in interest rates is mitigated.

Exposure to foreign currency holdings is at MYR127.3 million and US$102 million as of December 31, 2021, and MYR193.7 million and US$18.0 million as of December 31, 2020, respectively.

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Group’s base of counterparties remains diverse. As such, it is not exposed to large concentration of credit risk.

Liquidity risk is addressed with long term funding already locked in, while funds are placed on cash equivalents, short term investment and financial assets at FVTPL.

20. **Revenue**

This account consists of:

	2021	2020	2019
		(In Thousand)	
Revenue from contracts with customers			
Residential development	**₱75,939,410**	₱66,461,372	₱117,580,972
Hotels and resorts	**2,833,075**	3,388,190	7,624,159
Construction	**3,909,051**	3,278,557	3,394,744
Others	**2,466,666**	2,971,238	5,452,595
Rental income (Notes 12 and 33)	**17,797,660**	18,468,871	31,687,075
Equity in net earnings of associates and joint venture	**842,565**	586,502	965,787
Total Revenue	**₱103,788,427**	₱95,154,730	₱166,705,332

The Group derives revenue from the transfer of goods and services over time and at a point in time in different product types. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

Residential development

	2021	2020	2019
		(In thousands)	
Type of Product			
Middle income housing	**₱24,101,342**	₱21,239,940	₱36,023,183
Coremid	**19,789,427**	20,445,730	34,813,550
Condominium	**23,733,274**	18,231,721	29,326,334
Lot only	**8,315,367**	6,543,981	17,417,905
	₱75,939,410	₱66,461,372	₱117,580,972

All of the Group's real estate sales from residential development are revenue from contracts with customers recognized over time.

Hotels and resorts

	2021	2020	2019
		(In thousands)	
Type of Product			
Rooms	**₱1,581,171**	₱1,775,632	₱4,447,172
Food and beverage	**816,326**	731,812	2,090,953
Others	**213,465**	273,424	324,322
Other operated department	**222,113**	607,322	761,712
	₱2,833,075	₱3,388,190	₱7,624,159

The Group's revenue from hotels and resorts is attributed to the operations from the development and management of hotels and resorts/serviced apartments. In view of the continuing community quarantines and restricted travel, the Group's hotels and resorts segment continues to be adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported under this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment.

The Group's construction revenue pertains to transactions with related parties such as joint ventures and associates.

Others are mainly composed of property management facilities of the Group and third party projects.

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions. Rent discounts and concessions given vary for merchants that are (1) forced to close and those that are still (2) operational. Rental fees and common charges of merchants who were forced to close during the quarantine period were waived with 50% discount in their common area usage expenses.

Set-out below is the reconciliation of contracts with customers with the amounts disclosed in segment information (in millions):

	2021					
	Residential Development	**International**	**Construction**	**Hotels and Resorts**	**Property Management and Others**	**Total**
Sales to external customer	**₱65,260**	**₱3,878**	**₱3,909**	**₱2,833**	**₱2,467**	**₱78,347**
Interest	**6,801**	**–**	**–**	**–**	**–**	**6,801**
Total revenue from contracts with customers	**₱72,061**	**₱3,878**	**₱3,909**	**₱2,833**	**₱2,467**	**₱85,148**

	2020					
	Residential Development	International	Construction	Hotels and Resorts	Property Management and Others	Total
Sales to external customer	₱53,014	₱4,845	₱3,279	₱3,388	₱2,971	₱67,497
Interest	8,603	–	–	–	–	8,603
Total revenue from contracts with customers	₱61,617	₱4,845	₱3,279	₱3,388	₱2,971	₱76,100

	2019					
	Residential Development	International	Construction	Hotels and Resorts	Property Management and Others	Total
Sales to external customer	₱102,981	₱6,709	₱3,395	₱7,624	₱5,453	₱126,162
Interest	7,891	–	–	–	–	7,891
Total revenue from contracts with customers	₱110,872	₱6,709	₱3,395	₱7,624	₱5,453	₱134,053

21. Interest and Investment Income and Other Income

Interest and investment income consists of:

	2021	2020	2019
		(In Thousands)	
Gain on sale of equipment and other properties	**₱106,051**	₱23,265	₱40,870
Interest income from banks	**79,765**	293,354	724,817
Interest income from advances to officers/employees and other companies	**46,546**	75,160	164,531
Others	**20,745**	2,922	227
	₱253,107	₱394,701	₱930,445

Other income consists of:

	2021	2020	2019
		(In Thousands)	
Marketing and management fees	**₱528,345**	₱219,937	₱297,423
Others - net (Notes 11 and 24)	**1,572,726**	503,331	860,512
	₱2,101,071	₱723,268	₱1,157,935

Other income mainly consists of gain on business combination, realized and unrealized gain on financial asset at FVTPL, financial impact of net foreign exchange transactions and gain from disposal of associates and subsidiary.

22. **Costs and Expenses and Other Charges**

Real estate costs and expenses consist of:

	2021	2020	2019
		(In Thousands)	
Cost of real estate sales (Note 8)	**₱38,883,964**	₱32,916,227	₱59,353,001
Depreciation and amortization	**7,162,971**	7,651,383	7,419,920
Manpower costs	**2,654,700**	1,925,639	2,046,960
Hotels and resorts operations	**1,907,908**	2,990,397	3,001,616
Rental	**260,548**	863,622	483,645
Marketing and management fees	**95,753**	1,274,861	4,678,323
Materials and overhead	**54,636**	43,759	999,999
Direct operating expenses:			
Taxes and licenses	**3,663,470**	4,078,001	3,665,445
Light and water	**2,701,440**	439,464	3,934,328
Repairs and maintenance	**2,643,460**	1,663,775	2,213,593
Commission	**2,414,648**	1,912,056	3,946,907
Professional fees	**280,323**	245,787	199,848
Insurance	**232,980**	213,150	204,256
Transportation and travel	**137,865**	67,353	161,113
Entertainment, amusement and recreation	**28,166**	14,756	25,971
Others	**1,518,687**	372,954	2,417,014
	₱64,641,519	₱56,673,184	₱94,751,939

General and administrative expenses consist of:

	2021	2020	2019
		(In Thousands)	
Manpower costs (Notes 26 and 28)	**₱3,717,324**	₱4,166,178	₱4,719,739
Depreciation and amortization	**770,666**	945,283	825,766
Taxes and licenses	**561,136**	1,096,167	1,115,766
Professional fees	**484,133**	419,557	386,146
Repairs and maintenance	**382,734**	332,586	324,277
Dues and fees	**199,639**	52,251	90,733
Security and Janitorial	**116,821**	274,754	691,011
Utilities	**64,717**	266,391	340,805
Advertising	**53,271**	42,970	69,163
Transport and travel	**45,038**	46,996	96,894
Supplies	**42,937**	44,393	70,795
Donations and contribution	**38,624**	57,628	53,482
Insurance	**34,998**	37,306	23,917
Entertainment, amusement and recreation	**12,607**	26,047	38,203
Training and seminars	**11,635**	14,357	46,776
Rent	**–**	10,642	100,295
Others	**2,578**	178,307	373,591
	₱6,538,859	₱8,011,813	₱9,367,359

Manpower costs included in the consolidated statements of income follows:

	2021	2020	2019
		(In Thousands)	
Real estate costs and expenses			
Cost of real estate	**₱2,475,968**	₱1,761,580	₱1,784,450
Hotels and resorts operations	**178,732**	164,059	262,510
General and administrative expenses	**3,717,324**	4,166,178	4,719,739
	₱3,896,056	₱6,091,817	₱6,766,699

Depreciation and amortization expense included in the consolidated statements of income follows:

	2021	2020	2019
		(In Thousands)	
Real estate costs and expenses:			
Cost of real estate	**₱7,162,971**	₱7,651,383	₱7,419,920
Hotels and resorts operations	**886,870**	975,906	813,024
General and administrative expenses	**770,666**	945,283	825,766
	₱8,820,507	₱9,572,572	₱9,058,710

Other expenses consist of:

	2021	2020	2019
		(In Thousands)	
Financial expenses and other charges (Note 7)	**₱3,097,223**	₱2,810,922	₱1,076,207
Net provision for (reversals of) impairment losses on:			
Receivables (Note 7)	**359,129**	752,641	568,775
Investment properties (Note 12)	**180,563**	225,208	–
	₱3,636,915	₱3,788,771	₱1,644,982

Interest and other financing charges consist of:

	2021	2020	2019
		(In Thousands)	
Interest expense on:			
Long-term debt	**₱8,778,056**	₱9,705,852	₱9,153,067
Short-term debt	**391,435**	1,164,767	1,206,577
Lease liabilities (Note 33)	**1,409,177**	1,430,607	1,066,543
Other financing charges	**459,105**	444,494	773,571
	₱11,037,772	₱12,745,720	₱12,199,758

23. **Income Tax**

Net deferred tax assets:

	2021	2020
	(In Thousands)	
Deferred tax assets on:		
Difference between tax and book basis of accounting for real estate transactions	**₱5,989,367**	₱8,678,138
Lease liabilities	**5,807,896**	3,628,273
Accrued expenses	**2,640,103**	1,131,316
NOLCO	**1,494,484**	1,237,134
Retirement benefits	**506,871**	144,837
Allowance for probable losses	**479,781**	792,783
Unrealized foreign exchange losses	**13,824**	105,275
Others	**763,946**	417,950
	17,696,272	16,135,706
Deferred tax liabilities on:		
Right-of-use assets	**(3,686,194)**	(3,392,285)
Capitalized interest and other expenses	**(539,957)**	(436,181)
Unrealized foreign exchange gains	**(66,377)**	(119,900)
Prepaid expenses	**(29,567)**	–
Others	**(484,055)**	(65,825)
	(4,806,150)	(4,014,191)
	₱12,890,122	₱12,121,515

Net deferred tax liabilities:

	2021	2020
	(In Thousands)	
Deferred tax assets on:		
Accrued expense	**₱88,082**	₱110,114
Unrealized foreign exchange loss	**57,461**	6,502
NOLCO	**23,668**	72,669
Allowance for probable losses	**20,721**	54,074
Difference between tax and book basis of accounting for real estate transactions	**16,896**	301,965
Lease liabilities	**11,913**	535,218
Others	**64,817**	315,267
	283,558	1,395,809
Deferred tax liabilities on:		
Fair value adjustment arising from business combination	**(3,260,288)**	(3,912,586)
Difference between tax and book basis of accounting for real estate transactions	**(3,086,237)**	(3,648,480)
Right-of-use assets	**(27,280)**	(616,339)
Retirement benefits	**(17,532)**	(23,631)
Capitalized interest and other expenses	**(15,126)**	(106,013)
Unrealized foreign exchange gain	**(5,183)**	–
Prepaid expenses	**–**	(5,357)
Others	**(391,975)**	(231,937)
	(6,803,621)	(8,544,343)
	(6,520,063)	(₱7,148,534)

As of December 31, 2021 and 2020 deferred tax liabilities have not been recognized on the undistributed earnings and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future.

Certain subsidiaries of the Parent Company have NOLCO amounting to ₱5,732.7 million and ₱4,683.8 million as of December 31, 2021 and 2020, respectively, and MCIT amounting to ₱26.0 million and ₱142.7 million as of December 31, 2021 and 2020, respectively. Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. As of December 31, 2021 and 2020, total unrecognized NOLCO amounted to ₱212.1 million and ₱317.7 million, respectively. As of December 31, 2021 and 2020, total unrecognized MCIT amounted to ₱14.3 million and ₱126.4 million, respectively. The subsidiaries will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2021, the Group has incurred NOLCO which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
		(In Thousands)		
2018	₱990,792	₱990,792	₱–	2021
2019	587,561	–	587,561	2022
	₱1,578,353	₱990,792	₱587,561	

As of December 31, 2021, the Group has incurred NOLCO which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
		(In Thousands)		
2020	₱3,105,402	₱–	₱3,105,402	2025
2021	2,039,719	–	2,039,719	2026
	₱5,145,121	₱–	₱5,145,121	

The carryover MCIT that can be used as deductions against income tax liabilities is as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
		(In Thousands)		
2018	₱130,127	₱130,127	₱–	2021
2019	5,576	–	5,576	2022
2020	6,992	–	6,992	2023
2021	13,409	–	13,409	2024
	₱156,104	₱130,127	₱25,977	

Reconciliation between the statutory and the effective income tax rates follows:

	2021	2020	2019
Statutory income tax rate	**25.00%**	30.00%	30.00%
Tax effect of:			
Equity in net earnings of associates and joint ventures	**(4.15)**	(3.90)	(1.90)
Income under tax holiday and other nontaxable income	**(0.13)**	(0.88)	(0.96)
Interest income and capital gains taxed at lower rates	**(0.56)**	(0.25)	(0.53)
Others – net	**2.65**	1.99	(0.42)
Effective income tax rate	**22.81%**	26.96%	26.19%

Deferred tax related to remeasurement gain on defined benefit plans recognized in OCI amounted to ₱274.9 million and ₱206.1 million in 2021 and 2020, respectively.

Republic Act (RA) No.10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into law on December 19, 2017 and took effect January 1, 2018, making the new tax law enacted as of the reporting date. Although the TRAIN changes existing tax law and includes several provisions that will generally affect businesses on a prospective basis, the management assessed that the same will not have any significant impact on the financial statement balances as of the reporting date.

Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE"
President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporation. For domestic corporation with net taxable income not exceeding ₱5.00 million and with total assets not exceeding ₱100.00 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.

Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

Imposition of improperly accumulated earnings tax (IAET) is repealed.

Board of Investments (BOI) Incentives
The Board of Investments issued certificates of registrations to the following companies in accordance with the existing Omnibus Investment Code. The projects have been granted an Income Tax Holiday (ITH) for a fixed period from the date of registration or actual start of operations, whichever is earlier.

	Registration Date	**Project Location**	**ITH Start**	**ITH Period**
Econorth Resort Ventures Inc.	November 21, 2017	Seda Lio	March 2018	5 years
Capitol Central Hotel Ventures, Inc.	September 08, 2017	Seda Capitol Central	January 2018	4 years
Bonifacio Hotel Ventures, Inc.	January 11, 2012	Seda BGC	June 2018	6 years
Bonifacio Hotel Ventures, Inc.	May 22, 2019	Seda BGC Expansion	May 2019	3 years
Makati North Hotel Ventures, Inc.	August 16, 2019	Seda Residences Makati	August 2019	4 years

	Registration Date	Project Location	ITH Start	ITH Period
Central Bloc Hotel Ventures, Inc.	June 16, 2020	Seda Central Bloc Cebu	January 2021	4 years
MDC Conqrete, Inc.	October 5, 2020	PBU and WallQrete	January 2021	3 years
Amaia Land Corp	October 31, 2020	Amaia Scapes Rizal	October 2020	4 years
Amaia Land Corp	July 18, 2018	Amaia Scapes Bulacan Sector 3B	July 2018	3 years

24. **Acquisition of Non-controlling Interests**

Ayala Land Logistics Holdings Corp. (ALLHC)
On April 30, 2018, ALI and ALLHC executed a Deed of Exchange where ALI will subscribe to 1,225,370,620 common shares of ALLHC for an aggregate subscription price of ₱3.0 billion in exchange for 30,186 common shares of LTI. The subscription and exchange shall be subject to and deemed effective only upon the issuance by the SEC of the confirmation of valuation of the shares. The SEC issued its approval on February 28, 2019. This increased ALI's ownership to 69.50%.

On February 4, 2019, The Executive Committee of ALI approved the purchase of a 20% equity interest owned by Mitsubishi Corporation in LTI, equivalent to 8,051 common shares, with a total value of ₱800.0 million. Subsequently, ALI will exchange the 20% equity interest in LTI for additional shares of stock in ALLHC, equivalent to 323,886,640 common shares, subject to conditions to be fulfilled by ALLHC.

On June 10, 2019, ALI sold its 20% equity interest or 8,051 common shares in LTI to ALLHC for a consideration of ₱800.0 million. This increased ALI's ownership to 70.36%.

On September 9, 2019, OLI sold through a special block sale, 215,090,031 common shares of ALLHC to Avida Land Corporation, a wholly-owned subsidiary of ALI, for a total consideration of ₱628.1 million. Subsequently, these shares were acquired by ALI through a special block sale for a total consideration of ₱628.1 million. This increased ALI's effective ownership in ALLHC from 70.36% to 71.46%.

Cebu Holdings, Inc. (CHI)
On December 16, 2021, the SEC approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). ALI shall be the surviving entity in the Merger and shall possess all the rights, privileges and immunities of CHI, AiO, ASCVC and CBDI (the "Absorbed Corporations"), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed.

As a result of the above merger, ALI's ownership on the seven companies also increased namely Southportal Properties, Inc. (from 65% to 100%), Cebu Leisure Company, Inc. (from 71% to 100%), CBP Theatre Management Inc. (from 71% to 100%), Taft Punta Engaño Property Inc. (from 39% to 55%), Cebu Insular Hotel Company, Inc. (from 26% to 37%), Solinea, Inc (from 25% to 35%), Amaia Southern Properties, Inc. (from 25% to 35%). Summary of financial information of the merged entities are as follow:

	Amount (In Thousands)
Current assets	₱7,039,965
Noncurrent assets	26,786,933
Current liabilities	(15,410,125)
Noncurrent liabilities	(1,272,817)
Equity	(17,143,955)

On April 17, 2019 ALI acquired additional 14,913,200 common shares of CHI through open market purchases using the trading facilities of the Philippine Stock Exchange totaling ₱88.7 million resulting sin ALI's ownership from 70.4% to 71.1%.

25. **Related Party Transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

In its regular conduct of business, the Group has entered into transactions with its parent company, associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, development, management, underwriting, marketing, leasing and administrative service agreements.

Terms and Conditions of Transactions with Related Parties

Transactions with related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free and settlement occurs generally in cash, except otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. The Group does not provide any allowance relating to receivable from related parties.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year (in thousands):

a. Transactions with Bank of the Philippine Islands (BPI), an associate of Ayala Corporation (AC)

Cash and cash equivalents earn interest from 2.5% to 6.0% per annum for Philippine Peso-denominated and 1.0% to 3.0% per annum for USD-denominated investments. Investment in FVPL are UITF which earns interest depending on the duration of time invested in the fund. Interest earned with investments in BPI for the year amounted to ₱24.70 million, ₱125.5 million, and ₱129.3 million in 2020, 2019 and 2018, respectively.

Short-term debts are secured peso denominated bank loans with interest rate ranging from 5.5% to 5.6% while long-term debts bear fixed rates ranging from 4.5% to 6.9% and floating rates ranging from 5.4% to 6.5% per annum with remaining terms ranging from less than a year to 9.9 years. Interest expense incurred on borrowings from BPI amounted to ₱723.29 million, ₱740.8 million, and ₱1,460.0 million for the years ended December 31, 2020, 2019 and 2018, respectively.

As of December 31, 2021 and 2020, the Group maintains current and savings account, money market placements and short-term and long-term debt payable with BPI broken down as follows:

	2021	2020
	(In Thousands)	
Cash in bank	**₱3,302,304**	₱3,510,108
Cash equivalents	**29,181**	47,486
Marketable securities	**197,432**	305,136
Short term debt	**1,643,500**	2,600,500
Long-term debt	**6,366,922**	13,196,816

b. Outstanding balances with parent company, associates and other related party

Receivables from/payables to other related parties pertain mostly to advances and reimbursement of operating expenses related to development cost and land acquisitions. Payables to related parties consist of expenses incurred on utilities, professional services and other miscellaneous services as well as purchases of vehicles. These are generally trade-related, noninterest-bearing and settled within one year.

Outstanding balances from/to related parties follow (amounts in thousands):

2021

	Receivable from related parties			**Payable to related parties**		
	Current	**Noncurrent**	**Total**	**Current**	**Noncurrent**	**Total**
AC	**₱85,968**	**₱–**	**₱85,968**	**₱151,145**	**₱–**	**₱151,145**
As Associates	**4,903,412**	**–**	**4,903,412**	**308,758**	**–**	**308,758**
Other related parties:						
Globe Telecom (Globe)	**172,685**	**–**	**172,685**	**9,542**	**–**	**9,542**
Bank of the Philippine Islands	**149,912**	**–**	**149,912**	**45,537**	**–**	**45,537**
Columbus	**1**	**–**	**1**	**267,355**	**–**	**267,355**
Manila Water Philippine Ventures, Inc.	**144,930**	**–**	**144,930**	**8,381**	**–**	**8,381**
Michigan Holdings, Inc.	**3**	**–**	**3**	**–**	**–**	**–**
Manila Water Company Inc.	**357,441**	**–**	**357,441**	**13,825**	**–**	**13,825**
Others	**144,389**	**–**	**144,389**	**118,698**	**–**	**118,698**
	969,361	**–**	**969,361**	**463,338**	**–**	**463,338**
	₱5,958,741	**₱–**	**₱5,958,741**	**₱923,241**	**₱–**	**₱923,241**

2020

	Receivable from related parties			Payable to related parties		
	Current	Noncurrent	Total	Current	Noncurrent	Total
AC	₱55,316	₱–	₱55,316	₱236,815	₱–	₱236,815
Associates	4,753,392	–	4,753,392	446,886	–	446,886
Other related parties:						
Globe Telecom (Globe)	148,435	–	148,435	7,164	–	7,164
Bank of the Philippine Islands	84,064	–	84,064	44,811	–	44,811
Columbus	–	–	0	267,355	–	267,355
Manila Water Philippine Ventures Inc.	160,115	–	160,115	67,242	–	67,242
Michigan Holdings, Inc.	330	–	330	–	–	–
Manila Water Company Inc.	9,280	–	9,280	10,288	–	10,288
Others	278,227	–	278,227	47,631	–	47,631
	680,451	–	680,451	444,491	–	444,491
	₱5,489,159	₱–	₱5,489,159	₱1,128,192	₱–	₱1,128,192

c. Revenue and expenses from related parties

The revenue from parent company, associates and other related parties pertains mostly to income from leasing and development projects while expenses composed of management fees and training expenses. These are usually non-interest bearing and not impaired. Transactions are settled within one year.

Revenue and expenses from related parties follow:

Revenue from related parties:

	2021	2020	2019
		(In Thousands)	
AC	**₱4,208**	₱3,493	₱25,450
Associates	**2,660,806**	2,253,303	4,128,193
Other Related Parties			
Bank of the Philippine Islands	**493,893**	378,319	414,609
Manila Water Philippine Ventures, Inc.	**134,767**	264,628	272,709
Globe Telecom, Inc.	**99,099**	84,656	185,063
Innove Communications	**7,673**	7,982	7,295
Manila Water Company, Inc. (MWCI)	**619,288**	7,151	53,882
Laguna AAA Waterworks Corp. (LAWC)	**1,500**	1,500	1,500
Michigan Holdings, Inc.	**1,203**	1,203	179,739
Others	**76,144**	32,473	1,153
	1,433,567	777,912	1,115,950
Total	**₱4,098,581**	₱3,034,708	₱5,269,593

Expenses from related parties:

	2021	2020	2019
		(In Thousands)	
AC	**₱10,432**	₱10,950	₱4,216
Associates	**298,823**	201,558	322,114
Other Related Parties			
Manila Water Company, Inc.	**204,324**	234,167	398,648
Bank of the Philippine Islands	**299,693**	434,707	213,257
Innove Communications, Inc.	**124,233**	73,060	92,003
AG Counselors Corp.	**41,247**	206,354	199,222
5Globe Telecom, Inc.	**71,291**	66,483	88,188
Manila Water Philippine Ventures, Inc.	**187,534**	125,617	108,765
Others	**1,114,088**	988,788	432,865
	2,042,408	2,129,176	1,532,948
Total	**₱2,351,664**	₱2,341,684	₱1,859,278

The following describe the nature of the material transactions of the Group with related parties as of December 31, 2021 and 2020:

- On January 12, 2016, the Parent Company has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc., for the waterworks of ALI's projects nationwide. The MOA was signed by ALI and its subsidiaries and affiliates, Cebu Holdings, Inc. and Cebu Property Ventures and Development Corp. Revenue and expense in 2021 amounted to ₱134.8 million and ₱187.5 million, respectively, and ₱264.6 million and ₱125.6 million amounted in 2020, respectively.
- Revenue from Manila Water Company, Inc. (MWCI) primarily pertains to MDC's project on the design & build of the Calawis Water Treatment Plant in Antipolo. The project started on March 01, 2021 and expected to be completed by the last quarter of 2022.
- Certain credit facilities with BPI with a total carrying value of ₱6,368.9 million and ₱13,231.3 million as of December 31, 2021 and 2020, respectively, are secured by a real estate mortgage. This is in compliance with BSP ruling on directors, officers, stockholders and related interests.

- In October 2012 and July 2013, BG South, a subsidiary of Alveo, entered into a contract with FBDC for the purchase of land in Bonifacio Global City. Land cost amounting to ₱210.6 million and ₱122.7 million were recognized in profit or loss in 2021 and 2020, respectively.
- On May 20, 2013, DirectPower and its customers, which are all within the Ayala Group, entered into a Retail Electricity Supply contract wherein DirectPower agreed to supply electricity at a specific rate pursuant to the provisions and implementing rules and regulations of R.A. No. 9136 or the Electric Power Industry Reform Acts of 2001. Among the customers of Direct Power are FBDC, LDC, BPI, San Lazaro BPO Complex and 6750 Ayala Ave.
- The Group sold residential receivables on a without recourse basis to BPI Family Savings Bank, Inc., a related party, amounting to ₱19,041.0 million and ₱20,458.0 million in 2021 and 2020, respectively. Proceeds of receivables sold to BPI amounted to ₱17,392.9 million and ₱18,431.9 million in 2021 and 2020, respectively. The Group recognized loss on sale (under "Other charges") amounting to ₱1,648.1 million, ₱2,064.0 million and ₱775.2 million in 2021, 2020 and 2019, respectively.
- The Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting ₱43.7 million and ₱16.1 million in 2021 and 2020, respectively.
- Revenue from Globe pertains to development management fee and for lease of spaces.
- As of December 31, 2021 and 2020, the funds include investment in securities of its related parties with carrying value of ₱0.4 billion and ₱1.5 billion, respectively (see Note 26).

d. Remuneration of Key Management Personnel (KMP)

Key management personnel of the Group include all officers with position of vice president and up. Compensation of key management personnel amounted to ₱179.0 million and ₱207.8 million in 2021 and 2020, respectively.

Compensation of key management personnel by benefit type follows:

	2021	2020
	(In Thousands)	
Short-term employee benefits	**₱163,513**	₱192,301
Post-employment benefits (Note 26)	**15,497**	15,497
	₱179,010	₱207,798

The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10%) or more of the total assets of the corporation that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

26. **Retirement Plan**

The Group has funded, noncontributory tax-qualified defined benefit type of retirement plans (the Plan) covering substantially all of their employees. The benefits are based on a defined benefit formula.

The Plan aims to maintain a full funding, i.e., the Plan's assets fully covered the Plan's liabilities, as measured through generally accepted actuarial methodologies. Such will provide a higher level of assurance that all promised benefits can be paid from existing assets and expected investment returns. The target funded status is within the range of 80% to 100%.

The Group's fund is in the form of a trust fund being maintained by the trustee banks such as BPI Asset Management and Trust Corporation (collectively the "Retirement Fund"). The primary objective of the Retirement Fund is to achieve the highest total rate of return possible, consistent with a prudent level of risk. The investment strategy articulated in the asset allocation policy has been developed in the context of long-term capital market expectations, as well as multi-year projections of actuarial liabilities. Accordingly, the investment objectives and strategies emphasize a long-term outlook, and interim performance fluctuations will be viewed with the corresponding perspective.

The components of expense (included in manpower costs under "General and administrative expenses") in the consolidated statements of income follows:

	2021	2020	2019
		(In Thousands)	
Current service cost	**₱484,161**	₱398,979	₱443,364
Past service cost	**(27,986)**	–	–
Settlement (gain)loss	**(11,213)**	–	–
Net interest cost on benefit obligation	**124,910**	104,867	117,607
Total pension expense	**₱569,872**	₱503,846	₱560,971

The remeasurement effects recognized in other comprehensive income (included in Equity under "Remeasurement loss on defined benefit plans") in the consolidated statements of financial position follow:

	2021	2020	2019
		(In Thousands)	
Return (loss) gain on plan assets (excluding amount included in net interest)	**(₱29,028)**	(₱15,785)	₱75,922
Remeasurement (loss) gain due to liability experience	**709,847**	(47,859)	1,544
Remeasurement (loss) gain due to liability assumption changes - demographic	**–**	(5,641)	145
Remeasurement (loss) gain due to liability assumption changes - economic	**418,766**	(617,702)	(245,365)
Remeasurements in other comprehensive income (loss)	**₱1,099,585**	(₱686,987)	(₱167,754)

The funded status and amounts recognized in the consolidated statement of financial position for the retirement plan as of December 31, 2021 and 2020, are as follows:

	2021	2020
		(In Thousands)
Benefit obligations	**₱4,280,435**	₱5,094,096
Plan assets	**(2,187,661)**	(2,085,519)
Net pension liability position	**₱2,092,774**	₱3,008,577

As of December 31, 2021 and 2020 pension assets (included under "Other noncurrent assets") amounted to ₱11.0 million and ₱12.2 million, respectively, and pension liabilities amounted to ₱2,103.7 million and ₱3,020.8 million, respectively.

Changes in net defined benefit liability of funded plans in 2021 are as follows (in thousands):

	January 1, 2021	Net benefit cost in consolidated statement of income: Current service cost	Past service cost/ Settlement gain	Net interest	Subtotal	Benefits paid	Remeasurements in other comprehensive income: Return on plan Assets*	Remeasurement gain due to liability experience	Remeasurement gain due to liability assumption changes - demographic	Remeasurement gain due to liability assumption changes- economic	Net remeasure-ment loss	Contribution by employer	Transfer in /(out)	December 31, 2021
Present value of defined benefit obligation	**₱5,094,096**	**₱484,161**	**(₱39,199)**	**213,192**	**₱658,154**	**(₱346,515)**	**₱–**	**(₱709,847)**	**₱–**	**(₱418,766)**	**(1,128,613)**	**₱–**	**₱3,313**	**₱4,280,435**
Fair value of plan assets	**(2,085,519)**	**–**	**–**	**(88,282)**	**(88,282)**	**186,948**	**29,028**	**–**	**–**	**–**	**29,028**	**(229,836)**	**–**	**(2,187,661)**
Net defined benefit liability	**₱3,008,577**	**₱484,161**	**(₱39,199)**	**₱124,910**	**₱569,872**	**(159,567)**	**₱29,028**	**(₱709,847)**	**₱–**	**(₱418,766)**	**(1,099,585)**	**(₱229,836)**	**₱3,313**	**₱2,092,774**

*excluding amount included in net interest

Changes in net defined benefit liability of funded plans in 2020 are as follows (in thousands):

	January 1, 2020	Net benefit cost in consolidated statement of income: Current service cost	Past service cost	Net interest	Subtotal	Benefits paid	Remeasurements in other comprehensive income: Return on plan Assets*	Remeasurement loss due to liability experience	Remeasurement loss due to liability assumption changes - demographic	Remeasurement loss due to liability assumption changes- economic	Net remeasure-ment loss	Contribution by employer	Transfer in /(out)	December 31, 2020
Present value of defined benefit obligation	₱4,365,274	₱398,979	₱–	₱210,090	₱609,069	(₱550,903)	₱–	₱47,859	₱5,641	₱617,702	₱671,202	₱–	(₱546)	₱5,094,096
Fair value of plan assets	(2,452,003)	–	–	(105,223)	(105,223)	698,183	15,785	–	–	–	15,785	(242,807)	546	(2,085,519)
Net defined benefit liability	₱1,913,271	₱398,979	₱–	₱104,867	₱503,846	₱147,280	₱15,785	₱47,859	₱5,641	₱617,702	₱686,987	(₱242,807)	₱–	₱3,008,577

*excluding amount included in net interest

All equity and debt instruments held have quoted prices in an active market. The remaining plan assets do not have quoted market prices in an active market.

The plan assets have diverse investments and do not have any concentration risk.

The fair value of plan assets by each class as at the end of the reporting period are as follows:

	December 31	
	2021	2020
	(In Thousands)	
Cash and cash equivalents	**₱18,209**	₱9,246
Equity investments		
Unit Investment Trust Funds	**400,919**	323,553
Holding firms	**176,694**	1,455
Property	**109,259**	78,366
Financials	**90,759**	15,195
Industrials	**17,598**	92,005
Services	**19,757**	17,059
Mutual funds	**3,786**	131,217
	818,772	658,850
Debt investments		
AAA rated debt securities	**503,439**	497,130
Government securities	**452,261**	551,290
Unit Investment Trust Funds	**53,977**	56,970
Mutual funds	**4,032**	5,295
Not rated debt securities	**336,971**	306,738
	1,350,680	1,417,423
	₱2,187,661	₱2,085,519

The Retirement Fund's investments will be appropriately diversified to control overall risk and will exhibit portfolio characteristics similar to the set benchmark for each asset class. In case of securities, the aggregate holdings of any security may not exceed 10% of the Plan assets. The criteria for including an asset class in the strategic policy include: (a) wide recognition and acceptance among institutional investors; (b) low correlation with other accepted asset classes; and (c) a meaningful performance history. The Group expects to make contributions of ₱518.02 million to its retirement fund in 2022.

The allocation of the fair value of plan assets follows:

	2021	2020
Investments in debt securities	**61.74%**	67.97%
Investments in equity securities	**37.43%**	31.59%
Others	**0.83%**	0.44%

Funds invested in debt securities include government securities, corporate notes and bonds and money market placements. Investments in equity securities consist of investments in PSE listed stocks and unit investment trust funds. Others were in the form of cash and cash equivalents.

The Group's transactions with the funds mainly pertain to contributions, benefit payments and settlements.

As of December 31, 2021 and 2020, the funds include investment in securities of its related parties (see Note 25). Details of the investment per type of security are as follows:

	December 31, 2021			December 31, 2020
	Carrying Value	**Fair Value**	**Unrealized (Gain) Loss**	Fair Value
		(In Thousands)		
Investments in debt securities	**₱39,533**	**₱41,796**	**(₱2,264)**	₱916,337
Investments in equity securities	**289,591**	**290,310**	**(719)**	624,975
Others	**55,379**	**55,379**	**–**	13,393
	₱384,503	**₱387,485**	**(₱2,983)**	₱1,554,705

The plan assets include shares of stock of the Parent Company with fair value amounting to ₱54.03 million and 40.58 million as of December 31, 2021 and 2020, respectively. The Parent Company gives the trustee bank the discretion to exercise voting rights over the shares. The plan assets include debt securities of the Parent Company amounting to ₱31.93 million and ₱68.42 million as of December 31, 2021 and 2020, respectively. The gain of the fund arising from investment in debt and equity securities of the Parent Company is ₱0.89 million.

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension liabilities are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2021	2020
Discount rates	**3.65 to 5.83%**	3.73 to 5.50%
Future salary increases	**3.00 to 8.00%**	3.00 to 8.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

2021

	Effect on income before income tax Increase (decrease)	
Change in basis points	**+ 100 basis points**	**- 100 basis points**
	(In Thousands)	
Discount rate	**(₱980,588)**	**(₱45,965)**
Salary increase rate	**(79,648)**	**(970,101)**

2020

	Effect on income before income tax Increase (decrease)	
Change in basis points	+ 100 basis points	- 100 basis points
	(In Thousands)	
Discount rate	(₱335,855)	₱508,470
Salary increase rate	489,491	(320,960)

Shown below is the maturity analysis of the undiscounted benefit payments:

Year ending:	**2021**	2020
	(In Thousands)	
1 year and less	**₱104,456**	₱191,339
more than 1 years to 5 years	**722,390**	980,921
more than 5 years to 10 years	**3,503,290**	2,877,953
more than 10 years to 15 years	**9,497,759**	7,263,178
more than 15 years to 20 years	**10,522,147**	8,418,881
more than 20 years	**18,841,385**	14,802,379

The average duration of the defined benefit obligation is 6.0 to 24.0 years and 7.0 to 24.0 years in 2021 and 2020, respectively.

27. Earnings Per Share

The following tables present information necessary to compute EPS (amounts in thousands except EPS):

EPS on net income attributable to equity holders of Ayala Land, Inc. are as follows:

	2021	2020	2019
	(In Thousands)		
Net income attributable to equity holders of Ayala Land, Inc.	**₱12,228,148**	₱8,727,155	₱33,188,399
Less: dividends on preferred stock	**(62,038)**	(62,038)	(62,038)
Net income attributable to equity holders of the Parent Company for basic and diluted earnings per share	**₱12,166,110**	₱8,665,117	₱33,126,361
Weighted average number of common shares for basic EPS	**14,724,716**	14,721,234	14,742,690
Add: dilutive shares arising from stock options	**(2,143)**	2,296	3,783
Adjusted weighted average number of common shares for diluted EPS	**14,722,573**	14,723,530	14,746,473
Basic and diluted EPS	**₱0.83**	₱0.59	₱2.25

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared.

Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

The convertibility of the preferred shares will start on the 10th year from the issue date which was in 2012. This has an antidilutive effect on the computation of diluted EPS.

28. Stock Options and Ownership Plans

The Parent Company has stock option plans for key employees covering 2.5% of the Parent Company's authorized capital stock. The grantee is selected based on certain criteria like outstanding performance over a three-year period.

ESOP

The ESOP grantees may exercise in whole or in part the vested allocation in accordance with the vesting percentage and vesting schedule stated in the ESOP. Also, the grantee must be an employee of the Parent Company or any of its subsidiaries during the 10-year option period. In case the grantee retires, he is given 3 years to exercise his vested and unvested options. In case the grantee resigns, he is given 90 days to exercise his vested options.

The Parent Company has no ESOP grant and availment during 2021, 2020 and 2019.

ESOWN

In November 2001, the Parent Company offered all its ESOWN subscribers with outstanding ESOWN subscriptions the option to cancel the subscriptions within the 5-year holding period. In December 2001, the program for ESOWN was indefinitely suspended.

In 2005, the Parent Company introduced a revised ESOWN Plan (the Plan) wherein grantees may subscribe in whole or in part to the shares awarded to them based on a discounted market price that was determined by the Compensation Committee as the offer price set at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. The subscription is subject to a holding period stated in the plan. To subscribe, the grantee must be an employee of the Parent Company or any of its subsidiaries during the ten (10)-year payment period. In case the grantee resigns, unsubscribed shares are cancelled, while the subscription may be paid up to the percent of holding period completed and payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares. All shares acquired through the Plan are subject to the Parent Company's right to repurchase.

The subscribed shares are effectively treated as options exercisable within a given period which is the same time as the grantee's payment schedule. The fair values of stock options granted are estimated on the date of grant using the Black-Scholes Merton (BSM) Formula and Binomial Tree Model (BTM), taking into account the terms and conditions upon which the options were granted. The BSM Formula and BTM Model requires six inputs to produce an option stock value namely; market value of the share, book value of the share, time to maturity, volatility rate, dividend yield, and risk free rate. The expected volatility was determined based on an independent valuation.

Movements in the number of options outstanding and weighted average exercise prices (WAEP) under ESOWN follow:

	2021	**WAEP**	2020	WAEP
At January 1	**–**	**₱–**	305,415	₱35.94
Granted	**14,683,519**	**–**	18,194,618	–
Subscribed	**(11,389,265)**	**33.29**	(14,845,498)	27.72
Availment	**434,218**	**–**	39,436	–
Cancelled	**(3,728,472)**	**–**	(3,693,971)	–
At December 31	**–**	**₱–**	–	₱–

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	Grant Date							
	March 15, 2021	August 17, 2020	March 21, 2019	March 28, 2018	March 01, 2017	April 05, 2016	March 20, 2015	March 20, 2014
Number of unsubscribed shares	–	–	–	–	–	181,304	–	1,369,887
Fair value of each option (BTM)	– ₱–	₱–	₱–	₱–	₱8.48	₱13.61	₱16.03	₱12.60
Fair value of each option (BSM)	₱9.25	₱9.12	₱17.13	₱12.71	₱–	₱18.21	₱20.63	₱12.16
Weighted average share price	₱39.17	₱32.61	₱44.70	₱41.02	₱39.72	₱35.58	₱36.53	₱31.46
Exercise price	₱33.29	₱27.72	₱44.49	₱45.07	₱35.81	₱26.27	₱29.58	₱22.55
Expected volatility	27.19%	25.05%	31.48%	34.04%	30.95%	32.03%	31.99%	33.50%
Dividend yield	0.38%	0.81%	1.16%	1.22%	1.34%	1.27%	1.02%	1.42%
Interest rate	1.03%	1.13%	5.57%	4.14%	4.41%	4.75%	4.11%	3.13%

Total expense (included under "General and administrative expenses") recognized in 2021, 2020 and 2019 in the consolidated statements of income arising from share-based payments amounted to ₱150.07 million, ₱111.92 million, and ₱142.86 million, respectively (see Note 22).

ALLHC

ALLHC introduced the ESOWN Plan (the Plan) wherein grantees (employees within ALLHC Group) may subscribe in whole or in part to the shares awarded to them based on a discounted market price, but in no case lower than the par value, that was determined at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. To subscribe, the grantee must be an employee, officer or director of ALLHC as of June 30, 2015. In case the grantee resigns, unsubscribed shares are cancelled and returned to the plan pool, while the subscription payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares.

The BOD of ALLHC approved the allocation of 32 million shares (first tranche) for ESOWN plan which will be taken from the remaining unissued shares (with grant date in 2016) and the increase in authorized of stock of ALLHC, which was approved by the SEC in July 2016. In 2017, notice of grant for the 218 million shares (second tranche of ESOWN plan) was issued to employees for the right to subscribe to the common shares of ALLHC at ₱1.68 per share which were fully availed as of December 31, 2018. In 2021 and 2020, ALLHC has no ESOWN grant.

29. Financial Assets and Liabilities

Fair Value Information

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and liabilities recognized as of December 31, 2021 and 2020:

	December 31, 2021		December 31, 2020	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
		(In Thousands)		
Financial Assets at FVTPL	**₱700,803**	**₱700,803**	₱965,171	₱965,171
Financial Assets at FVOCI				
Unquoted equity securities	**583,543**	**583,543**	666,988	666,988
Quoted equity securities	**397,727**	**397,727**	844,455	844,455
	981,270	**981,270**	1,511,443	1,511,443
Investment in bonds	**2,309,440**	**2,309,440**	2,309,440	2,309,440
	₱3,991,513	**₱3,991,513**	₱4,786,054	₱4,786,054

	December 31, 2021		December 31, 2020	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
	(In Thousands)			
Financial assets at amortized cost				
Noncurrent trade residential, commercial and office development	**₱42,926,431**	**₱43,149,538**	₱42,547,808	₱45,313,900
Receivable from employees	**755,814**	**755,814**	842,506	844,542
	₱43,682,245	**₱43,905,352**	₱43,390,314	₱46,158,442
Other financial liabilities				
Long-term debt	**₱206,314,239**	**₱195,588,364**	₱202,819,593	₱211,109,769
Deposits and other noncurrent liabilities	**59,686,987**	**51,360,589**	48,582,759	36,367,004
	₱266,001,226	**₱246,948,953**	₱251,402,352	₱247,476,773

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents, short-term investments and current receivables, accounts and other payables and short term debt - Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

Financial assets at FVPL - These are investments in fund and treasury bills. Fair value of the funds is based on net asset values as of reporting dates.

Financial assets at FVOCI quoted equity securities - fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities – fair values are based on the latest selling price available.

Noncurrent accounts and notes receivables - The fair values of residential, commercial and office development accounts and notes receivable, and receivable from employees, are based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used ranged from 5.50% to 18.00% and 5.75% to 16.00% as of December 31, 2021 and 2020.

Financial assets at FVOCI quoted equity securities - fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities – fair values are based on the latest selling price available.

Liabilities - The fair value of noncurrent unquoted instruments (long-term debt and deposits) are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged 1.00% to 5.25% and 1.84% to 7.50% as of December 31, 2021 and 2020, respectively. The fair value of noncurrent unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

The Group categorizes trade receivable, receivable from employees, long-term debt and deposits and other noncurrent liabilities under Level 3. The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is that the higher the spread, the lower the fair value.

Investment in Arch Capital Fund amounting to ₱293.8 million and ₱328.0 million as of December 31, 2021, and 2020, respectively, were classified under Level 3 (see Note 6).

Investment in Unit Investment Trust Fund (UITF) amounting to ₱407.0 million and ₱378.1 million as of December 31, 2021, and 2020, respectively, were classified under Level 2 (see Note 6).

Investment in Treasury bills amounting to ₱259.2 million as of December 31, 2020 (nil in 2021), were classified under Level 2 (see Note 6).

Quoted FVOCI financial assets amounting to ₱397.7 million and ₱844.5 million as of December 31, 2021, and 2020, respectively, were classified under Level 1 (see Note 10).

Unquoted FVOCI financial assets amounting to ₱583.5 million and ₱667.0 million as of December 31, 2021 and 2020, respectively, were classified under Level 3 (see Note 10).

There have been no reclassifications to and from Level 1, Level 2 and Level 3 categories in 2021 and 2020 for financial assets at FVTPL and FVOCI.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, short-term investment, financial assets at FVPL, AFS quoted and unquoted equity securities, investments in bonds, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Group's operations. The Group has various financial assets such as trade receivables and trade payables which arise directly from the conduct of its operations.

Exposure to liquidity, credit, interest rate, currency and equity risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of derivative financial instruments, if any, is solely for management of the Group's financial risk exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

The Group's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

There were no changes in the Group's financial risk management objectives and policies in 2021 and 2020.

Liquidity risk

Liquidity risk is defined by the Group as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Group that make it difficult for the Group to raise the necessary funds or that forces the Group to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities into cash immediately or in instances where conversion to cash is possible but at a loss due to wider than normal bid-offer spreads.

The Group employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Group has come up with a three-layered approach to liquidity through the prudent management of sufficient cash and cash equivalents, the potential sale of accounts receivables and the maintenance of short-term revolving credit facilities.

Cash and cash equivalents are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise. Management develops viable funding alternatives through a continuous program for the sale of its receivables and ensures the availability of ample unused short-term revolving credit facilities from both local and foreign banks as back-up liquidity.

The Group ascertains that its cash is invested in short-term bank placements and special deposit accounts, as well as in high-quality and marketable government and corporate securities.

Credit line
The Group has a total short term credit line up to ₱100.8 billion and ₱84.43 billion with various local banks, of which ₱58.9 billion and ₱58.3 billion remain undrawn as of December 31, 2021 and 2020, respectively.

The table summarizes the maturity profile of the Group's financial liabilities at December 31, 2021 and 2020 based on contractual undiscounted payments:

December 31, 2021

	< 1 year	**>1 to 5 years**	**> 5 years**	**Total**
		(In Thousands)		
Accounts and other payables	**₱115,684,195**	**₱–**	**₱–**	**₱115,684,195**
Short-term debt	**16,782,500**	**–**	**–**	**16,782,500**
Long-term debt	**26,173,997**	**100,766,275**	**79,373,967**	**206,314,239**
Deposits and other current liabilities	**27,231,492**	**–**	**–**	**27,231,492**
Deposits and other noncurrent liabilities	**–**	**59,686,987**	**–**	**59,686,987**
	207,118,208	**160,453,262**	**12,047,706**	**425,699,413**
Interest payable*	**₱5,610,541**	**₱31,522,655**	**₱9,365,613**	**₱46,498,809**

**includes future interest payment*

December 31, 2020

	< 1 year	>1 to 5 years	> 5 years	Total
		(In Thousands)		
Accounts and other payables	₱123,634,745	₱–	₱–	₱123,634,745
Short-term debt	9,131,325	–	–	9,131,325
Long-term debt	18,732,401	127,500,906	56,586,286	202,819,593
Deposits and other current liabilities	25,072,090	–	–	25,072,090
Deposits and other noncurrent liabilities	–	42,521,168	1,771,715	44,292,883
	176,570,561	170,022,074	58,358,001	404,950,636
Interest payable*	₱7,834,302	₱30,705,781	₱14,496,618	₱53,036,701

**includes future interest payment*

Cash and cash equivalents, short-term investments and financial assets at FVTPL are used for the Group's liquidity requirements. Please refer to the terms and maturity profiles of these financial assets shown on the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section. There are no undrawn loan commitments from long-term credit facilities as of December 31, 2021 and 2020.

Credit risk
Credit risk is a risk that a counterparty will not meet its obligation under its financial instrument or customer contract leading to a financial loss.

The Group's credit risks are primarily attributable to installments receivable, rental receivables and other financial assets. To manage credit risks, the Group maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. The Group's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of buyers. Also, to the extent allowed by regulations, certain payments are not returned which minimizes exposure to bad debts.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. For existing tenants, the Group has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity. The amount of exposure from bad debts is minimized to the extent of the advance rentals and security deposits from the tenants.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, short-term investments, financial assets at FVTPL and financial assets at FVOCI. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The Group's maximum exposure to credit risk as of December 31, 2021 and 2020 is equal to the carrying values of its financial assets.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The security deposits and advance rental from tenants are considered in the calculation of impairment as recoveries. As of December 31, 2021 and 2020, the exposure at default amounts to ₱25,010.7 million and ₱12,400.1 million, respectively. The expected credit loss rate is 7.2% and 5.3% that resulted in the ECL of ₱2,294.2 million and ₱1,945.5 million as of December 31, 2021 and December 31, 2020, respectively.

As of December 31, 2021 and 2020, the aging analysis of past due but not impaired trade receivables presented per class follow:

December 31, 2021

	Neither Past Due nor Impaired	Past Due but not Impaired <30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
					(In Thousands)				
Trade:									
Residential, commercial and office development	**₱71,715,540**	**₱8,686,656**	**₱1,358,594**	**₱2,615,314**	**₱2,040,476**	**₱12,010,565**	**₱26,711,605**	**₱62,314**	**₱98,489,459**
Shopping centers	**2,908,306**	**191,539**	**275,175**	**13,421**	**185,070**	**1,006,528**	**1,671,733**	**1,074,658**	**5,654,697**
Corporate business	**1,572,835**	**16,834**	**49,561**	**3,774**	**78,533**	**687,181**	**835,883**	**633,108**	**3,041,826**
Construction contracts	**1,129,267**	**348,967**	**159,900**	**312,955**	**38,708**	**-**	**860,530**	**152,231**	**2,142,028**
Management fees	**38,651**	**1,780**	**25,048**	**13,355**	**14,272**	**18,030**	**72,485**	**16,630**	**127,766**
Others	**2,720,870**	**1,200,224**	**38,190**	**56,746**	**47,535**	**451,165**	**1,793,860**	**221,488**	**4,736,218**
Advances to other companies	**8,623,005**	**1,414,578**	**43,186**	**14,751**	**59,887**	**6,650,972**	**8,183,374**	**133,725**	**16,940,104**
Accrued receivables	**6,189,054**	**342,235**	**43,653**	**22,440**	**132,082**	**1,479,107**	**2,019,517**	**–**	**8,208,571**
Related parties	**5,958,742**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5,958,742**
Receivables from employees	**606,397**	**11,986**	**22,264**	**4,596**	**71,083**	**39,488**	**149,417**	**–**	**755,814**
	₱101,462,667	**₱12,214,799**	**₱2,015,571**	**₱3,057,352**	**₱2,667,646**	**₱22,343,036**	**₱42,298,404**	**₱2,294,154**	**₱146,055,225**

December 31, 2020

	Neither Past Due nor Impaired	Past Due but not Impaired <30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
					(In Thousands)				
Trade:									
Residential, commercial and office development	₱87,579,407	₱8,312,810	₱677,149	₱1,854,465	₱585,788	₱2,267,709	₱13,697,921	₱50,767	₱101,328,095
Shopping centers	2,524,233	195,961	298,868	230,567	203,055	901,865	1,830,316	1,060,057	5,414,606
Construction contracts	949,706	77,648	142,559	49,836	100,432	416,782	787,257	37,778	1,774,741
Corporate business	3,402,084	1,309	1,683	–	1,288	22,666	26,946	519,642	3,948,672
Management fees	31,292	2,464	13,335	13,539	554	56,691	86,583	6,678	124,553
Others	3,821,778	472,721	13,640	53,938	76,192	130,086	746,577	149,246	4,717,601
Advances to other companies	9,973,795	2,025	1,086,998	60,143	23,959	6,418,080	7,591,205	121,292	17,686,292
Accrued receivables	6,311,028	191,008	193,169	21,920	10,473	1,058,801	1,475,371	–	7,786,399
Related parties	5,472,155	86	2,661	86	3,664	10,507	17,004	–	5,489,159
Receivables from employees	709,628	10,631	6,638	4,069	561	110,979	132,878	–	842,506
	₱120,775,106	₱9,266,663	₱2,436,700	₱2,288,563	₱1,005,966	₱11,394,166	₱26,392,058	₱1,945,460	₱149,112,624

The table below shows the credit quality of the Company's financial assets as of December 31, 2021 and 2020:

December 31, 2021

	Neither Past Due nor Impaired					Past Due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not Impaired	Impaired	Total
				(In Thousands)				
Cash and cash equivalents (excluding cash on hand)	₱13,904,862	₱–	₱–	₱–	₱13,904,862	₱–	₱–	₱13,904,862
Short-term investments	325,641	–	–	–	325,641	–	–	325,641
Financial assets at FVTPL	700,803	–	–	–	700,803	–	–	700,803
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	61,412,808	7,388,708	2,914,024	–	71,715,540	26,711,605	62,314	98,489,459
Shopping centers	2,141,933	400,914	365,459	–	2,908,306	1,671,733	1,074,658	5,654,697
Construction contracts	1,129,267	-	-	–	1,129,267	860,530	152,231	2,142,028
Corporate business	1,567,085	705	5,045	–	1,572,835	835,883	633,108	3,041,826
Management fees	28,477	4,066	6,108	–	38,651	72,485	16,630	127,766
Others	2,623,734	53,874	43,262	–	2,720,870	1,793,860	221,488	4,736,218
Advances to other companies	8,576,334	16,314	30,357	–	8,623,005	8,183,374	133,725	16,940,104
Accrued receivables	6,140,849	-	48,205	–	6,189,054	2,019,517	–	8,208,571
Related parties	3,522,081	575,391	1,861,270	–	5,958,742	–	–	5,958,742
Receivable from employees	575,514	22,834	8,049	–	606,397	149,417	–	755,814
Financial Assets at FVOCI:								
Unquoted	–	–	–	583,543	583,543	–	–	583,543
Quoted	397,727	–	–	–	397,727	–	–	397,727
	₱103,047,115	₱8,462,806	₱5,281,779	₱583,543	₱117,375,243	₱42,298,404	₱2,294,154	₱161,967,801

December 31, 2020

	Neither Past Due nor Impaired					Past Due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not Impaired	Impaired	Total
				(In Thousands)				
Cash and cash equivalents (excluding cash on hand)	₱16,973,044	₱–	₱–	₱–	₱16,973,044	₱–	₱–	₱16,973,044
Short-term investments	358,120	–	–	–	358,120	–	–	358,120
Financial assets at FVTPL	965,171	–	–	–	965,171	–	–	965,171
Accounts and notes receivables:								
Trade:								
Residential, commercial and offce development	75,749,759	6,844,468	4,985,180	–	87,579,407	13,697,921	50,767	101,328,095
Shopping centers	1,538,614	539,226	446,393	–	2,524,233	1,830,316	1,060,057	5,414,606
Construction contracts	932,957	16,749	–	–	949,706	787,257	37,778	1,774,741
Corporate business	3,396,865	1,038	4,181	–	3,402,084	26,946	519,642	3,948,672
Management fees	30,140	–	1,152	–	31,292	86,583	6,678	124,553
Others	3,053,903	694,945	72,930	–	3,821,778	746,577	149,246	4,717,601
Advances to other companies	9,607,267	6,753	359,775	–	9,973,795	7,591,205	121,292	17,686,292
Accrued receivables	6,300,452	48	10,528	–	6,311,028	1,475,371	–	7,786,399
Related parties	2,282,777	615,718	2,573,660	–	5,472,155	17,004	–	5,489,159
Receivable from employees	706,106	795	2,727	–	709,628	132,878	–	842,506
Financial Assets at FVOCI:								
Unquoted	–	–	–	844,455	844,455	–	–	844,455
Quoted	666,988	–	–	–	666,988	–	–	666,988
	₱122,562,163	₱8,719,740	₱8,456,526	₱844,455	₱140,582,884	₱26,392,058	₱1,945,460	₱168,920,402

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents, short-term investments, financial assets at FVTPL, financial assets at FVOCI quoted securities - based on the nature of the counterparty and the Group's internal rating system;

Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to 3 defaults in payment; and low grade pertains to receivables with more than 3 defaults in payment;

The unquoted financial assets at FVOCI are unrated.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by leveraging on its premier credit rating and increasing the fixed interest component of its debt portfolio. The Company's ratio of fixed to floating rate debt stood at around 91:9 and 95:5 as of December 31, 2021 and 2020, respectively.

The following tables demonstrate the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates on December 31, 2021 and 2020, with all variables held constant, (through the impact on floating rate borrowings):

December 31, 2021

	Effect on income before income tax Increase (decrease)	
Change in basis points	**+ 100 basis points**	**- 100 basis points**
	(In Thousands)	
Floating rate borrowings	**(₱194,117)**	**₱194,117**

December 31, 2020

	Effect on income before income tax Increase (decrease)	
Change in basis points	+ 100 basis points	- 100 basis points
	(In Thousands)	
Floating rate borrowings	(₱116,402)	₱116,402

The assumed change in rate is based on the currently observable market environment. There is no other impact on the Group's equity other than those already affecting the net income.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values are shown in the following table (in thousands):

December 31, 2021

	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Group							
Cash and cash equivalents							
(excluding cash on hand)	Fixed at the date of investment	Various	₱13,904,862	₱13,904,862	₱–	₱–	₱13,904,862
Short-term investments	Fixed at the date of investment or revaluation cut-off	Various	325,641	325,641	–	–	325,641
Receivables from employees	Fixed at the date of sale	Date of sale	755,815	593,939	161,876	–	755,815
			₱14,986,318	₱14,824,442	₱161,876	₱–	₱14,986,318
Parent Company							
Short-term debt							
Floating-Peso	Variable	Monthly	₱ 8,471,000	₱ 8,471,000	₱–	₱–	₱ 8,471,000
Long-term debt							
Fixed							
Peso	Fixed at 6.00%	10 years	5,650,000	5,650,000	–	–	5,650,000
Peso	Fixed at 6.0%	20 years	2,000,000	–	–	1,986,794	1,986,794
Peso	Fixed at 4.5000%	7 years	7,000,000	6,987,688	–	–	6,987,688
Peso	Fixed at 3.892 to 4.85%	7, 9.5 and 10 years	22,000,000	–	21,912,113	–	21,912,113
Peso	Fixed at 5.2624%	10 years	7,000,000	–	6,979,065	–	6,979,065
Peso	Fixed at 3.75% to 4.95%	Up to 10.5 years	81,158,570	903,471	30,616,372	49,211,500	80,731,343
Peso	Fixed at 5.920%	10 years	10,000,000	–	–	9,916,583	9,916,583
Peso	Fixed at 3.1764% to 3.187%	5 years	6,374,875	–	6,374,875	–	6,374,875
Peso	Fixed at 4.76% to 6.37%	5, 7 and 7.25 years	12,000,000	–	11,876,362	–	11,876,362
Peso	Fixed at 3.00% to 3.86%	2 and 5 years	16,250,000	9,970,491	6,192,684	–	16,163,175
Peso	Fixed at 3.63% to 4.08%	4 and 10 years	13,000,000	-	9,903,889	2,977,789	12,881,678
Floating							
Peso	Variable	3 months	306,000	16,821	288,263	–	305,084
Subsidiaries							
Short-term debt							
Floating							
Peso	Variable	Monthly	8,311,500	8,311,500	–	–	8,311,500
Long-term debt							
Fixed							
Peso	Fixed at 3.0445% to 4.75%	2, 5 to 10 years	22,397,309	2,231,816	4,968,133	15,026,300	22,226,249
Floating							
Peso	Variable	3 months	2,323,230	413,710	1,654,520	255,000	2,323,230
			₱224,242,484	₱42,956,497	₱100,766,276	₱79,373,966	₱223,096,739

December 31, 2020

	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Group							
Cash and cash equivalents							
(excluding cash on hand)	Fixed at the date of investment	Various	₱16,973,044	₱16,973,044	₱–	₱–	₱16,973,044
Short-term investments	Fixed at the date of investment or revaluation cut-off	Various	358,120	358,120	–	–	358,120
Receivables from employees	Fixed at the date of sale	Date of sale	842,506	697,283	145,223	–	842,506
			₱18,173,670	₱18,028,447	₱145,223	₱–	₱18,173,670
Parent Company							
Short-term debt							
Floating-Peso	Variable	Monthly	₱6,640,500	₱6,640,500	₱–	₱–	₱6,640,500
Long-term debt							
Fixed							
Peso	Fixed at 6.0000%	10 years	5,650,000	–	5,650,000	–	5,650,000
Peso	Fixed at 5.0% to 6.0%	10.5 and 20 years	17,000,000	–	14,966,062	1,986,730	16,952,792
Peso	Fixed at 5.6250%	11 years	8,000,000	–	7,968,512	–	7,968,512
Peso	Fixed at 4.5000%	7 years	7,000,000	–	6,987,688	–	6,987,688
Peso	Fixed at 5.6250% to 7.5%	5, 10 and 15 years	950,000	9,322	936,778	–	946,100
Peso	Fixed at 4.50 to 6.307%	Up to 10.5 years	45,930,039	2,353,240	17,269,507	26,052,000	45,674,747
Peso	Fixed at 3.8915 to 4.85%	7, 9.5 and 10 years	22,000,000	–	21,912,113	–	21,912,113
Peso	Fixed at 5.2624%	10 years	7,000,000	–	–	6,979,065	6,979,065
Peso	Fixed at 5.9203%	10 years	10,000,000	–	–	9,916,583	9,916,583
Peso	Fixed at 7.0239%	5 years	8,000,000	–	7,962,717	–	7,962,717
Peso	Fixed at 3.1764% to 3.187%	5 years	6,002,875	–	6,002,875	–	6,002,875
Peso	Fixed at 4.2463% to 6.369%	2, 5, 7 and 7.25 years	21,000,000	8,781,628	10,912,739	963,622	20,657,989
Peso	Fixed at 3.00% to 3.86%	2 and 5 years	16,250,000	–	16,163,175	–	16,163,175
Subsidiaries							
Short-term debt							
Floating							
Peso	Variable	Monthly	2,490,825	2,490,825	–	–	2,490,825
Long-term debt							
Fixed							
Peso	Fixed at 4.5% to 5.265%	5 to 10 years	26,349,083	7,412,259	8,999,777	9,828,979	26,241,015
Floating							
Peso	Variable	3 months	2,805,364	175,952	1,768,963	859,307	2,804,222
			₱213,068,686	₱27,863,726	₱127,500,906	₱56,586,286	₱211,950,918

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Financial assets and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso. The Group's placements in foreign currencies amounted to US$30.73 million and MYR 647.69 million as of December 31, 2021 and US$140.98 million and MYR 838.17 million as of December 31, 2020. The amount of the Group's foreign currency-denominated debt amounting to US$132.8 million and MYR 775.08 million as of December 31, 2021 and $158.68 million and MYR 1,031.9 million as of December 31, 2020. The Group expected a decrease in financial assets due to the impact of COVID-19 outbreak and imposition of community quarantines by the government throughout the Philippines in March 2020, until 2nd and 3rd quarter of 2021. Considering that the Group is in the hospitality sector, the operations of the company were greatly affected. Aside from the aforementioned finding, the Group's foreign currency risk is minimal.

The following table shows the Group's consolidated foreign currency-denominated monetary assets and liabilities and their peso equivalents as of December 31, 2021 and December 31, 2020:

	December 31					
	2021			2020		
	US Dollar	**MYR ringgit**	**Php Equivalent**	US Dollar	MYR ringgit	Php Equivalent
Financial Assets						
Cash and cash equivalents	**$5,605**	**MYR 426,609**	**₱5,507,493**	$10,616	MYR 562,482	₱7,185,405
Short-term investments	**-**	**26,518**	**324,580**	4,790	38,503	686,990
Accounts and notes receivable - net	**23,575**	**136,883**	**2,877,537**	92,220	184,592	6,619,424
Other current assets	**1,168**	**56,450**	**750,504**	32,856	52,594	2,202,034
Other noncurrent assets	**380**	**1,227**	**34,395**	497	–	23,876
Total	**30,728**	**647,687**	**9,494,510**	140,979	838,171	16,717,729
Financial Liabilities						
Accounts and other payables	**4,047**	**772,864**	**9,666,212**	22,858	971,788	12,631,008
Other current liabilities	**463**	**–**	**23,608**	7,758	–	372,540
Short-term debt	**–**	**-**	**-**	–	25,000	296,703
Long-term debt	**125,000**	**102**	**6,374,988**	125,000	147	6,004,625
Other noncurrent liabilities	**3,293**	**2,118**	**193,834**	3,064	34,961	562,058
Total	**132,802**	**775,083**	**16,258,653**	158,680	1,031,896	19,866,934
Net foreign currency denominated financial instruments	**($102,074)**	**(MYR127,396)**	**(₱6,764,143)**	($17,701)	(MYR193,725)	(₱3,149,205)

In translating the foreign currency-denominated monetary assets in peso amounts, the exchange rates used were ₱50.99 to US$1.00 and ₱48.02 to US$1.00, the Philippine Peso - US dollar exchange rates as of December 31, 2021 and 2020, respectively. The Philippine Peso- MY ringgit exchange rate as of December 31, 2021 and 2020 used was ₱12.24 to MYR1.00 and ₱11.87 to MYR1.00, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso-US dollar exchange rate, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	Effect on income before tax Increase (decrease)	
Change in exchange rate	**2021**	2020
USD		
₱1.00	**2021**	2020
(₱1.00)	**(₱102,074)**	(₱17,701)
	102,074	17,701
MYR		
₱1.00	**(₱127,396)**	(₱193,725)
(₱1.00)	**₱127,396**	₱193,725

There is no other impact on the Group's equity other than those already affecting the net income.

Equity price risk
Quoted financial assets at FVOCI are acquired at a certain price in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, country's economic performance, political stability, domestic inflation rates, these prices change, reflecting how market participants view the developments.

The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; limits on investment in each country, sector and market.

The analysis below demonstrates the sensitivity to a reasonably possible change of market index with all other variables held constant, of the Group's equity.

	Effect on equity Increase (decrease)	
Change in PSEi index	**2021**	2020
	(In Thousands)	
+5%	**₱–**	₱27,247
-5%	**–**	(27,247)

Quoted financial assets at FVTPL pertain to investment in UITF (Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments.

As of December 31, 2021 and 2020, the fair value, net income and equity of the Group's investment in the Fund where all other variables held constant, will increase or decrease by ₱1.7 million with a duration of 0.66 year and ₱2.6 million with a duration of 0.70 year, respectively, for a 100 basis points decrease or increase in interest rates.

30. **Segment Information**

The industry segments where the Group and its associates and joint ventures operate follows:

- Property developments - sale of high-end and upper middle-income residential lots and units, affordable housing units and lots, economic housing and leisure community developments; lease of residential developments under joint venture; acquisition, development and sale of large-scale, mixed-use, master-planned communities; sale of override units or the Company's share in properties made available to subsidiaries for development
- International – development and sale of residential lots and units in MCT Berhad
- Shopping centers - development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities, gas stations and carparks in these shopping centers; management and operation of malls which are co-owned with partners
- Offices - development and lease or sale of office buildings; sale of industrial lots and lease of factory building
- Hotels and Resorts - development and management of hotels and resorts/serviced apartments and lease of land to hotel tenants
- Construction - land development and construction of the Group and third-party projects
- Property management and others - facilities management of the Group and third-party projects

Assets, liabilities, revenues and expenses of the Strategic Landbank Management and Visayas-Mindanao segment were reallocated to other business segments namely, shopping centers, corporate businesses and residential developments according to the nature of the products and services provided.

The Company and its subsidiaries generally account for inter-segment sales and transfers as if the sales and transfers were to third parties at current market prices.

Management committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

For the years ended December 31, 2021, 2020 and 2019, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

Business segments
The following tables regarding business segments present assets and liabilities as of December 31 and revenue and profit information for each of the three years in the period ended December 31 (in millions):

2021

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	₱65,260	₱3,878	₱–	₱–	₱2,833	₱3,909	₱2,467	₱–	₱–	₱78,347
Interest income from real estate sales	6,801	–	–	–	–	–	–	–	–	6,801
Rental revenue	–	–	7,925	9,872	–	–	–	–	–	17,797
Intersegment sales	–	–	–	–	–	36,578	–	–	(36,578)	–
Equity in net earnings of associates and joint ventures	971	–	7	-	–	3	(16)	(122)	–	843
Total revenue	73,032	3,878	7,932	9,872	2,833	40,490	2,451	(122)	(36,578)	103,788
Real estate costs and expenses	49,401	2,897	5,204	2,803	4,095	39,062	2,735	228	(35,254)	71,180
Gross margin (loss)	23,631	982	2,728	7,069	(1,262)	1,428	(285)	(351)	(1,332)	32,608
Interest and investment income										253
Other charges										(3,637)
Interest and other financing charges										(11,038)
Other income										2,101
Provision for income tax										(4,628)
Net income										₱15,659
Net income attributable to:										
Equity holders of Ayala Land, Inc.										₱12,228
Non-controlling interests										3,431
										₱15,659
Other Information										
Segment assets	₱559,516	₱20,190	₱226,352	₱135,653	₱59,038	₱48,601	₱11,549	₱94,146	(₱450,625)	₱704,422
Investment in associates and joint ventures	28,890	–	36	–	–	55	172	-	–	28,153
	587,405	20,190	226,388	135,653	59,038	48,656	11,721	94,146	(450,625)	732,574
Deferred tax assets	1,900	163	1,732	389	436	114	183	1,299	6,675	12,890
Total assets	₱589,306	₱20,353	₱228,120	₱136,042	₱59,474	₱48,770	₱11,904	₱95,445	(₱443,950)	₱745,464
Segment liabilities	235,677	979	95,934	29,687	25,986	38,035	6,158	200,436	(164,449)	468,442
Deferred tax liabilities	2,619	0	177	225	4	0	(2)	(196)	3,693	6,520
Total liabilities	₱238,296	₱979	₱96,111	₱29,911	₱25,990	₱38,035	₱6,156	₱200,240	(₱160,756)	₱474,962
Segment additions to:										
Property and equipment	₱2,035	₱–	₱298	₱4	₱285	₱555	₱14	₱24	₱–	₱3,215
Investment properties	₱12,426	₱508	₱8,141	₱1,100	₱146	₱103	₱–	₱1,757	₱–	₱24,181
Depreciation and amortization	₱733	₱	₱4,360	₱1,908	₱887	₱237	₱475	₱221	₱–	₱8,821
Non-cash expenses other than depreciation and amortization	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Impairment losses	₱11	₱–	₱22	₱114	₱–	₱114	₱98	₱181	₱–	₱540

2020

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	₱53,014	₱4,845	₱–	₱–	₱3,388	₱3,279	₱2,971	₱–	₱–	₱67,497
Interest income from real estate sales	8,603	–	–	–	–	–	–	–	–	8,603
Rental revenue	–	–	9,063	9,405	–	–	–	–	–	18,468
Intersegment sales	–	–	–	–	–	32,601	–	–	(32,601)	–
Equity in net earnings of associates and joint ventures	148	–	2	380	–	(4)	(4)	65	–	587
Total revenue	61,765	4,845	9,065	9,785	3,388	35,876	2,967	65	(32,601)	95,155
Real estate costs and expenses	40,897	3,917	7,156	1,653	4,079	34,886	5,244	225	(33,372)	64,685
Gross margin (loss)	20,868	928	1,909	8,132	(691)	990	(2,277)	(160)	771	30,470
Interest and investment income										395
Other charges										(3,789)
Interest and other financing charges										(12,746)
Other income										723
Provision for income tax										(4,059)
Net income										₱10,994
Net income attributable to:										
Equity holders of Ayala Land, Inc.										8,727
Non-controlling interests										2,267
										₱10,994
Other Information										
Segment assets	₱557,840	₱23,233	₱205,505	₱106,848	₱55,147	₱49,218	₱11,607	₱93,761	(₱420,388)	₱682,771
Investment in associates and joint ventures	17,101	–	38	–	–	52	188	9,222	–	26,601
	574,941	23,233	205,543	106,848	55,147	49,270	11,795	102,983	(420,388)	709,372
Deferred tax assets	1,818	96	1,178	309	324	145	220	1,485	6,547	12,122
Total assets	₱576,759	₱23,329	₱206,721	₱107,157	₱55,471	₱49,415	₱12,015	₱104,468	(₱413,841)	₱721,494
Segment liabilities	₱235,380	₱12,605	₱79,334	₱24,521	₱19,059	₱40,451	₱5,989	₱197,589	(₱160,762)	₱454,166
Deferred tax liabilities	2,888	–	186	127	12	1	21	(112)	4,026	7,149
Total liabilities	₱238,268	₱12,605	₱79,520	₱24,648	₱19,071	₱40,452	₱6,010	₱197,477	(₱156,736)	₱461,315
Segment additions to:										
Property and equipment	₱211	₱83	₱73	₱40	₱991	₱335	₱630	₱735	₱–	₱3,098
Investment properties	₱1,032	₱463	₱1,188	₱1,030	₱46	₱68	₱23	₱1,766	₱–	₱5,616
Depreciation and amortization	₱618	₱189	₱4,411	₱1,779	₱875	₱998	₱483	₱220	₱–	₱9,573
Non-cash expenses other than depreciation and amortization	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Impairment losses	₱37	₱–	₱288	₱331	₱–	₱–	₱97	₱225	₱–	₱978

2019

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	₱102,981	₱6,709	₱–	₱–	₱7,624	₱3,395	₱5,453	₱–	₱–	₱126,162
Interest income from real estate sales	7,891		–	–	–	–	–	–	–	7,891
Rental revenue	–	–	22,019	9,668	–	–	–	–	–	31,687
Intersegments sales	–	–	–	–	–	61,557	–		(61,557)	–
Equity in net earnings of associates and joint ventures	698	–	14	–	–	–	–	254	–	966
Total revenue	111,570	6,709	22,033	9,668	7,624	64,952	5,453	254	(61,557)	166,706
Real estate costs and expenses	75,986	4,665	8,921	3,197	5,667	60,423	5,778	976	(61,494)	104,119
Gross margin (loss)	35,584	2,044	13,112	6,471	1,957	4,529	(325)	(722)	(63)	62,587
Interest and investment income										930
Other charges										(1,645)
Interest and other financing charges										(12,200)
Other income										1,158
Provision for income tax										(13,315)
Net income										₱37,515
Net income attributable to:										
Equity holders of Ayala Land, Inc.										33,188
Non-controlling interests										4,327
										₱37,515
Other Information										
Segment assets	₱556,914	₱–	₱204,115	₱105,863	₱81,288	₱55,349	₱6,731	₱63,481	(₱396,663)	₱677,078
Investment in associates and joint ventures	24,938	–	36	–	–	55	192	97	–	25,318
	581,852	–	204,151	105,863	81,288	55,404	6,923	63,578	(396,663)	702,396
Deferred tax assets	1,890	–	811	170	333	85	60	1,351	6,827	11,527
Total assets	₱583,742	₱–	₱204,962	₱106,033	₱81,621	₱55,489	₱6,983	₱64,929	(₱389,836)	₱713,923
Segment liabilities	₱242,826	₱–	₱135,933	₱55,563	₱64,617	₱46,101	₱3,274	₱52,870	(₱136,057)	₱465,127
Deferred tax liabilities	1,902	–	189	125	9	–	–	24	3,842	6,091
Total liabilities	₱244,728	₱–	₱136,122	₱55,688	₱64,626	₱46,101	₱3,274	₱52,894	(₱132,215)	₱471,218
Segment additions to:										
Property and equipment	₱254	₱1,891	₱1,652	₱41	₱4,151	₱1,752	₱131	₱648	₱–	₱10,520
Investment properties	₱4,970	₱8,733	₱19,446	₱3,012	₱201	₱163	₱262	₱232	₱–	₱37,019
Depreciation and amortization	₱ 676	₱ 85	₱ 3,949	₱1,769	₱ 783	₱975	₱ 454	₱ 368	₱–	₱9,059
Non-cash expenses other than depreciation and amortization	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Impairment losses	₱–	₱–	₱256	₱–	₱–	₱11	₱189	₱113	₱–	₱569

31. **Performance Obligations**

Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) service lot and house, and (iii) condominium unit and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule from each of the customer does not necessarily coincide with the progress of construction, which results to either an unbilled receivable or customers' deposit.

After the delivery of the completed real estate unit, the Group provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

Hotels and resorts
Rooms revenue from hotel and resort operations is recognized when the services are rendered. Revenue from banquets and other special events are recognized when the events take place.

Construction
Revenue from fixed price construction contracts are recognized overtime using the milestone-based revenue recognition which is in reference to output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2021 and 2020 are as follows:

	2021	2020
	(In Thousands)	
Within one year	**₱45,005,469**	₱31,535,337
More than one year	**55,587,158**	62,554,555
	₱100,592,627	₱94,089,892

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three to five years from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

32. Registration with Philippine Economic Zone Authority (PEZA)

Ayala Land Inc., the Parent Company, was registered with PEZA last December 13, 2017 as a Developer/Operator of the Southpark Corporate Center.

North Eastern Commercial Corporation, a wholly owned subsidiary, was registered with PEZA last July 05, 2017 as a Developer/Operator of the 30th Corporate Center.

Ayala Land Inc., the Parent Company, was registered with PEZA last November 6, 2017 as a Developer/Operator of the Vertis North IT Park.

Central Block Developers, Inc., a wholly owned subsidiary, was registered with PEZA last June 19, 2017 as a Ecozone Facilities Enterprise of the Central Bloc 1 & 2.

Ayalaland Metro North, Inc., a wholly owned subsidiary, was registered with PEZA last January 16, 2017 as a Developer/Operator of the UP Town Corporate Center.

Pangulasian Island Resort Corporation (PIRC), a subsidiary of Ten Knots Development Corporation which is a subsidiary of Ayala Land, Inc., is registered with the Philippine Economic Zone Authority (PEZA) under the Certificate of Registration number 16-055 and Registration Agreement dated March 21, 2016. The registration shall entitle PIRC to conduct activities limited to resort operations, travel/tours/leisure and recreation-related activities, and the importation of raw materials, machinery, equipment, tools, goods, wares, articles, or merhandise directly used in its registered operations inside the Green Tourism Ecozone - Pangulasian.

Nuevo Centro, a wholly-owned subsidiary of Ayala Land, Inc., is registered with PEZA with Certificate of Registration number EZ 16-30 under Registration Agreement dated July 19, 2016. The registration as a Special Economic Zone Developer/Operator shall entitle Nuevo Centro, Inc. to establish, develop, administer, manage, and operate a Special Economic Zone to be known as Alviera Industrial Park. It has been designated a 311,954-square meter area located at Barangays Dolores and Banaba, Porac, Pampanga. The Company shall be exempt from payment of all national and local taxes, except real property taxes on land and shall pay a 5% final tax on gross income.

33. Leases

Operating Leases - Group as Lessor

The Group entered into lease agreements with third parties covering its investment property portfolio. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals receivable under noncancellable operating leases of the Group follows:

	2021	2020
	(In Thousands)	
Within one year	**₱5,591,888**	₱9,961,331
After one year but not more than five years	**15,982,405**	33,927,015
More than five years	**56,106,720**	30,014,821
	₱77,681,012	₱73,903,167

In 2021 and 2020, the Group granted rent concessions to its tenants which were affected by the community quarantine imposed by the government amounting to ₱7.15 billion and ₱6.15 billion, respectively. These rent concessions did not qualify as a lease modification, thus, were accounted for as a variable lease payments and reported as reduction of lease income in 2021 and 2020 (see Note 3).

Group as Lessee
The Group entered into lease agreements with third parties. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals payable under noncancellable operating leases of the Group follows:

	2021	2020
	(In Thousands)	
Within one year	**₱3,003,107**	₱2,761,184
After one year but not more than five years	**7,973,751**	7,534,150
More than five years	**53,597,269**	52,179,626
	₱64,574,127	₱62,474,960

Set out below are the carrying amounts of right-of-use assets recognized and the movements in 2021 and 2020:

			2021		
	Land	**Building**	**Aircraft**	**Others**	**Total**
			(in thousands)		
Cost					
At January 1	**₱14,710,930**	**₱242,324**	**₱1,701,823**	**₱284,573**	**₱16,939,650**
Additions	**457,725**	**4,099**	**–**	**100,596**	**562,420**
At December 31	**14,961,850**	**246,243**	**1,701,823**	**385,169**	**17,502,070**
Accumulated Depreciation and Amortization					
At January 1	**3,209,405**	**178,056**	**435,794**	**108,220**	**3,931,475**
Depreciation	**274,689**	**116,442**	**139,346**	**92,795**	**623,272**
Adjustments	**273,007**	**115,729**	**138,492**	**92,226**	**619,454**
Capitalized as investment property (Note 12)	**86,627**	**78,421**	**–**	**6,581**	**171,629**
At December 31	**3,843,728**	**488,648**	**713,632**	**299,822**	**5,345,830**
Net Book Value	**₱10,867,202**	**₱242,405**	**₱988,191**	**₱85,347**	**₱12,156,240**

			2020		
	Land	Building	Aircraft	Others	Total
			(in thousands)		
Cost					
At January 1	₱14,710,930	₱216,836	₱1,595,614	₱219,920	₱16,743,300
Additions	–	25,488	106,209	64,653	196,350
At December 31	14,710,930	242,324	1,701,823	284,573	16,939,650
Accumulated Depreciation and Amortization					
At January 1	2,769,184	139,603	245,608	24,433	3,178,828
Depreciation	440,221	32,270	190,186	83,056	745,733
Capitalized as investment property	–	6,183	–	731	6,914
At December 31	3,209,405	178,056	435,794	108,220	3,931,475
Net Book Value	₱11,501,525	₱64,268	₱1,266,029	₱176,353	₱13,008,175

The rollforward analysis of lease liabilities follows:

	2021	2020
At January 1	**₱17,755,843**	₱17,463,705
Additions	**104,695**	171,901
Accretion of interest expense (Note 22)	**1,409,177**	1,430,607
Capitalized interest	**–**	24,210
Foreign exchange gain (loss)	**–**	94
Payments	**(1,432,361)**	(1,334,674)
As at December 31	**₱17,837,354**	₱17,755,843
Current lease liabilities	**599,363**	466,801
Noncurrent lease liabilities	**₱17,237,991**	₱17,289,042

The following are the amounts recognized in the consolidated statement of income:

	2021	2020
Depreciation expense of right-of-use assets	**₱623,272**	₱745,733
Accretion of interest expense on lease liabilities (Note 22)	**1,409,177**	1,430,607
Rent expense - short-term leases	**9,426**	4,562
Rent expense - variable lease payments	**168,963**	306,813
Foreign exchange (gain) loss	**210**	94
Total amounts recognized in the consolidated statement of income	**₱2,213,069**	₱2,489,829

The Group has lease contracts for land that contains variable payments based on a certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

	2021		
	Fixed Payments	Variable Payments	Total
Fixed	**₱1,471,313**	**₱–**	**₱1,471,313**
Variable rent with minimum payment	**19,533**	**1,299**	**20,832**
Variable rent only	**–**	**19,543**	**19,543**
At December 31	**₱1,490,846**	**₱20,842**	**₱1,511,688**

	2020		
	Fixed Payments	Variable Payments	Total
Fixed	₱1,504,945	₱–	₱1,504,945
Variable rent with minimum payment	115,669	164,885	280,554
Variable rent only	–	146,490	146,490
At December 31	₱1,620,614	₱311,375	₱1,931,989

The significant leases entered into by the Group are as follows:

Parent Company

On January 2017, the Parent Company signed a Lease Agreement with Philippine Racing Club, Inc. for the lease of land located in Circuit Makati, Brgy. Carmona, Makati City with an aggregate area of 12,793 sqm. The term of the lease shall be twenty-three years and three months commencing from Delivery Date. The Lessee shall have the option to renew the lease under the same terms and conditions for another period of five years, provided that renewal period shall be mutually agreed by the Parties. For the period commencing from delivery date until sixty-three (63) months thereafter, the Lessee shall pay the Lessor the rent amounting to ₱100.00 million. Commencing on the sixty fourth

month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to fifty percent (50%) of the Gross Income of the Lessee.

In September 2018, the Parent Company signed a Lease Agreement with Manila Seedling Bank Foundation, Inc. (MSBFI) for the lease of a 4.5-hectare portion of land located at the corner of EDSA and Quezon Avenue, Diliman, Quezon City. The term of the lease shall be coterminous with the Lessor's usufruct over the Leased Premises, or until September 20, 2027.

Bay City
On September 2, 2014, Parent Company signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City with an aggregate area of 92,317 sqm. Parent Company signed a 45-year lease contract with an option to renew for another 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and the Parent Company. The Parent Company assigned the parcels of land to Bay City in December 2017.

ALI also signed the Air Rights and Basement Rights over the leased property with an aggregate area of 1,686.48 sqm and 8,294 sqm, respectively, subject to the same terms and conditions as the contract of lease dated September 2, 2014.

AMNI
On January 28, 2011, the Board of Regents of the University of the Philippines awarded to the Parent Company the ₱4.0 billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. The Parent Company signed a 25-year lease contract for the property last June 22, 2011, with an option to renew for another 25 years subject to mutual agreement of the parties. The lease payments shall commence as soon as sales are registered by the merchants. The rights were subsequently assigned by ALI to the Company in 2015.

A retail establishment with about 63,000 sqm of gross leasable area and an office/BPO building about 8,000 sqm of gross leasable area have been constructed on the property.

NTDCC
The Company entered into an assignment agreement with MRTDC wherein the latter has assigned its development rights to the Company in exchange for the Company's assumption of DRP obligation beginning January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration with escalation rate of 3% annually starting inception.

In consideration of the lease, the Group will be charged an annual rent related to the original DRP obligation on the MRTDC and 5% of the rental income from the Group's commercial center business. Of the 5% variable amount due, 2.42% shall be directly paid by the Group to the minority shareholders of Monumento Rail Transit Corporation, 28.47% shall be paid directly to Metro Global Holdings Corporation and the remaining 69.11% shall be applied against receivables.

On January 13, 2006, the deed of assignment between MRTDC and NTDCC was acknowledged by DOTC making MRTDC and NTDCC jointly and severally liable for the DRP and all other obligations attached thereto. NTDCC has been paying rent to DOTC in behalf of MRTDC since January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration. As of December 31, 2020 and 2019, the DRP obligation amounted to ₱3,703.3 million and ₱3,778.2 million, respectively. Total DRP obligation paid amounted to ₱244.0 million and ₱236.4 million in 2020 and 2019, respectively.

On October 29, 2015, the Company entered into a non-cancellable land lease agreement with GERI for the lease of an aggregate of 10,994.86 square meters undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development rights period.

During 2016, the Company entered into non-cancellable land lease agreement with Anglo, DBH and Allante which shall be effective until August 8, 2047.

ALICAP
In December 2017, the Company entered into 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1440 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with MSN 1440 was delivered to the Company in February 2018 and has started flight operations in March 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term for US$14.16 million.

In June 2018, the Company entered into another 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1492 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with MSN 1492 was delivered to the Company on the same month and has started flight operations in August 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term amounting to US$14.16 million.

AHRC
On January 30, 2018, the Company signed a Lease Agreement with Dunes & Eagle Land Development Corporation for the lease of ten parcels of land located at Barangay Mactan, Lapu-Lapu City, Mactan Island, Cebu with an aggregate area of 144,087 sqm. The term of the lease shall be for a period of fifty (50) years commencing from the date of execution of the agreement. Rent payment should be as follows: (a) ₱70 million per annum for the first 5 years (b) 5% of Gross Revenues or ₱70 million per annum whichever is higher for the 6th year to the 30th year, and (c) 5.5% of Gross Revenues or ₱70 million per annum whichever is higher for the 31st year to the 50th year.

On July 26, 2012, ALI entered into a renewable contract of lease with Province of Negros Occidental for 40,481 square meters area of land with a monthly lease of ₱73.00 per square meter which shall be escalated every five years by ten percent (10%) of the current rate of rent. The term of the lease shall be for a period of fifty (50) years commencing from the date of delivery subject to renewal by mutual agreement of the parties under such terms and conditions as may be mutually acceptable. The Company has assessed that the lease agreement is a non-cancellable lease. On December 23, 2014, ALI assigned its rights and obligations to Capitol Central Hotel Ventures, Inc. under the Contract of Lease Assignment over a portion on which Seda Capitol Central was constructed equivalent to an area of 3,714.80 square meters. The agreement on lease assignment transfers and conveys the Company to take over the lease of the assigned portion subject to the same terms and conditions contained in the contract of lease.

Bonifacio Hotel Ventures, Inc. entered into a non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which Seda BGC Tower 1 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or ₱350 per square meter for the 1st year, ₱375 per square meter for the 2nd year and ₱400 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period. The Company entered into another non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which the Seda BGC Tower 2 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or ₱575 per square meter for the 1st year, ₱616.06 per square meter for the 2nd year and ₱657.15 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period.

ALLHC
On August 28, 1990, the Company, through a Deed of Assignment, acquired all the rights, titles, interests and obligations of Gotesco Investment, Inc. in a contract of lease of the land owned by PNR for the Tutuban Terminal. The contract provided for a payment of a guaranteed minimum annual rental plus a certain percentage of gross sales. The lease covers a period of 25 years until 2014 and is automatically renewable for another 25 years, subject to compliance with the terms and conditions of the lease agreement. On December 22, 2009, ALLHC entered into an agreement with PNR for the renewal of its lease contract for another 25 years beginning September 5, 2014 until 2039.

SSECC
The Company has an existing contract with Bases Conversion and Development Authority (BCDA) to develop, under a lease agreement signed on July 2000, a mall with an estimated gross leasable area of 152,000 sqm on a 9.8-hectare lot inside Fort Bonifacio. Subsequently, the Company transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounts to ₱106.5 million while the variable rent ranges from 5% to 20% of gross revenues.

Capitol
On April 26, 2012 Parent Company signed a Lease Agreement with the Province of Negros Occidental for the lease of a parcel of land with an aggregate area of 40,481 sq. m. located along Gatuslao cor. North and South Capitol Roads, Bacolod City, registered in the name of the Province of Negros Occidental. The Parent Company signed a 50-year lease contract with an option to renew as may be mutually agreed upon by the lessor and the Company. The Parent Company assigned the parcels of land to Capitol in December 2017.

Arvo
On October 15, 2014, Arvo entered into a property lease agreement with Rotonda Development Corporation for the construction, development and operation of a commercial and mall center. The terms of the lease shall be 42 years, with an option to renew for another 40 years subject to mutual agreement of the parties. The lease agreement provided rent-free period of 2 years and lease payments shall commence thereafter. Lease payments shall be paid annually at ₱60.00 per sqm, subject to an annual escalation of 4%.

The Group performed impairment testing on its right-of-use assets with a carrying value of ₱1,360.0 million and ₱1,034.9 million as of December 31, 2021 and 2020, respectively, by assessing its recoverable amount through estimation of its value in use. Based on the impairment testing, there is no impairment loss on the Group's hotel and resorts right-of-use assets (see Note 3).

34. Interest in Joint Operation

MDC has a 51.0% interest in Makati Development Corporation - First Balfour, Inc. Joint Venture (the Joint Venture), a joint operation whose purpose is to design and build St. Luke's Medical Center (the Project) in Fort Bonifacio Global City, Taguig. The application of PFRS 11 does not have significant impact on the Group's accounting of its interest in joint operation since it already reported its share in interest in joint operation using proportionate consolidation.

The Project, which started on January 31, 2007, is a world-class medical facility comprising, more or less, of a 611-bed hospital and a 378-unit medical office building, with an approximate gross floor area of 154,000 sqm, which meets international standards, and all standards and guidelines of applicable regulatory codes of the Philippines and complies with the criteria of the Environment of Care of the Joint Commission International Accreditation. The project was completed on October 30, 2009. Activities in 2011 to 2021 mainly pertain to winding down operations.

MDC classified its joint arrangement with First Balfour, Inc. as "Joint Operation" since the joint arrangement's legal form does not confer separation between the parties and separate vehicle, the parties have the rights to the assets and obligations for the liabilities in proportion to the interests agreed by parties and there is an indication that the parties have no rights to the net assets of the Joint Operation.

The share of MDC in the net assets and liabilities of the Joint Operation as at December 31, 2021 and 2020 which are included in the consolidated financial statements follow:

	2021	2020
	(In Thousands)	
Current assets:		
Cash and cash equivalents	**₱7,123**	₱7,078
Other current assets	**37,368**	37,368
Total assets	**₱44,491**	₱44,446
Total liabilities	**₱–**	₱–

The following is the share of the MDC on the net income of the Joint Operation:

	2021	2020
	(In Thousands)	
Construction costs	**₱–**	(₱7)
Interest and other income (charges)	**46**	(14)
Income before income tax	**46**	(21)
Provision for final tax	**(1)**	(1)
Net income	**₱45**	₱45

There were no dividends declared in 2021 and 2020. Provision for income tax pertains to the final tax on interest income.

35. Long-term Commitments and Contingencies

Commitments

a. On December 8, 2017, ALI assigned to NTDCC development rights on certain portions of the North Triangle lot pads covered by a Deed of Assignment and Encroachment Settlement Agreement amounting to ₱631.2 million.

b. ALI and LT Group, Inc. (LTG) entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be an estate development that spans portions of Pasig City and Quezon City. A new company named, ALI-ETON Property Development Corporation, was incorporated on May 13, 2016.

   On January 15, 2018, the estate, named Parklinks was launched and is the greenest urban estate of Ayala Land in partnership with Eton Properties Inc. The first residential project of Ayala Land Premier, Parklinks North Tower was launched on the same year, while the Parklinks lifestyle mall broke ground as well, expected to provide a new destination for residents and office workers within the area when it opens in 2025. With the brisk residential sales of ALP's first project, the Parklinks South tower was launched in 2019, together with Alveo's first residential development "The Lattice".

   Also set to rise within the estate will be an iconic bridge that will conveniently connect the QC and Pasig parcels, offering a new route that can help ease vehicular traffic in the north eastern and eastern portions of Metro Manila. The bridge is expected to be completed by Q2 of 2022.

c. On August 11, 2015, the Group won the bid for the Integrated Transport System Project – South Terminal (“ITS South Project"). The Company was awarded by the Department of Transportation and Communications (“DOTC”) with a 35-year concession agreement to build and operate the ITS South Project and will likewise have the right to develop and operate commercial leasing facilities on the same 5.57 hectare former Food Terminal Inc. property on which the future transport terminal will be built. The site of the ITS South Project is right next to ARCA South, where the Company is developing an integrated mixed-use estate.

d. On June 30, 2015, the Parent Company, through SM-ALI Group Consortium (the Consortium), participated and won in the bidding for Lot No. 8-B-1, containing an area of 263,384 sqm, which is portion of Cebu City-owned lot located at the South Road Properties, Cebu City covered by Transfer Certificate of Title No. 107-2011000963. The Consortium is a consortium among SMPHI, the Company and CHI (together with the Company collectively referred to as the “ALI Group”). Consistent with the agreed payment schedule in the Deed of Absolute Sale, as of August 1, 2018 the ALI Group has fully paid ₱4.56 billion, excluding taxes. The SM-ALI Group finished the joint masterplan and secured the development permit last November 2019 from the Cebu City Council.

   On January 29, 2020, SM-ALI Group broke ground the 263,384 sqm development and the construction of road networks and underground utilities commence on February 18, 2020.

   As of December 2021, the construction completion is at 80% and is forecasted to be finished in June 2022.

   The development is positioned to be the Entertainment Capital of the Region which are the epicenter of fun, strategically located and accessible and celebrated Cebu experience.

   It is envisioned to create a commercially viable mixed-use development and to create a living, vibrant community with world-class facilities, a well-designed urban setting, and lush, extensive landscaping.

e. On August 8, 1997, an “Assignment Agreement” was executed between Department of Transportation and Communications (DOTC), Metro Rail and MRTDC whereby MRTDC agreed to be bound by all obligations in respect of the Development Rights and make payments to DOTC.

f. On June 4, 2014, AHRC, a wholly owned subsidiary of the Parent Company has signed a long-term management agreement with the Mandarin Oriental Hotel Group to develop and operate luxury hotel in Makati City. Set to open its doors by 2023, the new Mandarin Oriental Manila will be featuring 276 spacious rooms complemented by an extensive range of modern amenities including premium selection of restaurants and a signature spa. AHRC is committed to pay US$5 million (₱223.6 million) to Manila Mandarin Hotel, Inc. upon the opening of the New Hotel or June 30, 2017, whichever is earlier. In 2017, the Group fully paid the said amount.

g. On May 12, 2014, ALI has signed the terms of reference with Sureste Properties, Inc. (SPI), a wholly owned subsidiary of Bloomberry Resorts Corp. (BLOOM) for the retail area to be opened in the new Phase 1-A of Solaire Resort & Casino. The Company will be the leasing and marketing agent of the said area with gross leasable area of more than 5,000 sqm.

h. On February 26, 2021, The Group entered into agreements to restructure the long-outstanding receivables from Mercado General Hospital, Inc., Panay Medical Ventures, Inc., Mercado General Hospital Sta. Rosa, Inc. and Mercado General Hospital San Jose Del Monte, Inc. amounting to ₱209.0 million, ₱79.0 million, ₱5.0 million and ₱129.1 million, respectively, to a 5-year loan with interest rate of 4% per annum.

Contingencies
The Group has various contingent liabilities arising in the ordinary conduct of business including a case related to property restriction violation. The estimate of the probable cost for the resolution of this claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. Accordingly, no provision for any liability has been made in the consolidated financial statements.

Disclosures required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, were not provided as it may prejudice the Group's position in ongoing claims and it can jeopardize the outcome of the claims and contingencies.

36. Concession Agreement with Department of Transportation (DOTr)

On January 26, 2016, the Group through ASITI entered into a Concession Agreement (CA) with the Department of Transportation (DOTr). The CA sets forth the rights and obligations of ASITI as concessionaire, including the construction and operation of the South Integrated Transport System Project (the Project) of DOTr. During the concession period, DOTr will monitor and review the performance of the concessionaire.

The concession will run for a period of 35 years from the start of the construction of the Project. Under the terms of the concession agreement, ASITI will design, engineer, construct, operate and maintain a mass transportation intermodal terminal at the outskirts of Metro Manila. The operation of the Project includes the collection and remittance of terminal fees to DOTr of the concessionaire during the concession period. In addition, ASITI will be permitted to develop and operate commercial leasing facilities.

Upon the start of the construction of the Project, DOTr will give ASITI the full, exclusive and uninterrupted use and possession of a 5.57 hectare property known as the Project Land. Ownership of the Project Land shall remain with DOTr at all times while the possession, custody and risk of loss or deterioration of the Project and commercial assets shall vest in the concessionaire during the concession period. ASITI shall transfer the Project and the related assets, free from any liens or encumbrances, to DOTr at the end of the concession period. ASITI will be entitled to annual payments from DOTr amounting to ₱277.9 million during the 35-year concession period, subject to meeting benchmarks set for certain key performance indicators enumerated in the CA.

As of December 31, 2021, construction of the Project has not yet commenced.

37. Notes to Consolidated Statements of Cash Flows

Disclosed below is the rollforward of liabilities under financing activities:

2021

	January 1, 2021	Cash flows	Non-cash changes	Foreign exchange movement	December 31, 2021
			(In Thousands)		
Short-term debt	**₱9,131,325**	**₱7,651,175**	**₱–**	**₱–**	**₱16,782,500**
Current long-term debt	**18,732,401**	**(18,732,401)**	**26,173,997**	**–**	**26,173,997**
Non-current long-term debt	**184,087,192**	**21,483,082**	**(25,829,931)**	**399,899**	**180,140,242**
Dividends payable (Note 15)	**241,606**	**(5,375,409)**	**5,820,785**	**–**	**686,982**
Lease liabilities	**17,755,843**	**(1,432,361)**	**1,513,872**	**–**	**17,837,354**
Deposits and other noncurrent liabilities	**50,040,170**	**10,695,432**	**–**	**–**	**60,735,602**
Total liabilities from financing activities	**₱279,988,537**	**₱14,289,518**	**₱7,678,723**	**₱399,899**	**₱302,356,677**

2020

	January 1, 2020	Cash flows	Non-cash changes	Foreign exchange movement	December 31, 2020
			(In Thousands)		
Short-term debt	₱18,032,830	(₱8,901,505)	₱–	₱–	₱9,131,325
Current long-term debt	17,250,706	(17,250,706)	18,732,401	–	18,732,401
Non-current long-term debt	175,813,346	27,332,917	(18,732,401)	(326,670)	184,087,192
Dividends payable (Note 15)	632,000	(5,328,246)	4,937,852	–	241,606
Lease liabilities	17,463,705	(1,334,674)	1,626,718	94	17,755,843
Deposits and other noncurrent liabilities	44,003,636	5,706,022	330,512	–	50,040,170
Total liabilities from financing activities	₱273,196,223	₱223,808	₱6,895,082	(₱(326,576)	₱279,988,537

The noncash activities of the Group pertain the following:

2021
- Transfer from investment properties to inventories amounting to ₱4,062.9 million
- Transfer from property and equipment to investment properties amounting to ₱1.2 million
- Transfer from inventories to investment properties amounting to ₱4,106.9 million
- Transfer from inventories to property and equipment amounting ₱2.6 million
- Capitalized interest amounted to ₱745.7 million

2020
- Transfer from investment properties to inventories amounting to ₱18,563.9 million
- Transfer from investment properties to property and equipment amounting to ₱591.6 million
- Transfer from investment properties and property and equipment to building classified as held for sale amounting to ₱950.1 million and ₱2.1 million, respectively
- Transfer from inventories to investment properties amounting to ₱2,361.2 million
- Transfer from right-of-use assets and lease liabilities to investment properties amounting to ₱6.9 million and ₱24.2 million, respectively
- Capitalized interest amounted to ₱40.1 million

38. **Events After Reporting Date**

On January 20, 2022, the Board of Directors of Ayala Land, Inc. approved a property-for-share swap with Ayala Corporation and Mermac, Inc.. Under the transaction, AC and Mermac will transfer assets to ALI in exchange for its primary common shares. The transaction is still subject to the regulatory approvals.

On February 24, 2022, the BOD approved the following:

a. The raising of up to ₱45 billion in debt capital to refinance maturing debt and partially finance general corporate requirements through the issuance of retail bonds and/or corporate notes for listing on the Philippine Dealing and Exchange Corporation and/or execution of bilateral term loans.

b. The 2022 stock option program under our Employee Stock Ownership Plan (the “Plan”) which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 17,250,890 common shares at a subscription price of ₱30.29 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 30-day trading period as of February 14, 2022, less a 15% discount.

c. The declaration of cash dividends of ₱0.1352 per outstanding common share payable on March 25, 2022 to stockholders of common shares as of record date March 11, 2022. This reflects a 49% decrease from the cash dividends declared in the first half of 2020 amounting to ₱0.268 per share.

39. **Other Matters**

The declaration of COVID-19 by the World Health Organization (WHO) as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures throughout the country starting March 16, 2020 have caused disruptions in the Group's business activities. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain.

As of reporting date, all shopping malls have reopened at adjusted operating hours and construction works for commercial and residential projects have resumed while following the safety protocols mandated by the national government. Most hotels remained open throughout the community quarantine period, catering mostly to business process outsourcing employees and returning overseas Filipino workers.

SGV
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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Land, Inc. and its subsidiaries as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, included in this Form 17-A and have issued our report thereon dated February 24, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
Tax Identification No. 160-302-865
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 0664-AR-4 (Group A)
November 11, 2019, valid until November 10, 2022
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023
PTR No. 8854360, January 3, 2022, Makati City

February 24, 2022

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Land, Inc. and Subsidiaries (the Group) as at December 31, 2021 and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated February 24, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2021 and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
Tax Identification No. 160-302-865
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 0664-AR-4 (Group A)
November 11, 2019, valid until November 10, 2022
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023
PTR No. 8854360, January 3, 2022, Makati City

February 24, 2022

AYALA LAND, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
As of December 31, 2021

AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE A - Financial Assets
As of December 31, 2021

NAME OF ISSUING ENTITY AND ASSOCIATION OF EACH ISSUE	AMOUNT IN THE STATEMENT OF FINANCIAL POSITION		INCOME RECEIVED & ACCRUED	
Loans and Receivables				
A. Cash in Bank	**Php**	**11,745,822,935**	**Php**	**78,276,751**
BPI				
Peso		3,119,783,906		16,474,846
Foreign Currency		182,520,134		79,517
Other Banks				
Peso		2,765,823,787		11,103,341
Foreign Currency		5,677,695,109		50,619,047
B. Cash Equivalents 1/		**2,159,038,815**		**15,638,899**
BPI				
Special Savings Account				16,718
Time Deposits		29,180,776		280
Others				7,908,205
Other Banks				
Special Savings Account				5,848
Time Deposits		2,129,858,040		171,393
Others				7,536,454
C. Loans and receivable		**77,915,885,644**		**4,045,944,491**
Trade		77,915,885,644		4,045,944,491
Advances to other companies				
Investment in bonds classified as loans and receivables 2/		-		-
D . Financial Assets at FVPL		**700,803,442**		**5,160,982**
Investment in UITF		407,025,084		5,160,982
Investment in Funds		293,778,358		
E. AFS Financial assets		981,270,280		**576,379**
TOTAL :	**Php**	**93,502,821,117**	**Php**	**4,145,597,502**

1/ Cash equivalents are short term, highly liquid investments that are made for varying period of up to three (3) months depending on the immediate cash requirements of the group and earn interest at the respective short term rates.

2/ Investment in bonds classified as loans and receivables pertain to the Company's investment in unsecured subordinated notes of Land Bank of the Philippines and Development Bank of the Philippines and Company's investment in collateralized bonds of First Metro Investment Corp.

AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
As of December 31, 2021

NAME AND DESIGNATION OF DEBTOR	BALANCE AT BEGINNING OF PERIOD	ADDITIONS	AMOUNTS COLLECTED	CURRENT	NON-CURRENT	BALANCE AT END OF PERIOD
Employees						
Notes Receivable	Php 842,505,615	Php 620,792,540	Php 707,483,562	Php 593,938,709	Php 161,875,884	Php 755,814,593

AYALA LAND INC. AND SUBSIDIARIES
Schedule C - Accounts Receivable from Related Parties which are Eliminated during the Consolidation Period
As of December 31, 2021

	Amount Owed by Ayala Land, Inc. (ALI) Subsidiaries to ALI PARENT			
	Receivable Balance per ALI-PARENT	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	1,158,802,160	1,158,802,160	1,158,802,160	
Adauge Commercial Corp.	2,478,538	2,478,538	2,478,538	
Alabang Commercial Corporation (Conso)	39,989,242	39,989,242	39,989,242	
ALI Capital Corp. (Conso)	116,595,094	116,595,094	116,595,094	
ALI Commercial Center, Inc. (Conso)	3,454,749,248	3,454,749,248	3,454,749,248	
ALI-CII Development Corporation	7,666,076	7,666,076	7,666,076	
ALO Prime Realty Corporation	4,595,955	4,595,955	4,595,955	
Altaraza Development Corporation	111,959	111,959	111,959	
Altaraza Prime Realty Corporation	56,000	56,000	56,000	
Alveo Land Corporation (Conso)	4,566,828,611	4,566,828,611	4,566,828,611	
Amaia Land Corporation (Conso)	1,334,159,743	1,334,159,743	1,334,159,743	
Amorsedia Development Corporation (Conso)	524,445,379	524,445,379	524,445,379	
Anvaya Cove Beach and Nature Club Inc	1,101,407	1,101,407	1,101,407	
Anvaya Cove Golf and Sports Club Inc.	79,649,417	79,649,417	79,649,417	
APRISA Business Process Solutions, Inc	1,152,641	1,152,641	1,152,641	
Arca South Integrated Terminal, Inc	13,999,148	13,999,148	13,999,148	
Arvo Commercial Corporation	114,083,300	114,083,300	114,083,300	
Aurora Properties, Inc.	71,764,403	71,764,403	71,764,403	
Aviana Development Corporation	114,751,444	114,751,444	114,751,444	
Avida Land Corporation (Conso)	6,660,217,239	6,660,217,239	6,660,217,239	
Ayala Hotels Inc.	856,336,184	856,336,184	856,336,184	
Ayala Land International Sales, Inc.(Conso)	149,821,260	149,821,260	149,821,260	
Ayala Land Sales Inc.	70,535,127	70,535,127	70,535,127	
Ayala Property Management Corporation (Conso)	79,908,461	79,908,461	79,908,461	
Ayala Theaters Management, Inc.	715,335	715,335	715,335	
AyalaLand Club Management, Inc.	25,309,402	25,309,402	25,309,402	
AREIT Fund Manager, Inc.	30,448,424	30,448,424	30,448,424	
Ayalaland Estates, Inc.	1,999,004,548	1,999,004,548	1,999,004,548	
AyalaLand Hotels and Resorts Corp. (Conso)	1,446,511,451	1,446,511,451	1,446,511,451	
Ayalaland Logistics Holdings Corp. (Conso)	731,844,500	731,844,500	731,844,500	
Ayalaland Malls Synergies, Inc.	43,342,141	43,342,141	43,342,141	
AyalaLand Malls, Inc. (Conso)	29,102,829	29,102,829	29,102,829	
Ayalaland Medical Facilities Leasing Inc.	16,624,055	16,624,055	16,624,055	
Ayalaland Metro North, Inc.	3,212,781	3,212,781	3,212,781	
AyalaLand Offices, Inc. (Conso)	215,984,982	215,984,982	215,984,982	
Ayalaland Premier, Inc.	(9,908,266)	(9,908,266)	(9,908,266)	
Bay City Commercial Ventures Corp.	7,350,980,172	7,350,980,172	7,350,980,172	
BellaVita Land Corp.	1,227,860,816	1,227,860,816	1,227,860,816	
BG West Properties, Inc	1,286,311,676	1,286,311,676	1,286,311,676	
Cagayan De Oro Gateway Corporation	75,329,916	75,329,916	75,329,916	
Capitol Central Commercial Ventures Corp.	1,553,469,513	1,553,469,513	1,553,469,513	
Cavite Commercial Towncenter Inc.	860,176,454	860,176,454	860,176,454	
Cebu Holdings, Inc. (Conso)	187,968,968	187,968,968	187,968,968	
CECI Realty Corp.	263,602,870	263,602,870	263,602,870	
Crans Montana Property Holdings Corporation	36,671,290	36,671,290	36,671,290	
Crimson Field Enterprises, Inc.	185,844,313	185,844,313	185,844,313	
Direct Power Services Inc.	15,147,439	15,147,439	15,147,439	
Ecoholdings Company, Inc.	702,706	702,706	702,706	
First Longfield Investments Ltd.	64,753	64,753	64,753	
FIVE STAR Cinema Inc.	65,874	65,874	65,874	
Hillsford Property Corporation	83,799	83,799	83,799	
Integrated Eco-Resort Inc.	179,862	179,862	179,862	
Lagdigan Land Corporation	214,745	214,745	214,745	
Leisure and Allied Industries Phils. Inc.	9,868,813	9,868,813	9,868,813	
Makati Cornerstone Leasing Corp.	5,162,010,500	5,162,010,500	5,162,010,500	
Makati Development Corporation (Conso)	97,582,867	97,582,867	97,582,867	
AREIT Property Managers, Inc.	418,294	418,294	418,294	
North Eastern Commercial Corp.	587,144,966	587,144,966	587,144,966	
North Triangle Depot Commercial Corp	311,401,228	311,401,228	311,401,228	
North Ventures Commercial Corp.	63,706,912	63,706,912	63,706,912	
NorthBeacon Commercial Corporation	10,055,125	10,055,125	10,055,125	
Nuevocentro, Inc. (Conso)	2,380,436,847	2,380,436,847	2,380,436,847	
AREIT, Inc.	859,568,800	859,568,800	859,568,800	

Philippine Integrated Energy Solutions, Inc.	7,993,896	7,993,896	7,993,896	
Primavera Towncentre, Inc.	46,978,754	46,978,754	46,978,754	
Red Creek Properties, Inc.	188,885,437	188,885,437	188,885,437	
Regent Time International, Limited	98,453,320	98,453,320	98,453,320	
Regent Wise Investments Limited(Conso)	6,515,496,019	6,515,496,019	6,515,496,019	
Roxas Land Corp.	4,836,295	4,836,295	4,836,295	
Serendra Inc.	180,397,828	180,397,828	180,397,828	
Soltea Commercial Corp.	63,190,805	63,190,805	63,190,805	
Southportal Properties, Inc.	420,289,070	420,289,070	420,289,070	
Station Square East Commercial Corp	1,217,679,845	1,217,679,845	1,217,679,845	
Subic Bay Town Center Inc.	10,080,226	10,080,226	10,080,226	
Summerhill Commercial Ventures Corp.	46,092,988	46,092,988	46,092,988	
Sunnyfield E-Office Corp	12,406,820	12,406,820	12,406,820	
Ten Knots Development Corporation(Conso)	14,483,791	14,483,791	14,483,791	
Ten Knots Philippines, Inc.(Conso)	79,450,218	79,450,218	79,450,218	
Verde Golf Development Corporation	94,595,188	94,595,188	94,595,188	
Vesta Property Holdings Inc.	29,382,392	29,382,392	29,382,392	
Westview Commercial Ventures Corp.	21,972,227	21,972,227	21,972,227	
Whiteknight Holdings, Inc.	33,219,162	33,219,162	33,219,162	
Sub-Total	**55,568,744,018**	**55,568,744,018**	**55,568,744,018**	**-**

	Amount Owed by ALI PARENT to ALI SUBSIDIARIES			
	Receivable Balance per ALI SUBSIDIARIES	**Payable Balance per ALI PARENT**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	14,275,587	14,275,587	14,275,587	
Adauge Commercial Corp.	15,832,304	15,832,304	15,832,304	
Alabang Commercial Corporation (Conso)	128,278,328	128,278,328	128,278,328	
ALI Capital Corp. (Conso)	168,948,594	168,948,594	168,948,594	
ALI Commercial Center, Inc. (Conso)	140,059,887	140,059,887	140,059,887	
ALI-CII Development Corporation	1,503,250	1,503,250	1,503,250	
ALO Prime Realty Corporation	461,761,948	461,761,948	461,761,948	
Altaraza Prime Realty Corporation	2,502,500	2,502,500	2,502,500	
Alveo Land Corporation (Conso)	2,553,866,478	2,553,866,478	2,553,866,478	
Amaia Land Corporation (Conso)	2,611,255	2,611,255	2,611,255	
Amorsedia Development Corporation (Conso)	120,706,662	120,706,662	120,706,662	
APRISA Business Process Solutions, Inc	21,457,118	21,457,118	21,457,118	
Arvo Commercial Corporation	978,410,844	978,410,844	978,410,844	
Aurora Properties, Inc.	142,041,552	142,041,552	142,041,552	
Avida Land Corporation (Conso)	2,433,575,801	2,433,575,801	2,433,575,801	
Ayala Hotels Inc.	2,390,932,859	2,390,932,859	2,390,932,859	
Ayala Land International Sales, Inc.(Conso)	187,332,321	187,332,321	187,332,321	
Ayala Land Sales Inc.	71,467,508	71,467,508	71,467,508	
Ayala Property Management Corporation (Conso)	255,308,812	255,308,812	255,308,812	
AyalaLand Club Management, Inc.	231,823	231,823	231,823	
AREIT Fund Manager, Inc.	164,714,607	164,714,607	164,714,607	
Ayalaland Estates, Inc.	104,839,581	104,839,581	104,839,581	
AyalaLand Hotels and Resorts Corp. (Conso)	313,546,662	313,546,662	313,546,662	
Ayalaland Logistics Holdings Corp. (Conso)	426,144,420	426,144,420	426,144,420	
Ayalaland Malls Synergies, Inc.	13,022,167	13,022,167	13,022,167	
AyalaLand Malls, Inc. (Conso)	20,846,141	20,846,141	20,846,141	
Ayalaland Medical Facilities Leasing Inc.	120,595,672	120,595,672	120,595,672	
Ayalaland Metro North, Inc.	38,434,068	38,434,068	38,434,068	
AyalaLand Offices, Inc. (Conso)	542,562,920	542,562,920	542,562,920	
Ayalaland Premier, Inc.	32,533,795	32,533,795	32,533,795	
BellaVita Land Corp.	1,730,970	1,730,970	1,730,970	
BG West Properties, Inc	7,253,737	7,253,737	7,253,737	
Cagayan De Oro Gateway Corporation	5,211,326	5,211,326	5,211,326	
Cavite Commercial Towncenter Inc.	23,926	23,926	23,926	
Cebu Holdings, Inc. (Conso)	478,851,341	478,851,341	478,851,341	
CECI Realty Corp.	12,803,096	12,803,096	12,803,096	
Crans Montana Property Holdings Corporation	(5,290)	(5,290)	(5,290)	
Crimson Field Enterprises, Inc.	10,050,000	10,050,000	10,050,000	
Direct Power Services Inc.	49,864,776	49,864,776	49,864,776	
First Longfield Investments Ltd.	189,865,435	189,865,435	189,865,435	
FIVE STAR Cinema Inc.	15,015,000	15,015,000	15,015,000	
Hillsford Property Corporation	20,018,889	20,018,889	20,018,889	
Makati Cornerstone Leasing Corp.	312,980,858	312,980,858	312,980,858	
Makati Development Corporation (Conso)	6,497,647,179	6,497,647,179	6,497,647,179	
North Eastern Commercial Corp.	326,730,272	326,730,272	326,730,272	
North Triangle Depot Commercial Corp	186,301,698	186,301,698	186,301,698	

North Ventures Commercial Corp.	180,892,862	180,892,862	180,892,862	
NorthBeacon Commercial Corporation	136,368,079	136,368,079	136,368,079	
Nuevocentro, Inc. (Conso)	41,447,535	41,447,535	41,447,535	
AREIT, Inc.	284,119,832	284,119,832	284,119,832	
Philippine Integrated Energy Solutions, Inc.	151,416,480	151,416,480	151,416,480	
Primavera Towncentre, Inc.	1,407,328	1,407,328	1,407,328	
Red Creek Properties, Inc.	18,000,592	18,000,592	18,000,592	
Regent Time International, Limited	570,599,365	570,599,365	570,599,365	
Regent Wise Investments Limited(Conso)	294,855,072	294,855,072	294,855,072	
Serendra Inc.	296,762,281	296,762,281	296,762,281	
Soltea Commercial Corp.	1,736,013	1,736,013	1,736,013	
Southportal Properties, Inc.	256,609,347	256,609,347	256,609,347	
Station Square East Commercial Corp	93,610,019	93,610,019	93,610,019	
Subic Bay Town Center Inc.	189,920,474	189,920,474	189,920,474	
Summerhill Commercial Ventures Corp.	111,081,407	111,081,407	111,081,407	
Sunnyfield E-Office Corp	10,005,975	10,005,975	10,005,975	
Ten Knots Development Corporation(Conso)	18,206,556	18,206,556	18,206,556	
Ten Knots Philippines, Inc.(Conso)	8,434,757	8,434,757	8,434,757	
Verde Golf Development Corporation	142,445	142,445	142,445	
Vesta Property Holdings Inc.	280,851,377	280,851,377	280,851,377	
Westview Commercial Ventures Corp.	121,144	121,144	121,144	
Whiteknight Holdings, Inc.	29,034,833	29,034,833	29,034,833	
Sub-Total	**22,958,312,444**	**22,958,312,444**	**22,958,312,444**	-

	Amount Owed by ALI SUBSIDIARIES TO MAKATI DEVELOPMENT CORP. AND SUBSIDIARIES			
	Receivable Balance per MDC & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	469,151,955	469,151,955	469,151,955	
Alabang Commercial Corporation (Conso)	45,209,720	45,209,720	45,209,720	
ALI Capital Corp. (Conso)	843,714,013	843,714,013	843,714,013	
ALI Commercial Center, Inc. (Conso)	235,509,826	235,509,826	235,509,826	
Altaraza Development Corporation	760,969	760,969	760,969	
Alveo Land Corporation (Conso)	4,567,833,962	4,567,833,962	4,567,833,962	
Amaia Land Corporation (Conso)	997,136,988	997,136,988	997,136,988	
Amorsedia Development Corporation (Conso)	128,137,631	128,137,631	128,137,631	
Anvaya Cove Golf and Sports Club Inc.	12,270,749	12,270,749	12,270,749	
Arca South Integrated Terminal, Inc	6,164,764	6,164,764	6,164,764	
Arvo Commercial Corporation	561,992,960	561,992,960	561,992,960	
Aurora Properties, Inc.	16,861,421	16,861,421	16,861,421	
Aviana Development Corporation	485,272,225	485,272,225	485,272,225	
Avida Land Corporation (Conso)	2,878,300,439	2,878,300,439	2,878,300,439	
Ayala Hotels Inc.	1,115,586,502	1,115,586,502	1,115,586,502	
Ayala Land International Sales, Inc.(Conso)	2,713	2,713	2,713	
Ayala Property Management Corporation (Conso)	5,926,329	5,926,329	5,926,329	
Ayalaland Estates, Inc.	139,513,898	139,513,898	139,513,898	
AyalaLand Hotels and Resorts Corp. (Conso)	1,435,170,949	1,435,170,949	1,435,170,949	
Ayalaland Logistics Holdings Corp. (Conso)	459,338,401	459,338,401	459,338,401	
Ayalaland Malls Synergies, Inc.	1,469,109	1,469,109	1,469,109	
Ayalaland Medical Facilities Leasing Inc.	2,455,101	2,455,101	2,455,101	
Bay City Commercial Ventures Corp.	849,403,108	849,403,108	849,403,108	
BellaVita Land Corp.	56,146,214	56,146,214	56,146,214	
BG West Properties, Inc	1,674,374,806	1,674,374,806	1,674,374,806	
Cagayan De Oro Gateway Corporation	339,575,679	339,575,679	339,575,679	
Capitol Central Commercial Ventures Corp.	157,174,119	157,174,119	157,174,119	
Cavite Commercial Towncenter Inc.	64,392,271	64,392,271	64,392,271	
Cebu Holdings, Inc. (Conso)	11,338,017	11,338,017	11,338,017	
CECI Realty Corp.	75,579,673	75,579,673	75,579,673	
Crans Montana Property Holdings Corporation	59,598,937	59,598,937	59,598,937	
Direct Power Services Inc.	357,482	357,482	357,482	
Makati Cornerstone Leasing Corp.	116,638,239	116,638,239	116,638,239	
North Eastern Commercial Corp.	12,689,955	12,689,955	12,689,955	
North Triangle Depot Commercial Corp	557,274,643	557,274,643	557,274,643	
Nuevocentro, Inc. (Conso)	661,093,992	661,093,992	661,093,992	
AREIT, Inc.	2,019,459	2,019,459	2,019,459	
Philippine Integrated Energy Solutions, Inc.	19,677,997	19,677,997	19,677,997	
Primavera Towncentre, Inc.	199,041,145	199,041,145	199,041,145	
Roxas Land Corp.	77,634,154	77,634,154	77,634,154	
Serendra Inc.	84,247,013	84,247,013	84,247,013	
Soltea Commercial Corp.	92,285,228	92,285,228	92,285,228	
Southportal Properties, Inc.	48,922,430	48,922,430	48,922,430	

Summerhill Commercial Ventures Corp.	18,690,343	18,690,343	18,690,343	
Sunnyfield E-Office Corp	2,261,577	2,261,577	2,261,577	
Ten Knots Development Corporation(Conso)	22,161,965	22,161,965	22,161,965	
Ten Knots Philippines, Inc.(Conso)	141,293,438	141,293,438	141,293,438	
Vesta Property Holdings Inc.	7,397,851	7,397,851	7,397,851	
Westview Commercial Ventures Corp.	4,735	4,735	4,735	
Sub-Total	**19,759,055,092**	**19,759,055,092**	**19,759,055,092**	

	Amount Owed by ALI Subsidiaries to ACCENDO COMMERCIAL CORP.			
	Receivable Balance per ACCENDO	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Adauge Commercial Corp.	20,788	20,788	20,788	
Alabang Commercial Corporation (Conso)	6,865	6,865	6,865	
ALI Capital Corp. (Conso)	31,397	31,397	31,397	
ALI Commercial Center, Inc. (Conso)	404,070	404,070	404,070	
Alveo Land Corporation (Conso)	1,895,466	1,895,466	1,895,466	
Amaia Land Corporation (Conso)	10,677	10,677	10,677	
Aviana Development Corporation	2,413,994	2,413,994	2,413,994	
Avida Land Corporation (Conso)	5,415,635	5,415,635	5,415,635	
Ayala Property Management Corporation (Conso)	405,935	405,935	405,935	
Ayalaland Estates, Inc.	10,677	10,677	10,677	
AyalaLand Hotels and Resorts Corp. (Conso)	1,068,810	1,068,810	1,068,810	
Ayalaland Logistics Holdings Corp. (Conso)	37,790	37,790	37,790	
AyalaLand Malls, Inc. (Conso)	132,895	132,895	132,895	
Ayalaland Metro North, Inc.	800	800	800	
AyalaLand Offices, Inc. (Conso)	10,677	10,677	10,677	
Bay City Commercial Ventures Corp.	337,901	337,901	337,901	
Cagayan De Oro Gateway Corporation	159,681	159,681	159,681	
Capitol Central Commercial Ventures Corp.	32,791	32,791	32,791	
Cebu Holdings, Inc. (Conso)	5,080	5,080	5,080	
Leisure and Allied Industries Phils. Inc.	163,866	163,866	163,866	
Makati Development Corporation (Conso)	190,531	190,531	190,531	
North Eastern Commercial Corp.	300	300	300	
North Triangle Depot Commercial Corp	37,985	37,985	37,985	
North Ventures Commercial Corp.	300	300	300	
Philippine Integrated Energy Solutions, Inc.	361	361	361	
Station Square East Commercial Corp	6,050	6,050	6,050	
Ten Knots Development Corporation(Conso)	12,497	12,497	12,497	
Ten Knots Philippines, Inc.(Conso)	2,818	2,818	2,818	
Westview Commercial Ventures Corp.	28,067	28,067	28,067	
Sub-Total	**12,844,706**	**12,844,706**	**12,844,706**	**-**

	Amount Owed by ALI Subsidiaries to ADAUGE COMMERCIAL CORP.			
	Receivable Balance per ADAUGE	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	10,758,995	10,758,995.14	10,758,995.14	
ALI Commercial Center, Inc. (Conso)	6,046,093	6,046,092.91	6,046,092.91	
Amaia Land Corporation (Conso)	16,148,575	16,148,574.58	16,148,574.58	
Arvo Commercial Corporation	5,324,448	5,324,448.42	5,324,448.42	
Avida Land Corporation (Conso)	1,122,243	1,122,242.96	1,122,242.96	
AyalaLand Hotels and Resorts Corp. (Conso)	22,138,136	22,138,136.14	22,138,136.14	
Ayalaland Logistics Holdings Corp. (Conso)	52,775	52,775.49	52,775.49	
Ayalaland Metro North, Inc.	1,305	1,305.00	1,305.00	
Bay City Commercial Ventures Corp.	391,965	391,965.38	391,965.38	
Capitol Central Commercial Ventures Corp.	1,581	1,581.24	1,581.24	
Direct Power Services Inc.	2,307	2,307.12	2,307.12	
Soltea Commercial Corp.	4,076,123	4,076,122.63	4,076,122.63	
Sunnyfield E-Office Corp	483,392	483,392.00	483,392.00	
Ten Knots Philippines, Inc.(Conso)	25,190	25,190.09	25,190.09	
Sub-Total	**66,573,129**	**66,573,129**	**66,573,129**	**-**

	Amount Owed by ALI Subsidiaries to ALABANG COMMERCIAL CORP. & SUBSIDIARIES			
	Receivable Balance per ACC & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	40,093,742	40,093,742	40,093,742	
ALI Capital Corp. (Conso)	35,289,391	35,289,391	35,289,391	
ALI Commercial Center, Inc. (Conso)	36,655,501	36,655,501	36,655,501	
Alveo Land Corporation (Conso)	1,413,070	1,413,070	1,413,070	

Amaia Land Corporation (Conso)	32,643,387	32,643,387	32,643,387	
Amorsedia Development Corporation (Conso)	106,394	106,394	106,394	
Arvo Commercial Corporation	5,389,674	5,389,674	5,389,674	
Avida Land Corporation (Conso)	170,847	170,847	170,847	
Ayala Land Sales Inc.	159,239	159,239	159,239	
AyalaLand Hotels and Resorts Corp. (Conso)	18,056,677	18,056,677	18,056,677	
Ayalaland Logistics Holdings Corp. (Conso)	18,989,351	18,989,351	18,989,351	
AyalaLand Offices, Inc. (Conso)	3,119,469	3,119,469	3,119,469	
Bay City Commercial Ventures Corp.	186,346,068	186,346,068	186,346,068	
BellaVita Land Corp.	9,576	9,576	9,576	
Cagayan De Oro Gateway Corporation	46,187	46,187	46,187	
Capitol Central Commercial Ventures Corp.	10,012,778	10,012,778	10,012,778	
Cavite Commercial Towncenter Inc.	10,506	10,506	10,506	
Cebu Holdings, Inc. (Conso)	30,860	30,860	30,860	
FIVE STAR Cinema Inc.	6,079,248	6,079,248	6,079,248	
Leisure and Allied Industries Phils. Inc.	795,824	795,824	795,824	
North Eastern Commercial Corp.	6,600	6,600	6,600	
North Triangle Depot Commercial Corp	380,305	380,305	380,305	
North Ventures Commercial Corp.	1,600	1,600	1,600	
NorthBeacon Commercial Corporation	41,800	41,800	41,800	
Serendra Inc.	161,620	161,620	161,620	
Soltea Commercial Corp.	6,587,127	6,587,127	6,587,127	
Station Square East Commercial Corp	87,737	87,737	87,737	
Summerhill Commercial Ventures Corp.	900	900	900	
Ten Knots Philippines, Inc.(Conso)	36,207,773	36,207,773	36,207,773	
Sub-Total	**438,893,249**	**438,893,249**	**438,893,249**	

	Amount Owed by ALI Subsidiaries to ALI CAPITAL CORP.			
	Receivable Balance per ALI CAPITAL CORP. & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	3,954,343	3,954,343	3,954,343	
ALI Commercial Center, Inc. (Conso)	138,375	138,375	138,375	
Amaia Land Corporation (Conso)	147,631	147,631	147,631	
Arvo Commercial Corporation	10,889,660	10,889,660	10,889,660	
AyalaLand Hotels and Resorts Corp. (Conso)	9,154,571	9,154,571	9,154,571	
Ayalaland Medical Facilities Leasing Inc.	304,676	304,676	304,676	
Bay City Commercial Ventures Corp.	75,577,268	75,577,268	75,577,268	
Makati Development Corporation (Conso)	149,165	149,165	149,165	
Ten Knots Development Corporation(Conso)	12,073,105	12,073,105	12,073,105	
Ten Knots Philippines, Inc.(Conso)	5,168,232	5,168,232	5,168,232	
Whiteknight Holdings, Inc.	1,119,717	1,119,717	1,119,717	
Sub-Total	**118,676,743**	**118,676,743**	**118,676,743**	

	Amount Owed by ALI Subsidiaries to ALI COMMERCIAL CENTER INC.			
	Receivable Balance per ACCI & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	2,488,605	2,488,605	2,488,605	
Alabang Commercial Corporation (Conso)	3,543,299	3,543,299	3,543,299	
ALI Capital Corp. (Conso)	1,443,083	1,443,083	1,443,083	
ALI Commercial Center, Inc. (Conso)	9,771,424	9,771,424	9,771,424	
ALI-CII Development Corporation	79,162	79,162	79,162	
Alveo Land Corporation (Conso)	2,290,964	2,290,964	2,290,964	
Amaia Land Corporation (Conso)	489,215	489,215	489,215	
Arca South Commercial Ventures Corp.	3,756,554	3,756,554	3,756,554	
Arca South Integrated Terminal, Inc	50,400	50,400	50,400	
Arvo Commercial Corporation	3,115,609	3,115,609	3,115,609	
Avida Land Corporation (Conso)	5,811,717	5,811,717	5,811,717	
Ayala Hotels Inc.	4,050	4,050	4,050	
Ayala Property Management Corporation (Conso)	29,741,740	29,741,740	29,741,740	
Ayala Theaters Management, Inc.	2,663,251	2,663,251	2,663,251	
AREIT Fund Manager, Inc.	50,400	50,400	50,400	
AyalaLand Hotels and Resorts Corp. (Conso)	3,111,039	3,111,039	3,111,039	
Ayalaland Logistics Holdings Corp. (Conso)	332,212	332,212	332,212	
Ayalaland Malls Synergies, Inc.	3,688,119	3,688,119	3,688,119	
AyalaLand Malls, Inc. (Conso)	5,499,524	5,499,524	5,499,524	
Ayalaland Medical Facilities Leasing Inc.	4,082	4,082	4,082	
Ayalaland Metro North, Inc.	164,259	164,259	164,259	
Bay City Commercial Ventures Corp.	19,526,174	19,526,174	19,526,174	

BellaVita Land Corp.	227,938	227,938	227,938	
Cagayan De Oro Gateway Corporation	2,700,684	2,700,684	2,700,684	
Capitol Central Commercial Ventures Corp.	1,170,277	1,170,277	1,170,277	
Cavite Commercial Towncenter Inc.	388,731	388,731	388,731	
Cebu Holdings, Inc. (Conso)	4,970,344	4,970,344	4,970,344	
Crans Montana Property Holdings Corporation	682,469	682,469	682,469	
Direct Power Services Inc.	12,672	12,672	12,672	
FIVE STAR Cinema Inc.	4,578	4,578	4,578	
Leisure and Allied Industries Phils. Inc.	4,792,159	4,792,159	4,792,159	
Makati Cornerstone Leasing Corp.	867,016	867,016	867,016	
Makati Development Corporation (Conso)	147,564	147,564	147,564	
North Eastern Commercial Corp.	2,515,966	2,515,966	2,515,966	
North Triangle Depot Commercial Corp	7,610,863	7,610,863	7,610,863	
North Ventures Commercial Corp.	1,208,072	1,208,072	1,208,072	
NorthBeacon Commercial Corporation	540,084	540,084	540,084	
AREIT, Inc.	91,424	91,424	91,424	
Primavera Towncentre, Inc.	155,700	155,700	155,700	
Serendra Inc.	103,326	103,326	103,326	
Soltea Commercial Corp.	1,028,366	1,028,366	1,028,366	
Station Square East Commercial Corp	3,268,354	3,268,354	3,268,354	
Subic Bay Town Center Inc.	692,019	692,019	692,019	
Summerhill Commercial Ventures Corp.	1,111,727	1,111,727	1,111,727	
Ten Knots Philippines, Inc.(Conso)	1,327,851	1,327,851	1,327,851	
Westview Commercial Ventures Corp.	183,503	183,503	183,503	
Sub-Total	**133,426,570**	**133,426,570**	**133,426,570**	

	Amount Owed by ALI Subsidiaries to ALI-CII DEVELOPMENT CORP			
	Receivable Balance per ALI-CII	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Commercial Center, Inc. (Conso)	7,546,977	7,546,977	7,546,977	
Amaia Land Corporation (Conso)	77,270	77,270	77,270	
Arca South Integrated Terminal, Inc	1,227,603	1,227,603	1,227,603	
Arvo Commercial Corporation	1,224,485	1,224,485	1,224,485	
Avida Land Corporation (Conso)	798,287	798,287	798,287	
AyalaLand Hotels and Resorts Corp. (Conso)	93,129	93,129	93,129	
Ayalaland Logistics Holdings Corp. (Conso)	6,092,983	6,092,983	6,092,983	
Bay City Commercial Ventures Corp.	74,199,221	74,199,221	74,199,221	
Cagayan De Oro Gateway Corporation	34,954	34,954	34,954	
Capitol Central Commercial Ventures Corp.	2,007,813	2,007,813	2,007,813	
Cebu Holdings, Inc. (Conso)	0	0	0	
Leisure and Allied Industries Phils. Inc.	18,427	18,427	18,427	
North Triangle Depot Commercial Corp	100	100	100	
Soltea Commercial Corp.	22,332,533	22,332,533	22,332,533	
Sub-Total	**115,653,783**	**115,653,783**	**115,653,783**	**-**
	Amount Owed by ALI Subsidiaries to ALO PRIME REALTY CORP.			
	Receivable Balance per ALO PRIME REALTY CORP.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
AREIT, Inc.	3,578,088	3,578,088	3,578,088	
Sub-Total	**3,578,088**	**3,578,088**	**3,578,088**	**-**
	Amount Owed by ALI Subsidiaries to ALVEO LAND CORP. & SUBSIDIARIES			
	Receivable Balance per ALVEO LAND CORP. & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	213,934,605	213,934,605	213,934,605	
Adauge Commercial Corp.	28,238	28,238	28,238	
ALI Capital Corp. (Conso)	6,645,462	6,645,462	6,645,462	
ALI Commercial Center, Inc. (Conso)	167,132	167,132	167,132	
Alveo Land Corporation (Conso)	(1,668,688,715)	(1,668,688,715)	(1,668,688,715)	
Amaia Land Corporation (Conso)	162,692,541	162,692,541	162,692,541	
Amorsedia Development Corporation (Conso)	3,431,536	3,431,536	3,431,536	
Arvo Commercial Corporation	6,460,390	6,460,390	6,460,390	
Aurora Properties, Inc.	11,416,835	11,416,835	11,416,835	
Avida Land Corporation (Conso)	15,663,983	15,663,983	15,663,983	
Ayala Land International Sales, Inc.(Conso)	1,006,491	1,006,491	1,006,491	
Ayala Property Management Corporation (Conso)	4,714,477	4,714,477	4,714,477	
AyalaLand Hotels and Resorts Corp. (Conso)	11,661,420	11,661,420	11,661,420	

Ayalaland Logistics Holdings Corp. (Conso)	6,013,530	6,013,530	6,013,530	
Ayalaland Malls Synergies, Inc.	454,086	454,086	454,086	
AyalaLand Malls, Inc. (Conso)	54,613	54,613	54,613	
Ayalaland Medical Facilities Leasing Inc.	273,487	273,487	273,487	
Bay City Commercial Ventures Corp.	138,097,487	138,097,487	138,097,487	
BellaVita Land Corp.	952,753,060	952,753,060	952,753,060	
BG West Properties, Inc	684,020	684,020	684,020	
Cagayan De Oro Gateway Corporation	134,420	134,420	134,420	
Crans Montana Property Holdings Corporation	2,055,571	2,055,571	2,055,571	
Makati Development Corporation (Conso)	35,368,552	35,368,552	35,368,552	
North Eastern Commercial Corp.	4,987	4,987	4,987	
Nuevocentro, Inc. (Conso)	224,781,926	224,781,926	224,781,926	
AREIT, Inc.	22,177	22,177	22,177	
Primavera Towncentre, Inc.	327,166	327,166	327,166	
Serendra Inc.	48,948,740	48,948,740	48,948,740	
Soltea Commercial Corp.	176,640	176,640	176,640	
Summerhill Commercial Ventures Corp.	12,436,524	12,436,524	12,436,524	
Ten Knots Philippines, Inc.(Conso)	512,843	512,843	512,843	
Vesta Property Holdings Inc.	302,666,668	302,666,668	302,666,668	
Westview Commercial Ventures Corp.	5,021,739	5,021,739	5,021,739	
Sub-Total	**499,922,633**	**499,922,633**	**499,922,633**	-

	Amount Owed by ALI Subsidiaries to AMAIA LAND, INC. & SUBSIDIARIES			
	Receivable Balance per AMAIA LAND, INC. & SUBSIDIARIES	**Payable Balance per ALI Subsidiaries**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alveo Land Corporation (Conso)	150,000	150,000	150,000	
Amaia Land Corporation (Conso)	239,059	239,059	239,059	
Avida Land Corporation (Conso)	12,239,317	12,239,317	12,239,317	
Ayala Property Management Corporation (Conso)	(37,946)	(37,946)	(37,946)	
BellaVita Land Corp.	95,163,689	95,163,689	95,163,689	
Makati Development Corporation (Conso)	3,322,901	3,322,901	3,322,901	
Sub-Total	**111,077,019**	**111,077,019**	**111,077,019**	-

	Amount Owed by ALI Subsidiaries to AMORSEDIA DEVPT. CORP. & SUBSIDIARIES			
	Receivable Balance per AMORSEDIA DEVPT. CORP. & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Amorsedia Development Corporation (Conso)	-	-	-	
Ayala Land Sales Inc.	413,840	413,840	413,840	
Bay City Commercial Ventures Corp.	68,648,159	68,648,159	68,648,159	
BellaVita Land Corp.	11,890,667	11,890,667	11,890,667	
BG West Properties, Inc	386,551,356	386,551,356	386,551,356	
Cagayan De Oro Gateway Corporation	984,580	984,580	984,580	
AREIT, Inc.	9,182,724	9,182,724	9,182,724	
Ten Knots Development Corporation(Conso)	5,205	5,205	5,205	
Sub-Total	**477,676,530**	**477,676,530**	**477,676,530**	-

	Amount Owed by ALI Subsidiaries to ANVAYA COVE BEACH & NATURE CLUB, INC.			
	Receivable Balance per ANVAYA COVE BEACH	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Anvaya Cove Golf and Sports Club Inc.	8,574,432	8,574,432	8,574,432	
Ayala Property Management Corporation (Conso)	89,533	89,533	89,533	
Sub-Total	**8,663,965**	**8,663,965**	**8,663,965**	

	Amount Owed by ALI Subsidiaries to ANVAYA COVE GOLF & NATURE CLUB, INC.			
	Receivable Balance per ANVAYA COVE GOLF	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Anvaya Cove Beach and Nature Club Inc	1,492,585	1,492,585	1,492,585	
Ayala Property Management Corporation (Conso)	4,583	4,583	4,583	
Makati Development Corporation (Conso)	228,311	228,311	228,311	
Sub-Total	**1,725,478**	**1,725,478**	**1,725,478**	

	Amount Owed by ALI Subsidiaries to APRISA BUSINESS SOLUTIONS, INC.			
	Receivable Balance per APRISA	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				

Accendo Commercial Corp	730,901	730,901	730,901	
Adauge Commercial Corp.	(20,395)	(20,395)	(20,395)	
Alabang Commercial Corporation (Conso)	926,269	926,269	926,269	
ALI Capital Corp. (Conso)	7,050,524	7,050,524	7,050,524	
ALI Commercial Center, Inc. (Conso)	4,771,133	4,771,133	4,771,133	
ALI-CII Development Corporation	84,259	84,259	84,259	
ALO Prime Realty Corporation	197,232	197,232	197,232	
Alveo Land Corporation (Conso)	723,324	723,324	723,324	
Amaia Land Corporation (Conso)	3,010,003	3,010,003	3,010,003	
Amorsedia Development Corporation (Conso)	6,791	6,791	6,791	
Arvo Commercial Corporation	501,805	501,805	501,805	
Aurora Properties, Inc.	95,368	95,368	95,368	
Aviana Development Corporation	26,466	26,466	26,466	
Avida Land Corporation (Conso)	1,954,030	1,954,030	1,954,030	
Ayala Property Management Corporation (Conso)	279,518	279,518	279,518	
AREIT Fund Manager, Inc.	97,944	97,944	97,944	
Ayalaland Estates, Inc.	73,427	73,427	73,427	
AyalaLand Hotels and Resorts Corp. (Conso)	12,485,377	12,485,377	12,485,377	
Ayalaland Logistics Holdings Corp. (Conso)	1,661,710	1,661,710	1,661,710	
Ayalaland Metro North, Inc.	103,891	103,891	103,891	
AyalaLand Offices, Inc. (Conso)	197,952	197,952	197,952	
Bay City Commercial Ventures Corp.	70,196,228	70,196,228	70,196,228	
BellaVita Land Corp.	7,045,086	7,045,086	7,045,086	
Cagayan De Oro Gateway Corporation	862,597	862,597	862,597	
Capitol Central Commercial Ventures Corp.	107,330	107,330	107,330	
Cavite Commercial Towncenter Inc.	332,985	332,985	332,985	
CECI Realty Corp.	157,438	157,438	157,438	
Crans Montana Property Holdings Corporation	79,895	79,895	79,895	
Makati Cornerstone Leasing Corp.	945,637	945,637	945,637	
Makati Development Corporation (Conso)	486,923	486,923	486,923	
North Eastern Commercial Corp.	1,058,634	1,058,634	1,058,634	
North Triangle Depot Commercial Corp	(19,085)	(19,085)	(19,085)	
North Ventures Commercial Corp.	642,309	642,309	642,309	
Nuevocentro, Inc. (Conso)	237,082	237,082	237,082	
Serendra Inc.	965,143	965,143	965,143	
Soltea Commercial Corp.	499,251	499,251	499,251	
Station Square East Commercial Corp	2,215,495	2,215,495	2,215,495	
Summerhill Commercial Ventures Corp.	866,203	866,203	866,203	
Ten Knots Development Corporation(Conso)	25,343	25,343	25,343	
Ten Knots Philippines, Inc.(Conso)	5,587,151	5,587,151	5,587,151	
Vesta Property Holdings Inc.	70,325	70,325	70,325	
Westview Commercial Ventures Corp.	11,872	11,872	11,872	
Sub-Total	**127,331,373**	**127,331,373**	**127,331,373**	

	Amount Owed by ALI Subsidiaries to AREIT FUND MANAGER, INC.			
	Receivable Balance per AREIT FUND MANAGER, INC.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	(7,446,883)	(7,446,883)	(7,446,883)	
ALI Commercial Center, Inc. (Conso)	8,673	8,673	8,673	
Amaia Land Corporation (Conso)	(73,521,177)	(73,521,177)	(73,521,177)	
Amorsedia Development Corporation (Conso)	(24,885,351)	(24,885,351)	(24,885,351)	
Arca South Commercial Ventures Corp.	7,863	7,863	7,863	
Arvo Commercial Corporation	10,000,000	10,000,000	10,000,000	
Ayala Property Management Corporation (Conso)	9,670,292	9,670,292	9,670,292	
AyalaLand Hotels and Resorts Corp. (Conso)	27,000,000	27,000,000	27,000,000	
Ayalaland Logistics Holdings Corp. (Conso)	(26,979,097)	(26,979,097)	(26,979,097)	
Ayalaland Metro North, Inc.	16,300,000	16,300,000	16,300,000	
Bay City Commercial Ventures Corp.	178,796,496	178,796,496	178,796,496	
Cagayan De Oro Gateway Corporation	103,293	103,293	103,293	
Capitol Central Commercial Ventures Corp.	2,026,567	2,026,567	2,026,567	
Cebu Holdings, Inc. (Conso)	(62,869,978)	(62,869,978)	(62,869,978)	
Crans Montana Property Holdings Corporation	(32,508,760)	(32,508,760)	(32,508,760)	
Direct Power Services Inc.	36,516	36,516	36,516	
AREIT, Inc.	812,955	812,955	812,955	
Soltea Commercial Corp.	40,482,937	40,482,937	40,482,937	
Ten Knots Philippines, Inc.(Conso)	30,453,656	30,453,656	30,453,656	
Sub-Total	**87,488,003**	**87,488,003**	**87,488,003**	

	Amount Owed by ALI Subsidiaries to AREIT PROPERTY MANAGER, INC.

	Receivable Balance per AREIT PROPERTY MANAGER, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
AREIT, Inc.	132,382,074	132,382,073.62	132,382,073.62	
Sub-Total	**132,382,074**	**132,382,074**	**132,382,074**	

	Amount Owed by ALI Subsidiaries to AREIT, INC.			
	Receivable Balance per AREIT, INC.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	38,116,832	38,116,832	38,116,832	
ALI Capital Corp. (Conso)	35,622,688	35,622,688	35,622,688	
ALI Commercial Center, Inc. (Conso)	11,078,757	11,078,757	11,078,757	
Alveo Land Corporation (Conso)	1,755,974	1,755,974	1,755,974	
Amaia Land Corporation (Conso)	84,119,559	84,119,559	84,119,559	
Amorsedia Development Corporation (Conso)	3,768,013	3,768,013	3,768,013	
Arca South Commercial Ventures Corp.	2,250,258	2,250,258	2,250,258	
Arvo Commercial Corporation	8,768,252	8,768,252	8,768,252	
Ayala Property Management Corporation (Conso)	921,869	921,869	921,869	
AyalaLand Hotels and Resorts Corp. (Conso)	2,335,494,897	2,335,494,897	2,335,494,897	
Ayalaland Logistics Holdings Corp. (Conso)	6,095,684	6,095,684	6,095,684	
Ayalaland Malls Synergies, Inc.	2,464,491	2,464,491	2,464,491	
Bay City Commercial Ventures Corp.	337,982,540	337,982,540	337,982,540	
BellaVita Land Corp.	39,830	39,830	39,830	
Cagayan De Oro Gateway Corporation	537,083	537,083	537,083	
Capitol Central Commercial Ventures Corp.	4,363,618	4,363,618	4,363,618	
Cavite Commercial Towncenter Inc.	657,962	657,962	657,962	
Cebu Holdings, Inc. (Conso)	42,082	42,082	42,082	
Crans Montana Property Holdings Corporation	1,246,956	1,246,956	1,246,956	
North Eastern Commercial Corp.	948,398,284	948,398,284	948,398,284	
North Triangle Depot Commercial Corp	985	985	985	
Soltea Commercial Corp.	3,167,767	3,167,767	3,167,767	
Sunnyfield E-Office Corp	150	150	150	
Westview Commercial Ventures Corp.	9,838,850	9,838,850	9,838,850	
Sub-Total	**3,836,733,381**	**3,836,733,381**	**3,836,733,381**	

	Amount Owed by ALI Subsidiaries to ARVO COMMERCIAL CORP.			
	Receivable Balance per ARVO COMMERCIAL CORP.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alabang Commercial Corporation (Conso)	1,860	1,860	1,860	
ALI Commercial Center, Inc. (Conso)	35,790	35,790	35,790	
AyalaLand Malls, Inc. (Conso)	4,999	4,999	4,999	
Cavite Commercial Towncenter Inc.	175,908	175,908	175,908	
Leisure and Allied Industries Phils. Inc.	3,753,848	3,753,848	3,753,848	
North Triangle Depot Commercial Corp	6,520	6,520	6,520	
North Ventures Commercial Corp.	4,158	4,158	4,158	
AREIT, Inc.	2,914	2,914	2,914	
Primavera Towncentre, Inc.	308,275	308,275	308,275	
Soltea Commercial Corp.	13,450	13,450	13,450	
Station Square East Commercial Corp	1,670	1,670	1,670	
Sub-Total	**4,309,391**	**4,309,391**	**4,309,391**	

	Amount Owed by ALI Subsidiaries to AURORA PROPERTIES, INC.			
	Receivable Balance per AURORA PROPERTIES, INC.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	559,161	559,161	559,161	
Alveo Land Corporation (Conso)	1,003,294	1,003,294	1,003,294	
Amaia Land Corporation (Conso)	25,000	25,000	25,000	
Amorsedia Development Corporation (Conso)	155,907,600	155,907,600	155,907,600	
Arvo Commercial Corporation	1,787,177	1,787,177	1,787,177	
Avida Land Corporation (Conso)	8,897,169	8,897,169	8,897,169	
AyalaLand Hotels and Resorts Corp. (Conso)	5,293,839	5,293,839	5,293,839	
Ayalaland Metro North, Inc.	871	871	871	
Bay City Commercial Ventures Corp.	17,931,963	17,931,963	17,931,963	
Cagayan De Oro Gateway Corporation	893,836	893,836	893,836	
Cavite Commercial Towncenter Inc.	637,669	637,669	637,669	

CECI Realty Corp.	167,851	167,851	167,851	
Crans Montana Property Holdings Corporation	80,408,117	80,408,117	80,408,117	
Makati Development Corporation (Conso)	9,180	9,180	9,180	
Nuevocentro, Inc. (Conso)	103,900	103,900	103,900	
Soltea Commercial Corp.	10,851,084	10,851,084	10,851,084	
Ten Knots Development Corporation(Conso)	726	726	726	
Ten Knots Philippines, Inc.(Conso)	2,007,594	2,007,594	2,007,594	
Vesta Property Holdings Inc.	27,739	27,739	27,739	
Sub-Total	**286,513,768**	**286,513,768**	**286,513,768**	

	Amount Owed by ALI Subsidiaries to AVIANA DEVELOPMENT CORP.			
	Receivable Balance per AVIANA DEVELOPMENT CORP.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alveo Land Corporation (Conso)	216,729,226	216,729,226	216,729,226	
Makati Development Corporation (Conso)	459,839	459,839	459,839	
Sub-Total	**217,189,066**	**217,189,066**	**217,189,066**	

	Amount Owed by ALI Subsidiaries to AVIDA LAND CORP. & SUBSIDIARIES			
	Receivable Balance per AVIDA LAND CORP. & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	136,469,064	136,469,064	136,469,064	
ALI Capital Corp. (Conso)	1,491,212	1,491,212	1,491,212	
ALI Commercial Center, Inc. (Conso)	99,856	99,856	99,856	
ALI-CII Development Corporation	75,000	75,000	75,000	
Alveo Land Corporation (Conso)	122,611,568	122,611,568	122,611,568	
Amaia Land Corporation (Conso)	55,884,968	55,884,968	55,884,968	
Amorsedia Development Corporation (Conso)	2,237,256	2,237,256	2,237,256	
Arvo Commercial Corporation	54,937,974	54,937,974	54,937,974	
Aurora Properties, Inc.	39,638,045	39,638,045	39,638,045	
Avida Land Corporation (Conso)	(1,851,164)	(1,851,164)	(1,851,164)	
Ayala Hotels Inc.	25,702	25,702	25,702	
Ayala Land International Sales, Inc.(Conso)	12,748,830	12,748,830	12,748,830	
Ayala Property Management Corporation (Conso)	9,006,153	9,006,153	9,006,153	
Ayala Theaters Management, Inc.	69,503	69,503	69,503	
Ayalaland Estates, Inc.	234,565,215	234,565,215	234,565,215	
AyalaLand Hotels and Resorts Corp. (Conso)	16,663,362	16,663,362	16,663,362	
Ayalaland Logistics Holdings Corp. (Conso)	5,914,842	5,914,842	5,914,842	
Ayalaland Malls Synergies, Inc.	242,413	242,413	242,413	
AyalaLand Offices, Inc. (Conso)	0	0	0	
Bay City Commercial Ventures Corp.	66,454,175	66,454,175	66,454,175	
BellaVita Land Corp.	438,691,790	438,691,790	438,691,790	
BG West Properties, Inc	1,213,675,050	1,213,675,050	1,213,675,050	
Cagayan De Oro Gateway Corporation	433,681,939	433,681,939	433,681,939	
Cebu Holdings, Inc. (Conso)	35,028,546	35,028,546	35,028,546	
CECI Realty Corp.	257,812	257,812	257,812	
Crans Montana Property Holdings Corporation	47,731	47,731	47,731	
Makati Development Corporation (Conso)	20,928,267	20,928,267	20,928,267	
Nuevocentro, Inc. (Conso)	190,135,970	190,135,970	190,135,970	
Roxas Land Corp.	457,239	457,239	457,239	
Serendra Inc.	2,498,773	2,498,773	2,498,773	
Soltea Commercial Corp.	10,130,531	10,130,531	10,130,531	
Station Square East Commercial Corp	420,337	420,337	420,337	
Summerhill Commercial Ventures Corp.	41,319	41,319	41,319	
Ten Knots Philippines, Inc.(Conso)	19,239,626	19,239,626	19,239,626	
Vesta Property Holdings Inc.	14,801	14,801	14,801	
Sub-Total	**3,122,533,706**	**3,122,533,706**	**3,122,533,706**	**-**

	Amount Owed by ALI Subsidiaries to AYALA HOTELS, INC.			
	Receivable Balance per AHI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	82,634,964	82,634,964	82,634,964	
ALI Commercial Center, Inc. (Conso)	110,125	110,125	110,125	
Alveo Land Corporation (Conso)	24,724	24,724	24,724	
Amaia Land Corporation (Conso)	74,459,961	74,459,961	74,459,961	
Amorsedia Development Corporation (Conso)	5,295,694	5,295,694	5,295,694	
Arca South Commercial Ventures Corp.	489,867	489,867	489,867	

Arca South Integrated Terminal, Inc	1,024,433	1,024,433	1,024,433	
Arvo Commercial Corporation	382,729,500	382,729,500	382,729,500	
Avida Land Corporation (Conso)	1,235,591	1,235,591	1,235,591	
Ayala Land International Sales, Inc.(Conso)	4,500,000	4,500,000	4,500,000	
AyalaLand Hotels and Resorts Corp. (Conso)	820,029,173	820,029,173	820,029,173	
Ayalaland Logistics Holdings Corp. (Conso)	8,266,342	8,266,342	8,266,342	
Ayalaland Metro North, Inc.	198,822	198,822	198,822	
Bay City Commercial Ventures Corp.	253,582,211	253,582,211	253,582,211	
BellaVita Land Corp.	17,104	17,104	17,104	
BG West Properties, Inc	1,149,688,521	1,149,688,521	1,149,688,521	
Cagayan De Oro Gateway Corporation	6,490,419	6,490,419	6,490,419	
Capitol Central Commercial Ventures Corp.	209,980,183	209,980,183	209,980,183	
Cavite Commercial Towncenter Inc.	123,699,717	123,699,717	123,699,717	
Cebu Holdings, Inc. (Conso)	320,133	320,133	320,133	
Crans Montana Property Holdings Corporation	147,870	147,870	147,870	
AREIT, Inc.	3,772	3,772	3,772	
Primavera Towncentre, Inc.	48,356,200	48,356,200	48,356,200	
Soltea Commercial Corp.	43,470,206	43,470,206	43,470,206	
Summerhill Commercial Ventures Corp.	695,683	695,683	695,683	
Ten Knots Development Corporation(Conso)	16,117	16,117	16,117	
Ten Knots Philippines, Inc.(Conso)	151,449,249	151,449,249	151,449,249	
Sub-Total	**3,368,916,580**	**3,368,916,580**	**3,368,916,580**	

	Amount Owed by ALI Subsidiaries to AYALA LAND INTERNATIONAL SALES, INC. & SUBS.			
	Receivable Balance per ALISI & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alveo Land Corporation (Conso)	52,117,864	52,117,864	52,117,864	
Amaia Land Corporation (Conso)	33,057,105	33,057,105	33,057,105	
Amorsedia Development Corporation (Conso)	39,460	39,460	39,460	
Avida Land Corporation (Conso)	92,082,944	92,082,944	92,082,944	
AyalaLand Hotels and Resorts Corp. (Conso)	4,725,818	4,725,818	4,725,818	
BellaVita Land Corp.	1,571,532	1,571,532	1,571,532	
Crans Montana Property Holdings Corporation	15,200	15,200	15,200	
Nuevocentro, Inc. (Conso)	51,928	51,928	51,928	
Sub-Total	**183,661,851**	**183,661,851**	**183,661,851**	

	Amount Owed by ALI Subsidiaries to AYALA LAND SALES, INC.			
	Receivable Balance per ALSI	**Payable Balance per ALI Subsidiaries**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alveo Land Corporation (Conso)	347,840	347,840	347,840	
Amaia Land Corporation (Conso)	13,988,834	13,988,834	13,988,834	
Amorsedia Development Corporation (Conso)	2,650,083	2,650,083	2,650,083	
Arvo Commercial Corporation	108,499	108,499	108,499	
Avida Land Corporation (Conso)	2,772,830	2,772,830	2,772,830	
AyalaLand Hotels and Resorts Corp. (Conso)	298,456	298,456	298,456	
Ayalaland Logistics Holdings Corp. (Conso)	10,843,415	10,843,415	10,843,415	
Bay City Commercial Ventures Corp.	26,902,592	26,902,592	26,902,592	
BellaVita Land Corp.	52,832	52,832	52,832	
Cavite Commercial Towncenter Inc.	5,130,594	5,130,594	5,130,594	
CECI Realty Corp.	2,941,999	2,941,999	2,941,999	
AREIT, Inc.	465	465	465	
Soltea Commercial Corp.	41,278,860	41,278,860	41,278,860	
Ten Knots Philippines, Inc.(Conso)	6,023,117	6,023,117	6,023,117	
Sub-Total	**113,340,417**	**113,340,417**	**113,340,417**	

	Amount Owed by ALI Subsidiaries to AYALA PROPERTY MANAGEMENT CORP. & Subsidiaries			
	Receivable Balance per APMC & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	330,000	330,000	330,000	
Adauge Commercial Corp.	142,944	142,944	142,944	
Alabang Commercial Corporation (Conso)	117,187	117,187	117,187	
ALI Capital Corp. (Conso)	86,492	86,492	86,492	
ALI Commercial Center, Inc. (Conso)	16,023,411	16,023,411	16,023,411	
Alveo Land Corporation (Conso)	32,996,237	32,996,237	32,996,237	
Amaia Land Corporation (Conso)	42,725,842	42,725,842	42,725,842	
Amorsedia Development Corporation (Conso)	23,046,596	23,046,596	23,046,596	
APRISA Business Process Solutions, Inc	2,902,238	2,902,238	2,902,238	
Arca South Integrated Terminal, Inc	106,597	106,597	106,597	

Arvo Commercial Corporation	480,753	480,753	480,753	
Aurora Properties, Inc.	124,240	124,240	124,240	
Aviana Development Corporation	178,853	178,853	178,853	
Avida Land Corporation (Conso)	34,559,483	34,559,483	34,559,483	
Ayala Hotels Inc.	1,430,717	1,430,717	1,430,717	
Ayala Land Sales Inc.	300	300	300	
Ayalaland Estates, Inc.	6,566,432	6,566,432	6,566,432	
AyalaLand Hotels and Resorts Corp. (Conso)	273,956,852	273,956,852	273,956,852	
Ayalaland Logistics Holdings Corp. (Conso)	1,643,253	1,643,253	1,643,253	
AyalaLand Malls, Inc. (Conso)	1,455,525	1,455,525	1,455,525	
Ayalaland Metro North, Inc.	191,442	191,442	191,442	
AyalaLand Offices, Inc. (Conso)	-	-	-	
Bay City Commercial Ventures Corp.	320,268,413	320,268,413	320,268,413	
BG West Properties, Inc	7,967,153	7,967,153	7,967,153	
Cagayan De Oro Gateway Corporation	1,383,503	1,383,503	1,383,503	
Capitol Central Commercial Ventures Corp.	33,950	33,950	33,950	
Cavite Commercial Towncenter Inc.	196,442	196,442	196,442	
Cebu Holdings, Inc. (Conso)	3,331,778	3,331,778	3,331,778	
Crans Montana Property Holdings Corporation	806,400	806,400	806,400	
Hillsford Property Corporation	81,830	81,830	81,830	
Makati Cornerstone Leasing Corp.	3,116,579	3,116,579	3,116,579	
North Eastern Commercial Corp.	888,534	888,534	888,534	
North Triangle Depot Commercial Corp	191,442	191,442	191,442	
North Ventures Commercial Corp.	13,182,710	13,182,710	13,182,710	
NorthBeacon Commercial Corporation	194,542	194,542	194,542	
Nuevocentro, Inc. (Conso)	8,578,450	8,578,450	8,578,450	
AREIT, Inc.	7,442,296	7,442,296	7,442,296	
Philippine Integrated Energy Solutions, Inc.	90,589,509	90,589,509	90,589,509	
Roxas Land Corp.	66,000	66,000	66,000	
Serendra Inc.	13,488,153	13,488,153	13,488,153	
Soltea Commercial Corp.	111,310,520	111,310,520	111,310,520	
Southportal Properties, Inc.	2,414,342	2,414,342	2,414,342	
Station Square East Commercial Corp	191,442	191,442	191,442	
Subic Bay Town Center Inc.	143,582	143,582	143,582	
Summerhill Commercial Ventures Corp.	191,442	191,442	191,442	
Vesta Property Holdings Inc.	426,700	426,700	426,700	
Westview Commercial Ventures Corp.	5,346,702	5,346,702	5,346,702	
Sub-Total	**1,030,897,806**	**1,030,897,806**	**1,030,897,806**	**-**

	Amount Owed by ALI Subsidiaries to AYALA THEATERS MANAGEMENT, INC.			
	Receivable Balance per ATMI	**Payable Balance per ALI Subsidiaries**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Commercial Center, Inc. (Conso)	3,996	3,996	3,996	
Arvo Commercial Corporation	93,184	93,184	93,184	
AyalaLand Malls, Inc. (Conso)	3,996	3,996	3,996	
Ayalaland Metro North, Inc.	45,640	45,640	45,640	
Bay City Commercial Ventures Corp.	4,042	4,042	4,042	
Makati Cornerstone Leasing Corp.	(1,000)	(1,000)	(1,000)	
North Eastern Commercial Corp.	193,872	193,872	193,872	
North Ventures Commercial Corp.	269,976	269,976	269,976	
Summerhill Commercial Ventures Corp.	44,800	44,800	44,800	
Sub-Total	**658,506**	**658,506**	**658,506**	**-**

	Amount Owed by ALI Subsidiaries to AYALALAND CLUB MANAGEMENT, INC.			
	Receivable Balance per ACMI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Anvaya Cove Beach and Nature Club Inc	6,175,814	6,175,814	6,175,814	
Anvaya Cove Golf and Sports Club Inc.	3,421,075	3,421,075	3,421,075	
APRISA Business Process Solutions, Inc	4,500	4,500	4,500	
Ayala Land Sales Inc.	84,000	84,000	84,000	
Ayalaland Estates, Inc.	73,500	73,500	73,500	
AyalaLand Malls, Inc. (Conso)	500	500	500	
AyalaLand Offices, Inc. (Conso)	1,500	1,500	1,500	
Ayalaland Premier, Inc.	319,500	319,500	319,500	
BellaVita Land Corp.	3,000	3,000	3,000	
Nuevocentro, Inc. (Conso)	2,469,000	2,469,000	2,469,000	
Sub-Total	**12,552,389**	**12,552,389**	**12,552,389**	**-**

	Amount Owed by ALI Subsidiaries to AYALALAND ESTATES, INC.			

	Receivable Balance per AEI	Payable Balance per ALI Subsidiaries	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	175,615	175,615	175,615	
ALI Commercial Center, Inc. (Conso)	1,308,888	1,308,888	1,308,888	
Alveo Land Corporation (Conso)	19,400	19,400	19,400	
Amaia Land Corporation (Conso)	5,012,213	5,012,213	5,012,213	
Amorsedia Development Corporation (Conso)	110,101,796	110,101,796	110,101,796	
Arca South Integrated Terminal, Inc	1,993,666	1,993,666	1,993,666	
Arvo Commercial Corporation	1,901,922	1,901,922	1,901,922	
Avida Land Corporation (Conso)	15,032	15,032	15,032	
Ayalaland Estates, Inc.	1,847,520	1,847,520	1,847,520	
AyalaLand Hotels and Resorts Corp. (Conso)	859,136	859,136	859,136	
Ayalaland Logistics Holdings Corp. (Conso)	23,179	23,179	23,179	
Bay City Commercial Ventures Corp.	15,423,898	15,423,898	15,423,898	
Cagayan De Oro Gateway Corporation	353,514	353,514	353,514	
Cebu Holdings, Inc. (Conso)	11,139	11,139	11,139	
CECI Realty Corp.	26,871	26,871	26,871	
Crans Montana Property Holdings Corporation	157,533,093	157,533,093	157,533,093	
Crimson Field Enterprises, Inc.	6,995	6,995	6,995	
Makati Development Corporation (Conso)	33,150	33,150	33,150	
North Eastern Commercial Corp.	52,274,405	52,274,405	52,274,405	
Nuevocentro, Inc. (Conso)	735,008	735,008	735,008	
Red Creek Properties, Inc.	5,852,355	5,852,355	5,852,355	
Soltea Commercial Corp.	136,850	136,850	136,850	
Ten Knots Philippines, Inc.(Conso)	22,229	22,229	22,229	
Vesta Property Holdings Inc.	7,416	7,416	7,416	
Sub-Total	**355,675,291**	**355,675,291**	**355,675,291**	

	Amount Owed by ALI Subsidiaries to AYALA HOTELS & RESORTS GROUP			
	Receivable Balance per AHRC & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	139,680	139,680	139,680	
Avida Land Corporation (Conso)	19,200	19,200	19,200	
Ayala Hotels Inc.	362	362	362	
Ayala Property Management Corporation (Conso)	370,404	370,404	370,404	
AyalaLand Hotels and Resorts Corp. (Conso)	4,404,794,312	4,404,794,312	4,404,794,312	
Ayalaland Logistics Holdings Corp. (Conso)	143,944	143,944	143,944	
AyalaLand Malls, Inc. (Conso)	139,680	139,680	139,680	
AyalaLand Offices, Inc. (Conso)	142,710	142,710	142,710	
BellaVita Land Corp.	427	427	427	
Cebu Holdings, Inc. (Conso)	8,752,633	8,752,633	8,752,633	
Integrated Eco-Resort Inc.	29,568	29,568	29,568	
Makati Development Corporation (Conso)	4,553	4,553	4,553	
Ten Knots Development Corporation(Conso)	2,902,088	2,902,088	2,902,088	
Ten Knots Philippines, Inc.(Conso)	2,891,108	2,891,108	2,891,108	
AHRC Corporate	2,896,117,466	2,896,117,466	2,896,117,466	
Sub-Total	**7,316,448,133**	**7,316,448,133**	**7,316,448,133**	-

	Amount Owed by ALI Subsidiaries to AYALALAND LOGISTICS HOLDINGS CORP. (Conso)			
	Receivable Balance per ALLHC & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	18,055,765	18,055,765	18,055,765	
Alabang Commercial Corporation (Conso)	35,390	35,390	35,390	
ALI Capital Corp. (Conso)	49,136,662	49,136,662	49,136,662	
ALI Commercial Center, Inc. (Conso)	8,735,180	8,735,180	8,735,180	
Amaia Land Corporation (Conso)	26,980,066	26,980,066	26,980,066	
Amorsedia Development Corporation (Conso)	84,263	84,263	84,263	
Arvo Commercial Corporation	20,754,454	20,754,454	20,754,454	
Avida Land Corporation (Conso)	4,900,978	4,900,978	4,900,978	
Ayala Property Management Corporation (Conso)	1,233	1,233	1,233	
AyalaLand Hotels and Resorts Corp. (Conso)	18,710,573	18,710,573	18,710,573	
Ayalaland Malls Synergies, Inc.	269,437	269,437	269,437	
Ayalaland Metro North, Inc.	14,187,471	14,187,471	14,187,471	
Bay City Commercial Ventures Corp.	620,177,629	620,177,629	620,177,629	
BellaVita Land Corp.	132,839	132,839	132,839	
Cagayan De Oro Gateway Corporation	539,191	539,191	539,191	
Capitol Central Commercial Ventures Corp.	76,522,178	76,522,178	76,522,178	
Cavite Commercial Towncenter Inc.	10,267,682	10,267,682	10,267,682	

Cebu Holdings, Inc. (Conso)	362,890	362,890	362,890	
Crans Montana Property Holdings Corporation	4,608	4,608	4,608	
Leisure and Allied Industries Phils. Inc.	(50,600)	(50,600)	(50,600)	
Makati Development Corporation (Conso)	62,727	62,727	62,727	
North Eastern Commercial Corp.	90,580	90,580	90,580	
North Triangle Depot Commercial Corp	1,164	1,164	1,164	
North Ventures Commercial Corp.	274,320	274,320	274,320	
Nuevocentro, Inc. (Conso)	1,628,357	1,628,357	1,628,357	
Soltea Commercial Corp.	21,200,467	21,200,467	21,200,467	
Station Square East Commercial Corp	400	400	400	
Summerhill Commercial Ventures Corp.	112,448	112,448	112,448	
Ten Knots Development Corporation(Conso)	8,021,590	8,021,590	8,021,590	
Ten Knots Philippines, Inc.(Conso)	4,085,015	4,085,015	4,085,015	
Sub-Total	**905,284,956**	**905,284,956**	**905,284,956**	

	Amount Owed by ALI Subsidiaries to AYALALAND MALLS SYNERGIES, INC.			
	Receivable Balance per AMSI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Commercial Center, Inc. (Conso)	2,014,892	2,014,892	2,014,892	
Arca South Commercial Ventures Corp.	129,757	129,757	129,757	
AREIT Fund Manager, Inc.	345	345	345	
Ayalaland Logistics Holdings Corp. (Conso)	6,257,362	6,257,362	6,257,362	
Bay City Commercial Ventures Corp.	5,204,709	5,204,709	5,204,709	
Cebu Holdings, Inc. (Conso)	152,958	152,958	152,958	
North Eastern Commercial Corp.	29,864	29,864	29,864	
Soltea Commercial Corp.	4,058,674	4,058,674	4,058,674	
Ten Knots Philippines, Inc.(Conso)	8,189,443	8,189,443	8,189,443	
Sub-Total	**26,038,005**	**26,038,005**	**26,038,005**	

	Amount Owed by ALI Subsidiaries to AYALALAND MALLS, INC. & Subsidiaries			
	Receivable Balance per ALMI & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	3,949,716	3,949,716	3,949,716	
Adauge Commercial Corp.	586,912	586,912	586,912	
Alabang Commercial Corporation (Conso)	1,770,214	1,770,214	1,770,214	
ALI Commercial Center, Inc. (Conso)	3,759,204	3,759,204	3,759,204	
Arca South Commercial Ventures Corp.	77,786	77,786	77,786	
Arvo Commercial Corporation	5,423,117	5,423,117	5,423,117	
Ayalaland Logistics Holdings Corp. (Conso)	935,084	935,084	935,084	
Ayalaland Malls Synergies, Inc.	239,473	239,473	239,473	
AyalaLand Malls, Inc. (Conso)	3,991,101	3,991,101	3,991,101	
Ayalaland Metro North, Inc.	1,260,705	1,260,705	1,260,705	
Bay City Commercial Ventures Corp.	12,291,476	12,291,476	12,291,476	
Cagayan De Oro Gateway Corporation	1,360,036	1,360,036	1,360,036	
Capitol Central Commercial Ventures Corp.	3,889,018	3,889,018	3,889,018	
Cavite Commercial Towncenter Inc.	3,209,127	3,209,127	3,209,127	
Cebu Holdings, Inc. (Conso)	7,091,692	7,091,692	7,091,692	
Makati Cornerstone Leasing Corp.	2,017,501	2,017,501	2,017,501	
North Eastern Commercial Corp.	8,220,017	8,220,017	8,220,017	
North Triangle Depot Commercial Corp	518,591	518,591	518,591	
North Ventures Commercial Corp.	5,015,865	5,015,865	5,015,865	
NorthBeacon Commercial Corporation	24,273	24,273	24,273	
Nuevocentro, Inc. (Conso)	2,415	2,415	2,415	
AREIT, Inc.	1,354,212	1,354,212	1,354,212	
Primavera Towncentre, Inc.	282,887	282,887	282,887	
Soltea Commercial Corp.	1,713,334	1,713,334	1,713,334	
Station Square East Commercial Corp	5,484,551	5,484,551	5,484,551	
Subic Bay Town Center Inc.	159,622	159,622	159,622	
Summerhill Commercial Ventures Corp.	1,321,875	1,321,875	1,321,875	
Westview Commercial Ventures Corp.	129,611	129,611	129,611	
Sub-Total	**76,079,416**	**76,079,416**	**76,079,416**	

	Amount Owed by ALI Subsidiaries to AYALALAND MEDICAL FACILITIES LEASING, INC.			
	Receivable Balance per AMFLI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Whiteknight Holdings, Inc.	291	291	291	
Sub-Total	**291**	**291**	**291**	

	Amount Owed by ALI Subsidiaries to AYALAND METRO NORTH, INC.			
	Receivable Balance per AMNI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	7,450	7,450	7,450	
ALI Commercial Center, Inc. (Conso)	2,042,794	2,042,794	2,042,794	
Amaia Land Corporation (Conso)	29,520,794	29,520,794	29,520,794	
Amorsedia Development Corporation (Conso)	59,332	59,332	59,332	
Arvo Commercial Corporation	3,557,214	3,557,214	3,557,214	
AyalaLand Hotels and Resorts Corp. (Conso)	3,931,084	3,931,084	3,931,084	
Ayalaland Logistics Holdings Corp. (Conso)	49,769	49,769	49,769	
Bay City Commercial Ventures Corp.	65,550,556	65,550,556	65,550,556	
Cagayan De Oro Gateway Corporation	804,940	804,940	804,940	
Cebu Holdings, Inc. (Conso)	10,248	10,248	10,248	
North Eastern Commercial Corp.	25,243	25,243	25,243	
North Ventures Commercial Corp.	500	500	500	
NorthBeacon Commercial Corporation	1,361	1,361	1,361	
AREIT, Inc.	808	808	808	
Soltea Commercial Corp.	10,012,878	10,012,878	10,012,878	
Station Square East Commercial Corp	5,221	5,221	5,221	
Ten Knots Philippines, Inc.(Conso)	5,551	5,551	5,551	
Sub-Total	**115,585,743**	**115,585,743**	**115,585,743**	**-**

	Amount Owed by ALI Subsidiaries to AYALALAND OFFICES, INC. & Subsidiaries			
	Receivable Balance per ALO & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	11,010,202	11,010,202	11,010,202	
Alabang Commercial Corporation (Conso)	332,837	332,837	332,837	
ALI Capital Corp. (Conso)	41,968,052	41,968,052	41,968,052	
ALI Commercial Center, Inc. (Conso)	92,951,090	92,951,090	92,951,090	
ALO Prime Realty Corporation	3,021,611	3,021,611	3,021,611	
Amaia Land Corporation (Conso)	29,123,460	29,123,460	29,123,460	
Amorsedia Development Corporation (Conso)	40,279	40,279	40,279	
Arca South Integrated Terminal, Inc	2,561,083	2,561,083	2,561,083	
Arvo Commercial Corporation	260,516,388	260,516,388	260,516,388	
Avida Land Corporation (Conso)	24,875,400	24,875,400	24,875,400	
Ayala Land International Sales, Inc.(Conso)	40,320	40,320	40,320	
Ayala Property Management Corporation (Conso)	120,156	120,156	120,156	
Ayalaland Estates, Inc.	(0)	(0)	(0)	
AyalaLand Hotels and Resorts Corp. (Conso)	381,923,782	381,923,782	381,923,782	
Ayalaland Logistics Holdings Corp. (Conso)	110,648,556	110,648,556	110,648,556	
Ayalaland Metro North, Inc.	284,589	284,589	284,589	
AyalaLand Offices, Inc. (Conso)	103,394,166	103,394,166	103,394,166	
Bay City Commercial Ventures Corp.	1,794,982,839	1,794,982,839	1,794,982,839	
BellaVita Land Corp.	3,063,506	3,063,506	3,063,506	
Cagayan De Oro Gateway Corporation	1,497,933	1,497,933	1,497,933	
Capitol Central Commercial Ventures Corp.	326,989,587	326,989,587	326,989,587	
Cavite Commercial Towncenter Inc.	37,814,925	37,814,925	37,814,925	
Cebu Holdings, Inc. (Conso)	4,574,108	4,574,108	4,574,108	
CECI Realty Corp.	4,905,774	4,905,774	4,905,774	
Direct Power Services Inc.	28,234	28,234	28,234	
Hillsford Property Corporation	9,149	9,149	9,149	
Makati Cornerstone Leasing Corp.	3,391,038	3,391,038	3,391,038	
Makati Development Corporation (Conso)	560,464	560,464	560,464	
North Eastern Commercial Corp.	3,628,623	3,628,623	3,628,623	
North Triangle Depot Commercial Corp	185,505,572	185,505,572	185,505,572	
North Ventures Commercial Corp.	129,848	129,848	129,848	
Nuevocentro, Inc. (Conso)	213,017	213,017	213,017	
AREIT, Inc.	6,035,112	6,035,112	6,035,112	
Primavera Towncentre, Inc.	9,999,562	9,999,562	9,999,562	
Soltea Commercial Corp.	85,120,730	85,120,730	85,120,730	
Sunnyfield E-Office Corp	3,078,473	3,078,473	3,078,473	
Ten Knots Development Corporation(Conso)	56,095,667	56,095,667	56,095,667	
Ten Knots Philippines, Inc.(Conso)	184,293,864	184,293,864	184,293,864	
Westview Commercial Ventures Corp.	380,065,112	380,065,112	380,065,112	
Sub-Total	**4,154,795,105**	**4,154,795,105**	**4,154,795,105**	**-**

	Amount Owed by ALI Subsidiaries to AYALALAND PREMIER, INC.

	Receivable Balance per AYALALAND PREMIER, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Ayala Property Management Corporation (Conso)	176,551	176,551	176,551	
Sub-Total	**176,551**	**176,551**	**176,551**	-

	Amount Owed by ALI Subsidiaries to BAY CITY COMMERCIAL VENTURES CORP.			
	Receivable Balance per BAY CITY	Payable Balance per ALI Subsidiaries	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Alabang Commercial Corporation (Conso)	500	500	500	
ALI Capital Corp. (Conso)	-	-	-	
ALI Commercial Center, Inc. (Conso)	37,820	37,820	37,820	
Arca South Integrated Terminal, Inc	9,181	9,181	9,181	
Arvo Commercial Corporation	145,869	145,869	145,869	
Avida Land Corporation (Conso)	562,155	562,155	562,155	
AyalaLand Malls, Inc. (Conso)	16,124	16,124	16,124	
Cagayan De Oro Gateway Corporation	17,889	17,889	17,889	
Cebu Holdings, Inc. (Conso)	2,431	2,431	2,431	
Makati Cornerstone Leasing Corp.	10,000,000	10,000,000	10,000,000	
North Eastern Commercial Corp.	146,394	146,394	146,394	
North Triangle Depot Commercial Corp	3,710	3,710	3,710	
Soltea Commercial Corp.	71,955	71,955	71,955	
Station Square East Commercial Corp	3,730	3,730	3,730	
Whiteknight Holdings, Inc.	73,376	73,376	73,376	
Sub-Total	**11,091,132**	**11,091,132**	**11,091,132**	-

	Amount Owed by ALI Subsidiaries to BELLAVITA LAND CORP.			
	Receivable Balance per BELLAVITA	Payable Balance per ALI Subsidiaries	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Amaia Land Corporation (Conso)	19,451	19,451	19,451	
Arvo Commercial Corporation	128,800	128,800	128,800	
Avida Land Corporation (Conso)	846,530	846,530	846,530	
Ayalaland Logistics Holdings Corp. (Conso)	78,740	78,740	78,740	
Bay City Commercial Ventures Corp.	153,540	153,540	153,540	
Makati Development Corporation (Conso)	1,398,985	1,398,985	1,398,985	
Primavera Towncentre, Inc.	1,486,693	1,486,693	1,486,693	
Red Creek Properties, Inc.	1,899,778	1,899,778	1,899,778	
Sub-Total	**6,012,517**	**6,012,517**	**6,012,517**	

	Amount Owed by ALI Subsidiaries to BG WEST PROPERTIES, INC.			
	Receivable Balance per BG WEST	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Amorsedia Development Corporation (Conso)	8,342	8,342	8,342	
Ayala Property Management Corporation (Conso)	60,000	60,000	60,000	
BG West Properties, Inc	194,500	194,500	194,500	
Makati Development Corporation (Conso)	38,850,705	38,850,705	38,850,705	
Sub-Total	**39,113,547**	**39,113,547**	**39,113,547**	

	Amount Owed by ALI Subsidiaries to CAGAYAN DE ORO GATEWAY CORP.			
	Receivable Balance per CDOGC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	48,112	48,112	48,112	
ALI Commercial Center, Inc. (Conso)	41,505	41,505	41,505	
Alveo Land Corporation (Conso)	1,033,554	1,033,554	1,033,554	
Amaia Land Corporation (Conso)	22,000	22,000	22,000	
Arvo Commercial Corporation	180	180	180	
Avida Land Corporation (Conso)	30,000	30,000	30,000	
Ayala Property Management Corporation (Conso)	26,000	26,000	26,000	
AyalaLand Hotels and Resorts Corp. (Conso)	5,617,346	5,617,346	5,617,346	
AyalaLand Malls, Inc. (Conso)	18,142	18,142	18,142	
Ayalaland Metro North, Inc.	200	200	200	
BellaVita Land Corp.	20,000	20,000	20,000	
Cagayan De Oro Gateway Corporation	20,000	20,000	20,000	
Lagdigan Land Corporation	897,009	897,009	897,009	
Leisure and Allied Industries Phils. Inc.	183,720	183,720	183,720	
Makati Development Corporation (Conso)	24,000	24,000	24,000	

North Eastern Commercial Corp.	92,389	92,389	92,389	
North Triangle Depot Commercial Corp	11,520	11,520	11,520	
North Ventures Commercial Corp.	50	50	50	
Philippine Integrated Energy Solutions, Inc.	(2,549,107)	(2,549,107)	(2,549,107)	
Soltea Commercial Corp.	200	200	200	
Sub-Total	**5,536,819**	**5,536,819**	**5,536,819**	

	Amount Owed by ALI Subsidiaries to CAPITOL CENTRAL COMMERCIAL VENTURES CORP.			
	Receivable Balance per CAPITOL CENTRAL	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Adauge Commercial Corp.	820	820	820	
Alabang Commercial Corporation (Conso)	540	540	540	
ALI Commercial Center, Inc. (Conso)	27,290	27,290	27,290	
Arvo Commercial Corporation	22,489	22,489	22,489	
AyalaLand Malls, Inc. (Conso)	7,194	7,194	7,194	
North Triangle Depot Commercial Corp	6,880	6,880	6,880	
Station Square East Commercial Corp	870	870	870	
Sub-Total	**66,083**	**66,083**	**66,083**	

	Amount Owed by ALI Subsidiaries to CAVITE COMMERCIAL TOWNCENTER INC.			
	Receivable Balance per CCTCI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alveo Land Corporation (Conso)	(124,911)	(124,911)	(124,911)	
Amaia Land Corporation (Conso)	152,209	152,209	152,209	
Avida Land Corporation (Conso)	131,494	131,494	131,494	
Ayala Property Management Corporation (Conso)	564,520	564,520	564,520	
Ayalaland Malls Synergies, Inc.	(17,350)	(17,350)	(17,350)	
AyalaLand Malls, Inc. (Conso)	4,000	4,000	4,000	
Bay City Commercial Ventures Corp.	1,199	1,199	1,199	
Capitol Central Commercial Ventures Corp.	28,644	28,644	28,644	
Leisure and Allied Industries Phils. Inc.	476,483	476,483	476,483	
Makati Cornerstone Leasing Corp.	6,116	6,116	6,116	
Makati Development Corporation (Conso)	39,280	39,280	39,280	
North Ventures Commercial Corp.	4,690	4,690	4,690	
Soltea Commercial Corp.	46,750	46,750	46,750	
Summerhill Commercial Ventures Corp.	137,276	137,276	137,276	
Sub-Total	**1,450,401**	**1,450,401**	**1,450,401**	

	Amount Owed by ALI Subsidiaries to CEBU HOLDINGS, INC. & Subsidiaries			
	Receivable Balance per CHI & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	567,985	567,985	567,985	
Adauge Commercial Corp.	138,412	138,412	138,412	
Alabang Commercial Corporation (Conso)	38,864	38,864	38,864	
ALI Capital Corp. (Conso)	11,275,677	11,275,677	11,275,677	
ALI Commercial Center, Inc. (Conso)	3,370,835	3,370,835	3,370,835	
Alveo Land Corporation (Conso)	252,493,991	252,493,991	252,493,991	
Amaia Land Corporation (Conso)	15,936,606	15,936,606	15,936,606	
Arca South Integrated Terminal, Inc	61,496	61,496	61,496	
Arvo Commercial Corporation	16,510,481	16,510,481	16,510,481	
Aviana Development Corporation	900	900	900	
Avida Land Corporation (Conso)	299,653,475	299,653,475	299,653,475	
Ayala Land International Sales, Inc.(Conso)	29,587	29,587	29,587	
Ayala Land Sales Inc.	4,236,056	4,236,056	4,236,056	
Ayala Property Management Corporation (Conso)	31,191	31,191	31,191	
Ayalaland Estates, Inc.	2,827,049	2,827,049	2,827,049	
AyalaLand Hotels and Resorts Corp. (Conso)	8,655,279	8,655,279	8,655,279	
Ayalaland Logistics Holdings Corp. (Conso)	2,977,041	2,977,041	2,977,041	
AyalaLand Malls, Inc. (Conso)	71,581	71,581	71,581	
Ayalaland Medical Facilities Leasing Inc.	195,797	195,797	195,797	
Ayalaland Metro North, Inc.	(0)	(0)	(0)	
Bay City Commercial Ventures Corp.	50,501,677	50,501,677	50,501,677	
Cagayan De Oro Gateway Corporation	556,598	556,598	556,598	
Capitol Central Commercial Ventures Corp.	8,034,690	8,034,690	8,034,690	
Cebu Holdings, Inc. (Conso)	2,901,414	2,901,414	2,901,414	
Crans Montana Property Holdings Corporation	198,721	198,721	198,721	
Leisure and Allied Industries Phils. Inc.	931,654	931,654	931,654	
Makati Cornerstone Leasing Corp.	16,998	16,998	16,998	

Makati Development Corporation (Conso)	2,560,201	2,560,201	2,560,201	
North Triangle Depot Commercial Corp	853,516	853,516	853,516	
North Ventures Commercial Corp.	200	200	200	
Nuevocentro, Inc. (Conso)	35,633	35,633	35,633	
Serendra Inc.	18,854	18,854	18,854	
Soltea Commercial Corp.	8,143,193	8,143,193	8,143,193	
Southportal Properties, Inc.	532,375	532,375	532,375	
Subic Bay Town Center Inc.	943	943	943	
Summerhill Commercial Ventures Corp.	10,428	10,428	10,428	
Ten Knots Philippines, Inc.(Conso)	19,417,929	19,417,929	19,417,929	
Westview Commercial Ventures Corp.	5,815	5,815	5,815	
Sub-Total	**713,793,142**	**713,793,142**	**713,793,142**	**-**

	Amount Owed by ALI Subsidiaries to CECI REALTY, INC.			
	Receivable Balance per CECI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	10,635,056	10,635,056	10,635,056	
ALI Commercial Center, Inc. (Conso)	16,069,505	16,069,505	16,069,505	
Alveo Land Corporation (Conso)	12,282	12,282	12,282	
Amaia Land Corporation (Conso)	8,752,316	8,752,316	8,752,316	
Amorsedia Development Corporation (Conso)	882,214,063	882,214,063	882,214,063	
Arca South Integrated Terminal, Inc	30,195,200	30,195,200	30,195,200	
Arvo Commercial Corporation	25,604,336	25,604,336	25,604,336	
Aurora Properties, Inc.	14,882,016	14,882,016	14,882,016	
Avida Land Corporation (Conso)	5,853,161	5,853,161	5,853,161	
AyalaLand Hotels and Resorts Corp. (Conso)	41,857,042	41,857,042	41,857,042	
Ayalaland Logistics Holdings Corp. (Conso)	9,710,117	9,710,117	9,710,117	
Ayalaland Malls Synergies, Inc.	55,211	55,211	55,211	
AyalaLand Offices, Inc. (Conso)	29,376,509	29,376,509	29,376,509	
Bay City Commercial Ventures Corp.	34,998,354	34,998,354	34,998,354	
Cagayan De Oro Gateway Corporation	34,993	34,993	34,993	
Cavite Commercial Towncenter Inc.	51,360,737	51,360,737	51,360,737	
Crans Montana Property Holdings Corporation	863,870,795	863,870,795	863,870,795	
Direct Power Services Inc.	15,459	15,459	15,459	
Leisure and Allied Industries Phils. Inc.	108,300	108,300	108,300	
Makati Development Corporation (Conso)	4,728,188	4,728,188	4,728,188	
Nuevocentro, Inc. (Conso)	36,202	36,202	36,202	
Soltea Commercial Corp.	33,929,689	33,929,689	33,929,689	
Ten Knots Philippines, Inc.(Conso)	7,630,091	7,630,091	7,630,091	
Vesta Property Holdings Inc.	17,991,937	17,991,937	17,991,937	
Sub-Total	**2,089,921,559**	**2,089,921,559**	**2,089,921,559**	**-**

	Amount Owed by ALI Subsidiaries to CRANS MONTANA PROPERTY HOLDINGS CORP.			
	Receivable Balance per CRANS MONTANA	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Ayala Property Management Corporation (Conso)	51,337	51,337	51,337	
Ayalaland Medical Facilities Leasing Inc.	627,421	627,421	627,421	
Crans Montana Property Holdings Corporation	100	100	100	
Sub-Total	**678,858**	**678,858**	**678,858**	

	Amount Owed by ALI Subsidiaries to DIRECT POWER SERVICES, INC.			
	Receivable Balance per DPSI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alabang Commercial Corporation (Conso)	6,913,290	6,913,290	6,913,290	
ALI Capital Corp. (Conso)	240,806	240,806	240,806	
ALI Commercial Center, Inc. (Conso)	16,179,536	16,179,536	16,179,536	
ALI-CII Development Corporation	1,282,107	1,282,107	1,282,107	
Alveo Land Corporation (Conso)	2,517,608	2,517,608	2,517,608	
Arvo Commercial Corporation	2,341,110	2,341,110	2,341,110	
Avida Land Corporation (Conso)	(437,153)	(437,153)	(437,153)	
AyalaLand Hotels and Resorts Corp. (Conso)	1,814,587	1,814,587	1,814,587	
Ayalaland Logistics Holdings Corp. (Conso)	7,325	7,325	7,325	
Ayalaland Metro North, Inc.	(39,290)	(39,290)	(39,290)	
AyalaLand Offices, Inc. (Conso)	14,217,400	14,217,400	14,217,400	
Bay City Commercial Ventures Corp.	20,211,288	20,211,288	20,211,288	
Cagayan De Oro Gateway Corporation	30,070	30,070	30,070	
Capitol Central Commercial Ventures Corp.	2,795,568	2,795,568	2,795,568	

Cavite Commercial Towncenter Inc.	846,670	846,670	846,670	
Cebu Holdings, Inc. (Conso)	(16,361)	(16,361)	(16,361)	
Crans Montana Property Holdings Corporation	(3,342)	(3,342)	(3,342)	
Makati Cornerstone Leasing Corp.	141,185	141,185	141,185	
North Eastern Commercial Corp.	3,551,034	3,551,034	3,551,034	
North Triangle Depot Commercial Corp	8,978,307	8,978,307	8,978,307	
NorthBeacon Commercial Corporation	4,163,927	4,163,927	4,163,927	
AREIT, Inc.	8,699,939	8,699,939	8,699,939	
Philippine Integrated Energy Solutions, Inc.	12,678,936	12,678,936	12,678,936	
Primavera Towncentre, Inc.	34,787	34,787	34,787	
Serendra Inc.	7,627,874	7,627,874	7,627,874	
Station Square East Commercial Corp	9,246,436	9,246,436	9,246,436	
Subic Bay Town Center Inc.	1,877,840	1,877,840	1,877,840	
Summerhill Commercial Ventures Corp.	5,366,704	5,366,704	5,366,704	
Ten Knots Philippines, Inc.(Conso)	(9,023)	(9,023)	(9,023)	
Westview Commercial Ventures Corp.	254,742	254,742	254,742	
Sub-Total	**131,513,907**	**131,513,907**	**131,513,907**	-

	Amount Owed by ALI Subsidiaries to ECOHOLDINGS COMPANY, INC.			
	Receivable Balance per ECI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Ten Knots Development Corporation(Conso)	7,013,506	7,013,506	7,013,506	
Ten Knots Philippines, Inc.(Conso)	99,684,058	99,684,058	99,684,058	
Sub-Total	**106,697,564**	**106,697,564**	**106,697,564**	-

	Amount Owed by ALI Subsidiaries to FIRST LONGFIELD INVESTMENTS LTD.			
	Receivable Balance per FLIL	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	81,881,250	81,881,250	81,881,250	
Arca South Integrated Terminal, Inc	10,798,555	10,798,555	10,798,555	
Ayalaland Malls Synergies, Inc.	2,210,503	2,210,503	2,210,503	
Sub-Total	**94,890,308**	**94,890,308**	**94,890,308**	-

	Amount Owed by ALI Subsidiaries to FIVE STAR CINEMA, INC.			
	Receivable Balance per FSCI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alabang Commercial Corporation (Conso)	559,709	559,709	559,709	
ALI Commercial Center, Inc. (Conso)	3,120	3,120	3,120	
Soltea Commercial Corp.	2,790	2,790	2,790	
Summerhill Commercial Ventures Corp.	(49,420)	(49,420)	(49,420)	
Sub-Total	**516,199**	**516,199**	**516,199**	-

	Amount Owed by ALI Subsidiaries to HILLSFORD PROPERTY CORP.			
	Receivable Balance per HILLSFORD	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Commercial Center, Inc. (Conso)	26,082	26,082	26,082	
Amorsedia Development Corporation (Conso)	14,019,444	14,019,444	14,019,444	
AyalaLand Hotels and Resorts Corp. (Conso)	7,078,156	7,078,156	7,078,156	
Bay City Commercial Ventures Corp.	9,094,626	9,094,626	9,094,626	
Capitol Central Commercial Ventures Corp.	3,541	3,541	3,541	
North Eastern Commercial Corp.	1,550	1,550	1,550	
NorthBeacon Commercial Corporation	1,391	1,391	1,391	
Ten Knots Philippines, Inc.(Conso)	2,004,222	2,004,222	2,004,222	
Sub-Total	**32,229,013**	**32,229,013**	**32,229,013**	-

	Amount Owed by ALI Subsidiaries to INTEGRATED ECO-RESORT, INC.			
	Receivable Balance per INTEGRATED ECO-RESORT, INC.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
AyalaLand Hotels and Resorts Corp. (Conso)	66,042	66,042	66,042	
Bay City Commercial Ventures Corp.	112,341	112,341	112,341	
Ten Knots Philippines, Inc.(Conso)	533,286,362	533,286,362	533,286,362	
Sub-Total	**533,464,744**	**533,464,744**	**533,464,744**	-

	Amount Owed by ALI Subsidiaries to LAGDIGAN LAND CORP.

	Receivable Balance per LAGDIGAN	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Bay City Commercial Ventures Corp.	32,829,567	32,829,567	32,829,567	
Cagayan De Oro Gateway Corporation	1,996,449	1,996,449	1,996,449	
Sub-Total	**34,826,016**	**34,826,016**	**34,826,016**	

	Amount Owed by ALI Subsidiaries to LEISURE AND ALLIED INDUSTRIES PHILS., INC.			
	Receivable Balance per LAIP	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
AyalaLand Hotels and Resorts Corp. (Conso)	32,000	32,000	32,000	
Makati Cornerstone Leasing Corp.	6,829	6,829	6,829	
Sub-Total	**38,829**	**38,829**	**38,829**	

	Amount Owed by ALI Subsidiaries to MAKATI CORNERSTONE LEASING CORP.			
	Receivable Balance per MAKATI CORNERSTONE	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	7,015,859	7,015,859	7,015,859	
Alabang Commercial Corporation (Conso)	5,715	5,715	5,715	
ALI Capital Corp. (Conso)	2,378,607	2,378,607	2,378,607	
ALI Commercial Center, Inc. (Conso)	1,051,312	1,051,312	1,051,312	
Amaia Land Corporation (Conso)	102,860	102,860	102,860	
Amorsedia Development Corporation (Conso)	(0)	(0)	(0)	
Arvo Commercial Corporation	258,968	258,968	258,968	
Avida Land Corporation (Conso)	169,001	169,001	169,001	
Ayala Theaters Management, Inc.	2,250	2,250	2,250	
Ayalaland Logistics Holdings Corp. (Conso)	10,334,325	10,334,325	10,334,325	
Ayalaland Metro North, Inc.	(2,530)	(2,530)	(2,530)	
Bay City Commercial Ventures Corp.	32,756,959	32,756,959	32,756,959	
BellaVita Land Corp.	68,800	68,800	68,800	
Cagayan De Oro Gateway Corporation	3,415	3,415	3,415	
Capitol Central Commercial Ventures Corp.	26,375	26,375	26,375	
Cavite Commercial Towncenter Inc.	6,830	6,830	6,830	
Cebu Holdings, Inc. (Conso)	8,215	8,215	8,215	
Makati Development Corporation (Conso)	(0)	(0)	(0)	
North Eastern Commercial Corp.	4,415	4,415	4,415	
North Triangle Depot Commercial Corp	46,950	46,950	46,950	
North Ventures Commercial Corp.	27,195	27,195	27,195	
NorthBeacon Commercial Corporation	3,415	3,415	3,415	
Soltea Commercial Corp.	7,718,969	7,718,969	7,718,969	
Station Square East Commercial Corp	14,730	14,730	14,730	
Ten Knots Philippines, Inc.(Conso)	4,017,169	4,017,169	4,017,169	
Sub-Total	**66,019,805**	**66,019,805**	**66,019,805**	

	Amount Owed by ALI Subsidiaries to NORTH EASTERN COMMERCIAL CORP.			
	Receivable Balance per NECC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	400	400	400	
Alabang Commercial Corporation (Conso)	11,960	11,960	11,960	
ALI Capital Corp. (Conso)	16,534,113	16,534,113	16,534,113	
ALI Commercial Center, Inc. (Conso)	30,897,602	30,897,602	30,897,602	
ALI-CII Development Corporation	470	470	470	
Alveo Land Corporation (Conso)	1,188,022	1,188,022	1,188,022	
Amaia Land Corporation (Conso)	90,582,685	90,582,685	90,582,685	
Amorsedia Development Corporation (Conso)	329,999	329,999	329,999	
Arca South Commercial Ventures Corp.	5,000,000	5,000,000	5,000,000	
Arvo Commercial Corporation	89,565,882	89,565,882	89,565,882	
Avida Land Corporation (Conso)	5,362,729	5,362,729	5,362,729	
Ayalaland Estates, Inc.	2,494,428	2,494,428	2,494,428	
AyalaLand Hotels and Resorts Corp. (Conso)	296,187,838	296,187,838	296,187,838	
Ayalaland Logistics Holdings Corp. (Conso)	16,880,737	16,880,737	16,880,737	
Ayalaland Malls Synergies, Inc.	(144,818)	(144,818)	(144,818)	
AyalaLand Malls, Inc. (Conso)	4,005	4,005	4,005	
Ayalaland Metro North, Inc.	4,949	4,949	4,949	
Bay City Commercial Ventures Corp.	147,093,867	147,093,867	147,093,867	
Cagayan De Oro Gateway Corporation	3,081,362	3,081,362	3,081,362	
Capitol Central Commercial Ventures Corp.	29,172,239	29,172,239	29,172,239	
Cebu Holdings, Inc. (Conso)	5,581,454	5,581,454	5,581,454	

Crans Montana Property Holdings Corporation	21,828	21,828	21,828	
Direct Power Services Inc.	23,047	23,047	23,047	
Hillsford Property Corporation	3,778	3,778	3,778	
Leisure and Allied Industries Phils. Inc.	28,000	28,000	28,000	
Makati Development Corporation (Conso)	50,186,307	50,186,307	50,186,307	
North Eastern Commercial Corp.	(7,667)	(7,667)	(7,667)	
North Triangle Depot Commercial Corp	168,739	168,739	168,739	
North Ventures Commercial Corp.	11,811	11,811	11,811	
NorthBeacon Commercial Corporation	7,551	7,551	7,551	
AREIT, Inc.	49,923,154	49,923,154	49,923,154	
Soltea Commercial Corp.	154,010,533	154,010,533	154,010,533	
Station Square East Commercial Corp	13,810	13,810	13,810	
Subic Bay Town Center Inc.	14,177	14,177	14,177	
Summerhill Commercial Ventures Corp.	1,632,884	1,632,884	1,632,884	
Ten Knots Philippines, Inc.(Conso)	82,344,488	82,344,488	82,344,488	
Westview Commercial Ventures Corp.	819	819	819	
Sub-Total	**1,078,213,184**	**1,078,213,184**	**1,078,213,184**	

	Amount Owed by ALI Subsidiaries to NORTH TRIANGLE DEPOT COMMERCIAL CORP.			
	Receivable Balance per NTDCC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	8,067	8,067	8,067	
Alabang Commercial Corporation (Conso)	117,060	117,060	117,060	
ALI Capital Corp. (Conso)	875,769	875,769	875,769	
ALI Commercial Center, Inc. (Conso)	3,422,560	3,422,560	3,422,560	
Alveo Land Corporation (Conso)	(86,281)	(86,281)	(86,281)	
Amaia Land Corporation (Conso)	223,794	223,794	223,794	
Amorsedia Development Corporation (Conso)	794,606	794,606	794,606	
Arca South Commercial Ventures Corp.	14,935	14,935	14,935	
Arvo Commercial Corporation	1,844,346	1,844,346	1,844,346	
Avida Land Corporation (Conso)	83,006	83,006	83,006	
AyalaLand Hotels and Resorts Corp. (Conso)	115,415	115,415	115,415	
Ayalaland Logistics Holdings Corp. (Conso)	865,280	865,280	865,280	
AyalaLand Malls, Inc. (Conso)	29,770	29,770	29,770	
Ayalaland Medical Facilities Leasing Inc.	119,340	119,340	119,340	
Ayalaland Metro North, Inc.	8,376	8,376	8,376	
Bay City Commercial Ventures Corp.	293,971	293,971	293,971	
Cagayan De Oro Gateway Corporation	103,944	103,944	103,944	
Cebu Holdings, Inc. (Conso)	1,095,736	1,095,736	1,095,736	
Crans Montana Property Holdings Corporation	145,428	145,428	145,428	
Leisure and Allied Industries Phils. Inc.	1,974,238	1,974,238	1,974,238	
Makati Development Corporation (Conso)	838,832	838,832	838,832	
North Eastern Commercial Corp.	519,386	519,386	519,386	
North Ventures Commercial Corp.	147,206	147,206	147,206	
NorthBeacon Commercial Corporation	1,981	1,981	1,981	
Nuevocentro, Inc. (Conso)	115,145	115,145	115,145	
Soltea Commercial Corp.	416,155	416,155	416,155	
Station Square East Commercial Corp	112,102	112,102	112,102	
Subic Bay Town Center Inc.	542	542	542	
Summerhill Commercial Ventures Corp.	673,602	673,602	673,602	
Ten Knots Development Corporation(Conso)	19,019	19,019	19,019	
Ten Knots Philippines, Inc.(Conso)	160,214	160,214	160,214	
Sub-Total	**15,053,546**	**15,053,546**	**15,053,546**	

	Amount Owed by ALI Subsidiaries to NORTH VENTURES COMMERCIAL CORP.			
	Receivable Balance per NVCC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	1,220	1,220	1,220	
Alabang Commercial Corporation (Conso)	14,690	14,690	14,690	
ALI Capital Corp. (Conso)	53,608,707	53,608,707	53,608,707	
ALI Commercial Center, Inc. (Conso)	42,592,818	42,592,818	42,592,818	
Alveo Land Corporation (Conso)	54,626	54,626	54,626	
Amaia Land Corporation (Conso)	20,786,425	20,786,425	20,786,425	
Amorsedia Development Corporation (Conso)	98,944	98,944	98,944	
Arca South Integrated Terminal, Inc	5,162,275	5,162,275	5,162,275	
Arvo Commercial Corporation	14,923,196	14,923,196	14,923,196	
Avida Land Corporation (Conso)	349,558	349,558	349,558	
Ayala Property Management Corporation (Conso)	1,790,801	1,790,801	1,790,801	
AyalaLand Hotels and Resorts Corp. (Conso)	53,775,814	53,775,814	53,775,814	

Ayalaland Logistics Holdings Corp. (Conso)	2,898,490	2,898,490	2,898,490	
Ayalaland Malls Synergies, Inc.	845	845	845	
AyalaLand Malls, Inc. (Conso)	10,160	10,160	10,160	
Ayalaland Medical Facilities Leasing Inc.	193,932	193,932	193,932	
Ayalaland Metro North, Inc.	2,642	2,642	2,642	
Bay City Commercial Ventures Corp.	226,911,619	226,911,619	226,911,619	
Cagayan De Oro Gateway Corporation	5,800	5,800	5,800	
Capitol Central Commercial Ventures Corp.	95,934,051	95,934,051	95,934,051	
Cebu Holdings, Inc. (Conso)	720	720	720	
Crans Montana Property Holdings Corporation	228,867	228,867	228,867	
Leisure and Allied Industries Phils. Inc.	565,013	565,013	565,013	
Makati Development Corporation (Conso)	2,742,315	2,742,315	2,742,315	
North Eastern Commercial Corp.	137,572	137,572	137,572	
North Triangle Depot Commercial Corp	307,781	307,781	307,781	
NorthBeacon Commercial Corporation	1,600	1,600	1,600	
Soltea Commercial Corp.	24,843,964	24,843,964	24,843,964	
Station Square East Commercial Corp	20,130	20,130	20,130	
Summerhill Commercial Ventures Corp.	282,084	282,084	282,084	
Ten Knots Development Corporation(Conso)	2,294	2,294	2,294	
Ten Knots Philippines, Inc.(Conso)	3,424	3,424	3,424	
Sub-Total	**548,252,377**	**548,252,377**	**548,252,377**	**-**

	Amount Owed by ALI Subsidiaries to NORTH BEACON COMMERCIAL CORP.			
	Receivable Balance per NBCC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	11,252	11,252	11,252	
Alabang Commercial Corporation (Conso)	9,372	9,372	9,372	
ALI Capital Corp. (Conso)	23,502,113	23,502,113	23,502,113	
ALI Commercial Center, Inc. (Conso)	17,295,854	17,295,854	17,295,854	
Alveo Land Corporation (Conso)	575,796	575,796	575,796	
Amaia Land Corporation (Conso)	293,914	293,914	293,914	
APRISA Business Process Solutions, Inc	1,200	1,200	1,200	
Arvo Commercial Corporation	28,305,984	28,305,984	28,305,984	
Avida Land Corporation (Conso)	26,596	26,596	26,596	
AyalaLand Hotels and Resorts Corp. (Conso)	5,194,245	5,194,245	5,194,245	
Ayalaland Logistics Holdings Corp. (Conso)	10,030,611	10,030,611	10,030,611	
AyalaLand Malls, Inc. (Conso)	18,256	18,256	18,256	
Ayalaland Metro North, Inc.	8,222	8,222	8,222	
Bay City Commercial Ventures Corp.	162,372,722	162,372,722	162,372,722	
Cagayan De Oro Gateway Corporation	427,854	427,854	427,854	
Capitol Central Commercial Ventures Corp.	7,174,866	7,174,866	7,174,866	
Cavite Commercial Towncenter Inc.	67,337,304	67,337,304	67,337,304	
Hillsford Property Corporation	5,898	5,898	5,898	
Leisure and Allied Industries Phils. Inc.	127,222	127,222	127,222	
Makati Cornerstone Leasing Corp.	106,486	106,486	106,486	
North Eastern Commercial Corp.	69,958	69,958	69,958	
North Triangle Depot Commercial Corp	103,285	103,285	103,285	
North Ventures Commercial Corp.	10,234	10,234	10,234	
Nuevocentro, Inc. (Conso)	6,338,811	6,338,811	6,338,811	
Soltea Commercial Corp.	36,901,511	36,901,511	36,901,511	
Station Square East Commercial Corp	17,048	17,048	17,048	
Subic Bay Town Center Inc.	5,596	5,596	5,596	
Sub-Total	**366,272,210**	**366,272,210**	**366,272,210**	

	Amount Owed by ALI Subsidiaries to NUEVOCENTRO INC., (Conso)			
	Receivable Balance per NUEVOCENTRO	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alveo Land Corporation (Conso)	9,000	9,000	9,000	
Amaia Land Corporation (Conso)	8,503	8,503	8,503	
Arvo Commercial Corporation	157,510	157,510	157,510	
Aurora Properties, Inc.	100	100	100	
Avida Land Corporation (Conso)	15,634	15,634	15,634	
Ayalaland Estates, Inc.	65,488	65,488	65,488	
AyalaLand Hotels and Resorts Corp. (Conso)	496,136	496,136	496,136	
Ayalaland Logistics Holdings Corp. (Conso)	3,283,882	3,283,882	3,283,882	
Bay City Commercial Ventures Corp.	381,944	381,944	381,944	
CECI Realty Corp.	154,209	154,209	154,209	
Crans Montana Property Holdings Corporation	151,580	151,580	151,580	
Prow Holdings, Inc.	199,255,639	199,255,639	199,255,639	

Vesta Property Holdings Inc.	26,154	26,154	26,154	
Sub-Total	**204,005,779**	**204,005,779**	**204,005,779**	-

	Amount Owed by ALI Subsidiaries to PHILIPPINE INTEGRATED ENERGY SOLUTIONS, INC.			
	Receivable Balance per PHIL. ENERGY	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	9,583,460	9,583,460	9,583,460	
Alabang Commercial Corporation (Conso)	3,387,120	3,387,120	3,387,120	
ALI Capital Corp. (Conso)	667,140	667,140	667,140	
ALI Commercial Center, Inc. (Conso)	14,469,406	14,469,406	14,469,406	
Amaia Land Corporation (Conso)	9,022,352	9,022,352	9,022,352	
Arvo Commercial Corporation	170,407	170,407	170,407	
AyalaLand Hotels and Resorts Corp. (Conso)	11,130,860	11,130,860	11,130,860	
Ayalaland Logistics Holdings Corp. (Conso)	16,706	16,706	16,706	
Bay City Commercial Ventures Corp.	35,935,172	35,935,172	35,935,172	
Cagayan De Oro Gateway Corporation	19,240,379	19,240,379	19,240,379	
Capitol Central Commercial Ventures Corp.	122,149	122,149	122,149	
Cavite Commercial Towncenter Inc.	156,157	156,157	156,157	
Cebu Holdings, Inc. (Conso)	18,879,398	18,879,398	18,879,398	
North Triangle Depot Commercial Corp	6,849,608	6,849,608	6,849,608	
Summerhill Commercial Ventures Corp.	(167,000)	(167,000)	(167,000)	
Ten Knots Philippines, Inc.(Conso)	(27,210)	(27,210)	(27,210)	
Westview Commercial Ventures Corp.	10,060,265	10,060,265	10,060,265	
Sub-Total	**139,496,369**	**139,496,369**	**139,496,369**	-

	Amount Owed by ALI Subsidiaries to PRIMAVER TOWNCENTRE, INC.			
	Receivable Balance per PRIMAVERA	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Amaia Land Corporation (Conso)	127,183	127,183	127,183	
Arvo Commercial Corporation	401,906	401,906	401,906	
Avida Land Corporation (Conso)	93,317	93,317	93,317	
AyalaLand Malls, Inc. (Conso)	5,705	5,705	5,705	
AyalaLand Offices, Inc. (Conso)	837,584	837,584	837,584	
Cavite Commercial Towncenter Inc.	4,554,045	4,554,045	4,554,045	
North Ventures Commercial Corp.	3,749	3,749	3,749	
Sub-Total	**6,023,489**	**6,023,489**	**6,023,489**	-

	Amount Owed by ALI-Subsidiaries to RED CREEK PROPERTIES, INC.			
	Receivable Balance per RCPI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
BellaVita Land Corp.	30,993,560	30,993,560	30,993,560	
Sub-Total	**30,993,560**	**30,993,560**	**30,993,560**	-

	Amount Owed by ALI, ALI-Subsidiaries to REGENT WISE INVESTMENTS, LTD. & Subsidiaries			
	Receivable Balance per RWIL & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Regent Wise Investments Limited(Conso)	(141,034,027)	(141,034,027)	(141,034,027)	
Sub-Total	**(141,034,027)**	**(141,034,027)**	**(141,034,027)**	-

	Amount Owed by ALI, ALI-Subsidiaries to ROXAS LAND CORP.			
	Receivable Balance per RLC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Ayala Property Management Corporation (Conso)	60,000	60,000	60,000	
Sub-Total	**60,000**	**60,000**	**60,000**	-
	Amount Owed by ALI, ALI-Subsidiaries to SERENDRA			
	Receivable Balance per SERENDRA	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Alveo Land Corporation (Conso)	2,243,214	2,243,214	2,243,214	
Amaia Land Corporation (Conso)	1,852,783	1,852,783	1,852,783	
Amorsedia Development Corporation (Conso)	2,106	2,106	2,106	
Avida Land Corporation (Conso)	3,591,329	3,591,329	3,591,329	
Ayala Property Management Corporation (Conso)	8,715,077	8,715,077	8,715,077	
Bay City Commercial Ventures Corp.	67,099	67,099	67,099	
BellaVita Land Corp.	958	958	958	

BG West Properties, Inc	17,001,618	17,001,618	17,001,618	
Cagayan De Oro Gateway Corporation	37,862	37,862	37,862	
Crans Montana Property Holdings Corporation	980	980	980	
Leisure and Allied Industries Phils. Inc.	355,950	355,950	355,950	
Makati Development Corporation (Conso)	183,195	183,195	183,195	
Sub-Total	**34,052,170**	**34,052,170**	**34,052,170**	

	Amount Owed by ALI-Subsidiaries to SOLTEA COMMERCIAL CORP.			
	Receivable Balance per SOLTEA	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	15,294	15,294	15,294	
Alabang Commercial Corporation (Conso)	27,124	27,124	27,124	
ALI Commercial Center, Inc. (Conso)	1,050,404	1,050,404	1,050,404	
Alveo Land Corporation (Conso)	2,531,457	2,531,457	2,531,457	
Amaia Land Corporation (Conso)	107,736	107,736	107,736	
Arvo Commercial Corporation	36,154	36,154	36,154	
Avida Land Corporation (Conso)	2,270,962	2,270,962	2,270,962	
Ayalaland Malls Synergies, Inc.	151,065	151,065	151,065	
AyalaLand Malls, Inc. (Conso)	410	410	410	
Bay City Commercial Ventures Corp.	15,294	15,294	15,294	
Cagayan De Oro Gateway Corporation	15,294	15,294	15,294	
Cavite Commercial Towncenter Inc.	82,473	82,473	82,473	
Cebu Holdings, Inc. (Conso)	45,188	45,188	45,188	
Makati Cornerstone Leasing Corp.	15,294	15,294	15,294	
North Eastern Commercial Corp.	52,382	52,382	52,382	
North Triangle Depot Commercial Corp	93,124	93,124	93,124	
North Ventures Commercial Corp.	16,794	16,794	16,794	
NorthBeacon Commercial Corporation	16,164	16,164	16,164	
Serendra Inc.	15,294	15,294	15,294	
Station Square East Commercial Corp	61,640	61,640	61,640	
Summerhill Commercial Ventures Corp.	19,694	19,694	19,694	
Sub-Total	**6,639,243**	**6,639,243**	**6,639,243**	**-**

	Amount Owed by SOUTHPORTAL PROPERTIES, INC.			
	Receivable Balance per SOUTHPORTAL	**Payable Balance per ALI Subsidiaries**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	67,900	67,900	67,900	
ALI Capital Corp. (Conso)	15,811,603	15,811,603	15,811,603	
ALI Commercial Center, Inc. (Conso)	1,537,583	1,537,583	1,537,583	
Alveo Land Corporation (Conso)	304	304	304	
Amaia Land Corporation (Conso)	73,086,161	73,086,161	73,086,161	
Amorsedia Development Corporation (Conso)	3,230	3,230	3,230	
Arca South Commercial Ventures Corp.	170,728	170,728	170,728	
Arvo Commercial Corporation	20,013	20,013	20,013	
Avida Land Corporation (Conso)	34,900	34,900	34,900	
AyalaLand Hotels and Resorts Corp. (Conso)	27,656,051	27,656,051	27,656,051	
Ayalaland Logistics Holdings Corp. (Conso)	9,495,001	9,495,001	9,495,001	
Ayalaland Metro North, Inc.	3,452	3,452	3,452	
Bay City Commercial Ventures Corp.	199,149,033	199,149,033	199,149,033	
Cagayan De Oro Gateway Corporation	150,538	150,538	150,538	
Capitol Central Commercial Ventures Corp.	10,357,150	10,357,150	10,357,150	
Cebu Holdings, Inc. (Conso)	-	-	-	
Soltea Commercial Corp.	27,551,142	27,551,142	27,551,142	
Summerhill Commercial Ventures Corp.	543,740	543,740	543,740	
Ten Knots Development Corporation(Conso)	90,346	90,346	90,346	
Ten Knots Philippines, Inc.(Conso)	2,006,543	2,006,543	2,006,543	
Sub-Total	**367,735,418**	**367,735,418**	**367,735,418**	

	Amount Owed by STATION SQUARE EAST COMMERCIAL CORP.			
	Receivable Balance per SSECC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	7,013	7,013	7,013	
Alabang Commercial Corporation (Conso)	7,630	7,630	7,630	
ALI Capital Corp. (Conso)	48,360,023	48,360,023	48,360,023	
ALI Commercial Center, Inc. (Conso)	26,678,544	26,678,544	26,678,544	
Alveo Land Corporation (Conso)	1,214,374	1,214,374	1,214,374	
Amaia Land Corporation (Conso)	41,026,204	41,026,204	41,026,204	
Amorsedia Development Corporation (Conso)	176,788	176,788	176,788	

APRISA Business Process Solutions, Inc	205,198	205,198	205,198	
Arca South Integrated Terminal, Inc	37,398	37,398	37,398	
Arvo Commercial Corporation	52,429,986	52,429,986	52,429,986	
Avida Land Corporation (Conso)	2,759,442	2,759,442	2,759,442	
AyalaLand Hotels and Resorts Corp. (Conso)	65,761,754	65,761,754	65,761,754	
Ayalaland Logistics Holdings Corp. (Conso)	32,523,082	32,523,082	32,523,082	
AyalaLand Malls, Inc. (Conso)	19,118	19,118	19,118	
Bay City Commercial Ventures Corp.	466,848,004	466,848,004	466,848,004	
BellaVita Land Corp.	16,092	16,092	16,092	
Cagayan De Oro Gateway Corporation	20,702,696	20,702,696	20,702,696	
Capitol Central Commercial Ventures Corp.	68,280,013	68,280,013	68,280,013	
Cavite Commercial Towncenter Inc.	4,500	4,500	4,500	
Cebu Holdings, Inc. (Conso)	1,379,162	1,379,162	1,379,162	
Crans Montana Property Holdings Corporation	2,025,453	2,025,453	2,025,453	
Leisure and Allied Industries Phils. Inc.	3,223,385	3,223,385	3,223,385	
Makati Development Corporation (Conso)	983,593	983,593	983,593	
North Eastern Commercial Corp.	2,061,358	2,061,358	2,061,358	
North Triangle Depot Commercial Corp	276,329	276,329	276,329	
North Ventures Commercial Corp.	8,279	8,279	8,279	
NorthBeacon Commercial Corporation	14,396	14,396	14,396	
Serendra Inc.	729,436	729,436	729,436	
Soltea Commercial Corp.	40,719,285	40,719,285	40,719,285	
Subic Bay Town Center Inc.	1,500	1,500	1,500	
Summerhill Commercial Ventures Corp.	2,954	2,954	2,954	
Ten Knots Philippines, Inc.(Conso)	18,448,232	18,448,232	18,448,232	
Sub-Total	**896,931,220**	**896,931,220**	**896,931,220**	-

	Amount Owed by ALI-Subsidiaries to SUBIC BAY TOWN CENTER, INC.			
	Receivable Balance per SBTCI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	47,548	47,548	47,548	
Alabang Commercial Corporation (Conso)	1,740	1,740	1,740	
ALI Commercial Center, Inc. (Conso)	6,132,317	6,132,317	6,132,317	
Amaia Land Corporation (Conso)	14,929,567	14,929,567	14,929,567	
Arvo Commercial Corporation	17,886,414	17,886,414	17,886,414	
AyalaLand Hotels and Resorts Corp. (Conso)	17,580,018	17,580,018	17,580,018	
Ayalaland Logistics Holdings Corp. (Conso)	10,370,256	10,370,256	10,370,256	
Bay City Commercial Ventures Corp.	13,342,957	13,342,957	13,342,957	
Crans Montana Property Holdings Corporation	161,546	161,546	161,546	
Leisure and Allied Industries Phils. Inc.	355,703	355,703	355,703	
North Triangle Depot Commercial Corp	20,065	20,065	20,065	
North Ventures Commercial Corp.	1,500	1,500	1,500	
Soltea Commercial Corp.	85,554,737	85,554,737	85,554,737	
Station Square East Commercial Corp	1,000	1,000	1,000	
Ten Knots Philippines, Inc.(Conso)	13,304	13,304	13,304	
Sub-Total	**166,398,672**	**166,398,672**	**166,398,672**	

	Amount Owed by ALI to SUMMERHILL COMMERCIAL VENTURES CORP.			
	Receivable Balance per SUMMERHILL	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	870	870	870	
Alabang Commercial Corporation (Conso)	12,150	12,150	12,150	
ALI Capital Corp. (Conso)	60,231,342	60,231,342	60,231,342	
ALI Commercial Center, Inc. (Conso)	268,793,212	268,793,212	268,793,212	
Amaia Land Corporation (Conso)	15,010,018	15,010,018	15,010,018	
Arca South Commercial Ventures Corp.	51,161	51,161	51,161	
Arvo Commercial Corporation	62,788,871	62,788,871	62,788,871	
Avida Land Corporation (Conso)	396,850,864	396,850,864	396,850,864	
AyalaLand Hotels and Resorts Corp. (Conso)	15,070,395	15,070,395	15,070,395	
Ayalaland Logistics Holdings Corp. (Conso)	7,799,873	7,799,873	7,799,873	
Ayalaland Malls Synergies, Inc.	420,527	420,527	420,527	
Ayalaland Metro North, Inc.	600	600	600	
AyalaLand Offices, Inc. (Conso)	1,394	1,394	1,394	
Bay City Commercial Ventures Corp.	89,566,374	89,566,374	89,566,374	
BellaVita Land Corp.	60,050,000	60,050,000	60,050,000	
Cagayan De Oro Gateway Corporation	39,515	39,515	39,515	
Cebu Holdings, Inc. (Conso)	740	740	740	
Direct Power Services Inc.	156,506	156,506	156,506	
Leisure and Allied Industries Phils. Inc.	565,440	565,440	565,440	

Makati Development Corporation (Conso)	843,050	843,050	843,050	
North Eastern Commercial Corp.	25,949	25,949	25,949	
North Triangle Depot Commercial Corp	267,749	267,749	267,749	
North Ventures Commercial Corp.	4,280	4,280	4,280	
Soltea Commercial Corp.	28,826,157	28,826,157	28,826,157	
Station Square East Commercial Corp	36,700	36,700	36,700	
Subic Bay Town Center Inc.	1,380	1,380	1,380	
Ten Knots Philippines, Inc.(Conso)	21,028,413	21,028,413	21,028,413	
Sub-Total	**1,028,443,530**	**1,028,443,530**	**1,028,443,530**	**-**

	Amount Owed by ALI to SUNNYFIELD E-OFFICE CORP.			
	Receivable Balance per SUNNYFIELD	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI)				
Avida Land Corporation (Conso)	15,351	15,351	15,351	
Sub-Total	**15,351**	**15,351**	**15,351**	**-**

	Amount Owed by ALI to TEN KNOTS DEVELOPMENT CORP.			
	Receivable Balance per TKDC	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI)				
ALI Capital Corp. (Conso)	2,412,453	2,412,453	2,412,453	
ALI Commercial Center, Inc. (Conso)	10,382	10,382	10,382	
Ayalaland Estates, Inc.	231,759	231,759	231,759	
AyalaLand Hotels and Resorts Corp. (Conso)	187,356,795	187,356,795	187,356,795	
Direct Power Services Inc.	9,458	9,458	9,458	
Ecoholdings Company, Inc.	500	500	500	
Makati Development Corporation (Conso)	103,021	103,021	103,021	
Soltea Commercial Corp.	94,511	94,511	94,511	
Ten Knots Philippines, Inc.(Conso)	277,643,022	277,643,022	277,643,022	
Sub-Total	**467,861,901**	**467,861,901**	**467,861,901**	**-**

	Amount Owed by ALI to TEN KNOTS PHILIPPINES, INC.			
	Receivable Balance per TKPI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI)				
Adauge Commercial Corp.	9,105	9,105	9,105	
ALI Capital Corp. (Conso)	7,481,620	7,481,620	7,481,620	
ALI Commercial Center, Inc. (Conso)	-	-	-	
Ayala Land Sales Inc.	11,085	11,085	11,085	
AyalaLand Hotels and Resorts Corp. (Conso)	8,437,141	8,437,141	8,437,141	
AyalaLand Malls, Inc. (Conso)	3,000	3,000	3,000	
Cebu Holdings, Inc. (Conso)	57,385	57,385	57,385	
Ecoholdings Company, Inc.	1,848	1,848	1,848	
Integrated Eco-Resort Inc.	750,513	750,513	750,513	
Philippine Integrated Energy Solutions, Inc.	2,675	2,675	2,675	
Ten Knots Development Corporation(Conso)	6,133,699	6,133,699	6,133,699	
Ten Knots Philippines, Inc.(Conso)	1,760	1,760	1,760	
Sub-Total	**22,889,832**	**22,889,832**	**22,889,832**	**-**

	Amount Owed by ALI to VESTA PROPERTY HOLDINGS, INC.			
	Receivable Balance per VPHI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI)				
ALI Capital Corp. (Conso)	51,761,674	51,761,674	51,761,674	
Alveo Land Corporation (Conso)	112,499,318	112,499,318	112,499,318	
Amorsedia Development Corporation (Conso)	292,339,684	292,339,684	292,339,684	
Arca South Integrated Terminal, Inc	10,223,833	10,223,833	10,223,833	
Arvo Commercial Corporation	118,203,879	118,203,879	118,203,879	
Aurora Properties, Inc.	150	150	150	
Avida Land Corporation (Conso)	54,490,854	54,490,854	54,490,854	
Ayala Land International Sales, Inc.(Conso)	188,476	188,476	188,476	
AyalaLand Hotels and Resorts Corp. (Conso)	75,668,370	75,668,370	75,668,370	
Ayalaland Logistics Holdings Corp. (Conso)	23,917,325	23,917,325	23,917,325	
Ayalaland Medical Facilities Leasing Inc.	2,795,983	2,795,983	2,795,983	
Bay City Commercial Ventures Corp.	282,404,772	282,404,772	282,404,772	
BellaVita Land Corp.	10,004,888	10,004,888	10,004,888	
Cagayan De Oro Gateway Corporation	58,258	58,258	58,258	
Cavite Commercial Towncenter Inc.	38,692,338	38,692,338	38,692,338	
Crans Montana Property Holdings Corporation	18,116,778	18,116,778	18,116,778	
Direct Power Services Inc.	2,634	2,634	2,634	

Makati Development Corporation (Conso)	18,000	18,000	18,000	
North Eastern Commercial Corp.	35,150	35,150	35,150	
Nuevocentro, Inc. (Conso)	1,535,095	1,535,095	1,535,095	
Soltea Commercial Corp.	2,777,523	2,777,523	2,777,523	
Summerhill Commercial Ventures Corp.	21,624,557	21,624,557	21,624,557	
Ten Knots Development Corporation(Conso)	12,012,000	12,012,000	12,012,000	
Ten Knots Philippines, Inc.(Conso)	347,518,944	347,518,944	347,518,944	
Sub-Total	**1,480,946,706**	**1,480,946,706**	**1,480,946,706**	-

	Amount Owed by ALI to WESTVIEW COMMERCIAL VENTURES CORP.			
	Receivable Balance per WESTVIEW	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI)				
Adauge Commercial Corp.	2,900	2,900	2,900	
Amaia Land Corporation (Conso)	577,624	577,624	577,624	
Avida Land Corporation (Conso)	326,282	326,282	326,282	
Capitol Central Commercial Ventures Corp.	154,518	154,518	154,518	
North Triangle Depot Commercial Corp	5,210	5,210	5,210	
AREIT, Inc.	4,728,703	4,728,703	4,728,703	
Subic Bay Town Center Inc.	9,983	9,983	9,983	
Sub-Total	**5,805,220**	**5,805,220**	**5,805,220**	-

	Amount Owed by ALI to WHITEKNIGHT HOLDINGS, INC.			
	Receivable Balance per WHITEKNIGHT	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI)				
Ayalaland Medical Facilities Leasing Inc.	2,928,214	2,928,214	2,928,214	
Bay City Commercial Ventures Corp.	10,518,356	10,518,356	10,518,356	
Soltea Commercial Corp.	3,007,167	3,007,167	3,007,167	
Summerhill Commercial Ventures Corp.	556,880	556,880	556,880	
Sub-Total	**17,010,617**	**17,010,617**	**17,010,617**	

TOTAL ELIMINATED RECEIVABLES	**136,359,342,056**	**136,359,342,056**	**136,359,342,056**	-

AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
As of December 31, 2021

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE/ FACILITY AGREEMENT	CURRENT PORTION OF LONG-TERM DEBT (in '000)	LONG-TERM DEBT (NET OF CURRENT PORTION) (in '000)	Interest Rate	No. of Periodic Installment	Maturity Date
Ayala Land, Inc.:						
Bonds						
Philippine Peso	5,650,000	5,650,000		6.000%	N/A, Bullet	April 27, 2022
Philippine Peso	7,000,000	6,987,688		4.500%	N/A, Bullet	April 29, 2022
Philippine Peso	10,000,000	9,970,491		3.000%	N/A, Bullet	June 26, 2022
Philippine Peso	7,000,000		6,980,787	3.892%	N/A, Bullet	October 07, 2023
Philippine Peso	3,000,000		2,978,436	4.758%	N/A, Bullet	September 30, 2024
Philippine Peso	10,000,000		9,903,889	3.626%	N/A, Bullet	May 04, 2025
Philippine Peso	6,250,000		6,192,684	3.862%	N/A, Bullet	September 29, 2025
Philippine Peso	7,000,000		6,969,407	4.750%	N/A, Bullet	October 25, 2025
Philippine Peso	8,000,000		7,961,918	4.850%	N/A, Bullet	March 23, 2026
Philippine Peso	8,000,000		7,934,304	6.369%	N/A, Bullet	May 06, 2026
Philippine Peso	1,000,000		963,622	4.990%	N/A, Bullet	February 06, 2027
Philippine Peso	7,000,000		6,979,065	5.262%	N/A, Bullet	May 02, 2027
Philippine Peso	10,000,000		9,916,583	5.920%	N/A, Bullet	April 27, 2028
Philippine Peso	3,000,000		2,977,789	4.078%	N/A, Bullet	October 26, 2031
Philippine Peso	2,000,000		1,986,794	6.000%	N/A, Bullet	October 10, 2033
Fixed rate corporate notes (FXCNs)						
Philippine Peso	5,000,000	150,000	4,500,000	4.500%	30	March 10, 2023
Bank loan -US Dollar						
Bank Loan *(MBTC)*	6,002,875		6,374,875	Various floating rates	N/A, Bullet	November 06, 2024
Bank loan -Peso						
Bank Loan *(BDO)*	18,076,000	82,000	17,618,068	Various fixed rates	Various	Various from 2026 to 2031
Bank Loan *(BPI)*	1,261,000	73,136	1,087,495	Various fixed/floating rates	Various	Various from 2023 to 2027
Bank Loan (CBC)	17,100,000		16,974,741	Various fixed rates	Various	Various from 2029 to 2031
Bank Loan *(LBP)*	15,000,000	80,644	14,637,561	Various fixed rates	Various	Various from 2028 to 2031
Bank Loan *(MBTC)*	15,000,000	294,982	14,113,869	Various fixed rates	Various	Various from 2027 to 2030
Bank Loan *(PNB)*	10,000,000	201,531	9,521,901	4.000%	39	December 18, 2030
Bank Loan *(RCBC)*	1,900,000	38,000	1,662,500	4.500%	26	March 30, 2023
Sub-Total	**184,239,875,000**	**Php 23,528,471**	**Php 158,236,290**			
Subsidiaries:						
Bonds						
Philippine Peso	3,000,000		2,957,472	3.045%	N/A, Bullet	December 28, 2023
Bank loan -Peso						
Bank Loan *(BPI)*	7,431,182	1,562,117	3,644,175	Various fixed and floating rates	Various	Various from 2022 to 2028
Bank Loan *(BDO)*	10,083,000	1,083,000	8,916,657	Various fixed rates	Various	Various from 2022 to 2031
Bank Loan *(LandBank of the Phil)*	6,430,000		6,384,811	Various fixed rates	Various	Various from 2030 to 2031
Bank loan -MYR	Various	409	837	Various	Various	Various
Sub-Total		2,645,526	21,903,953			
	206,314,239,713	**Php 26,173,997**	**Php 180,140,242**			

AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE E - Indebtedness to Related Parties (Long-Term Loans from Related Parties)
(Long Term Loans from Related Companies)
As of December 31, 2021

NAME OF RELATED PARTY	BALANCE AT BEGINNING OF PERIOD (in '000)		BALANCE AT END OF PERIOD (in '000)	
Bank of the Philippine Islands	Php	13,196,816	Php	6,366,922

AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
As of December 31, 2021

NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE COMPANY FOR W/C THIS STATEMENT IS FILED	TITLE OF ISSUE OF EACH CLASS OF SECURITIES GUARANTEED	TOTAL AMOUNT GUARANTEED & OUTSTANDING	AMOUNT OWNED BY PERSON FOR W/C STATEMENT IS FILED	NATURE OFGUARANTEE
	NOT APPLICABLE			

AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE G- CAPITAL STOCK
As of December 31, 2021

TITLE OF ISSUE	NUMBER OF SHARES AUTHORIZED	NUMBER OF SHARES ISSUED AND OUTSTANDING AT SHOWN UNDER RELATED STATEMENT OF FINANCIAL POSITION CAPTION				NUMBER OF SHARES RESERVED FOR OPTIONS, WARRANTS, CONVERSION AND OTHER RIGHTS	NUMBER OF SHARES HELD BY RELATED PARTIES	DIRECTORS, OFFICERS AND EMPLOYEES	OTHERS
		ISSUED	SUBSCRIBED	TREASURY SHARES	TOTAL				
Common Stock	20,000,000,000	15,257,294,035	123,901,926	(570,069,282)	14,811,126,679	-	6,824,066,579	153,336,849	
Preferred Stock	15,000,000,000	13,066,494,759			13,066,494,759		12,163,180,640	2,157,932	

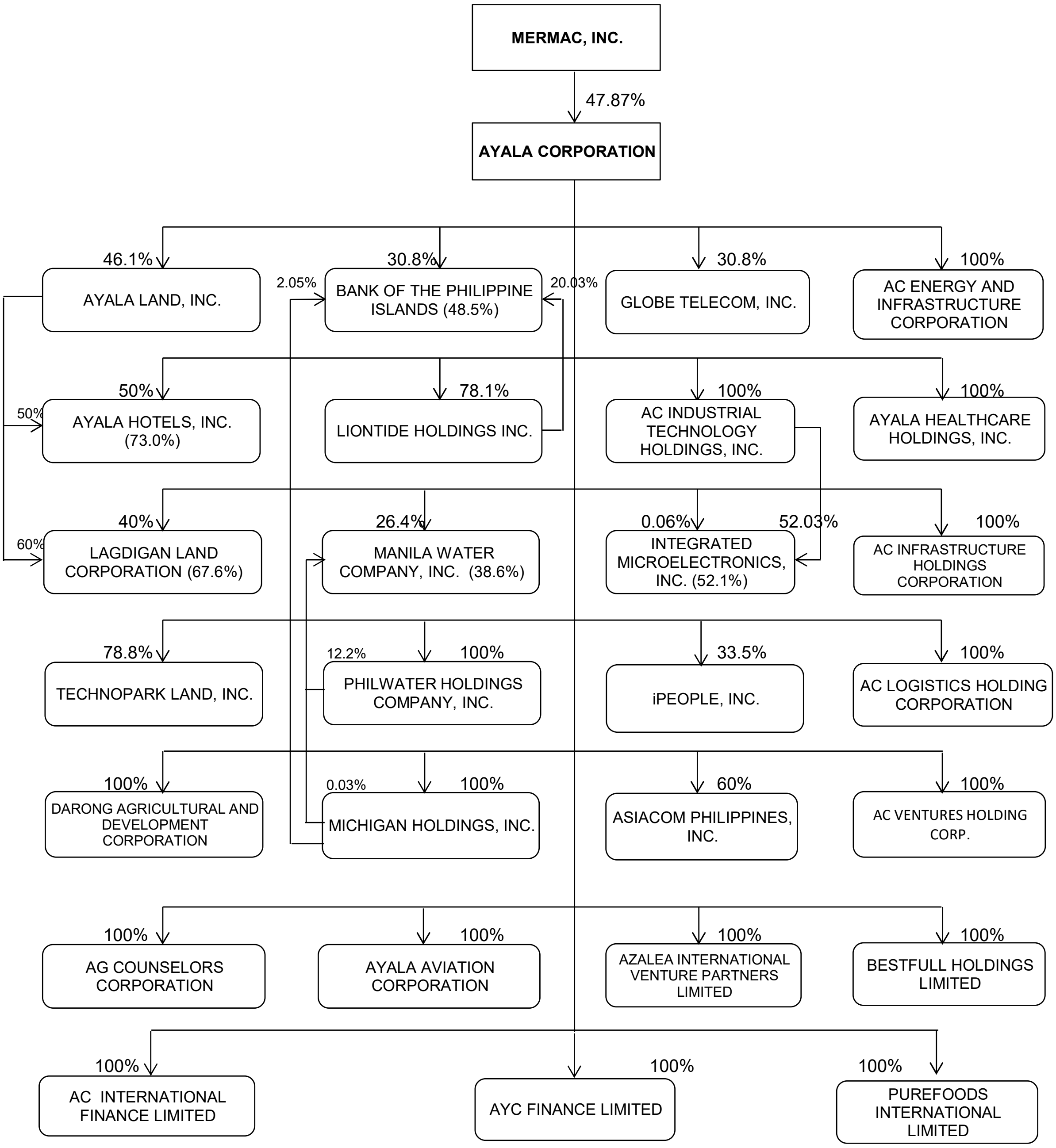
AYALA LAND, INC.
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
December 31, 2021

Items		Amount (In Thousands)
Unappropriated Retained Earnings, beginning	**Php**	**52,902,810,737**
Less adjustments:		
Treasury shares	Php	-
Deferred tax assets		(2,561,086,834)
Fair Value adjustment		(593,852,588)
Unappropriated Retained Earnings, as adjusted, beginning		**49,747,871,315**
Net Income based on the face of AFS	Php	8,933,830,352
Less: Non-actual/unrealized income net of tax		
Amount of provision for deferred tax during the year		(845,629,423)
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)		
Unrealized actuarial gain		
Fair value adjustment (M2M gains)		
Fair value adjustment of Investment Property resulting to gain adjustment due to deviation from PFRS/GAAP-gain		
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS		
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)		
Adjustment due to deviation from PFRS/GAAP – loss		
Loss on fair value adjustment of investment property (after tax)		
Net Income Actual/Realized	**Php**	**8,088,200,930**
Less: Other adjustments		
Dividend declarations during the period		(4,063,228,352)
Effects of prior period adjustments		-
Related to merger		2,423,959,747
Treasury Shares		(16,894,379,504)
		(10,445,447,180)
Unappropriated Retained Earnings, as adjusted, ending		**39,302,424,135**

AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE FINANCIAL SOUNDNESS INDICATORS
December 31, 2021

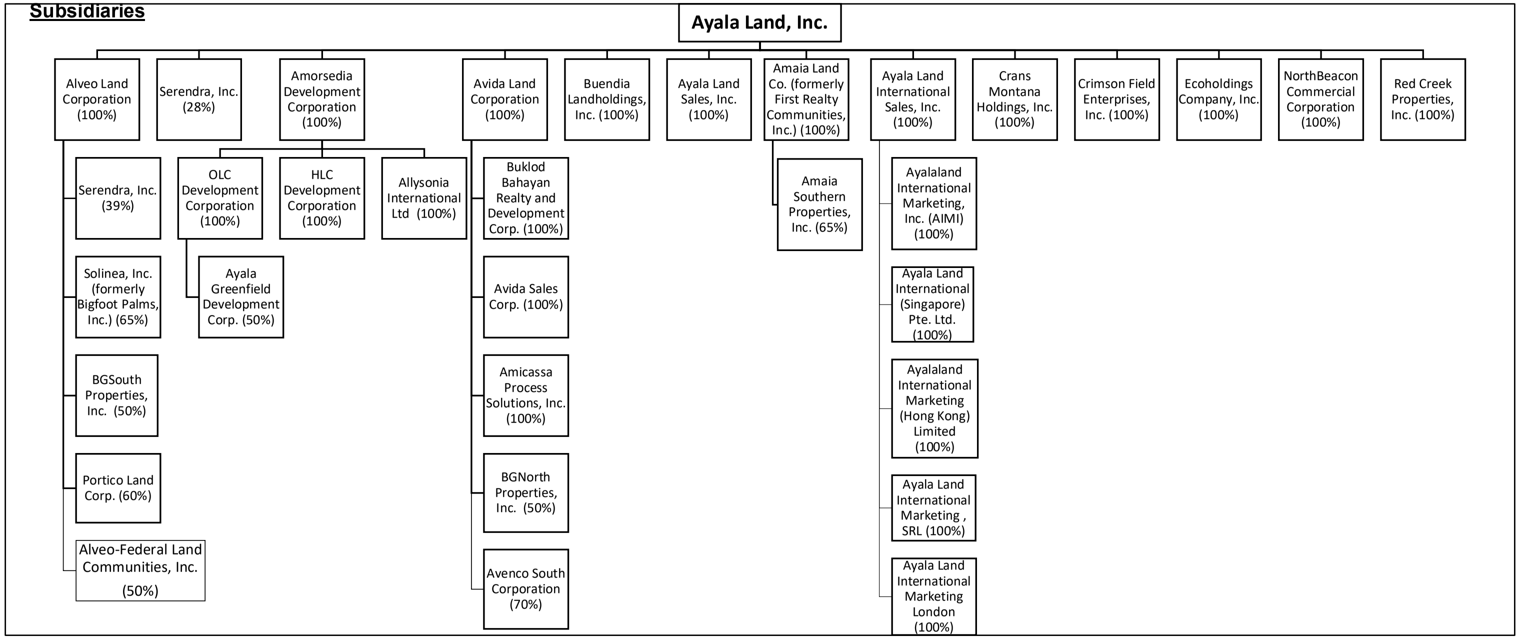
Ratio	Formula	Current Year	Prior Year
Current ratio	Current sssets / Current liabilities	1.58	1.62
Acid test ratio	Quick assets (Total current assets excluding inventory)/ Current liabilities	0.87	0.89
Solvency ratio	EBITDA / Total debt (Total debt includes short-term debt, long-term debt and current portion of long-term debt)	0.16	0.15
Debt-to-equity ratio	Total debt / Consolidated stockholders' equity	0.82	0.81
Asset-to-equity ratio	Total assets / Consolidated stockholders' equity	2.76	2.77
Interest rate coverage ratio	EBITDA / Interest expense	4.01	2.96
Return on equity	Net income attributable to equity holders of the company / Average total stockholders' equity	0.05	0.04
Return on assets	Net income after tax / Average total assets	0.02	0.02
Net profit margin	Net income attributable to equity holders of the company / Total consolidated revenue	0.12	0.09

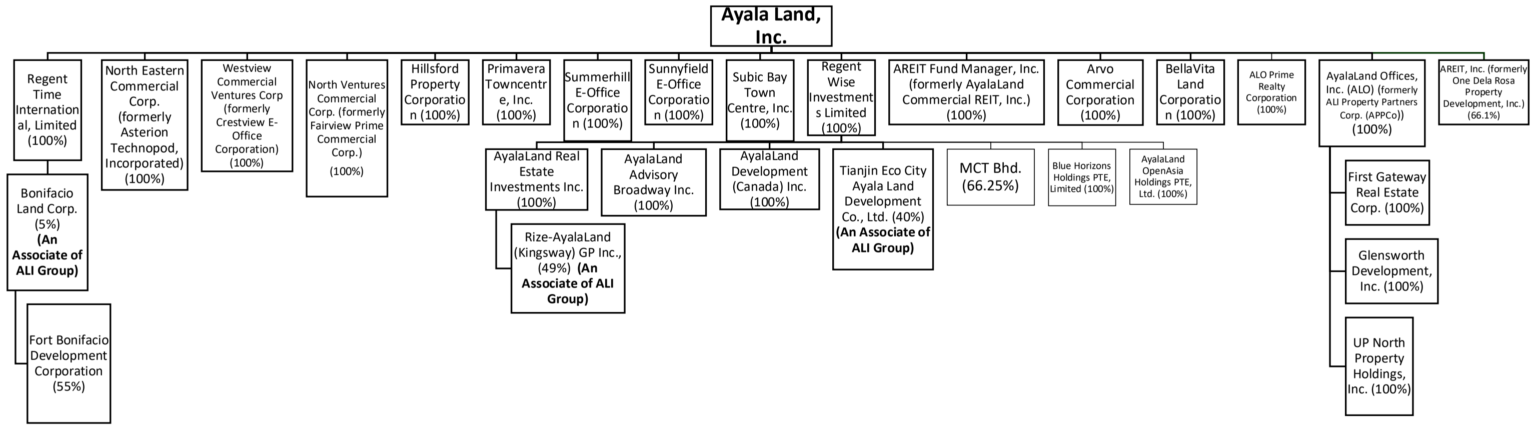
AYALA LAND, INC. AND SUBSIDIARIES
CORPORATE ORGANIZATIONAL CHART
As of December 31, 2021

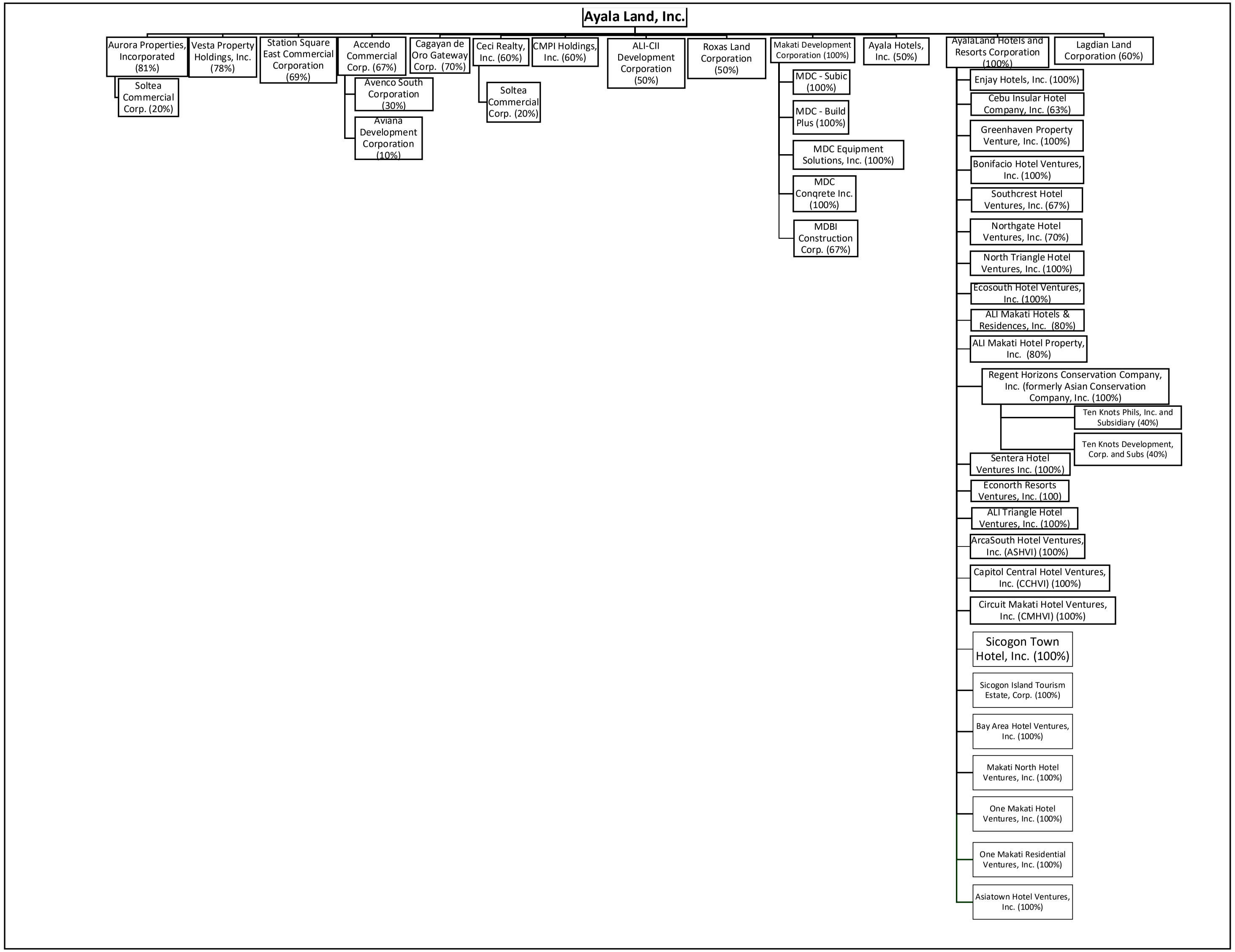


Legend:
% of ownership appearing outside the box - direct % of economic ownership
% of ownership appearing inside the box - effective % of economic ownership

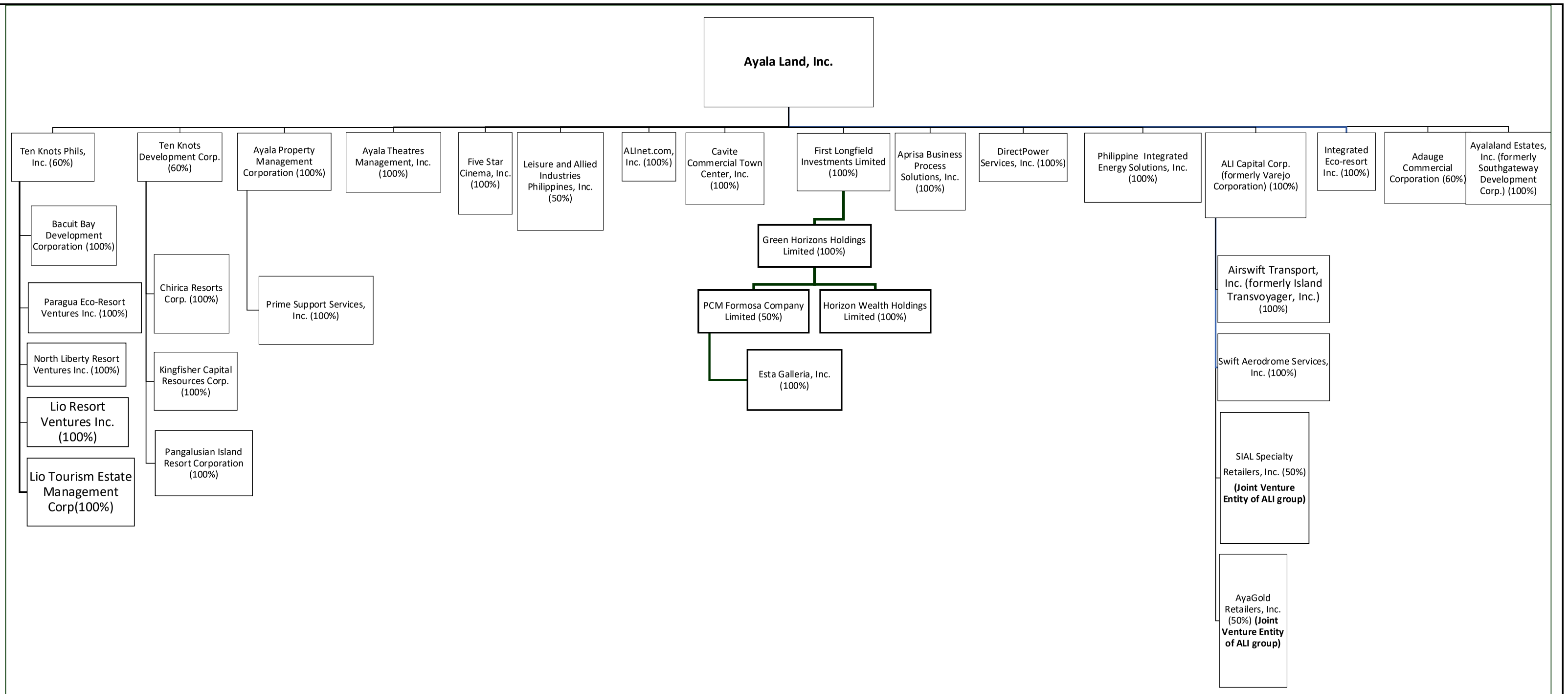
Subsidiaries

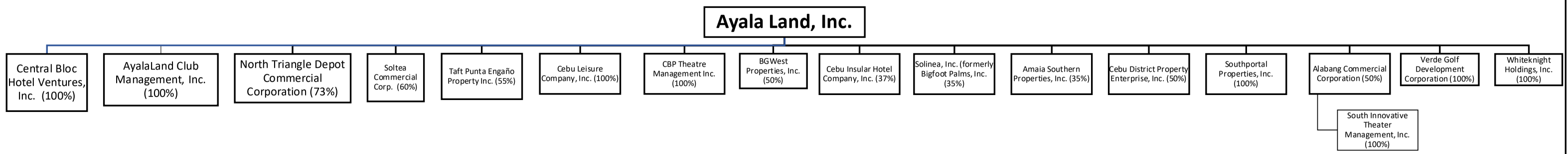



Ayala Land, Inc.
Regent Time International, Limited (100%)
Bonifacio Land Corp. (5%) (An Associate of ALI Group)
Fort Bonifacio Development Corporation (55%)
North Eastern Commercial Corp. (formerly Asterion Technopod, Incorporated) (100%)
Westview Commercial Ventures Corp (formerly Crestview E-Office Corporation) (100%)
North Ventures Commercial Corp. (formerly Fairview Prime Commercial Corp.) (100%)
Hillsford Property Corporation (100%)
Primavera Towncentre, Inc. (100%)
Summerhill E-Office Corporation (100%)
Sunnyfield E-Office Corporation (100%)
Subic Bay Town Centre, Inc. (100%)
Regent Wise Investments Limited (100%)
AyalaLand Real Estate Investments Inc. (100%)
Rize-AyalaLand (Kingsway) GP Inc., (49%) (An Associate of ALI Group)
AyalaLand Advisory Broadway Inc. (100%)
AyalaLand Development (Canada) Inc. (100%)
Tianjin Eco City Ayala Land Development Co., Ltd. (40%) (An Associate of ALI Group)
MCT Bhd. (66.25%)
Blue Horizons Holdings PTE, Limited (100%)
AyalaLand OpenAsia Holdings PTE, Ltd. (100%)
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc.) (100%)
Arvo Commercial Corporation (100%)
BellaVita Land Corporation (100%)
ALO Prime Realty Corporation (100%)
AyalaLand Offices, Inc. (ALO) (formerly ALI Property Partners Corp. (APPCo)) (100%)
First Gateway Real Estate Corp. (100%)
Glensworth Development, Inc. (100%)
UP North Property Holdings, Inc. (100%)
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.) (66.1%)

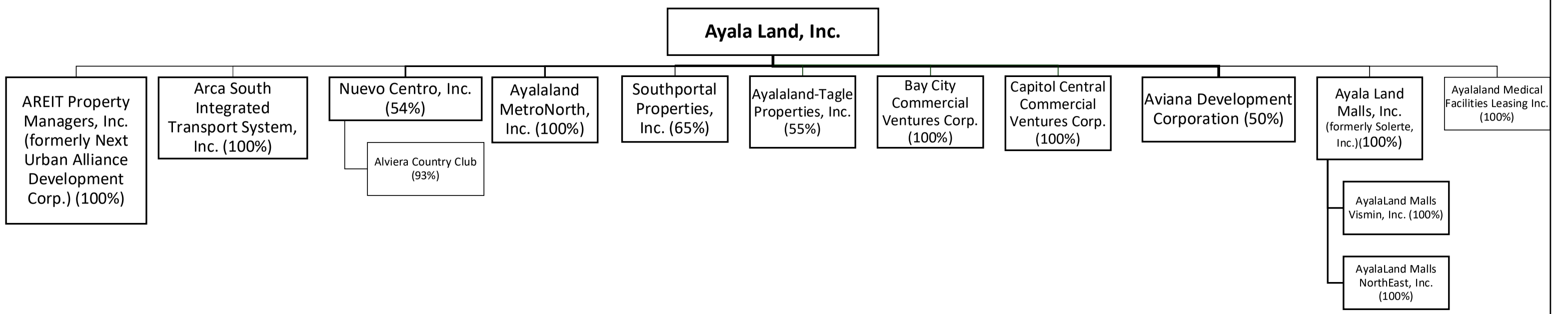


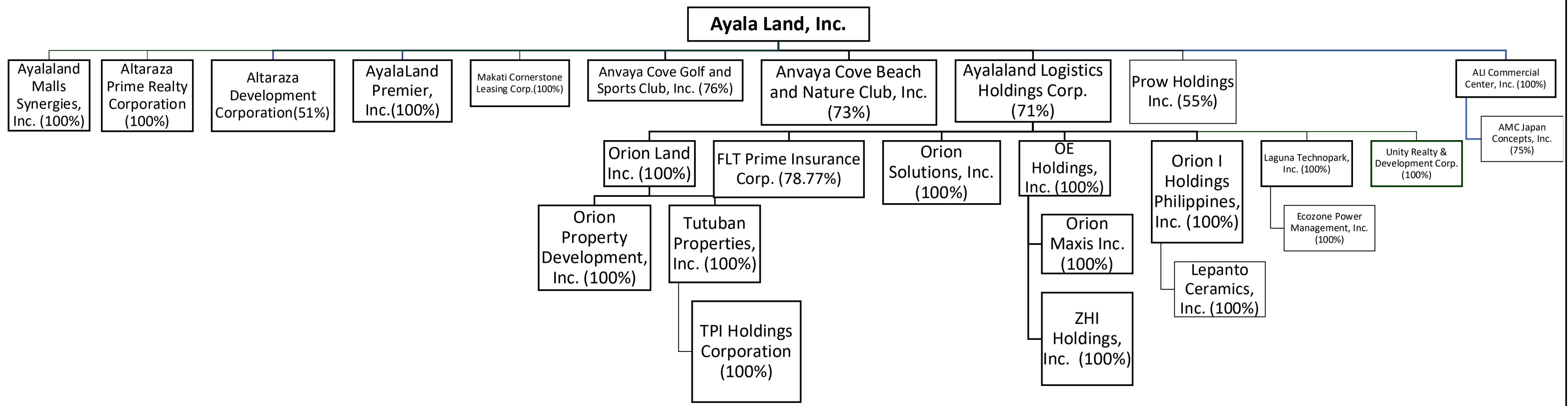
Ayala Land, Inc.
Aurora Properties, Incorporated (81%)
Soltea Commercial Corp. (20%)
Vesta Property Holdings, Inc. (78%)
Station Square East Commercial Corporation (69%)
Accendo Commercial Corp. (67%)
Avenco South Corporation (30%)
Aviana Development Corporation (10%)
Cagayan de Oro Gateway Corp. (70%)
Ceci Realty, Inc. (60%)
Soltea Commercial Corp. (20%)
CMPI Holdings, Inc. (60%)
ALI-CII Development Corporation (50%)
Roxas Land Corporation (50%)
Makati Development Corporation (100%)
MDC - Subic (100%)
MDC - Build Plus (100%)
MDC Equipment Solutions, Inc. (100%)
MDC Conqrete Inc. (100%)
MDBI Construction Corp. (67%)
Ayala Hotels, Inc. (50%)
AyalaLand Hotels and Resorts Corporation (100%)
Enjay Hotels, Inc. (100%)
Cebu Insular Hotel Company, Inc. (63%)
Greenhaven Property Venture, Inc. (100%)
Bonifacio Hotel Ventures, Inc. (100%)
Southcrest Hotel Ventures, Inc. (67%)
Northgate Hotel Ventures, Inc. (70%)
North Triangle Hotel Ventures, Inc. (100%)
Ecosouth Hotel Ventures, Inc. (100%)
ALI Makati Hotels & Residences, Inc. (80%)
ALI Makati Hotel Property, Inc. (80%)
Regent Horizons Conservation Company, Inc. (formerly Asian Conservation Company, Inc. (100%)
Ten Knots Phils, Inc. and Subsidiary (40%)
Ten Knots Development, Corp. and Subs (40%)
Sentera Hotel Ventures Inc. (100%)
Econorth Resorts Ventures, Inc. (100)
ALI Triangle Hotel Ventures, Inc. (100%)
ArcaSouth Hotel Ventures, Inc. (ASHVI) (100%)
Capitol Central Hotel Ventures, Inc. (CCHVI) (100%)
Circuit Makati Hotel Ventures, Inc. (CMHVI) (100%)
Sicogon Town Hotel, Inc. (100%)
Sicogon Island Tourism Estate, Corp. (100%)
Bay Area Hotel Ventures, Inc. (100%)
Makati North Hotel Ventures, Inc. (100%)
One Makati Hotel Ventures, Inc. (100%)
One Makati Residential Ventures, Inc. (100%)
Asiatown Hotel Ventures, Inc. (100%)
Lagdian Land Corporation (60%)


Ayala Land, Inc.
Ten Knots Phils, Inc. (60%)
Bacuit Bay Development Corporation (100%)
Paragua Eco-Resort Ventures Inc. (100%)
North Liberty Resort Ventures Inc. (100%)
Lio Resort Ventures Inc. (100%)
Lio Tourism Estate Management Corp(100%)
Ten Knots Development Corp. (60%)
Chirica Resorts Corp. (100%)
Kingfisher Capital Resources Corp. (100%)
Pangalusian Island Resort Corporation (100%)
Ayala Property Management Corporation (100%)
Prime Support Services, Inc. (100%)
Ayala Theatres Management, Inc. (100%)
Five Star Cinema, Inc. (100%)
Leisure and Allied Industries Philippines, Inc. (50%)
ALInet.com, Inc. (100%)
Cavite Commercial Town Center, Inc. (100%)
First Longfield Investments Limited (100%)
Green Horizons Holdings Limited (100%)
PCM Formosa Company Limited (50%)
Horizon Wealth Holdings Limited (100%)
Esta Galleria, Inc. (100%)
Aprisa Business Process Solutions, Inc. (100%)
DirectPower Services, Inc. (100%)
Philippine Integrated Energy Solutions, Inc. (100%)
ALI Capital Corp. (formerly Varejo Corporation) (100%)
Airswift Transport, Inc. (formerly Island Transvoyager, Inc.) (100%)
Swift Aerodrome Services, Inc. (100%)
SIAL Specialty Retailers, Inc. (50%) **(Joint Venture Entity of ALI group)**
AyaGold Retailers, Inc. (50%) **(Joint Venture Entity of ALI group)**
Integrated Eco-resort Inc. (100%)
Adauge Commercial Corporation (60%)
Ayalaland Estates, Inc. (formerly Southgateway Development Corp.) (100%)

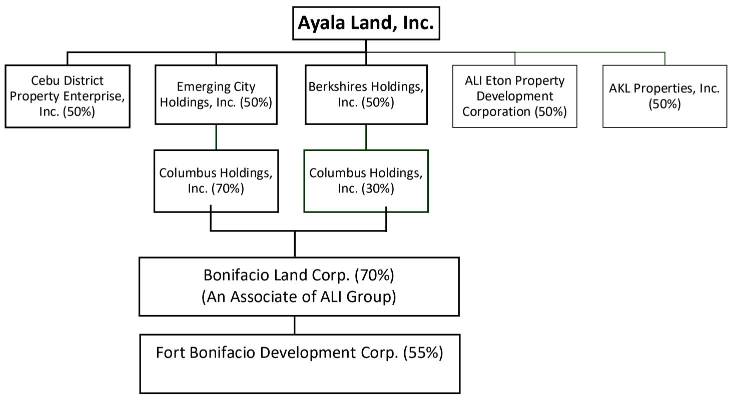


Ayala Land, Inc.
Central Bloc Hotel Ventures, Inc. (100%)
AyalaLand Club Management, Inc. (100%)
North Triangle Depot Commercial Corporation (73%)
Soltea Commercial Corp. (60%)
Taft Punta Engaño Property Inc. (55%)
Cebu Leisure Company, Inc. (100%)
CBP Theatre Management Inc. (100%)
BGWest Properties, Inc. (50%)
Cebu Insular Hotel Company, Inc. (37%)
Solinea, Inc. (formerly Bigfoot Palms, Inc. (35%)
Amaia Southern Properties, Inc. (35%)
Cebu District Property Enterprise, Inc. (50%)
Southportal Properties, Inc. (100%)
Alabang Commercial Corporation (50%)
South Innovative Theater Management, Inc. (100%)
Verde Golf Development Corporation (100%)
Whiteknight Holdings, Inc. (100%)

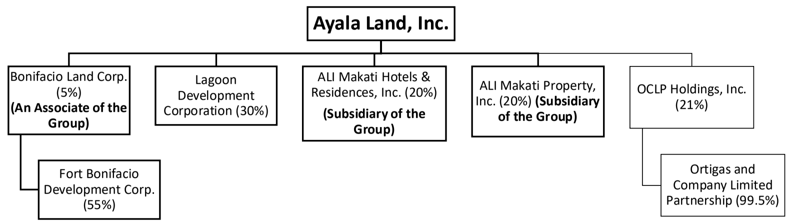

Ayala Land, Inc.
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.) (100%)
Arca South Integrated Transport System, Inc. (100%)
Nuevo Centro, Inc. (54%)
Alviera Country Club (93%)
Ayalaland MetroNorth, Inc. (100%)
Southportal Properties, Inc. (65%)
Ayalaland-Tagle Properties, Inc. (55%)
Bay City Commercial Ventures Corp. (100%)
Capitol Central Commercial Ventures Corp. (100%)
Aviana Development Corporation (50%)
Ayala Land Malls, Inc. (formerly Solerte, Inc.)(100%)
AyalaLand Malls Vismin, Inc. (100%)
AyalaLand Malls NorthEast, Inc. (100%)
Ayalaland Medical Facilities Leasing Inc. (100%)


Ayala Land, Inc.
Ayalaland Malls Synergies, Inc. (100%)
Altaraza Prime Realty Corporation (100%)
Altaraza Development Corporation(51%)
AyalaLand Premier, Inc.(100%)
Makati Cornerstone Leasing Corp.(100%)
Anvaya Cove Golf and Sports Club, Inc. (76%)
Anvaya Cove Beach and Nature Club, Inc. (73%)
Ayalaland Logistics Holdings Corp. (71%)
Prow Holdings Inc. (55%)
ALI Commercial Center, Inc. (100%)
AMC Japan Concepts, Inc. (75%)
Orion Land Inc. (100%)
FLT Prime Insurance Corp. (78.77%)
Orion Solutions, Inc. (100%)
OE Holdings, Inc. (100%)
Orion I Holdings Philippines, Inc. (100%)
Laguna Technopark, Inc. (100%)
Unity Realty & Development Corp. (100%)
Orion Property Development, Inc. (100%)
Tutuban Properties, Inc. (100%)
TPI Holdings Corporation (100%)
Orion Maxis Inc. (100%)
ZHI Holdings, Inc. (100%)
Lepanto Ceramics, Inc. (100%)
Ecozone Power Management, Inc. (100%)

Direct Investments in Joint Ventures



Direct Investments in Associates



AYALA LAND, INC. AND SUBSIDIARIES
ANNEX I – BOND PROCEEDS

P3.0 Billion Fixed Rate Bonds due 2023

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**3,000,000,000.00**	**3,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,325,625.00	1,325,625.00
Documentary Stamp Tax	22,500,000.00	22,500,000.00
Underwriting Fee	11,250,000.00	11,250,000.00
PDEX Listing Fee	100,000.00	100,000.00
Accounting	3,200,000.00	2,509,500.00
Legal	1,620,000.00	1,877,286.00
Credit Rating	1,280,000.00	1,280,000.00
Registry and Paying Agency	187,500.00	
Trusteeship	240,000.00	
Out-of-pocket expenses	1,000,000.00	177,694.00
Total Estimated Upfront Expenses	42,703,125.00	41,020,105.00
Net Proceeds	**2,957,296,875.00**	**2,958,979,895.00**

Balance of Proceeds as of 12.31.2021

AREIT, Inc. raised from the Bonds gross proceeds of P3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P2.96 billion. Net proceeds were used to partially refinance the Philippine peso-denominated 2.0% per annum ₱4.0 billion short term loan drawn from Rizal Commercial Banking Corporation, an external counterparty bank not related to any of the JLUBs and their related parties, to partially finance the acquisition of The 30th.

P3.0 Billion Fixed Rate Bonds due 2031

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	2,750,000,000.00	3,000,000,000.00
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,262,500.00	1,956,875.00
Documentary Stamp Tax	20,625,000.00	22,500,000.00
Underwriting Fee	10,312,500.00	11,250,000.00
Estimated Professional Expenses & Agency fees	7,300,000.00	5,733,151.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	334,004.00
Listing Fee	100,000.00	100,000.00
Total Expenses	40,600,000.00	41,874,030.00
Net Proceeds	**2,709,400,000.00**	**2,958,125,970.00**

Balance of Proceeds as of 12.31.2021

Ayala Land raised from the Bonds gross proceeds of P3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P2.96 billion. Net proceeds were used to refinance the short-term loan drawn to finance the early redemption of the Company's 7.0239% per annum ₱8.00 billion fixed-rate bonds due 2023 issued in 2018 on October 5, 2021 (the "7.0239% p.a. 2018 Bonds") and partially finance the Company's capital expenditures.

P10.0 Billion Fixed Rate Bonds due 2025

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**10,000,000,000.00**	**10,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525,030.00	2,525,030.00
Documentary Stamp Tax	75,000,000.00	75,000,000.00
Underwriting Fee	37,500,000.00	37,500,000.00
Estimated Professional Expenses & Agency fees	5,000,000.00	4,758,330.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	176,790.67
Listing Fee	100,000.00	100,000.00
Total Expenses	121,125,030.00	120,060,150.67
Net Proceeds	**9,878,874,970.00**	**9,879,939,849.33**

Balance of Proceeds as of 12.31.2021 **NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to refinance any short-term loans that will be drawn to finance the early redemption of the Company's 5.625% per annum ₱8.0 billion fixed-rate bonds due 2025 issued in 2014, and partially finance the Company's general corporate requirements

P6.3 Billion Fixed Rate Bonds due 2025

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**6,250,000,000.00**	**6,250,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,578,155.00	1,578,155.00
Documentary Stamp Tax	46,875,000.00	46,875,000.00
Underwriting Fee	23,437,500.00	23,437,500.00
Estimated Professional Expenses & Agency fees	5,000,000.00	5,520,092.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	274,183.33
Listing Fee	100,000.00	100,000.00
Total Expenses	77,990,655.00	77,784,930.33
Net Proceeds	**6,172,009,345.00**	**6,172,215,069.67**

Balance of Proceeds as of 12.31.2021 **NIL**

Ayala Land raised from the Bonds gross proceeds of P6.3 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.17 billion. Net proceeds were used to refinance the Company's 4.725% per annum ₱1.8 billion term loan maturity on September 29, 2020, 4.625% per annum ₱4.0 billion bond maturity on October 10, 2020 and a portion of its existing short-term loans.

P10.0 Billion Fixed Rate Bonds due 2022 **NIL**

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**10,000,000,000.00**	**10,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,093,125.00	1,578,155.00
Documentary Stamp Tax	75,000,000.00	46,875,000.00
Underwriting Fee	37,500,000.00	23,437,500.00
Estimated Professional Expenses & Agency fees	9,000,000.00	5,478,301.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	428,993.33
Listing Fee	150,000.00	100,000.00
Total Expenses	125,743,125.00	77,897,949.33
Net Proceeds	**9,874,256,875.00**	**9,922,102,050.67**

Balance of Proceeds as of 12.31.2021 **NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.92 billion. Net proceeds were used to partially finance the Company's general corporate requirements.

P9.0 Billion Fixed Rate Bonds due 2021 and P1.0 Billion Fixed Rate Bonds due 2027

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**10,000,000,000.00**	**10,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,093,125.00	3,093,125.00
Documentary Stamp Tax	75,000,000.00	75,000,000.00
Underwriting Fee	37,500,000.00	37,500,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	4,206,571.43
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	118,285.00
Listing Fee	150,000.00	253,611.12
Total Expenses	125,743,125.00	124,378,163.98
Net Proceeds	**9,874,256,875.00**	**9,875,621,836.02**

Balance of Proceeds as of 12.31.2021 **NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to partially finance various projects.

P3.0 Billion Fixed Rate Bonds due 2024 **NIL**

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**3,000,000,000.00**	**3,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	757,500.00	757,500.00
Documentary Stamp Tax	22,500,000.00	22,500,000.00
Underwriting Fee	11,250,000.00	11,025,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	3,965,234.71
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	69,300.00
Listing Fee	150,000.00	151,708.34
Total Expenses	44,657,500.00	42,433,977.76
Net Proceeds	**2,955,342,500.00**	**2,957,566,022.24**

Balance of Proceeds as of 12.31.2021 **NIL**

Ayala Land raised from the Bonds gross proceeds of P3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P2.96 billion. Net proceeds were used to partially finance various projects.

P8.0 Billion Fixed Rate Bonds due 2026 **NIL**

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**8,000,000,000.00**	**8,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588,125.00	2,588,125.00
Documentary Stamp Tax	60,000,000.00	60,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	6,066,185.05
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	338,659.20
Listing Fee	150,000.00	218,166.66
Total Expenses	106,738,125.00	99,211,135.91
Net Proceeds	**7,893,261,875.00**	**7,900,788,864.09**

Balance of Proceeds as of 12.31.2021 **NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.90 billion. Net proceeds were used to partially finance various projects.

P8.0 Billion Fixed Rate Bonds due 2023 **NIL**

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**8,000,000,000.00**	**8,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,020,000.00	2,020,000.00
Documentary Stamp Tax	60,000,000.00	60,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	4,044,234.00
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	49,875.00
Listing Fee	100,000.00	100,000.00
Total Expenses	106,120,000.00	96,214,109.00
Net Proceeds	**7,893,880,000.00**	**7,903,785,891.00**

Balance of Proceeds as of 12.31.2021 **NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.90 billion. Net proceeds were used to partially finance various projects.

P10.0 Billion Fixed Rate Bonds due 2028 **NIL**

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**10,000,000,000.00**	**10,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525,000.00	2,525,000.00
Documentary Stamp Tax	75,000,000.00	75,000,000.00
Underwriting Fee	37,500,000.00	37,500,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	4,901,842.56
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	622,938.20
Listing Fee	200,000.00	200,000.00
Total Expenses	129,225,000.00	120,749,780.76
Net Proceeds	**9,870,775,000.00**	**9,879,250,219.24**

Balance of Proceeds as of 12.31.2021 NIL

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2027

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**7,000,000,000.00**	**7,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,767,500.00	1,767,500.00
Documentary Stamp Tax	35,000,000.00	35,000,000.00
Underwriting Fee	26,250,000.00	26,250,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	3,161,187.20
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	990,430.17
Listing Fee	100,000.00	100,000.00
Total Expenses	74,617,500.00	67,269,117.37
Net Proceeds	**6,925,382,500.00**	**6,932,730,882.63**

Balance of Proceeds as of 12.31.2021 NIL

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.92 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2023 and P3.0 Billion Homestarter Bonds due 2019

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**10,000,000,000.00**	**10,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525,000.00	2,525,000.00
Documentary Stamp Tax	50,000,000.00	50,000,000.00
Underwriting Fee	44,250,000.00	26,250,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	2,960,000.00
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	201,849.33
Listing Fee	200,000.00	200,000.00
Total Expenses	110,975,000.00	82,136,849.33
Net Proceeds	**9,889,025,000.00**	**9,917,863,150.67**

Balance of Proceeds as of 12.31.2021 NIL

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.9 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2025

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**7,000,000,000.00**	**8,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,767,500.00	1,767,500.00
Documentary Stamp Tax	35,000,000.00	35,000,000.00
Underwriting Fee	26,250,000.00	26,250,000.00
Estimated Professional Expenses & Agency fees	7,500,000.00	2,301,963.00
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	248,847.18
Listing Fee	100,000.00	100,000.00
Total Expenses	73,117,500.00	65,668,310.18
Net Proceeds	**6,926,882,500.00**	**6,934,331,689.82**

Balance of Proceeds as of 12.31.2021 NIL

Ayala Land raised from the Bonds gross proceeds of P7.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.9 billion. Net proceeds were used to partially finance various projects.

P8.0 Billion Fixed Rate Bonds due 2026 **NIL**

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**8,000,000,000.00**	**8,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588,125.00	2,588,125.00
Documentary Stamp Tax	40,000,000.00	40,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
Estimated Professional Expenses & Agency fees	7,500,000.00	3,651,246.00
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	398,937.60
Listing Fee	100,000.00	100,000.00
Total Expenses	82,688,125.00	76,738,308.60
Net Proceeds	**7,917,311,875.00**	**7,923,261,691.40**

Balance of Proceeds as of 12.31.2021 **NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.9 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2022 **NIL**

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**7,000,000,000.00**	**7,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	-	-
Documentary Stamp Tax	35,000,000.00	35,000,000.00
Underwriting Fee	26,250,000.00	25,724,999.99
Estimated Professional Expenses & Agency fees	5,740,000.00	3,058,763.32
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	19,307.59
Listing Fee	100,000.00	100,000.00
Total Expenses	69,590,000.00	63,903,070.90
Net Proceeds	**6,930,410,000.00**	**6,936,096,929.10**

Balance of Proceeds as of 12.31.2021 **NIL**

Ayala Land raised from the Bonds gross proceeds of P7.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.9 billion. Net proceeds were used to partially finance various projects.

P5.0 Billion Fixed Rate Bonds due 2021

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**5,000,000,000.00**	**5,000,000,000.00**
Expenses		
Documentary Stamp Tax	25,000,000.00	25,000,000.00
SEC Registration	1,812,500.00	1,812,500.00
Legal Research Fee	18,125.00	18,125.00
Upfront Fees	-	-
Underwriting Fee	18,750,000.00	18,750,000.00
Professional Expenses and Agency Fees	3,828,500.00	4,051,801.20
Out of Pocket Expenses (publication, printing etc.)	2,500,000.00	275,128.39
Total Expenses	**52.051.125.00**	**49,907,554.59**
Net Proceeds	**4,947,978,875.00**	**4,950,092,445.41**

Balance of Proceeds as of 12.31.2021 **NIL**

Cebu Holdings, Inc. raised from the Bonds gross proceeds of P5.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P4.95 billion. Net proceeds were used to partially finance various projects.

P8 Billion Fixed Rate Callable Bonds due 2025

(in pesos)	**ESTIMATED PER PROSPECTUS**	**ACTUAL**
Issue Amount	**8,000,000,000.00**	**8,000,000,000.00**
Expenses		
Documentary Stamp Tax	40,000,000.00	40,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
SEC Registration		
SEC Registration Fee	4,312,500.00	4,312,500.00
SEC Legal Research Fee	43,125.00	43,125.00
Professional Expenses	7,748,500.00	7,178,064.00
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	126,279.00
Listing Fee	168,000.00	100,000.00
Total Expenses	**84,772,125.00**	**81,759,968.00**
Net Proceeds	**7,915,227,875.00**	**7,918,240,032.00**

Balance of Proceeds as of 12.31.2021 **NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.9 billion. Net proceeds were used to partially finance various projects.

P4.0 Billion in Fixed Rate Bonds due 2020 and P2.0 Billion Fixed Rate Bonds due 2033

(in pesos)	**ESTIMATED PER PROSPECTUS**	**ACTUAL**
Issue Amount	**6,000,000,000.00**	**6,000,000,000.00**
Expenses		
Documentary Stamp Tax	30,000,000.00	30,000,000.00
Upfront Fees		
Underwriting Fee (375 bps + GRT)	22,500,000.00	22,500,000.00
Professional Expenses	1,457,500.00	2,517,808.07
Listing Fee	100,000.00	100,000.00
Out of Pocket Expenses (publication, printing etc.)	1,000,000.00	5,530.00
Total Expenses	**55,057,500.00**	**55,123,338.07**
Net Proceeds	**5,944,942,500.00**	**5,944,876,661.93**

Balance of Proceeds as of 12.31.2021 **NIL**

Ayala Land raised from the Bonds gross proceeds of P6.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P5.9 billion. Net proceeds were used to partially finance various projects.

P15.0 Billion Fixed Rate Bonds due 2024

(in pesos)	**ESTIMATED PER PROSPECTUS**	**ACTUAL**
Issue Amount	**15,000,000,000.00**	**15,000,000,000.00**
Expenses		
Documentary Stamp Tax	75,000,000.00	75,000,000.00
SEC Registration	5,812,500.00	5,812,500.00
Legal Research Fee	58,125.00	58,125.00
Upfront Fees		
Underwriting Fee	56,250,000.00	56,250,000.00
Professional Expenses	7,336,000.00	401,082.05
Trustee	20,000.00	20,000.00
Registry Account Opening Fee	150,000.00	150,000.00
Listing Fee	100,000.00	100,000.00
Out of Pocket Expenses (publication, printing etc.)	2,500,000.00	97,807.91
Total Expenses	**147,226,625.00**	**137,889,514.96**
Net Proceeds	**14,852,773,375.00**	**14,862,110,485.04**

Balance of Proceeds as of 12.31.2021 **NIL**

Ayala Land raised from the Bonds gross proceeds of P15.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P14.9 billion. Net proceeds were used to partially finance various projects.

AyalaLand

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Ayala Land, Inc. (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein for the years ended December 31, 2020, 2019 and 2018, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company and its subsidiaries in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

FERNANDO ZOBEL DE AYALA
Chairman, Board of Directors

BERNARD VINCENT O. DY
President & Chief Executive Officer

AUGUSTO D. BENGZON
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this FEB 23 2021 at Makati City, affiants exhibiting to me their respective Passports, to wit:

Name	Competent Evidence of Identity	Date & Place of Issue
Fernando Zobel de Ayala	Passport No. P0349883B	January 22, 2019 – DFA Manila
Bernard Vincent O. Dy	Driver's License No. N2008-00[illegible]	June 27, 2018 – LTO, Philippines
Augusto D. Bengzon	Passport No. P43235[illegible]B	January 8, 2020 – ~~DFA NCR~~ East

ROBERTO T. ONGSIAKO
NOTARY PUBLIC
ROLL NO. 37041
MAKATI CITY, PHILIPPINES

ROBERTO T. ONGSIAKO
Notary Public – Makati City
Appt. No. M-155 until December 31, 2020
Extended until June 30, 2021
Roll of Attorneys No. 37041
Lifetime IBP No. 02163 – RSM Chapter
PTR No. 8533973ME – 01/04/2021 - Makati City
MCLE Compliance No. VII – 0000267 – 07/30/2019
4th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

Doc. No. 4 ;
Page No. 2 ;
Book No. XXXIV ;
Series of 2021.

Notarial DST pursuant to Section 188 of the Tax Code affixed in Notary Public's copy

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	5	2	7	4	7					

C O M P A N Y   N A M E

AYALA LAND, INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS		

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
iru@ayalaland.com.ph	7 908-3677	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
11,862	04/22	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ma. Luisa D. Chiong	chiong.malou@ayalaland.com.ph	7 908-3681	

CONTACT PERSON's ADDRESS

30th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

Opinion

We have audited the accompanying consolidated financial statements of Ayala Land, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2020 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) application of the output method as the measure of progress in determining real estate revenue; (3) determination of the actual costs incurred as cost of sales; and (4) recognition of cost to obtain a contract.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as past history with buyers, age of residential and office development receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, after considering the impact of coronavirus pandemic, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's specialists (project engineers). This is based on the monthly project accomplishment report prepared by the third party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the Group itself.

In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Group identifies sales commission after contract inception as the cost of obtaining the contract. For contracts which qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain contract and recognizes the related commission payable. The Group uses percentage of completion (POC) method in amortizing sales commission consistent with the Group's revenue recognition policy.

The disclosures related to real estate revenue are included in Notes 2 and 3 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's revenue recognition process.

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We also considered the impact of the coronavirus pandemic to the level of cancellations during the year. We traced the analysis to supporting documents such as deed of cancellations.

For the application of the output method, in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC, and performed tests of the relevant controls. We obtained the certified POC reports prepared by the project engineers and assessed their competence and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries, including inquiries on how the coronavirus pandemic affected the POC during the period and obtained the supporting details of POC reports showing the completion of the major activities of project construction.

For the cost of sales, we obtained an understanding of the Group's cost accumulation process and performed tests of the relevant controls. For selected projects, we traced costs accumulated, including those incurred but not yet billed costs, to supporting documents such as invoices and accomplishment reports from the contractors and official receipts.

For the recognition of cost to obtain a contract, we obtained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating the sales commission capitalized and the portion recognized in profit or loss, particularly: (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (i.e., net contract price) against the related contract to sell, and, (c) the POC against the POC used in recognizing the related revenue from real estate sales.

Accounting for Lease Concessions

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of Covid-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions. The Group assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver. The Group accounted for the lease concessions in the form of negative variable rent which the Group recorded when the concession is granted regardless of the period to which the concession pertains. The Group's accounting for lease concession under PFRS 16 is significant to our audit because there were numerous lease concessions granted to lessees during the period; the recorded amounts are material to the consolidated financial statements; and accounting for lease concession involves the application of significant judgment in determining whether or not the lease concession is a lease modification.

The disclosures related to the lease concession granted by the Group are included in Notes 3 and 33 to the consolidated financial statements.

Audit Response

We determined the population of lease contracts and obtained an understanding of the type, extent and periods covered under the various lease concessions granted by the Group to the lessees during the year.

On a sample basis, we tested the population of lease agreements covered by the lease concessions by comparing the lease contracts under the operations report against lease contract database which include contract number, contract name, contract type and rental rate, among others.

On a test basis, we obtained and inspected the communications of the Group to the lessees and traced the relevant information to the schedule of calculation of the amounts of lease concession. On a sample basis, we test computed the amounts of lease concessions. We obtained management's assessment supporting the conclusion that the lease concessions granted by the Group to the lessees do not qualify as lease modifications. We reviewed the legal opinion issued by the Group's external legal counsel to support the Group's assessment and conclusion about the waiver of its right to collect rent and other charges from lessees. We involved our internal specialist in evaluating the legal basis supporting management assessment. We also reviewed the disclosures relating to the lease concessions.

Impairment Testing of Property and Equipment and Right-of-Use Assets of Hotels and Resorts Segment

In view of the continuing community quarantines and restricted travel, the Group's hotels and resorts segment continues to be adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported for this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment. These events and conditions are impairment indicators requiring the assessment of the recoverable amount of the property and equipment and right-of-use assets, which involves significant judgment, estimation and assumptions about occupancy rates, average room rates, gross margin, as well as external inputs such as discount rates. In addition, because of the coronavirus pandemic, there is the heightened level of uncertainty on the future economic outlook and market forecast. Accordingly, such impairment assessment and testing is a key audit matter in our audit.

The disclosures in relation to property and equipment and right-of-use assets are included in Note 3 to the consolidated financial statements.

Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used in estimating the recoverable amount. These assumptions include occupancy rates, average room rates, gross margin as well as external inputs such as discount rate. We compared the key assumptions used such as occupancy rates, average room rates and gross margin against industry forecasts and with historical information, adjusted to take into consideration the impact associated with the coronavirus pandemic. We tested the discount rate by comparing against market data. We also reviewed the Group's disclosures about these assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of property and equipment and right-of-use assets.

Consolidation Process

The consolidated financial statements of the Group represents the consolidation of the financial statements of Ayala Land, Inc. and its various direct and indirect subsidiaries. We consider the Group's consolidation process as a key audit matter because of the complexity arising from the numerous component entities within the Group requiring layers of consolidation, voluminous intercompany transactions within the Group that require elimination, monitoring of fair value adjustments arising from business combinations, and adjustments to non-controlling interests. Note 1 to the consolidated financial statements provides the relevant information on the Group's subsidiaries.

Audit Response

We obtained an understanding of the Group's consolidation process and the Group's process for identifying related parties and related party transactions and the reconciliation of intercompany balances. We tested significant consolidation adjustments, including elimination, deferral and realization of profit or recoveries from intercompany transactions and balances, amortization/depreciation/reversal of fair value adjustments arising from business combinations, the currency translation adjustments, movements in non-controlling interests and other equity adjustments. We evaluated whether the accounting policies of the Group has been consistently applied.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael C. Sabado.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
SEC Accreditation No. 0664-AR-4 (Group A),
November 11, 2019, valid until November 10, 2022
Tax Identification No. 160-302-865
BIR Accreditation No. 08-001998-073-2020,
December 3, 2020, valid until December 2, 2023
PTR No. 8534357, January 4, 2021, Makati City

February 23, 2021

AYALA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	December 31	
	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 29)	**₱17,037,347**	₱20,413,041
Short-term investments (Notes 5 and 29)	**358,120**	617,149
Financial assets at fair value through profit or loss (Notes 6 and 29)	**965,171**	485,436
Accounts and notes receivable (Notes 7 and 29)	**101,145,909**	105,039,306
Inventories (Note 8)	**146,743,592**	120,287,686
Other current assets (Note 9)	**58,020,962**	48,591,632
Total Current Assets	**324,271,101**	295,434,250
Noncurrent Assets		
Noncurrent accounts and notes receivable (Notes 7 and 29)	**46,021,255**	45,563,869
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 10 and 29)	**1,511,443**	1,529,179
Investments in associates and joint ventures (Note 11)	**26,601,254**	25,317,581
Right-of-use assets (Note 33)	**13,008,175**	13,564,472
Investment properties (Note 12)	**222,684,850**	243,043,448
Property and equipment (Note 13)	**43,446,968**	43,062,357
Deferred tax assets - net (Note 23)	**12,121,515**	11,527,645
Other noncurrent assets (Notes 14 and 26)	**31,827,813**	34,880,477
Total Noncurrent Assets	**397,223,273**	418,489,028
	₱721,494,374	₱713,923,278
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt (Notes 16 and 29)	**₱9,131,325**	₱18,032,830
Accounts and other payables (Notes 15 and 29)	**144,625,922**	162,979,169
Income tax payable	**1,455,612**	2,123,379
Current portion of lease liabilities (Note 33)	**466,801**	724,859
Current portion of long-term debt (Notes 16 and 29)	**18,732,401**	17,250,706
Deposits and other current liabilities (Note 17)	**25,317,246**	25,472,581
Total Current Liabilities	**199,729,307**	226,583,524
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 16 and 29)	**184,087,192**	175,813,345
Pension liabilities (Note 26)	**3,020,797**	1,987,605
Lease liabilities - net of current portion (Note 33)	**17,289,042**	16,738,846
Deferred tax liabilities - net (Note 23)	**7,148,534**	6,090,754
Deposits and other noncurrent liabilities (Notes 18 and 29)	**50,040,170**	44,003,636
Total Noncurrent Liabilities	**261,585,735**	244,634,186
Total Liabilities	**461,315,042**	471,217,710

(Forward)

	December 31	
	2020	2019
Equity (Note 19)		
Equity attributable to equity holders of Ayala Land, Inc.		
Paid-in capital	**₱62,953,585**	₱62,772,446
Retained earnings	**161,660,724**	156,940,236
Stock options outstanding (Note 28)	**–**	42,279
Remeasurement loss on defined benefit plans (Note 26)	**(818,101)**	(337,210)
Fair value reserve of financial assets at FVOCI (Note 10)	**(748,220)**	(457,358)
Cumulative translation adjustments	**167,395**	250,440
Equity reserves (Note 1)	**585,256**	(7,056,459)
Treasury stock	**(1,260,780)**	(1,104,353)
	222,539,859	211,050,021
Non-controlling interests (Note 19)	**37,639,473**	31,655,547
Total Equity	**260,179,332**	242,705,568
	₱721,494,374	₱713,923,278

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Earnings Per Share Figures)

	Years Ended December 31		
	2020	2019	2018
REVENUE (Note 20)			
Real estate sales (Notes 20 and 30)	**₱85,965,453**	₱157,848,573	₱155,954,816
Interest income from real estate sales (Notes 7 and 20)	**8,602,775**	7,890,972	7,042,078
Equity in net earnings of associates and joint ventures (Notes 11 and 20)	**586,502**	965,787	749,924
	95,154,730	166,705,332	163,746,818
Interest and investment income (Notes 6, 21 and 25)	**394,701**	930,445	958,236
Other income (Notes 21 and 24)	**723,268**	1,157,935	1,540,717
	1,117,969	2,088,380	2,498,953
	96,272,699	168,793,712	166,245,771
COSTS AND EXPENSES			
Cost of real estate sales (Note 22)	**56,673,184**	94,751,939	101,079,130
General and administrative expenses (Notes 22, 26 and 28)	**8,011,813**	9,367,359	9,101,328
Interest and other financing charges (Note 22)	**12,745,720**	12,199,758	9,594,003
Other expenses (Note 22)	**3,788,771**	1,644,982	1,270,281
	81,219,488	117,964,038	121,044,742
INCOME BEFORE INCOME TAX	**15,053,211**	50,829,674	45,201,029
PROVISION FOR INCOME TAX (Note 23)			
Current	**4,687,956**	12,455,010	13,390,637
Deferred	**(628,983)**	859,633	(1,406,197)
	4,058,973	13,314,643	11,984,440
NET INCOME	**₱10,994,238**	₱37,515,031	₱33,216,589
Net income attributable to:			
Equity holders of Ayala Land, Inc. (Note 27)	**₱8,727,155**	₱33,188,399	₱29,240,880
Non-controlling interests	**2,267,083**	4,326,632	3,975,709
	₱10,994,238	₱37,515,031	₱33,216,589
Earnings Per Share (Note 27)			
Net income attributable to equity holders of Ayala Land, Inc.:			
Basic and diluted	**₱0.59**	₱2.25	₱1.98

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Years Ended December 31		
	2020	2019	2018
NET INCOME	**₱10,994,238**	₱37,515,031	₱33,216,589
Other comprehensive income (loss)			
Item that may be reclassified to profit or loss in subsequent years:			
Cumulative translation adjustment	**(237,531)**	(617,831)	451,195
Items that will not be reclassified to profit or loss in subsequent years:			
Fair value reserve of financial assets at FVOCI (Note 10)	**(426,088)**	(3,220)	71,938
Remeasurement gain on pension liabilities (Note 26)	**(686,987)**	(167,754)	(85,381)
Income tax effect	**206,096**	50,326	25,614
	(1,144,510)	(738,479)	463,366
TOTAL COMPREHENSIVE INCOME	**₱9,849,728**	₱36,776,552	₱33,679,955
Total comprehensive income attributable to:			
Equity holders of of Ayala Land, Inc.	**₱7,872,357**	₱32,449,920	₱29,701,637
Non-controlling interests	**1,977,371**	4,326,632	3,978,318
	₱9,849,728	₱36,776,552	₱33,679,955

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Attributable to equity holders of Ayala Land, Inc.													
	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscriptions Receivable	Appropriated Retained Earnings (Note 19)	Unappropriated Retained Earnings (Note 19)	Stock Options Outstanding	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 26)	Fair value reserve of financial assets at FVOCI (Note 10)	Cumulative Translation Adjustments (Note 19)	Equity Reserves (Note 19)	Treasury Stocks (Note 19)	Total	Non-Controlling Interests	Total Equity
As of January 1, 2020	**₱16,051,984**	**₱48,598,641**	**(₱1,878,179)**	**₱8,000,000**	**₱148,940,236**	**₱42,279**	**(₱337,210)**	**(₱457,358)**	**₱250,440**	**(₱7,056,459)**	**(₱1,104,353)**	**₱211,050,021**	**₱31,655,547**	**₱242,705,568**
Net income	–	–	–	–	8,727,155	–	–	–	–	–	–	8,727,155	2,267,083	10,994,238
Other comprehensive loss	–	–	–	–	–	–	(480,891)	(290,862)	(83,045)	–	–	(854,798)	(289,712)	(1,144,510)
Total comprehensive income	–	–	–	–	8,727,155	–	(480,891)	(290,862)	(83,045)	–	–	7,872,357	1,977,371	9,849,728
Cost of stock options	–	154,199	–	–	–	(42,279)	–	–	–	–	–	111,920	–	111,920
Collection of subscription receivable	–	–	26,940	–	–	–	–	–	–	–	–	26,940	–	26,940
Stock options exercised	14,845	396,672	(411,517)	–	–	–	–	–	–	–	–	–	–	–
Acquisition of treasury shares	–	–	–	–	–	–	–	–	–	–	(156,427)	(156,427)	–	(156,427)
Disposal of non-controlling interest	–	–	–	–	–	–	–	–	–	7,641,715	–	7,641,715	–	7,641,715
Increase in non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	4,937,740	4,937,740
Cash dividends declared	–	–	–	–	(4,006,667)	–	–	–	–	–	–	(4,006,667)	(931,185)	(4,937,852)
As of December 31, 2020	**₱16,066,829**	**₱49,149,512**	**(₱2,262,756)**	**₱8,000,000**	**₱153,660,724**	**₱–**	**(₱818,101)**	**(₱748,220)**	**₱167,395**	**₱585,256**	**(₱1,260,780)**	**₱222,539,859**	**₱37,639,473**	**₱260,179,332**
As of January 1, 2019, as previously reported	₱16,041,530	₱47,985,990	(₱1,676,556)	₱8,000,000	₱124,090,020	₱65,462	(₱219,782)	(₱454,138)	₱868,271	(₱7,400,945)	₱–	₱187,299,852	₱32,921,345	₱220,221,197
Effect of adoption of PFRS 16, *Leases*	–	–	–	–	(616,823)	–	–	–	–	–	–	(616,683)	(299,348)	(916,031)
Balances at January 1, 2019, as restated	16,041,530	47,985,990	(1,676,556)	8,000,000	123,473,337	65,462	(219,782)	(454,138)	868,271	(7,400,945)	–	186,683,169	32,621,997	219,305,166
Net income	–	–	–	–	33,188,399	–	–	–	–	–	–	33,188,399	4,326,632	37,515,031
Other comprehensive loss	–	–	–	–	–	–	(117,428)	(3,220)	(617,831)	–	–	(738,479)	–	(738,479)
Total comprehensive income	–	–	–	–	33,188,399	–	(117,428)	(3,220)	(617,831)	–	–	32,449,920	4,326,632	36,776,552
Cost of stock options	–	166,039	–	–	–	(23,183)	–	–	–	–	–	142,856	–	142,856
Collection of subscription receivable	–	–	255,443	–	–	–	–	–	–	–	–	255,443	–	255,443
Stock options exercised	10,454	446,612	(457,066)	–	–	–	–	–	–	–	–	–	–	–
Acquisition of treasury shares	–	–	–	–	–	–	–	–	–	–	(1,104,353)	(1,104,353)	–	(1,104,353)
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	–	344,486	–	344,486	(3,991,324)	(3,646,838)
Cash dividends declared	–	–	–	–	(7,721,500)	–	–	–	–	–	–	(7,721,500)	(1,301,758)	(9,023,258)
As of December 31, 2019	₱16,051,984	₱48,598,641	(₱1,878,179)	₱8,000,000	₱148,940,236	₱42,279	(₱337,210)	(₱457,358)	₱250,440	(₱7,056,459)	(₱1,104,353)	₱211,050,021	₱31,655,547	₱242,705,568

	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscriptions Receivable	Appropriated Retained Earnings (Note 19)	Unappropriated Retained Earnings (Note 19)	Stock Options Outstanding	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 26)	Fair value reserve of financial assets at FVOCI (Note 10)	Cumulative Translation Adjustments (Note 19)	Equity Reserves (Note 19)	Treasury Stocks (Note 19)	Total	Non-Controlling Interests	Total Equity
	Attributable to equity holders of Ayala Land, Inc.													
As of January 1, 2018, as previously reported	₱16,031,596	₱47,454,241	(₱1,537,126)	₱8,000,000	₱101,976,450	₱99,064	(₱160,015)	₱40,530	₱1,001,986	(₱6,152,115)	₱–	₱166,754,611	₱25,508,747	₱192,263,358
Effect of adoption of new accounting standards	–	–	–	–	358,605	–	–	(563,997)	–	–	–	(205,392)	205,392	–
Balances at January 1, 2018, as restated	16,031,596	47,454,241	(1,537,126)	8,000,000	102,335,055	99,064	(160,015)	(523,467)	1,001,986	(6,152,115)	–	166,549,219	25,714,139	192,263,358
Net income	–	–	–	–	29,240,880	–	–	–	–	–	–	29,240,880	3,975,709	33,216,589
Other comprehensive income (loss)	–	–	–	–	–	–	(59,767)	69,329	451,195	–	–	460,757	2,609	463,366
Total comprehensive income	–	–	–	–	29,240,880	–	(59,767)	69,329	451,195	–	–	29,701,637	3,978,318	33,679,955
Cost of stock options	–	132,121	–	–	–	(33,602)	–	–	–	–	–	98,519	–	98,519
Collection of subscription receivable	–	–	270,132	–	–	–	–	–	–	–	–	270,132	–	270,132
Stock options exercised	9,934	399,628	(409,562)	–	–	–	–	–	–	–	–	–	–	–
Acquisition of control on previously held interest	–	–	–	–	–	–	–	–	(584,910)	–	–	(584,910)	4,773,524	4,188,614
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	–	(1,248,830)	–	(1,248,830)	(509,596)	(1,758,426)
Cash dividends declared	–	–	–	–	(7,485,915)	–	–	–	–	–	–	(7,485,915)	(1,035,040)	(8,520,955)
As of December 31, 2018	₱16,041,530	₱47,985,990	(₱1,676,556)	₱8,000,000	₱124,090,020	₱65,462	(₱219,782)	(₱454,138)	₱868,271	(₱7,400,945)	₱–	₱187,299,852	₱32,921,345	₱220,221,197

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱15,053,211**	₱50,829,674	₱45,201,029
Adjustments for:			
Interest and other financing charges (Note 22)	**12,745,720**	12,199,758	9,594,003
Depreciation and amortization (Notes 12, 13, 14, 22 and 33)	**9,572,572**	9,058,710	6,318,929
Dividends received from investees (Note 11)	**758,714**	386,241	331,461
Provision for impairment losses (Note 22)	**977,849**	568,775	146,974
Cost of share-based payments (Note 28)	**111,920**	142,856	98,519
Unrealized (gain) loss on financial assets at fair value through profit or loss (Note 6)	**40,116**	1,965	(4,633)
Gain on sale of property and equipment (Note 21)	**(23,265)**	(40,870)	(46,570)
Equity in net earnings of associates and joint ventures (Note 11)	**(586,502)**	(965,787)	(749,924)
Gain on sale of investment in associates and jointly controlled entities	**–**	–	(588)
Gain on business combination (Note 21)	**–**	–	(59,475)
Interest income	**(8,971,289)**	(8,780,320)	(7,952,628)
Operating income before changes in working capital	**29,679,046**	63,401,002	52,877,097
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts and notes receivable – trade	**683,154**	14,849,682	(83,557,042)
Inventories (Note 8)	**(10,253,170)**	(5,315,783)	12,136,508
Other current assets (Note 9)	**(8,477,188)**	(4,520,502)	3,629,678
Increase (decrease) in:			
Accounts and other payables	**(16,164,090)**	(15,725,408)	25,998,377
Deposits and other current liabilities (Note 17)	**(155,341)**	(3,071,965)	15,430,961
Pension liabilities (Note 26)	**346,206**	319,979	(45,240)
Cash generated from operations	**(4,341,383)**	49,937,005	26,470,339
Interest received	**8,925,394**	8,768,302	7,940,610
Income tax paid	**(5,355,723)**	(11,683,232)	(12,832,593)
Interest paid	**(11,735,785)**	(11,009,836)	(9,810,439)
Net cash provided by (used in) operating activities	**(12,507,497)**	36,012,239	11,767,917
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Sale/redemption of short-term investments	**397,875**	2,490,543	2,519,341
Sale/redemption of financial assets at FVTPL	**1,917,237**	765,763	71,690
Sale of investments in FVOCI (Note 10)	**21,112**	56,858	51,384
Disposal of property and equipment (Note 13)	**161,997**	124,832	3,744,743
Disposal of investment properties (Note 12)	**2,203,774**	3,669,275	1,722,933
Disposal of investments in associates and jointly controlled entities	**326,602**	–	83,957

(Forward)

	Years Ended December 31		
	2020	2019	2018
Additions to:			
Short-term investments	**(₱138,846)**	(₱22,293)	(₱865,006)
Financial assets at fair value through profit or loss	**(2,437,088)**	(776,919)	(2,696)
Financial assets at FVOCI (Note 10)	**(98,951)**	(93,463)	–
Investments in associates and joint ventures (Note 11)	**(1,837,901)**	(1,529,688)	(3,724,958)
Investment properties (Note 12)	**(5,544,790)**	(29,215,224)	(32,803,016)
Property and equipment (Note 13)	**(3,098,436)**	(10,519,576)	(2,842,787)
Net decrease (increase) in:			
Accounts and notes receivable - nontrade (Note 7)	**2,046,114**	(564,222)	41,657,193
Other noncurrent assets (Note 14)	**2,865,904**	(6,957,950)	(7,906,689)
Net decrease in cash from business combination (Note 24)	**–**	–	(4,684,335)
Net cash used in investing activities	**(3,215,397)**	(42,572,063)	(2,978,246)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short and long-term debt (Note 16)	**226,900,910**	165,401,684	128,994,834
Payments of short and long-term debt (Note 16)	**(225,720,204)**	(140,675,538)	(119,970,061)
Payments of principal portion of lease liability (Note 33)	**(1,334,674)**	(1,179,645)	–
Increase (decrease) in deposits and other noncurrent liabilities	**5,706,022**	(6,241,773)	(5,584,237)
Acquisition of non-controlling interest (Note 19)	**–**	(3,646,838)	(1,758,426)
Increase in non-controlling interests	**235,994**	–	–
Proceeds from IPO sponsorship (Note 19)	**12,343,461**	–	–
Proceeds from capital stock subscriptions (Note 19)	**26,940**	255,443	270,132
Acquisition of treasury shares (Note 19)	**(156,427)**	(1,104,353)	–
Dividends paid to non-controlling interests	**(931,185)**	(1,301,758)	(1,035,040)
Dividends paid to equity holders of Ayala Land, Inc. (Note 19)	**(4,397,061)**	(7,754,047)	(7,181,498)
Net cash provided by (used in) financing activities	**12,673,776**	3,753,175	(6,264,296)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(3,049,118)**	(2,806,649)	2,525,375
EFFECT OF CHANGES IN FOREIGN CURRENCY	**(326,576)**	(776,880)	473,106
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**20,413,041**	23,996,570	20,998,089
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱17,037,347**	₱20,413,041	₱23,996,570

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

Ayala Land, Inc. (the Parent Company or ALI) is domiciled and was incorporated on June 30, 1988 in the Republic of the Philippines with corporate life of fifty years. The Parent Company's parent is Ayala Corporation (AC). AC is a publicly listed company which is 47.28%-owned by Mermac, Inc. and the rest by the public as of December 31, 2020. The Parent Company's registered office and principal place of business is 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The Parent Company and its Subsidiaries (the Group) are incorporated to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of, for itself or for others, residential including, but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of real property; to acquire, purchase, hold, manage, develop and sell subdivision lots, with or without buildings or improvements; to erect, construct, alter, manage, operate, lease, in whole or in part, buildings and tenements of the Group or of other persons; and to engage or act as real estate broker. The Group is also involved in hotels and resorts operations.

The consolidated financial statements of Ayala Land, Inc. and Subsidiaries as of December 31, 2020 and 2019, and for each of the three years in the period ended December 31, 2020 were endorsed for approval by the Audit Committee on February 16, 2021 and were approved and authorized for issue by the Board of Directors (BOD) on February 23, 2021.

The consolidated financial statements represent the consolidation of the financial statements of the Parent Company and the following domestic and foreign subsidiaries:

	December 31	
	2020*	2019*
Real Estate:		
Alveo Land Corporation (Alveo)	100%	100%
Serendra, Inc.	39	39
Solinea, Inc. (Solinea)	65	65
BGSouth Properties, Inc. (BGS)	50	50
Portico Land Corp. (Portico)	60	60
Serendra, Inc.	28	28
Amorsedia Development Corporation (ADC)	100	100
OLC Development Corporation and Subsidiary	100	100
HLC Development Corporation	100	100
Allysonia International Ltd.	100	100
Avida Land Corporation (Avida)	100	100
Buklod Bahayan Realty and Development Corp.	100	100
Avida Sales Corp.	100	100
Amicassa Process Solutions, Inc.	100	100
Avencosouth Corp. (Avencosouth)	70	70
BGNorth Properties, Inc. (BGN)	50	50
Amaia Land Co. (Amaia)	100	100
Amaia Southern Properties, Inc. (ASPI)	65	65
AyalaLand Premier, Inc.	100	100
Ayala Land International Sales, Inc. (ALISI)	100	100
Ayala Land International Marketing, Inc. (AIMI)	100	100
Ayala Land International (Singapore) Pte. Ltd	100	100
Ayala Land International Marketing (Hong Kong) Ltd	100	100
Ayala Land International Marketing, SRL (ALIM SRL)	100	100

	December 31	
	2020*	2019*
Ayala Land International Marketing London	100%	100%
Ayala Land Sales, Inc.	100	100
Southportal Properties, Inc. (Southportal)	65	65
Buendia Landholdings, Inc.	100	100
Crans Montana Holdings, Inc.	100	100
Crimson Field Enterprises, Inc.	100	100
Ecoholdings Company, Inc. (ECI)	100	100
NorthBeacon Commercial Corporation (NBCC)	100	100
Red Creek Properties, Inc.	100	100
Regent Time International, Limited (Regent Time) (British Virgin Islands)	100	100
North Eastern Commercial Corp. (NECC)	100	100
Westview Commercial Ventures Corp. (Westview)	100	100
North Ventures Commercial Corporation	100	100
Hillsford Property Corporation (Hillsford)	100	100
Primavera Towncentre, Inc. (PTI)	100	100
Summerhill E-Office Corporation (Summerhill)	100	100
Sunnyfield E-Office Corporation (Sunnyfield)	100	100
Subic Bay Town Centre, Inc. (SBTCI)	100	100
Regent Wise Investments Limited (Regent Wise) (Hongkong company)	100	100
AyalaLand Real Estate Investments Inc. (Canada)	100	100
AyalaLand Advisory Broadway Inc. (Canada)	100	100
AyalaLand Development (Canada) Inc.	100	100
AyalaLand OpenAsia Holdings PTE, Ltd (Singapore)	100	100
Blue Horizons Holdings PTE, Ltd (Singapore)	100	100
Modular Construction Technology (MCT) Bhd. (Malaysia)	66	66
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	100	100
Arvo Commercial Corporation (Arvo)	100	100
BellaVita Land Corporation (BellaVita)	100	100
Nuevo Centro, Inc. (Nuevo Centro)	54	54
Alviera Country Club, Inc. (Alviera)	50	50
Cavite Commercial Town Center, Inc. (CCTCI)	100	100
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.)	54	100
AyalaLand Offices, Inc. (ALO)	100	100
First Gateway Real Estate Corp.	100	100
Glensworth Development, Inc. (Glensworth)	100	100
UP North Property Holdings, Inc.	100	100
ALO Prime Realty Corporation	100	100
Makati Cornerstone Leasing Corp. (MCLC)	100	100
Arca South Commercial Ventures Corp.	100	100
Capitol Central Commercial Ventures Corp.	100	100
Bay City Commercial Venture Corp. (BCCVC)	100	100
Aurora Properties Incorporated	81	81
Soltea Commercial Corp.	16	16
Vesta Property Holdings, Inc. (VPHI)	78	78
Altaraza Prime Realty Corporation	100	100
Altaraza Development Corporation	51	–
Prow Holdings, Inc.	55	55
Station Square East Commercial Corporation (SSECC)	69	69

	December 31	
	2020*	2019*
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.)	100%	100%
Accendo Commercial Corp. (Accendo)	67	67
Avencosouth Corp.	20	20
Aviana Development Corporation	7	7
Aviana Development Corporation	50	50
Cagayan de Oro Gateway Corp. (CDOGC)	70	70
Ceci Realty, Inc. (Ceci)	60	60
Soltea Commercial Corp.	12	12
Soltea Commercial Corp.	60	60
CMPI Holdings, Inc.	60	60
CMPI Land, Inc.	36	36
ALI-CII Development Corporation (ALI-CII)	50	50
Roxas Land Corporation (RLC)	50	50
Adauge Commercial Corporation (Adauge)	60	60
AyalaLand Estates, Inc	100	100
Ayalaland MetroNorth, Inc. (AMNI)	100	100
Verde Golf Development Corp.	100	100
North Triangle Depot Commercial Corporation (NTDCC)	73	73
BGWest Properties, Inc. (BGW)	50	50
Lagdigan Land Corp. (Lagdigan)	60	60
Central Block Developers, Inc. (CBDI)	45	45
Central Bloc Hotel Ventures, Inc.	45	45
Cebu Holdings, Inc. (CHI)	71	71
Cebu Leisure Company, Inc.	71	71
CBP Theatre Management Inc.	71	71
Taft Punta Engaño Property Inc. (TPEPI)	39	39
Cebu Insular Hotel Company, Inc. (CIHCI)	26	26
Solinea, Inc.	25	25
Amaia Southern Properties, Inc. (ASPI)	25	25
Southportal Properties, Inc. (Southportal)	25	25
Central Block Developers, Inc. (CBDI)	39	39
Asian I-Office Properties. Inc. (AIOPI)	71	71
Alabang Commercial Corporation (ACC)	50	50
South Innovative Theater Management (SITMI)	50	50
ALI Commercial Center, Inc.	100	100
AMC Japan Concepts, Inc.	75	75
AyalaLand Logistics Holdings Corp. (ALLHC) (formerly Prime Orion Philippines, Inc.)	71	71
Orion Solutions, Inc.	71	71
Orion I Holdings Philippines, Inc.	71	71
OE Holdings, Inc.	71	71
Orion Land, Inc.	71	71
Lepanto Ceramics, Inc.	71	71
Laguna Technopark, Inc. and Subsidiary	68	68
Unity Realty & Development Corp. (URDC)	71	71
FLT Prime Insurance Corporation	56	56
Ayalaland Malls Synergies, Inc.	100	100
Ayalaland Malls, Inc. (formerly Solerte, Inc.)	100	100
Ayalaland Malls Vismin, Inc.	100	100
Ayalaland Malls NorthEast, Inc.	100	100

	December 31	
	2020*	2019*
Construction:		
Makati Development Corporation (MDC)	100%	100%
MDC Subic, Inc.	100	100
MDC Build Plus, Inc.	100	100
MDC Conqrete, Inc. (MCI)	100	100
MDC Equipment Solutions, Inc. (MESI)	100	100
MDBI Construction Corp.	67	67
Hotels and Resorts:		
Ayala Hotels, Inc. (AHI)	50	50
AyalaLand Hotels and Resorts Corporation (AHRC) and Subsidiaries	100	100
ALI Makati Hotel & Residences, Inc.	80	80
ALI Makati Hotel Property, Inc.	80	80
Regent Horizons Conservation Company, Inc.	100	100
Enjay Hotels, Inc. (Enjay)	100	100
Greenhaven Property Venture, Inc. (GPVI)	100	100
Cebu Insular Hotel Company, Inc. (CIHCI)	63	63
Bonifacio Hotel Ventures, Inc.	100	100
Southcrest Hotel Ventures, Inc.	67	67
Northgate Hotel Ventures, Inc.	70	70
North Triangle Hotel Ventures, Inc.	100	100
Ecosouth Hotel Ventures, Inc.	100	100
Sentera Hotel Ventures, Inc.	100	100
Econorth Resorts Ventures, Inc.	100	100
ALI Triangle Hotel Ventures, Inc.	100	100
Circuit Makati Hotel Ventures, Inc.	100	100
Capitol Central Hotel Ventures, Inc.	100	100
Arca South Hotel Ventures, Inc.	100	100
Sicogon Town Hotel, Inc.	100	100
Bay Area Hotel Ventures, Inc.	100	100
Makati North Hotel Ventures, Inc. (MNHVI)	100	100
One Makati Hotel Ventures, Inc. (OMHVI)	100	100
Sicogon Island Tourism Estate Corp. (SITE Corp.)	100	100
Asiatown Hotel Ventures, Inc.	100	100
One Makati Residential Ventures, Inc.	100	100
ALI Makati Hotels & Residences, Inc.	20	20
ALI Makati Hotel Property, Inc.	20	20
Ten Knots Phils., Inc. (TKPI)	60	60
Bacuit Bay Development Corporation	60	60
Lio Resort Ventures, Inc.	60	60
North Liberty Resort Ventures, Inc.	60	60
Paragua Eco-Resort Ventures, Inc.	60	60
Lio Tourism Estate Management Corporation	60	60
Ten Knots Development, Corp. (TKDC)	60	60
Chirica Resorts Corp.	60	60
Kingfisher Capital Resources Corp.	60	60
Pangulasian Island Resort Corporation	60	60
Integrated Eco-resort Inc.	100	100
Property Management:		
Ayala Property Management Corporation (APMC)	100	100
Prime Support Services, Inc.	100	100
Ayala Theatres Management, Inc. (ATMI) and Subsidiaries	100	100
DirectPower Services, Inc. (DirectPower)	100	100
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	100	100

	December 31	
	2020*	2019*
Entertainment:		
Five Star Cinema, Inc.	100%	100%
Leisure and Allied Industries Philippines, Inc. (LAIP)	50	50
Others:		
ALInet.com, Inc. (ALInet)	100	100
First Longfield Investments Limited (First Longfield) (Hongkong Company)	100	100
Green Horizons Holdings Limited and Subsidiaries	100	100
Aprisa Business Process Solutions, Inc. (Aprisa)	100	100
AyalaLand Club Management, Inc.	100	100
ALI Capital Corp. (formerly Varejo Corp.) (ALICap)	100	100
Airswift Transport, Inc. (formerly Island Transvoyager, Inc.) (Airswift)	100	100
Swift Aerodrome Services, Inc. (SASI)	100	−
Integrated Eco-resort, Inc.	100	100
Arca South Integrated Terminal, Inc. (ASITI)	100	100
Whiteknight Holdings, Inc.	100	100
Ayalaland Medical Facilities Leasing, Inc.	100	100
Anvaya Cove Beach and Nature Club, Inc. (Anvaya Cove Beach)	73	73
Anvaya Cove Golf and Sports Club, Inc. (Anvaya Cove Golf)	76	76

*represents the Group's percentage and effective ownership

The above companies are domiciled in the Philippines except for the foreign entities which are domiciled and incorporated in the country as mentioned above.

AC owns the other 50.0% of AHI. The Parent Company exercises control over AHI. Likewise, the Parent Company, through its 50.0% effective ownership and by virtue of a management contract or shareholders' agreement, exercises control over the operations and management of ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII and LAIP. Accordingly, the accounts of AHI, ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII and LAIP are consolidated to the accounts of the Parent Company (see Note 3).

The following were the changes in the group structure during 2020:

AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.) was incorporated in September 4, 2006. As of December 31, 2020, the company is 45.04% owned by ALI, 9.39% owned by AyalaLand Offices, Inc. (ALOI), a wholly-owned entity of ALI, and 45.57% public after the company was listed in the Philippine Stock Exchange on August 13, 2020. Effectively, ALI's effective ownership is now at 54.43% from 100.00% as a result of public offering. The company was organized primarily as a real estate investment trust, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations and other applicable laws.

Swift Aerodrome Services, Inc. was incorporated on January 20, 2020 and is 100% owned by ALI Capital Corporation (ALICAP), a wholly owned subsidiary of ALI. The company was organized primarily to manage and operate airports owned by ALI.

Altaraza Development Corporation was incorporated on May 27, 2020 and is 51% owned subsidiary of ALI and 49% owned by Gregorio Araneta, Inc. and Araza Resources, Inc. ("Araneta Group"). The company was organized primarily to acquire and develop or hold land for investments in Altaraza Estate in Bulacan.

2. Summary of Significant Accounting Policies

<u>Basis of Preparation</u>
The consolidated financial statements of the Group have been prepared using the historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional currency and all values are rounded to the nearest thousand (₱000), except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain.

<u>Statement of Compliance</u>
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs), which include the availment of the relief granted by the SEC under Memorandum Circular (MC) Nos. 14-2018 and 3-2019, that deferred the implementation of the following accounting pronouncements until December 31, 2020. These accounting pronouncements address the issues of PFRS 15, *Revenue from Contracts with Customers affecting the real estate industry.*

Deferral of the following provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry

a. Treatment of land in the determination of the percentage-of-completion (POC)
b. Assessing if the transaction price includes a significant financing component (as amended by PIC Q&A 2020-04)
c. Treatment of uninstalled materials in the determination of the POC (as amended by PIC Q&A 2020-02); and
d. Accounting to Common Usage Service Area (CUSA) Charges

Deferral of the adoption of PIC Q&A 2018-14: Accounting for Cancellation of Real Estate Sales (as amended by PIC Q&A 2020-05)

The Group did not avail the relief under SEC MC No. 4-2020 to defer the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, *Borrowing Cost* (the IFRIC Agenda Decision on Borrowing Cost) and is already in full compliance with the requirements of the IFRIC Agenda Decision.

In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of provisions (a) and (b) above of PIC Q&A 2018-12 and the IFRIC Agenda Decision on Borrowing Cost, for another (three) 3 years or until December 31, 2023.

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the Adoption of New and Amended Accounting Standards and Interpretations section of Note 2.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee (PIC).

<u>Basis of Consolidation</u>
The consolidated financial statements comprise the financial statements of the Group as of December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares and options under share-based transactions. The portion of profit or loss and net assets in subsidiaries not wholly-owned are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, separately from the Parent Company's equity. Non-controlling interests are net of any outstanding subscription receivable.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

<u>Adoption of New and Amended Accounting Standards and Interpretations</u>
The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year except for the adoption of the following new accounting pronouncements which became effective January 1, 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to PFRS 3*, Definition of a Business*

  The amendments to PFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments may impact future periods should the Group enter into any business combinations.

These amendments will apply on future business combinations of the Group.

- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*

  The amendments to PFRS 9 provide a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

  These amendments do not have a significant impact on the Group.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

  The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

  The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

  These amendments do not have a significant impact on the Group.

- Conceptual Framework for Financial Reporting issued on March 29, 2018

  The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the standard-setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

  The revised Conceptual Framework includes new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

  The amendments provide relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:
  - The rent concession is a direct consequence of COVID-19;
  - The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
  - Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
  - There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendments are effective for annual reporting periods beginning on or after June 1, 2020. Early adoption is permitted.

This amendment is not applicable to the Group as there are no rent concessions granted to the Group as a lessee.

- Adoption of PIC Q&A 2020-03, Q&A No. 2018-12-D: STEP 3- *On the accounting of the difference when the percentage of completion is ahead of the buyer's payment*

  PIC Q&A 2020-03 was issued by the PIC on September 30, 2020. The latter aims to provide an additional option to the preparers of financial statements to present as receivables, the difference between the POC and the buyer's payment, with the POC being ahead. This PIC Q&A is consistent with the PIC guidance issued to the real estate industry in September 2019.

  The adoption of this PIC Q&A did not impact the consolidated financial statements of the Group since it has previously adopted the additional guidance issued by the PIC in September 2019.

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2021

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*
  The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):
  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - Relief from discontinuing hedging relationships
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

  The Group shall also disclose information about:
  - The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
  - Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

  The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and must be applied retrospectively.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3,

Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16 , *Plant and Equipment: Proceeds before Intended Use*
  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *Annual Improvements* to PFRSs 2018-2020 Cycle
  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

  - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

  An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2023

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
  The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- PFRS 17, *Insurance Contracts*
  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted.

The new standard is not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

Deferred Effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  The Group is currently assessing the impact of adopting these amendments.

- Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023. A summary of the PIC Q&A provisions covered by the SEC deferral and the related deferral period follows:

		Deferral Period
a.	Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023
b.	Treatment of land in the determination of the POC discussed in PIC Q&A 2018-12-E	Until December 31, 2023
c.	Treatment of uninstalled materials in the determination of the POC discussed in PIC Q&A 2018-12-E (as amended by PIC Q&A 2020-02)	Until December 31, 2020
d.	Accounting for CUSA Charges discussed in PIC Q&A No. 2018-12-H	Until December 31, 2020

  The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:
  a. The accounting policies applied.
  b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
  c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
  d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular),

such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

In November 2020, the PIC issued the following Q&As which provide additional guidance on the real estate industry issues covered by the above SEC deferrals:

- PIC Q&A 2020-04, which provides additional guidance on determining whether the transaction price includes a significant financing component
- PIC Q&A 2020-02, which provides additional guidance on determining which uninstalled materials should not be included in calculating the POC

  The Group has adopted PIC Q&A 2020-02 and has included the uninstalled customized materials in the measurement of progress. This is consistent with the Group's policy.

After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

The Group availed of the SEC reliefs to defer the above specific provisions of PIC Q&A No. 2018-12. Had these provisions been adopted, the Group assessed that the impact would have been as follows:

a. The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements. Adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable, provision for deferred income tax, deferred tax asset or liability for all years presented, and the opening balance of retained earnings. The Group believes that the the mismatch for its contract to sell does not constitute a significant financing component based on the examples provided in the PIC letter dated November 11, 2020.

b. The exclusion of land in the determination of POC would have reduced the percentage of completion of real estate projects. Adoption of this guidance would have reduced revenue from real estate sales, cost of sales and installment contracts receivable; increased real estate inventories and would have impacted deferred tax asset or liability and provision for deferred income tax for all years presented, and the opening balance of retained earnings.

c. Had the Group accounted for the revenue from air-conditioning services, CUSA and handling services as principal, this would have resulted in the gross presentation of the related revenue, costs and expenses. The Group opts to use alternative presentation of CUSA as other income as the gross amount of revenue and related costs and expenses are not individually material. There is no impact on opening retained earnings, income and expense and the related balance sheet accounts.

The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented.

As prescribed by SEC MC No. 34-2020, for financial reporting periods beginning on or after January 1, 2021, the availment of the above deferral will impact the Group's financial reporting during the period of deferral as follows:

a. The financial statements are not considered to be in accordance with PFRS and should specify in the *"Basis of Preparation of the Financial Statements"* section of the financial statements that the accounting framework is:

PFRS, as modified by the application of the following financial reporting reliefs issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic:
1) Treatment of land in the determination of the percentage-of-completion; and
2) Assessing if the transaction price includes a significant financing component (as amended by PIC Q&A 2020-04)

b. The Auditor's report will:
   i. reflect in the Opinion paragraph that the financial statements are prepared in accordance with the compliance framework described in the notes to the financial statements; and
   ii. include an Emphasis of Matter paragraph to draw attention to the basis of accounting that has been used in the preparation of the financial statements.

Upon full adoption of the above deferred guidance, the accounting policies will have to be applied using full retrospective approach following the guidance under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

- Deferral of PIC Q&A 2018-14, *Accounting for Cancellation of Real Estate Sales* (as amended by PIC Q&A 2020-05)

  On June 27, 2018, PIC Q&A 2018-14 was issued providing guidance on accounting for cancellation of real estate sales. Under SEC MC No. 3-2019, the adoption of PIC Q&A No. 2018-14 was deferred until December 31, 2020. After the deferral period, real estate companies will adopt PIC Q&A No. 2018-14 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

  On November 11, 2020, PIC Q&A 2020-05 was issued which supersedes PIC Q&A 2018-14. This PIC Q&A adds a new approach where the cancellation is accounted for as a modification of the contract (i.e., from non-cancellable to being cancellable). Under this approach, revenues and related costs previously recognized shall be reversed in the period of cancellation and the inventory shall be reinstated at cost. PIC Q&A 2020-05 will have to be applied prospectively from approval date of the Financial Reporting Standards Council which was November 11, 2020.

  The Group availed of the SEC relief to defer of adoption of this PIC Q&A until December 31, 2020. Currently, the Group records the repossessed inventory at cost. The Group has opted to implement approach 3 in its accounting for sales cancellation.

Current and Noncurrent Classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification. An asset is current when:

(a) Expected to be realized or intended to be sold or consumed in normal operating cycle;
(b) Held primarily for the purpose of trading;
(c) Expected to be realized within 12 months after reporting date; or
(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by corporate finance after discussion with and approval by the Parent Company’s audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Group, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and that are subject to an insignificant risk of change in value.

Financial Instruments

Date of recognition

The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

a. *Financial assets*

Initial recognition of financial instruments

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables, except for contracts with customers in residential, commercial and office development receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Interest income and impairment losses or reversals are recognized in the consolidated statement of comprehensive income. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments and accounts and notes receivables.

Disposal of financial assets at amortized cost
When financial assets at amortized cost are disposed, these are assessed whether the Group is consistent with its objective of collecting contractual cash flows until maturity. In the event that disposals have been concluded as infrequent and insignificant, the financial assets continue to be accounted at amortized cost (see Note 7).

Financial assets at fair value through OCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

This category includes investment in bonds classified as financial assets at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's financial assets at fair value through OCI includes investments in quoted and unquoted equity instruments.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of income.

Investments in Unit Investment Trust Fund (UITF), treasury bills and investment in ARCH Capital Asian Partners L.P. (ARCH Capital Fund) are held for trading and classified as financial assets at FVPL.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Modification of financial assets
The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of income.

Impairment of Financial Assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for trade receivables and a vintage analysis for residential, commercial and office development receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables in default when contractual payments are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

b. Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fees and other fees.

The Group's financial liabilities include "Accounts and other payables" (other than "Taxes payable" which is covered by another accounting standard), "Short-term and long-term debts", "Deposits and Other Liabilities" and "Lease liabilities".

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of income.

Only if the criteria in PFRS 9 are satisfied, the designation of financial liabilities at fair value through profit or loss at the initial date of recognition is allowed. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to short term and long term debt.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

c. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position, if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Derivatives
The Group uses derivative financial instruments, such as non-deliverable forwards, cross currency swaps, interest rate swaps and principal only swaps contracts to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Refundable Deposits
Refundable deposits are measured initially at fair value. After initial recognition, refundable deposits are subsequently measured at amortized cost using the effective interest method.

The difference between the cash received and its fair value is deferred and amortized using the straight-line method under the “Real estate revenue” account in the consolidated statement of income.

Non-refundable deposits that are applicable against costs of services incurred or goods delivered are measured at fair value.

Concession Receivable
The Group accounts for its concession arrangement with the DOTr under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial asset for its construction services from or at the direction of the grantor. Under the concession arrangement, the Group is awarded the right to build and operate an integrated transport terminal for Metro Manila and its adjacent provinces. The legal title to these assets shall be transferred to the government at the end of the concession period.

The “Concession Financial Receivable” (shown as part of “Other Noncurrent Assets”) pertains to the fair value of the Annual Grantor Payment related to the operating and maintenance services and recovery of construction costs of the terminal facility. These are amortized using the effective interest rate over the life of the related concession.

In addition, the Group recognizes and measures construction revenues and costs in accordance with ‘percentage of completion method’. Contract revenue and costs from construction works are recognized as “Construction Revenue” and “Construction Costs”, respectively, in profit or loss in the period in which the work is performed.

Inventories
Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:
- Land cost
- Land improvement cost
- Amounts paid to contractors for construction and development
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Inventories that are leased out at market rates to earn revenues to partly cover for expenses on the condition that the intent to sell in the ordinary course of business has not changed are accounted and presented as inventory. The rent income from inventories that are leased out is included in other income in the consolidated statement of comprehensive income.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

Prepaid Expenses
Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, and insurance.

With the exception of commission which is amortized using percentage of completion, other prepaid expenses are amortized as incurred.

Input Value-Added Tax (VAT)
Input VAT arises from the purchase of goods and services. These are applied against output VAT. The remaining balance is recoverable in future periods. These are carried at cost less allowance for impairment loss, if any. Impairment loss is recognized when input VAT can no longer be recovered.

Materials, Parts and Supplies
Materials, parts and supplies are valued at the lower of cost or NRV. Cost is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

An allowance for inventory losses is provided for slow-moving, obsolete and defective materials, parts and supplies based on management's physical inspection and evaluation. When inventories are sold, the cost and related allowance is removed from the account and the difference is charged against operations.

Advances to Other Companies and Advances to Contractors and Suppliers
Advances to other companies and advances to contractors and suppliers are carried at cost less impairment losses, if any.

Investments in Associates and Joint Ventures
Investments in associates and joint ventures (investee companies) are accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes an associate or joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as subsumed goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and instead included in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Unless otherwise, additional losses are not recognized when the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Upon loss of significant influence over the investee companies, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in the consolidated statement of income.

Interest in Joint Operation

Makati Development Corporation (MDC), a subsidiary of the Parent Company, has an interest in joint arrangement, whereby the parties have a contractual arrangement that establishes joint control. MDC recognizes its share of jointly held assets, liabilities, income and expenses of the joint operation with similar items, line by line, in its financial statements.

The financial statements of the joint operation are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investment Properties

Investment properties comprise completed property and property under construction or under re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the companies in the Group.

The Group uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Assets that are under construction are carried at cost and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation or under the condition as intended by the Group.

Depreciation of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful lives of investment properties which comprised of buildings, range from 20-40 years.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statement of income in the year of retirement or disposal.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

The Group discloses the fair values of its investment properties in accordance with PAS 40. The Group engages independent valuation specialist to assess the fair values as at December 31, 2020 and 2019. The Group's investment properties consist of land and building pertaining to land properties, retail (malls) and office properties. These are valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property and income approach by reference to the value of income, cash flow or cost saving generated by the asset.

Property and Equipment

Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The initial cost of property and equipment comprises its construction cost or purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Buildings and improvements	20-40
Machinery and construction equipment	5
Furniture, fixtures and equipment	3-10
Transportation equipment	3-5
Hotel property and equipment	20-50

The assets' residual values, estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the amounts, periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment items are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

Leasehold rights with finite lives are amortized using the straight-line method over the estimated useful life of 20 to 23 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income.

As of December 31, 2020 and 2019 intangible asset pertaining to leasehold right is included under "Other noncurrent assets".

Buildings Classified as Held for Sale

Buildings classified as held for sale are stated at the lower of its carrying amount and fair value less costs to sell. These are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. The Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method which involves recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interests in the acquiree. The identifiable assets acquired and liabilities assumed of the acquiree are recognized as of the acquisition date and measured at fair value as at that date. For each business combination, the acquirer measures the non-controlling interest in the acquiree at fair value of the acquiree's identifiable net assets. Acquisition related costs are expensed in the period which the costs are incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as bargain purchase gain. The Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure amounts to be recognized at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the acquirer shall account for the combination using those provisional values. The acquirer shall recognize any adjustments to those provisional values as a result of completing the initial accounting within twelve (12) months of the acquisition date as follows: (i) the carrying amount of the identifiable asset, liability or contingent liability that is recognized or adjusted as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date; (ii) goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted; and (iii) comparative information presented for the period before the initial accounting for the combination is complete shall be presented as if the initial accounting has been completed from the acquisition date.

Combinations of entities under common control
Business combinations of entities under common control are accounted for using the pooling of interests method. The pooling of interests method is generally considered to involve the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination. The only adjustments that are made are those adjustments to harmonize accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity acquired is reflected within equity.
- The consolidated statement of income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparatives are presented as if the entities had always been combined.

The effects of intercompany transactions on current assets, current liabilities, revenues, and cost of sales for the current period presented and on retained earnings at the beginning of the current period presented are eliminated to the extent possible.

Asset Acquisitions
If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, the transaction is accounted for as an asset acquisition. The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction or event does not give rise to goodwill. Where the Group acquires a controlling interest in an entity that is not a business, but obtains less than 100% of the entity, after it has allocated the cost to the individual assets acquired, it notionally grosses up those assets and recognizes the difference as non-controlling interests.

Impairment of Nonfinancial Assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired (e.g. investments in associates and joint ventures, investment properties, property and equipment and right-of-use assets). If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to

their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The following criteria are also applied in assessing impairment of specific assets:

Investments in associates and joint ventures
After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the consolidated statement of income.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Pension Cost
Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur. Pension cost includes: a) service costs comprising current service costs, past-service costs, b) gains and losses on curtailments and non-routine settlements, and c) net interest cost on benefit obligation.

Remeasurements, comprising of actuarial gains or losses, the effect of the asset ceiling, excluding net interest cost and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

Share-based Payments
The Group has equity-settled, share-based compensation plans with its employees.

PFRS 2 Options
For options granted after November 7, 2002 that have not vested on or before January 1, 2005, the cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the Black-Scholes model, further details of which are given in Note 28.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instrument that will ultimately vest. The income or expense for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Pre-PFRS 2 Options
For options granted before November 7, 2002 that has vested before January 1, 2005, the intrinsic value of stock options determined as of grant date is recognized as expense over the vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see Note 28).

Employee Stock Ownership Plan
The Parent Company has an employee stock ownership plan (ESOWN) which allows the grantees to purchase the Parent Company's shares. The Parent Company recognizes stock compensation expense over the holding period. The Parent Company treats its ESOWN plan as option exercisable within a given period. These are accounted for similar to the PFRS 2 options. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. For the unsubscribed shares where the employees still have the option to subscribe in the future, these are accounted for as options.

Equity
When the shares are sold at a premium, the difference between the proceeds and the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Subscriptions receivable pertains to the uncollected portion of the subscribed shares.

Retained earnings represent accumulated earnings of the Group less dividends declared.

Equity reserves pertain to the excess of the cost of business combinations over the net carrying amounts of the assets and liabilities of the acquired companies. Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid shall be recognized directly in equity and included under "Equity reserves" account in the equity section of the consolidated statement of financial position.

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Revenue from Contract with Customers
The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Except for the provisioning of water, electricity, air-conditioning and common use service area in its mall retail spaces, wherein it is acting as agent, the Group has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Real estate sales
The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue and the related trade receivables on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by the third party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as trade receivables under residential and office development receivables account. Any excess of collections over the total of recognized trade receivables is included in the "customer's deposit" account in the liabilities section of the consolidated statement of financial position. The impact of the significant financing component on the transaction price has not been considered since the Group availed the relief granted by the SEC under Memorandum Circular Nos. 14-2018 as of

2018 for the implementation issues of PFRS 15 affecting the real estate industry. Under the SEC Memorandum Circular No. 34, the relief has been extended until December 31, 2023.

Cost recognition
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Hotel and resorts revenue (part of real estate sales in the consolidated statement of income)
The Group recognizes room accommodation services over time since the guest simultaneously receives and consumes the services provided by the Group. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Revenue from banquets and other special events are recognized when the events take place.

Cost of hotel operations (part of cost of real estate sales in the consolidated statement of income)
Cost of hotel operations pertains to expenses incurred in relation to sale of goods and rendering of services. These are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen than can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

Construction revenue (part of real estate sales in the consolidated statement of income) and cost
Revenue from fixed price construction contracts are recognized overtime using the milestone-based revenue recognition which is in reference to the output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Rental income (part of real estate sales in the consolidated statement of income)
Rental income under noncancellable and cancellable leases on investment properties is recognized in the consolidated statement of income on a straight-line basis over the lease term and the terms of the lease, respectively, and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract.

No rental income is recognized when the Group waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment (see Note 33).

Rooms revenue from hotel and resort operations is recognized when the services are rendered.

Revenue from banquets and other special events are recognized when the events take place.

Interest income is recognized as it accrues using the effective interest method.

Dividend income is recognized when the Group's right to receive the payment is established.

Customers' deposit
Customers' deposit is a contract liability which is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a customers' deposit is recognized when the payment is made or the payment is due (whichever is earlier). Customers' deposit are recognized as revenue when the control of the goods or services are transferred to the customers by the Group which is essentially fulfillment of its performance obligation under the contract.

Customers' deposit also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to obtain contract
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Real estate costs and expenses" account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, de-recognition and impairment of capitalized costs to obtain a contract
Following the pattern of real estate revenue recognition, the Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Expense Recognition
Expenses are recognized in the consolidated statement of income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the consolidated statement of income as follow:
- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure has been assessed as no future economic benefits or when, and to the extent that future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Direct operating expenses and general and administrative expenses are recognized as they are incurred.

Borrowing Costs
All borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Leases effective January 1, 2019
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of cost to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Building	20-40
Aircraft	10
Others	5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of nonfinancial assets section.

ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases
The Group applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

<u>Leases prior to January 1, 2019</u>
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

(a) There is a change in contractual terms, other than a renewal or extension of the arrangement;
(b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
(c) There is a change in the determination of whether fulfillment is dependent on a specified asset; or
(d) There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c), or (d) and at the date of renewal or extension period for scenario (b).

Group as lessee
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Fixed lease payments are recognized as an expense in the consolidated statement of income on a straight-line basis while the variable rent is recognized as an expense based on terms of the lease contract.

Group as lessor
Leases where the Group does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease payments received are recognized as an income in the consolidated statement of income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Current Tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period.

Deferred Tax
Deferred tax is provided, using the liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and NOLCO can be utilized.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic associates and interests in joint ventures.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged against or credited to income for the period.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Foreign Currency Transactions
Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded using the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate prevailing at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the year.

As at reporting date, the assets and liabilities of subsidiaries whose functional currency is not the Philippines Peso are translated into the presentation currency of the Parent Company (the Philippine Peso) at the closing rate as at the reporting date, and the consolidated statement of income accounts are translated at monthly weighted average exchange rate. The exchange differences arising on the translation are taken directly to a separate component of equity under "Cumulative translation adjustments" account. Upon disposal of a foreign subsidiary, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the consolidated statement of income.

Investments in foreign associates are translated to Philippine Peso using the closing exchange rate prevailing at reporting date. The Group's share in the results of operations of the foreign investee is translated using the exchange rate at the dates of the transactions or, where practicable, the rate that approximates the exchange rates at the dates of the transactions, such as the average rate for the period. Any resulting exchange difference is recognized as a separate component of equity.

Earnings Per Share (EPS)
Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. Calculation of dilutive EPS considers the potential ordinary shares of subsidiaries, associates and joint ventures that have dilutive effect on the basic EPS of the Parent Company. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 30 of the consolidated financial statements.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events after the Reporting Period
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

The preparation of the accompanying consolidated financial statements in conformity with PFRSs requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Existence of a contract
The Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other duly executed and signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Revenue recognition method and measure of progress
The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

The Group has determined that the output method used in measuring the progress of the performance obligation (i.e. percentage of completion) faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Distinction of land between real estate inventories and investment properties
The Group determines whether a property will be classified as real estate inventories or investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. All other properties that are not yet determined to be sold in the normal operating cycle are classified as investment properties.

Consolidation of entities in which the Group holds only 50% or less than majority of voting rights
The Group considers that it controls the following entities even though it owns 50% or less than majority of the voting rights. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

ACC
For ACC, ALI holds 50% of the voting rights, and is also the single largest shareholder and the remaining 50% of the equity shares are held by several shareholders. The second largest stockholder of ACC holds 8.3% share while the other shareholders' equity interest ranges from 2.1% to 8.3%. In addition, ALI has an existing management services agreement with ACC which gives ALI the exclusive control and decision over the relevant activities of ACC.

BG Entities (BGWest, BGNorth and BGSouth)
For the BG entities, wherein ALI and the other shareholder each own 50% of the voting rights, ALI controls the investee through exercise of its exclusive project development and marketing agreement as well as the ability to decide on the financing, operating and strategic policies of the investees. This enabled ALI to conclude that it has control.

AHI, RLC, ALI-CII and LAIP
ALI has an existing management services agreement with AHI, RLC, ALI-CII and LAIP which gives ALI the exclusive control and decision over the relevant activities of AHI, RLC, ALI-CII and LAIP.

Service concession agreement
The Group has made a judgment that the concession agreement with DOTr qualifies under Philippine Interpretation IFRIC 12, *Service Concession Arrangements* (see Note 36). Management has assessed that DOTr controls and regulates the service, determines to whom this service will be provided and controls the price. In addition, management has also determined that the DOTr has the significant control over the residual interest of the Terminal at the end of the term. Management has also made a judgment that the Terminal and commercial assets (mall facilities) are physically separable and are capable of being operated independently.

Management has further assessed that said concession agreement qualifies under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial assets (i.e. the Annual Grantor Payment) for its construction, operating and maintenance services directly from DOTr.

Contingencies
The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense of these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material effect on the Group's consolidated financial statements (see Note 35).

Sale of real estate receivables
The Group has entered into arrangements with banks wherein it discounted its real estate receivables without recourse. The Group believes that the sales transactions are not more than infrequent and that the receivables discounted is insignificant in value both individually and in aggregate. Accordingly, the Group continues to present trade receivables at amortized cost as it remains to hold trade receivables with the objective of collecting contractual cash flows until maturity.

Definition of default and credit-impaired financial assets
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria – for residential, commercial and office development receivables, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria
The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:
a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)

c. An active market for that financial assets has disappeared because of financial difficulties
d. Concessions or deferrals have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty (e.g. Bayanihan Acts I and II considerations)
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Determination of lease term of contracts with renewal and termination options – Group as a lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether the provisions to renew or terminate the lease is enforceable. For leases where the Group has the unilateral option to renew or terminate, it then applies judgment on whether it is reasonably certain or not to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Assessment on whether lease concessions granted constitute a lease modification
In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

The Group applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Group determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Group assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16.

The rent concessions granted by the Group for the year ended December 31, 2020 amounted to ₱6.15 billion.

Judgements made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraph 122 of PAS 1, Presentation of Financial Statements
Upon adoption of the Interpretation, the Group has assessed whether it has any uncertain tax position. The Group applies significant judgement in identifying uncertainties over its income tax treatments. The Group determined, based on its assessment, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

<u>Management's Use of Estimates</u>
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition on real estate projects
The Group's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Group's revenue from real estate is recognized based on the percentage of completion and this is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quanitity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management's specialists (project engineers). The Group also includes land in the calculation of POC since the Group availed the relief granted by the SEC under Memorandum Circular Nos. 14-2018 as of 2018 for the implementation issues of PFRS 15 affecting the real estate industry. See Notes 20 and 22 for the related balances.

Following the pattern of real estate revenue recognition, the cost to obtain a contract (e.g. commission), is determined using the percentage of completion. In view of the continuing community quarantines and restricted mobility, the progress of the Group's performance obligation is adversely affected which resulted to lower percentage-of-completion in 2020.

Evaluation of net realizable value of real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In line with the impact of COVID-19, the Group experienced limited selling activities that resulted to lower sales in 2020. In evaluating NRV, recent market conditions and current market prices have been considered. See Note 8 for the related balances.

Share-based payments
The expected life of the options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of stock of the Group. See Note 28 for the related balances.

Estimating pension liabilities and other retirement benefits
The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Significant assumptions are disclosed in Note 26 and include among others, discount rate and salary increase rate.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on 1994 Group Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions could materially affect retirement obligations. See Note 26 for the related balances.

Fair value of financial instruments
When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities were initially recorded at their fair values by using the discounted cash flow methodology. See Note 29 for the related balances.

Provision for expected credit losses of trade receivables
The Group uses a provision matrix to calculate ECLs for trade receivables other than residential, commercial and office development receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for residential, commercial and office development receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group has considered impact of COVID-19 pandemic and revised its assumptions in determining the macroeconomic variables and loss rates in the computation of ECL. The changes in the gross carrying amount of receivables from sale of real estate during the year and impact of COVID-19 pandemic did not materially affect the allowance for ECLs.

The information about the ECLs on the Group's trade receivables is disclosed in Notes 7 and 29.

Estimating the incremental borrowing rate for leases
The Group uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Group's lease liabilities as of December 31, 2020 and 2019 amounted to ₱17,755.8 million and ₱17,463.7 million, respectively (see Note 33).

Evaluation of impairment of nonfinancial assets
The Group assesses whether there are any indicators of impairment for all nonfinancial assets (i.e., property and equipment, investment properties, right of use assets and other current assets) at each financial reporting date. These nonfinancial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In view of the continuing community quarantines and restricted travel, the Group's hotels and resorts segment continues to be adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported for this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment. In addition, because of the coronavirus pandemic, there is the heightened level of uncertainty on the future economic outlook and market forecast. These events and conditions are impairment indicators requiring the assessment of the recoverable amount of the property and equipment and right-of-use assets.

The carrying value of the property and equipment and right-of-use assets of the hotels and resorts segment amounted to ₱21,527.0 million and ₱198.2 million, respectively, as of December 31, 2020.

The Group estimates the recoverable amount through value in use. In determining the present value of estimated future cash flows expected to be generated from the continued use of these assets of the hotels and resorts segment, the Group is required to make estimates and assumptions that may affect the nonfinancial assets. The significant assumptions used in the valuation are discount rates of 7.00% to 12.00% with an average growth rate of 3.00%. The Group also considered in its assumptions the impact of the pandemic on the occupancy rate and room rates which are not expected to normalize until 2024. No impairment loss was recognized in 2020.

4. Cash and Cash Equivalents

This account consists of:

	2020	2019
	(In Thousands)	
Cash on hand	**₱64,303**	₱73,215
Cash in banks	**13,678,488**	14,555,033
Cash equivalents	**3,294,556**	5,784,793
	₱17,037,347	₱20,413,041

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term rates.

The annual interest rates of the cash equivalents are as follows:

	2020	2019
Philippine Peso	**0.5% to 1.8%**	2.8% to 4.0%
US Dollar	**0.1% to 0.25%**	1.1% to 1.8%

There is no restriction on the Group's cash and cash equivalents balances as of December 31, 2020 and 2019.

5. Short-term Investments

Short-term investments consist of money market placements made for varying periods of more than three (3) months and up to one (1) year and earn interest at the respective short-term investment rates.

The annual interest rates of the short-term investments are as follows:

	2020	2019
Philippine Peso	**0.75%**	3.0%
US Dollar	**0.05% to 0.10%**	1.8% to 2.0%

6. Financial Assets at FVTPL

This account consists of:

	2020	2019
	(In Thousands)	
Investment in Unit Investment Trust Funds (UITF)	**₱378,066**	₱96,405
Investment in ARCH Capital Fund	**327,953**	389,031
Investment in Treasury Bills	**259,152**	–
	₱965,171	₱485,436

The Group invests in money market UITF which aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments and with no minimum holding period requirement.

Investment in ARCH Capital Fund pertains to monetary interest in a fund in which the management takes the view that these are held for trading and it is a portfolio of identified property funds invested and managed by professional managers.

In 2020, the Group also invested in Treasury Bills which are short-term secure investments issued by the Philippine government through the Bureau of Treasury (BTr) and these are held for trading.

The Group's investment in UITF includes investment in BPI. As of December 31, 2020, the Group invested in UITF with a fair value of ₱209 million for BPI Money Market Fund and ₱95 million for BPI USD Short Term Funds. The Funds' Net Asset Value (NAV) was at ₱61,961.9 million with duration of 255 days and ₱41,101.9 million with duration of 307 days, respectively.

As of December 31, 2019, the Group invested in BPI MMF with a fair value of ₱80.9 million. The BPI MMF's NAV was at ₱23,980.6 million with duration of 131 days.

The following table provides the fair value hierarchy of the Group's financial assets at FVTPL which are measured at fair value as of December 31, 2020 and 2019:

<u>2020</u>

			Fair value measurement using		
	Date of Valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
			(In Thousands)		
Investment in Unit Investment Trust Fund (UITF)	**December 31, 2020**	**₱378,066**	**₱–**	**₱378,066**	**₱–**
Investment in ARCH Capital Fund	**December 31, 2020**	**327,953**	**–**	**–**	**327,953**
Investment in Treasury Bills	**December 31, 2020**	**259,152**	**–**	**259,152**	**–**

<u>2019</u>

			Fair value measurement using		
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			(In Thousands)		
Investment in Unit Investment Trust Fund (UITF)	December 31, 2019	₱96,405	₱–	₱96,405	₱–
Investment in ARCH Capital Fund	December 31, 2019	389,031	–	–	389,031

The fair value of the investment in UITF is based on net asset values as of reporting dates.

The fair value of the investment in ARCH Capital Fund is determined using the discounted cash flow (DCF) method. Under the DCF method in fund fair valuation, it is estimated using assumptions regarding the benefits and liabilities of ownership over the underlying asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream, associated with the underlying asset. The exit yield is normally separately determined and differs from the discount rate. Significant inputs considered were rental, growth and discount rates. The higher the rental and growth rates, the higher the fair value. The higher the discount rates, the lower the fair value.

The fair value of investment in treasury bills is based on BVAL reference rates on government securities. For the year ended December 31, 2020, the BVAL reference rates range from 1.002% to 3.953%.

Reconciliation of fair value measurement of Investment in ARCH Fund is shown below:

	2020	2019
	(In Thousands)	
Balance at beginning of year	**₱389,031**	₱390,521
Redemptions	**(12,478)**	(24,387)
Additions	**–**	30,145
Unrealized loss	**(48,600)**	(7,248)
Balance at end of year	**₱327,953**	₱389,031

Reconciliation of fair value measurement of Investment in UITF is shown below:

	2020	2019
	(In Thousands)	
Balance at beginning of year	**₱96,405**	₱85,724
Redemptions	**(1,904,759)**	(741,376)
Additions	**2,177,936**	746,774
Unrealized gains included under "Other income"	**8,484**	5,283
Balance at end of year	**₱378,066**	₱96,405

7. **Accounts and Notes Receivable**

Accounts and notes receivable account consists of:

	2020	2019
	(In Thousands)	
Trade:		
Residential, commercial and office development	**₱101,328,095**	₱104,260,962
Shopping centers	**5,414,606**	3,684,650
Corporate business	**3,948,672**	3,828,160
Construction contracts	**1,774,741**	1,553,320
Management fees	**124,553**	99,263
Others	**4,717,601**	4,558,543
Advances to other companies	**17,686,292**	18,984,210
Accrued receivables	**7,786,399**	7,788,796
Receivables from related parties (Note 25)	**5,489,159**	6,130,303
Receivables from employees	**842,506**	901,261
	149,112,624	151,789,468
Less allowance for impairment losses	**1,945,460**	1,186,293
	147,167,164	150,603,175
Less noncurrent portion	**46,021,255**	45,563,869
	₱101,145,909	₱105,039,306

The classes of trade receivables of the Group are as follows:
- Residential, commercial and office development - pertain to receivables from the sale of high-end, upper middle-income and affordable residential lots and units; economic and socialized housing units and sale of commercial lots; sale of office units; and leisure community developments.
- Shopping centers - pertain to lease receivables from retail spaces
- Corporate business - pertain to lease receivables from office and factory buildings and receivables from sale of industrial lots
- Construction contracts - pertain to receivables from third party construction projects
- Management fees - pertain to receivables from facilities management services
- Others - pertain to receivables from hotel operations and other support services

Residential, commercial and office development receivables are collectible in monthly installments over a period of one (1) to ten (10) years. These are carried at amortized cost using the effective interest rate method with annual interest rates ranging from 5.75% to 16.00%. Titles to real estate properties are transferred to the buyers only once full payment has been made.

Corporate business receivables are collectible on a monthly or quarterly basis depending on the terms of the lease contracts.

Receivables from shopping centers, construction contracts and management fees are due within 30 days upon billing.

Receivables from hotel operations and other support services included under other trade receivables are normally due within 30 to 90 days upon billing.

Advances to other companies includes advances made to joint venture partners that have been made in consideration of project costs and purchases of land that are still subject to completion. The documentation for these advances provides that these will be payable over a fixed term or on demand in order to allow for repayment of the advances when closing does not occur or not settled. The advances are liquidated when proceeds from the sale of the related projects are applied.

Advances to other companies also includes receivables from MRT Development Corporation (MRTDC) shareholders which pertains to interest-bearing advances made by NTDCC to MRTDC equivalent to the Pre-2006 Development Rights Payment (DRP) Payables and the Residual Depot DRP which is due more than one year, in relation to the funding and repayment agreement. As of December 31, 2020 and 2019, receivables including interest from MRTDC shareholders amounted to ₱441.1 million and ₱422.3 million, respectively.

On December 17, 2014, NTDCC and MRTDC shareholders executed a “funding and repayment agreement” wherein the latter agrees to repay NTDCC, for the account of MRTDC, its respective pro rata share in the Total Depot DRP Advances (the Pre-2006 DRP Payables and the Residual Depot DRP, including 15% interest rate accrued on such DRP payables).

Commencing on January 1, 2015, the MRTDC Shareholders shall effect the repayment of their respective pro rata share in the Total Depot DRP Payables, through a set-off against their respective share in the commercial center royalties to be received from the Group.

Set off shall be effective as of the beginning of every calendar month, commencing January 30, 2015 and shall result in the settlement of the portion of the Total DRP Payables to the extent of the amount of the commercial center royalties then the balance will fall due to the relevant MRTDC Shareholders.

Accrued receivables and receivables from related parties are due and demandable. Receivables from employees pertain to housing, car, salary and other loans granted to the Group’s employees which are collectible through salary deduction, are interest-bearing (6.0% per annum) and payable on various maturity dates.

Receivables amounting to ₱1,945.5 million and ₱1,186.3 million as of December 31, 2020 and 2019, respectively, were impaired and fully provided for. Movements in the allowance for impairment losses follow:

2020

	Trade							
	Residential and office Development	**Shopping Centers**	**Construction Contracts**	**Corporate Business**	**Management Fees**	**Others**	**Advances to Other Companies**	**Total**
				(In Thousands)				
Balance at beginning of year	**₱13,555**	**₱772,513**	**₱37,778**	**₱182,208**	**₱6,678**	**₱110,409**	**₱63,152**	**₱1,186,293**
Provisions during the year (Note 22)	**40,665**	**298,587**	**–**	**338,870**	**–**	**69,520**	**58,165**	**805,807**
Reversal (Note 22)	**(3,453)**	**(11,043)**	**–**	**(7,962)**	**–**	**(30,683)**	**(25)**	**(53,166)**
Accounts written off	**–**	**–**	**–**	**(2,116)**	**–**	**–**	**–**	**(2,116)**
Translation adjustment	**–**	**–**	**–**	**8,642**	**–**	**–**	**–**	**8,642**
Balance at end of year	**₱50,767**	**₱1,060,057**	**₱37,778**	**₱519,642**	**₱6,678**	**₱149,246**	**₱121,292**	**₱1,945,460**

2019

	Trade							
	Residential and office Development	Shopping Centers	Construction Contracts	Corporate Business	Management Fees	Others	Advances to Other Companies	Total
				(In Thousands)				
Balance at beginning of year	₱13,555	₱558,059	₱26,547	₱86,663	₱5,948	₱175,596	₱5,900	₱872,268
Provisions during the year (Note 22)	–	269,619	11,231	128,692	730	12,310	253,341	675,923
Reversal (Note 22)	–	(13,599)	–	(16,192)	–	(76,319)	(1,038)	(107,148)
Accounts written off	–	(41,314)	–	(16,955)	–	(1,178)	(195,051)	(254,498)
Translation adjustment	–	(252)	–	–	–	–	–	(252)
Balance at end of year	₱13,555	₱772,513	₱37,778	₱182,208	₱6,678	₱110,409	₱63,152	₱1,186,293

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act (“Bayanihan 1 Act”) was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act (“Bayanihan 2 Act”), was enacted. Under Bayanihan 2 Act, a one-time sixty (60)-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other charges.

In 2020, the Group, provided reliefs under Bayanihan 1 Act and Bayanihan 2 Act, which offered financial reliefs to its borrowers/counterparties as a response to the effect of the COVID-19 pandemic. These relief measures included the restructuring of existing receivables including extension of payment terms.

Based on the Group’s assessment, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and therefore do not result in the derecognition of the affected financial assets.

As of December 31, 2020 and 2019, nominal amounts of trade receivables from residential, commercial and office development totaling ₱115,407.8 million and ₱122,258.0 million, respectively, were recorded initially at fair value. The fair values of the receivables were obtained by discounting future cash flows using the applicable rates of similar types of instruments.

Movements in the unamortized discount of the Group’s receivables as of December 31, 2020 and 2019 follow:

	2020	2019
	(In Thousands)	
Balance at beginning of year	**₱17,997,007**	₱17,427,468
Additions during the year	**4,685,456**	8,460,511
Accretion for the year (Note 20)	**(8,602,775)**	(7,890,972)
Balance at end of year	**₱14,079,688**	₱17,997,007

The Group entered into agreements with BPI Asset Management and Trust Corporation in 2019 for the assignment of interest-bearing employee receivables amounting to ₱108.9 million (nil in 2020). The transactions were without recourse and did not result to any gain or loss.

The Group sold residential receivables on a without recourse basis to partner mortgage banks, which include BPI Family Savings Bank, a related party, amounting to ₱20,458.0 million in 2020 and ₱9,976.3 million in 2019. These were sold at a discount with total proceeds of ₱18,431.9 million and ₱9,281.2 million, respectively. The Group recognized loss on sale (under “Other expenses”) amounting to ₱2,064.0 million and ₱775.2 million in 2020 and 2019, respectively (see Note 22).

8. Inventories

This account consists of:

	2020	2019
	(In Thousands)	
Real estate - at cost		
Residential and condominium units	**₱84,011,309**	₱65,659,786
Residential and commercial lots	**61,137,607**	52,363,671
Offices - at cost	**1,594,676**	2,264,229
	₱146,743,592	₱120,287,686

A summary of the movements in inventories is set out below:

2020

	Residential and commercial lots	**Residential and condominium units**	**Offices**	**Total**
		(In Thousands)		
Balances at beginning of year	**₱52,363,671**	**₱65,659,786**	**₱2,264,229**	**₱120,287,686**
Land acquired during the year	**3,269,732**	**17,744,257**	**–**	**21,013,989**
Construction/development costs incurred	**7,148,687**	**14,786,408**	**220,314**	**22,155,409**
Disposals (recognized as cost of real estate sales) (Note 22)	**(15,932,741)**	**(16,093,619)**	**(889,867)**	**(32,916,227)**
Transfers from (to) investment properties (Notes 12 and 37)	**14,288,258**	**1,914,477**	**–**	**16,202,735**
Balances at end of year	**₱61,137,607**	**₱84,011,309**	**₱1,594,676**	**₱146,743,592**

2019

	Residential and commercial lots	Residential and condominium units	Offices	Total
		(In Thousands)		
Balances at beginning of year	₱52,116,837	₱49,675,074	₱2,579,700	₱104,371,611
Land acquired during the year	7,598,083	–	–	7,598,083
Construction/development costs incurred	7,160,927	42,984,189	6,248,089	56,393,205
Borrowing costs capitalized	–	122,682	–	122,682
Disposals (recognized as cost of real estate sales) (Note 22)	(15,772,399)	(37,211,541)	(6,369,061)	(59,353,001)
Transfers from (to) investment properties (Notes 12 and 37)	1,260,223	10,089,382	(194,499)	11,155,106
Balances at end of year	₱52,363,671	₱65,659,786	₱2,264,229	₱120,287,686

The Group has no purchase commitments pertaining to its inventories as of December 31, 2020 and 2019.

There are no liens and encumbrances on the Group’s real estate inventories.

9. Other Current Assets

This account consists of:

	2020	2019
	(In Thousands)	
Advances to contractors and suppliers	**₱18,139,411**	₱11,014,287
Prepaid expenses	**16,756,037**	16,401,610
Value-added input tax	**12,575,713**	14,515,697
Creditable withholding taxes	**8,321,770**	4,710,840
Buildings classified as held for sale (Notes 12 and 13)	**952,142**	–
Materials, parts and supplies - at cost	**732,881**	999,883
Others	**543,008**	949,315
	₱58,020,962	₱48,591,632

Advances to contractors and suppliers represents prepayments for the construction of inventories. These are recouped from billings which are expected to occur in a short period of time.

Prepaid expenses consist of prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, rentals and insurance. The cost to obtain contracts which includes prepaid commissions and advances to brokers amounted to ₱3,281.1 million and ₱2,876.2 million in 2020 and 2019, respectively. In line with the Group's accounting policy, as set out in Note 2, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgment was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits (Note 14).

Value-added input tax is applied against value-added output tax. The remaining balance is recoverable in future periods.

Creditable withholding taxes are applied against income tax payable.

Buildings classified as held for sale include Qualimed Hospitals in Iloilo City, Santa Rosa and San Jose del Monte City which are being sold within the first quarter of 2021 in a move to transfer healthcare-related properties to AC Healthcare Holdings, Inc.

Materials, parts and supplies pertain to inventories to be used in the construction and maintenance of projects.

Others include deferred charges and letters of credit. Deferred charges pertain to project-related costs already paid but not yet consumed in the actual construction activities.

10. Financial Assets at Fair Value through OCI

This account consists of:

	2020	2019
	(in Thousands)	
Shares of stock:		
Quoted	**₱1,578,590**	₱1,478,444
Unquoted	**483,177**	505,484
	2,061,767	1,983,928
Net unrealized loss	**(550,324)**	(454,749)
	₱1,511,443	₱1,529,179

Investments in quoted shares of stock include shares held for clubs wherein the Group does not exercise control or demonstrate significant influence.

Investments in unquoted shares of stock include unlisted shares of public utility companies which the Group will continue to carry as part of the infrastructure that it provides to its real estate projects.

The Group made additional investments in equity instruments amounting to ₱99.0 million and ₱93.5 million in 2020 and 2019, respectively. The Group also disposed investments amounting to ₱21.1 million and ₱56.9 million in 2020 and 2019, respectively. No gain or loss was recognized from the disposal.

Movements in the reserves for financial assets at FVOCI as of December 31, 2020 and 2019 are as follows:

	2020	2019
	(In Thousands)	
Balance at beginning of year	**(₱454,749)**	(₱451,529)
Fair value changes during the year	**(426,088)**	(3,220)
Balance at end of year	**(₱880,837)**	(₱454,749)

The Group entered into and designated interest rate swaps as hedging instruments as a cashflow hedge from loans bearing interest at floating rate. The fair value of the interest rate swap is estimated using valuation techniques with observable inputs, which uses present value calculations and incorporate various input including interest rate curves. Total fair value amounted to ₱330 million.

As of December 31, 2020 and 2019 reserves for financial assets at FVOCI attributable to non-controlling interests amounted to ₱132.6 million and ₱2.6 million, respectively.

The following table provides the fair value hierarchy of the Group's financial assets at fair value through OCI which are measured at fair value as of December 31, 2020 and 2019 (in thousands):

December 31, 2020

			Fair value measurement using		
	Date of Valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Shares of stock:					
Quoted					
Real estate	**December 31, 2020**	**₱484,705**	**₱484,705**	**₱–**	**₱–**
Tourism and leisure	**December 31, 2020**	**263,041**	**263,041**	**–**	**–**
Retail	**December 31, 2020**	**54,980**	**54,980**	**–**	**–**
Utilities and energy	**December 31, 2020**	**34,300**	**34,300**	**–**	**–**
Telecommunication	**December 31, 2020**	**6,929**	**6,929**	**–**	**–**
Financial asset management	**December 31, 2020**	**500**	**500**	**–**	**–**
Unquoted					
Tourism and leisure	**Various**	**556,260**	**–**	**–**	**556,260**
Financial asset management	**Various**	**82,599**	**–**	**–**	**82,599**
Utilities and energy	**Various**	**19,787**	**–**	**–**	**19,787**
Real estate	**Various**	**7,468**	**–**	**–**	**7,468**
Telecommunication	**Various**	**874**	**–**	**–**	**874**
		₱1,511,443	**₱844,455**	**₱–**	**₱666,988**

December 31, 2019

			Fair value measurement using		
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shares of stock:					
Quoted					
Real estate	December 31, 2019	₱525,541	₱525,541	₱–	₱–
Tourism and leisure	December 31, 2019	282,927	282,927	–	–
Financial asset management	December 31, 2019	81,622	81,622	–	–
Retail	December 31, 2019	54,658	54,658	–	–
Utilities and energy	December 31, 2019	15,965	15,965	–	–
Telecommunication	December 31, 2019	2,816	2,816	–	–

(Forward)

	Date of Valuation	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shares of stock:					
Unquoted					
Tourism and leisure	Various	₱533,101	₱–	₱–	₱533,101
Utilities and energy	Various	19,787	–	–	19,787
Real estate	Various	11,888	–	–	11,888
Telecommunication	Various	874	–	–	874
		₱1,529,179	₱963,529	₱–	₱565,650

11. **Investments in Associates and Joint Ventures**

This account consists of:

	2020	2019
	(In Thousands)	
Investment in stocks – cost		
Balance at beginning of year	**₱21,022,390**	₱19,492,702
Additions	**1,837,901**	1,529,688
Redemption	**(326,602)**	–
Balance at end of year	**22,533,689**	21,022,390
Accumulated equity in net earnings:		
Balance at beginning of year	**₱4,366,651**	₱3,787,105
Equity in net earnings	**586,502**	965,787
Dividends received	**(758,714)**	(386,241)
Balance at end of year	**4,194,439**	4,366,651
Subtotal	**26,728,128**	25,389,041
Equity share in cumulative translation adjustment	**(126,874)**	(71,460)
	₱26,601,254	₱25,317,581

The equity share in cumulative translation adjustments represents exchange differences arising from the translation of financial statements of the foreign operations, whose functional currency is other than Philippine Peso.

Details of the Group's investments in associates and joint ventures and the related percentages of ownership are shown below:

	Percentages of Ownership		**Carrying Amounts**	
	2020	2019	**2020**	2019
			(In Thousands)	
Joint ventures:				
Emerging City Holdings, Inc. (ECHI)	50%	50%	**₱3,886,019**	₱4,075,620
ALI-ETON Property Development Corporation (ALI ETON)	50	50	**4,498,958**	3,294,858
AKL Properties, Inc. (AKL)	50	50	**3,034,209**	2,274,254
Berkshires Holdings, Inc. (BHI)	50	50	**1,920,659**	2,002,726
Cebu District Property Enterprise, Inc. (CDPEI)	35	35	**1,426,339**	1,443,220
Alveo-Federal Land Communities, Inc.	50	50	**928,621**	904,452
AyaGold Retailers, Inc. (AyaGold)	50	50	**161,407**	160,429
BYMCW, Inc.	30	30	**51,732**	55,500
SIAL Specialty Retailers, Inc. (SIAL Specialty)	50	50	**26,461**	31,744
			15,934,405	14,242,803

(Forward)

	Percentages of Ownership		Carrying Amounts	
	2020	2019	**2020**	2019
			(In Thousands)	
Associates:				
OCLP Holdings, Inc.(OHI)	21	21	**₱8,676,598**	₱8,540,155
Bonifacio Land Corp. (BLC)	10	10	**1,405,759**	1,479,284
Rize-Ayalaland (Kingsway) GP, Inc. (Rize-Ayalaland)	49	49	**401,194**	448,613
Tianjin Eco-City Ayala Land Development Co., Ltd (Tianjin Eco-City)	40	40	**153,982**	474,486
Lagoon Development Corporation	30	30	**29,316**	35,689
Mercado General Hospital, Inc. (MGHI)	33	33	**–**	96,551
			10,666,849	11,074,778
			₱26,601,254	₱25,317,581

The Parent Company considers an associate and a joint venture with material interest if its net assets exceed 5% of its total consolidated net assets of the Group as of reporting period and considers the relevance of the nature of activities of the associate and joint venture compared to other operations of the Group. The financial information on the Parent Company's significant associates and joint ventures with material interest follows:

Financial information of the associate with material interest

OHI

Consistent with its thrust of expanding its operations to other areas within and outside of Metro Manila through partnerships, ALI acquired a 21.1% stake in OHI. The acquisition was made possible via the purchase of shares from existing OHI shareholders. OHI owns 99.5% interest in Ortigas & Company Limited Partnership (OCLP), an entity engaged in real estate development and leasing businesses.

Set out below is the summarized financial information for OHI:

	2020	2019
	(In Thousands)	
Current assets	**₱17,440,519**	₱20,459,694
Noncurrent assets	**22,507,390**	19,563,645
Current liabilities	**(11,410,775)**	(13,360,788)
Noncurrent liabilities	**(18,597,214)**	(17,374,206)
Equity	**9,939,920**	9,288,345
Proportion of Group's ownership	**21.1%**	21.1%
Group's share in identifiable net assets	**2,097,323**	1,959,841
Carrying amount of the investment	**8,676,598**	8,540,155
Fair value adjustments	**6,589,215**	6,580,314
Negative Goodwill	**₱148,046**	₱148,046
Dividends received	**₱33,558**	₱36,555

Net assets attributable to the equity holders of OHI amounted to ₱9,939.9 million and ₱9,288.3 million as of December 31, 2020 and 2019, respectively.

	2020	2019
	(In Thousands)	
Revenue	**₱7,204,436**	₱12,214,233
Cost and expenses	**(6,398,747)**	(9,877,006)
Net income (continuing operations)	**805,689**	2,337,227
Group's share in net income for the year	**170,000**	493,155
Total comprehensive income	**805,689**	2,337,227
Group's share in total comprehensive income for the year	**170,000**	493,155

BLC

The Group has a 10% interest in BLC, which is involved in the purchase, subscription or otherwise disposal of real and personal properties. BLC is a private company incorporated on October 20, 1994 and there is no quoted market price available for its shares. Its registered office and principal place of business is Taguig City, Philippines.

Set out below is the summarized financial information for BLC:

	2020	2019
	(In Thousands)	
Current assets	**₱3,261,099**	₱10,996,893
Noncurrent assets	**38,420,664**	32,437,784
Current liabilities	**(2,534,735)**	(3,066,467)
Noncurrent liabilities	**(7,285,960)**	(7,175,865)
Equity	**31,861,068**	33,192,345
Less: noncontrolling interest	**14,292,676**	14,896,099
Equity attributable to Parent Company	**17,568,392**	18,296,246
Proportion of Group's ownership	**10.1%**	10.1%
Group's share in identifiable net assets	**1,774,408**	1,847,933
Carrying amount of the investment	**1,405,759**	1,479,284
Negative goodwill	**(₱368,649)**	(₱368,649)
Dividends received	**₱155,508**	₱80,836

Net assets attributable to the equity holders of BLC amounted to ₱17,568.4 million and ₱18,296.2 million as of December 31, 2020 and 2019, respectively.

	2020	2019
	(In Thousands)	
Revenue	**₱3,869,359**	₱5,790,288
Cost and expenses	**(2,466,924)**	(3,150,446)
Net income (continuing operations)	**1,402,435**	2,639,842
Net loss attributable to minority interest	**(590,732)**	(1,242,515)
Net income attributable to parent	**811,703**	1,397,327
Group's share in net income for the year	**81,982**	141,130
Total comprehensive income attributable to equity holders of the Parent Company	**811,703**	1,397,327
Group's share in total comprehensive income for the year	**81,982**	141,130

Aggregate financial information on the associates with immaterial interest (Rize-Ayalaland, Tianjin Eco-City, LDC and MGHI) follows:

	2020	2019
	(In Thousands)	
Carrying amount	**₱584,492**	₱1,055,339
Share in net loss from continuing operations	**(89,529)**	(231,629)
Share in total comprehensive loss	**(89,529)**	(231,629)

Financial information of joint ventures

ECHI

	2020	2019
	(In Thousands)	
Current assets	**₱11,741,302**	₱11,219,613
Noncurrent assets	**30,017,735**	32,437,964
Current liabilities	**(2,863,497)**	(3,395,804)
Noncurrent liabilities	**(7,285,960)**	(7,175,865)
Equity	**31,609,580**	33,085,908
Less: noncontrolling interest	**23,307,423**	24,244,695
Equity attributable to Parent Company	**8,302,157**	8,841,213
Proportion of Group's ownership	**50%**	50%
Group's share in identifiable net assets	**4,151,079**	4,420,607
Carrying amount of the investment	**3,886,019**	4,075,620
Dividends received	**₱397,854**	₱175,000

Net assets attributable to the equity holders of ECHI amounted to ₱8,302.2 million and ₱8,841.2 million as of December 31, 2020 and 2019, respectively.

	2020	2019
	(In Thousands)	
Revenue	**₱3,872,498**	₱5,795,508
Cost and expenses	**(2,475,532)**	(3,158,836)
Net income (continuing operations)	**1,396,966**	2,636,672
Net loss attributable to noncontrolling interest	**(980,460)**	(1,916,480)
Net income attributable to parent	**416,506**	720,192
Group's share in net income for the year	**208,253**	360,096
Total comprehensive income attributable to equity holders of the Parent Company	**416,506**	722,037
Group's share in total comprehensive income for the year	**208,253**	361,019

ALI Eton

	2020	2019
	(In Thousands)	
Current assets	**₱12,838,898**	₱12,416,374
Noncurrent assets	**3,985,368**	4,670,632
Current liabilities	**(8,394,044)**	(9,902,359)
Noncurrent liabilities	**(3,390,318)**	(2,949,942)
Equity	**5,039,904**	4,234,705
Proportion of Group's ownership	**50%**	50%
Group's share in identifiable net assets	**2,519,952**	2,117,353
Carrying amount of the investment	**4,498,958**	3,294,858

Net assets attributable to the equity holders of ALI Eton amounted to ₱5,039.9 million and ₱4,234.7 million as of December 31, 2020 and 2019, respectively.

	2020	2019
	(In Thousands)	
Revenue	**₱975,701**	₱1,143,940
Cost and expenses	**(734,502)**	(1,161,560)
Net income (continuing operations)	**241,199**	(17,620)
Group's share in net income for the year	**120,599**	(8,810)
Total comprehensive income attributable to equity holders of the Parent Company	**241,199**	(17,620)
Group's share in total comprehensive income for the year	**120,599**	(8,810)

Aggregate financial information on joint ventures with immaterial interest (BHI, CDPEI, Alveo-Federal, SIAL Specialty, AyaGold and BYMCW, Inc.) is as follows:

	2020	2019
	(In Thousands)	
Carrying amount	**₱7,549,428**	₱6,872,325
Share in net income from continuing operations	**95,197**	211,845
Share in total comprehensive income	**95,197**	211,845

The following are the significant transactions affecting the Group's investments in associates and joint ventures:

Investments in BLC, ECHI, and BHI
As of December 31, 2020 and 2019, the Group's effective interest in BLC is 45.1%. The Parent Company's 5.3% direct investment in BLC and 4.8% through Regent Time are accounted for using the equity method because the Parent Company has significant influence over BLC.

On April 17, 2003, the following transactions were consummated pursuant to the terms and conditions of the Assignment Agreement (Agreement), dated February 8, 2003, among the Parent Company, Evergreen Holdings, Inc. (EHI), Greenfield Development Corporation and Larouge, B.V. (Larouge), as amended, and the Agreement, dated November 23, 2002, among the Company, EHI and Neo Oracle Holdings, Inc. [formerly Metro Pacific Corporation (MPC)] as amended:

(a) The assignment to the Parent Company and EHI of the rights and obligations of Larouge under the loan agreement between Larouge and MPC, pursuant to which, Larouge extended MPC a loan in the principal amount of US$90.0 million, together with all the rights, title and interests of Larouge in the pledge constituted on 50.4% of the outstanding shares in BLC. The consideration paid by the Company and EHI for such assignment was approximately US$90.0 million, subject in part to foreign exchange adjustment.
(b) The assignment to the Parent Company and EHI, acting in this instance through the joint venture corporation, Columbus Holdings, Inc. (Columbus), of the controlling interest in BLC representing 50.4% of BLC's outstanding capital stock. This assignment was effected by MPC under a dacion en pago arrangement, and included an assignment of payables of BLC in the principal amount of ₱655.0 million together with its underlying security in the form of shares in Fort Bonifacio Development Corporation (FBDC) representing 5.6% of its outstanding capital stock.

The Agreement, as amended, also provides for the constitution of a pledge over 5.0% of BLC's unencumbered shares as security for contingent liabilities and breach of representation and warranties. The pledge lien over the 5.0% BLC shares shall continue to subsist until the third anniversary of the closing date.

The Parent Company and EHI jointly hold the 50.4% equity interest in BLC through ECHI and BHI. The Parent Company and EHI assigned the notes receivable from MPC to ECHI and BHI, which acquired the shares of stock of Columbus. Columbus directly owns the 50.4% interest in BLC. BLC owns 55.0% interest in FBDC, the primary developer of certain areas in Fort Bonifacio Global City for residential, commercial and business development. Columbus accounted for the acquisition of the 50.4% interest in BLC using the purchase method.

Subsequent to this, the Parent Company and EHI acquired additional shares of BLC through a combination of direct acquisition and through its associates at varying dates:

On July 31, 2008, the Group acquired, through the Parent Company, Regent Time and Columbus, additional 4,360,178 shares of BLC from FBDC amounting to ₱689.0 million, equivalent to 7.7% ownership in BLC. In January and October 2009, a total of 2,295,207 BLC shares were acquired from Development Bank of the Philippines and MPC, pertaining to the pledged shares, through Columbus amounting to ₱362.6 million. This resulted in an increase in Group's effective interest in BLC to 45.1% and unchanged thereafter.

Investment in Rize-Ayalaland
Rize-Ayalaland (Kingsway) GP, Inc. was incorporated on January 25, 2013 under the laws of British Columbia, Canada. The Company's effective ownership is 49.0% through its Vancouver-based subsidiary, AyalaLand Real Estate Investments, Inc.

Investment in Tianjin Eco-City
Tianjin Eco-City is a registered Sino-foreign equity joint venture between RWIL and Sino-Singapore Tianjin Eco-City Investment & Development Co. (SSTEC) under the law of of the People's Republic of China to operate for 50 years until 2060. The agreement was entered into to develop a 19-tower residential complex in China, marking its initially foray into the growing China market. It's principal activities include property development rental, management property and parking lot management.

In 2020, Tianjin Eco-City reduced its registered capital from RMB292.75 million to RMB176.25 million, with each shareholder getting back capital in proportion to its current share of ownership. After the capital reduction, the shareholders' share of ownership remain unchanged. The Group's share in the capital reduction amounted to ₱326.60 million.

Investment in Cebu District Property Enterprise, Inc.
Cebu District Property Enterprise, Inc. (CDPEI) was incorporated on February 20, 2014 and is a 50:50 joint venture between the Company and Aboitiz Land, Inc. CDPEI's main purpose is to create a mixed-use commercial and residential district with the 15.4 hectare property in Subangdaku, Mandaue.

Investment in Alveo-Federal Land Communities, Inc.
Alveo Land Corp. signed a Joint Venture Agreement (JVA) with Federal Land, Inc. last April 29, 2015 for equal ownership over AFLCI. The JV is for the development of Treveia Nuvali located in Laguna near Nuvali.

Investment in ALI-ETON Property Development Corporation
ALI-ETON Property Development Corporation was incorporated on March 13, 2016. The company is a joint venture between Ayala Land, Inc. and LT Group, Inc. ALI and LT Group, Inc. entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be a township development that spans portions of Pasig City and Quezon City.

In 2020 and 2019, the Parent Company and LT Group, Inc. made additional equity infusions to ALI-Eton to fund the development requirements of Parklinks amounting to ₱1,083.5 million and ₱1,195.0 million as of December 31, 2020 and 2019 respectively.

Investment in BYMCW, Inc.
On August 2, 2017, Bouygues Travaux Publics Philippines Inc. (BYTPPI) incorporated BYMCW Inc. (BYMCW) to engage in general building and contracting business. BYMCW's registered office address is at 2nd floor, Welfare Building, LRTA Compound, Aurora Blvd., Barangay 189, Pasay City, Metro Manila.

On December 6, 2017, MDC acquired 30% ownership over BYMCW after buying fifty one (51) million shares held by BYTPPI.

Investment in AyaGold Retailers, Inc.
AyaGold Retailers, Inc., a joint venture between Entenso Equities Incorporated (EEI, a wholly owned subsidiary of Puregold Price Club, Inc.) and ALI Capital Corp. (a wholly owned subsidiary of the Company and the holding company for its retail-related initiatives), was incorporated on October 2, 2013. It is organized primarily to finance, build and operate mid-market supermarkets for some of Company's new integrated and mixed-use developments. The mid-market supermarkets will be carried under a new brand to be jointly developed by both ALI Capital Corp. and EEI. The partnership with EEI will enable the Company to support its mixed-use developments and, at the same time, grow its recurring income portfolio.

Investment in SIAL Specialty
SIAL Specialty was incorporated on September 27, 2012 as a joint venture between ALI Capital Corp. and Store Specialist, Inc. (SSI). ALICap is a wholly owned subsidiary of the Parent Company. SSI is one of the largest specialty retail companies in the Philippines with the exclusive distribution rights to za variety of brands from around the world.

The partnership, which combines the ALI Capital Corp.'s expertise in developing mixed-use developments and SSI's proven track record in retail, is aimed at pursuing retail solutions to address the growing and changing lifestyle needs of the market.

SIAL Specialty was organized primarily for the investment and operation of mid-market department stores and to pursue other investment opportunities in the Philippine retail sector.

Investment in MGHI
In July 2013, the Parent Company entered into an agreement with the Mercado Family to acquire Whiteknight Holdings, Inc. (WHI), a 33% equity stockholder of MGHI. Its acquisition of WHI will allow the Parent Company to build a strategic partnership with the Mercado Group and support MGHI's future growth. This partnership also enhances the potential of Ayala Land's development of mixed-use communities by offering the critical component of medical services to complement the residential, shopping centers, office and hotel developments therein.

Investment in AKL
In 2018, the Parent Company invested ₱1,959.7 million in AKL, which is a 50:50 joint venture between the Parent Company and Royal Asia Land, Inc. (RALI), and is organized primarily for future mixed-use development in South Luzon area.

On June 26, 2019, the Parent Company approved the equity call to fund the advance payment to Manila Jockey Club, Inc. (MJCI) upon signing the Memorandum of Agreement (MOA) for the 60 hectares. Property in Carmona, Cavite between AKL and MJCI. The Parent Company's share in the additional total capital requirement amounted to ₱250.0 million.

On September 12, 2019, the Parent Company approved the equity call for the minimum subscription to increase the Authorized Capital Stock (ACS) of AKL from ₱4,545.0 million to ₱7,250.0 million which was approved in the AKL board meeting on May 14, 2019. The increase in the ACS shall cover the land acquisition requirements in Carmona and Silang, Cavite for the next 3 years. The 50% share of the Parent Company in the minimum paid-up capital (25% of the minimum subscription) of the increase amounted to ₱84.7 million.

On July 13, 2020, the Parent Company paid the equity call for the existing subscription and for the additional subscription to AKL for a total of ₱508.4 million. The additional subscription will cover the scheduled infusion of the parcels for the first phase of Project Newton Residential as per joint venture agreement (JVA). RALI also entered with the same subscription agreement with AKL.

On December 7, 2020, the Parent Company entered into another subscription agreement with AKL amounting to ₱246.0 million which will cover the amount due for the DOAS of Dolfo and Ledesco parcels of land for the first phase of Project Newton Residential. RALI also entered with the same subscription agreement with AKL.

12. Investment Properties

The rollforward analysis of this account follows:

2020

	Land	**Buildings**	**Construction in Progress**	**Total**
		(In Thousands)		
Cost				
Balance at beginning of year	**₱87,592,430**	**₱127,132,394**	**₱64,013,813**	**₱278,738,637**
Additions	**1,523,773**	**2,010,308**	**2,081,919**	**5,616,000**
Disposals	**(562,236)**	**(1,812,086)**	**(157,541)**	**(2,531,863)**
Buildings classified as held for sale (Note 9)	**–**	**(1,080,859)**	**–**	**(1,080,859)**
Cumulative translation difference	**(150,753)**	**(61,320)**	**–**	**(212,073)**
Transfers (Notes 8,13, and 37)	**(17,638,674)**	**844,294**	**–**	**(16,794,380)**
Balance at end of year	**70,764,540**	**127,032,731**	**65,938,191**	**263,735,462**
Accumulated Depreciation				
Balance at beginning of year	**–**	**35,592,364**	**–**	**35,592,364**
Depreciation (Note 22)	**–**	**5,590,050**	**–**	**5,590,050**
Disposals	**–**	**(328,089)**	**–**	**(328,089)**
Buildings classified as held for sale	**–**	**(130,786)**	**–**	**(130,786)**
Cumulative translation difference	**–**	**(960)**	**–**	**(960)**
Balance at end of year	**–**	**40,722,579**	**–**	**40,722,579**
Accumulated impairment losses				
Balance at beginning of year	**102,825**	**–**	**–**	**102,825**
Impairment losses (Note 22)	**–**	**225,208**	**–**	**225,208**
Balance at the end of year	**102,825**	**225,208**	**–**	**328,033**
Net Book Value	**₱70,661,715**	**₱86,084,944**	**₱65,938,191**	**₱222,684,850**

2019

	Land	Buildings	Construction in Progress	Total
		(In Thousands)		
Cost				
Balance at beginning of year, as previously reported	₱83,523,538	₱117,553,349	₱55,359,319	₱256,436,206
Effect of adoption of PFRS 16	–	–	888,774	888,774
Balance at beginning of year, as restated	83,523,538	117,553,349	56,248,093	257,324,980
Additions	16,965,958	10,567,896	9,484,719	37,018,573
Disposals	(1,341,800)	(2,502,913)	(3,146)	(3,847,859)
Cumulative translation difference	(93,531)	(135,484)	–	(229,015)
Transfers (Notes 8,13, 33 and 37)	(11,461,735)	1,649,546	(1,715,853)	(11,528,042)
Balance at end of year	87,592,430	127,132,394	64,013,813	278,738,637
Accumulated Depreciation				
Balance at beginning of year	–	31,327,471	–	31,327,471
Depreciation (Note 22)	–	4,404,491	–	4,404,491
Disposals	–	(178,584)	–	(178,584)
Cumulative translation difference	–	(406)	–	(406)
Transfers	–	39,392	–	39,392
Balance at end of year	–	35,592,364	–	35,592,364
Accumulated impairment losses				
Balance at beginning and end of year	102,825	–	–	102,825
Net Book Value	₱87,489,605	₱91,540,030	₱64,013,813	₱243,043,448

Certain parcels of land are leased to several individuals and corporations. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove any and all improvements (such as buildings) introduced or built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its use and benefit.

Construction in progress pertain to buildings under construction to be leased as retail and office spaces upon completion. The development and construction period normally range from three years to five years and depends heavily on the size of the assets.

The aggregate fair value of the Group's investment properties amounted to ₱458,146.2 million and ₱495,845.1 million as of December 31, 2020 and 2019, respectively.

The fair values of the investment properties were determined by independent professionally qualified appraisers.

The following table provides the fair value hierarchy of the Group's investment properties as of December 31, 2020 and 2019:

2020

			Fair value measurement using		
	Date of Valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
			(In Thousands)		
Land properties	**Various**	**₱266,211,236**	**₱–**	**₱–**	**₱266,211,236**
Retail properties	**Various**	**84,187,480**	**–**	**–**	**84,187,480**
Office properties	**Various**	**106,441,044**	**–**	**–**	**106,441,044**
Hospital properties	**Various**	**1,306,435**	**–**	**–**	**1,306,435**

2019

			Fair value measurement using		
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			(In Thousands)		
Land properties	Various	₱278,165,996	₱–	₱–	₱278,165,996
Retail properties	Various	109,835,314	–	–	109,835,314
Office properties	Various	106,628,343	–	–	106,628,343
Hospital properties	Various	1,215,483	–	–	1,215,483

The values of the land were arrived using the Market Data Approach. Market Data Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available. For Market Data Approach, the higher the price per sqm., the higher the fair value.

The values of the buildings (retail, office, hospital) were arrived using the Income Approach. Income Approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset.

The significant unobservable inputs to valuation of investment properties ranges from ₱1,500-₱278,000 per sqm.

Interest capitalized amounted to ₱40.1 million, ₱22.8 million and ₱19.0 million in 2020, 2019 and 2018, respectively. The capitalization rates are 2.63% - 5.18%, 4.41%-7.00% and 2.00%-7.65% in 2020, 2019 and 2018, respectively (see Note 16).

Consolidated rental income from investment properties amounted to ₱18,468.9 million, ₱31,687.1 million and ₱28,522.4 million in 2020, 2019 and 2018, respectively (see Note 20). Consolidated direct operating expenses arising from the investment properties in 2020, 2019 and 2018 amounted to ₱7,467.0 million, ₱6,822.3 million and ₱5,906.2 million, respectively (see Note 22).

Depreciation and amortization expense pertaining to investment properties amounted to ₱5,590.1 million, ₱4,404.5 million and ₱4,052.3 million in 2020, 2019 and 2018, respectively (see Note 22).

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Certain short-term and long-term debt are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. Net book value of the investment property amounted to ₱2,288.3 million and ₱2,451.2 million as of December 31, 2020 and 2019, respectively (see Note 16).

13. Property and Equipment

The rollforward analysis of this account as of December 31 follow:

2020

	Land, Buildings and Improvements	**Machinery and Construction Equipment**	**Furniture, Fixtures and Equipment**	**Transportation Equipment**	**Hotel Property and Equipment**	**Total**
			(In Thousands)			
Cost						
Balance at beginning of year	**₱14,515,989**	**₱14,435,222**	**₱8,645,130**	**₱3,462,991**	**₱24,049,471**	**₱65,108,803**
Additions	**863,343**	**454,190**	**850,886**	**46,325**	**883,692**	**3,098,436**
Disposals	**(67,608)**	**(293,624)**	**(212,201)**	**(150,638)**	**–**	**(724,071)**
Foreign currency exchange difference	**(87,818)**	**(262,678)**	**(4,531)**	**(1,757)**	**–**	**(356,784)**
Building held for sale (Note 9)	**(2,442)**	**–**	**–**	**–**	**–**	**(2,442)**
Transfers (Notes 12 and 37)	**591,645**	**–**	**–**	**–**	**–**	**591,645**
Balance at end of year	**15,813,109**	**14,333,110**	**9,279,284**	**3,356,921**	**24,933,163**	**67,715,587**
Accumulated Depreciation and Amortization						
Balance at beginning of year	**₱4,208,323**	**₱8,864,301**	**₱4,687,040**	**₱1,446,549**	**₱2,840,233**	**₱22,046,446**
Depreciation and amortization (Note 22)	**787,280**	**961,935**	**430,778**	**304,116**	**565,920**	**3,050,029**
Disposals	**(37,863)**	**(269,194)**	**(209,348)**	**(68,934)**	**–**	**(585,339)**
Foreign currency exchange difference	**(8,333)**	**(229,061)**	**(3,204)**	**(1,546)**	**–**	**(242,144)**
Building held for sale (Note 9)	**(373)**	**–**	**–**	**–**	**–**	**(373)**
Balance at end of year	**4,949,034**	**9,327,981**	**4,905,266**	**1,680,185**	**3,406,153**	**24,268,619**
Net Book Value	**₱10,864,075**	**₱5,005,129**	**₱4,374,018**	**₱1,676,736**	**₱21,527,010**	**43,446,968**

2019

	Land, Buildings and Improvements	Machinery and Construction Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Hotel Property and Equipment	Total
			(In Thousands)			
Cost						
Balance at beginning of year	₱11,822,391	₱14,042,526	₱6,657,181	₱3,331,104	₱18,927,960	₱54,781,162
Additions	2,880,599	948,850	1,999,517	165,395	4,525,214	10,519,575
Disposals	(16,107)	(502,089)	(7,578)	(31,885)	–	(557,659)
Foreign currency exchange difference	(46,248)	(54,065)	(3,990)	(1,623)	–	(105,926)
Transfers (Notes 12 and 37)	(124,646)	–	–	–	596,297	471,651
Balance at end of year	14,515,989	14,435,222	8,645,130	3,462,991	24,049,471	65,108,803

(Forward)

	Land, Buildings and Improvements	Machinery and Construction Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Hotel Property and Equipment	Total
			(In Thousands)			
Accumulated Depreciation and Amortization						
Balance at beginning of year	₱3,546,838	₱7,741,047	₱4,174,491	₱1,206,464	₱2,363,122	₱19,031,962
Depreciation and amortization (Note 22)	954,929	1,553,999	550,519	275,265	516,270	3,850,982
Disposals	(20,903)	(421,333)	(9,090)	(22,371)	–	(473,697)
Foreign currency exchange difference	(30,535)	896	9,247	4,873		(15,519)
Transfers	(39,392)	–	–	–	–	(39,392)
Others	(202,614)	(10,308)	(38,127)	(17,682)	(39,159)	(307,890)
Balance at end of year	4,208,323	8,864,301	4,687,040	1,446,549	2,840,233	22,046,446
Net Book Value	₱10,307,666	₱5,570,921	₱3,958,090	₱2,016,442	₱21,209,238	₱43,062,357

The depreciation and amortization of property and equipment (included under various consolidated statements of income accounts) amounted to ₱3,050.0 million, ₱3,851.0 million and ₱1,882.6 million in 2020, 2019 and 2018, respectively. No interest was capitalized in 2020 and 2019 (see Note 16).

The Group has no restrictions on its property and equipment and none of these have been pledged as security for its obligations. Capital expenditures for hotel buildings in the course of construction amounted to ₱6,775.47 million and ₱5,915.92 as of December 31, 2020 and 2019, respectively, and are included in property and equipment. The total contractual commitments arising from awarded contracts for the acquisition, development and construction of property and equipment amounted to ₱368.71 million.

The Group performed impairment testing on its hotel property and equipment with a carrying value of ₱21,527.0 million as of December 31, 2020, by assessing its recoverable amount through estimation of its value in use (VIU). VIU is the present value of the future cash flows expected to be derived from an asset. The significant assumptions used in the valuation are discount rates of 7.00% to 12.00% with an average growth rate of 3.00%. The Group also considered in its assumptions the impact of the pandemic on the occupancy rate and room rates which are not expected to normalize until 2024. Based on the impairment testing, there is no impairment loss on the Group's hotel property and equipment (see Note 3).

14. Other Noncurrent Assets

This account consists of:

	2020	2019
	(In Thousands)	
Prepaid expenses	**₱10,544,253**	₱10,667,666
Advances to contractors and suppliers	**9,387,018**	13,664,137
Leasehold rights	**3,506,816**	3,684,840
Deferred input VAT	**2,918,601**	1,676,155
Deposits – others	**2,339,575**	2,452,299
Investment in bonds	**2,309,440**	2,309,867
Net pension assets (Note 26)	**12,220**	74,332
Development rights	**49,791**	63,314
Others	**760,099**	287,867
	₱31,827,813	₱34,880,477

Prepaid expenses consist of project costs incurred for unlaunched projects of the Group, advance rental payments and noncurrent prepaid management fees. This also includes the noncurrent portion of cost to obtain contracts (see Note 9) which includes prepaid commissions and advances to brokers, which amounted to ₱914.8 million and ₱442.4 million in 2020 and 2019, respectively.

Advances to contractors and suppliers represents prepayments for the construction of investment properties and property and equipment.

Leasehold rights consist of the following:
- Through the acquisition of ALLHC, ALI acquired leasehold rights arising from their lease agreement with Philippine National Railways (PNR) which amounted to ₱2,905.15 million and ₱3,062.19 million as of December 31, 2020 and 2019, respectively (see Note 33).
- TKPI's leasehold rights pertains to the right to use the property in Apulit Island located in Taytay, Palawan expiring on December 31, 2029 which amounted to ₱60.09 million and ₱66.76 million as of December 31, 2020 and 2019, respectively.
- NTDCC's leasehold rights refer to development rights on an 8.3-hectare portion of the MRT Development Corporation, which is located on the North Triangle property, and enabled the Group to develop and construct a commercial center which amounted to ₱541.58 million and ₱555.89 million as of December 31, 2020 and 2019, respectively.

Movements of leasehold rights follow:

	2020	2019
	(In Thousands)	
As of January 1, 2020	**₱3,684,840**	₱3,868,532
Additions	**8,736**	–
Amortizations	**(186,760)**	(183,692)
Balance at end of year	**₱3,506,816**	₱3,684,840

Deposits - others pertain to various utility deposits and security deposits for leases.

Investment in bonds pertain to non-interest bearing bonds with a term of 36-months. The Group recorded the investment as financial asset at fair value through other comprehensive income. The fair value of the investment in bonds is determined using the binomial lattice approach. The fair value of the investment is categorized under Level 3.

Deferred input VAT pertains to unamortized VAT portion from purchases of capital goods.

Development rights pertain to the saleable and non-saleable development rights acquired by the Parent Company. The non-saleable portion is allocated to the gross floor area of a structure in a particular lot that can be developed in the future. The amortization of development rights are capitalized as additional cost of the structure once the development commences.

Others pertain to prepayments for expenses that is amortized for more than one year.

15. Accounts and Other Payables

This account consists of:

	2020	2019
	(In Thousands)	
Accounts payable	**₱77,332,265**	₱84,659,801
Taxes payable	**19,215,550**	22,488,327
Accrued project costs	**18,220,433**	18,269,215
Liability for purchased land	**9,316,978**	9,936,887
Accrued salaries and employee benefits	**5,669,563**	5,792,122
Retentions payable	**4,131,302**	4,094,175
Accrued professional and management fees	**2,448,396**	3,837,477

(Forward)

	2020	2019
	(In Thousands)	
Interest payable	**₱1,775,627**	₱2,156,213
Accrued repairs and maintenance	**1,634,398**	1,902,797
Payable to related parties (Note 25)	**1,128,192**	1,034,283
Accrued advertising and promotions	**968,291**	1,317,500
Accrued utilities	**697,231**	2,334,623
Accrued rentals	**369,960**	1,082,496
Dividends payable	**241,604**	632,000
Other accrued expenses	**1,476,132**	3,441,253
	₱144,625,922	₱162,979,169

Accounts payable and accrued expenses are noninterest-bearing and are normally settled on 30- to 60-day terms.

Taxes payable pertains to the Group's output VAT, expanded withholding tax, capital gains tax and fringe benefit tax.

Accrued project costs are billings not yet received from suppliers for direct materials, and services from subcontractors. These are accruals of project costs such as equipment charges, materials, labor, overhead, and provision for repairs and maintenance.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired payable during the year. These are normally payable in quarterly or annual installment payments or upon demand.

Retentions payable pertains to the amount withheld by the Group on contractor's billings to be released after the guarantee period, usually one (1) year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in the project.

Other accrued expenses consist mainly of accruals from commissions, royalty, transportation and travel, janitorial and security, postal and communication and other expenses.

16. Short-term and Long-term Debts

The short-term debt amounting to ₱9,131.3 million and ₱18,032.8 million as of December 31, 2020 and 2019, respectively, represents both peso and foreign currency-denominated bank loans. Peso-denominated short-term loans had a weighted average cost of 4.0% and 4.98%per annum in 2020 and 2019, respectively.

In compliance with BSP rules on directors, officers, stockholders and related interests, certain short-term and long-term debt with a carrying value of ₱13,231.3 million and ₱24,416.9 million as of December 31, 2020 and 2019 are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. Net book value of the property amounted to ₱2,288.3 million and ₱2,451.2 million as of December 31, 2020 and 2019, respectively, which is accounted as part of the "Investment properties" account.

Long-term debt consists of:

	2020	2019
	(In Thousands)	
Parent Company:		
Bonds:		
Due 2020	**₱–**	₱4,000,000
Due 2021	**9,000,000**	9,000,000
Due 2022	**22,650,000**	12,650,000
Due 2023	**15,000,000**	15,000,000
Due 2024	**18,000,000**	18,000,000
Due 2025	**21,250,000**	15,000,000
Due 2026	**16,000,000**	16,000,000
Due 2027	**8,000,000**	8,000,000
Due 2028	**10,000,000**	10,000,000
Due 2033	**2,000,000**	2,000,000
Fixed rate corporate notes (FXCNs)	**5,650,000**	5,710,000
Php - denominated long-term loan	**41,230,039**	41,885,094
US Dollar - denominated long-term loan	**6,002,875**	6,329,375
	174,782,914	163,574,469
Subsidiaries:		
Bonds	**5,000,000**	5,000,000
Bank loans - Philippine Peso	**24,152,698**	24,046,410
Bank loans - Malaysian Ringgit	**1,749**	4,875
Fixed rate corporate notes	**–**	1,350,000
	29,154,447	30,401,285
	203,937,361	193,975,754
Less unamortized transaction costs	**1,117,768**	911,703
	202,819,593	193,064,051
Less current portion	**18,732,401**	17,250,706
	₱184,087,192	₱175,813,345

ALI Parent

Below is the summary of the outstanding Peso bonds issued by the Parent Company:

Year Issued	Term (Years)	Interest rate	Principal Amount (In thousands)	Carrying Value (In thousands) 2020	2019	Features
2012	10.0	6.0000%	5,650,000	**₱5,650,000**	₱5,645,304	Fixed rate bond due 2022
2013	7.0	4.6250%	4,000,000	**–**	3,995,321	Fixed rate bond due 2020
2013	20.0	6.0000%	2,000,000	**1,986,730**	1,985,276	Fixed rate bond due 2033
2013	10.5	5.0000%	15,000,000	**14,966,062**	14,936,647	Fixed rate bond due 2024
2014	11.0	5.6250%	8,000,000	**7,968,512**	7,952,880	Fixed rate bond due 2025
2015	7.0	4.5000%	7,000,000	**6,987,688**	6,968,807	Fixed rate bond due 2022
2016	9.5	4.7500%	7,000,000	**6,969,407**	6,955,765	Fixed rate bond due 2025
2016	10.0	4.8500%	8,000,000	**7,961,918**	7,946,612	Fixed rate bond due 2026
2016	7.0	3.8915%	7,000,000	**6,980,787**	6,961,631	Fixed rate bond due 2023
2017	10.0	5.2624%	7,000,000	**6,979,065**	6,972,611	Fixed rate bond due 2027
2018	10.0	5.9203%	10,000,000	**9,916,583**	9,896,154	Fixed rate bond due 2028
2018	5.0	7.0239%	8,000,000	**7,962,717**	7,925,898	Fixed rate bond due 2023
2019	7.0	6.3690%	8,000,000	**7,934,304**	7,909,802	Fixed rate bond due 2026
2019	5.0	4.7580%	3,000,000	**2,978,436**	2,979,164	Fixed rate bond due 2024
2019	2.0	4.2463%	9,000,000	**8,781,628**	8,937,450	Fixed rate bond due 2021
2019	7.25	4.9899%	1,000,000	**963,622**	952,029	Fixed rate bond due 2027
2020	2.0	3.0000%	10,000,000	**9,970,491**	–	Fixed rate bond due 2022
2020	5.0	3.8620%	6,250,000	**6,192,684**	–	Fixed rate bond due 2025
Total				**₱121,150,634**	₱108,921,351	

Philippine Rating Services Corporation (PhilRatings) rated the Parent Company's 2020 bond issue "PRS Aaa" with a stable outlook, and maintained the "PRS Aaa" rating with a stable outlook for all other outstanding bonds. PRS Aaa is the highest rating assigned by PhilRatings, indicating that obligor's capacity to meet its financial commitment on the obligation is extremely strong and that it has the smallest degree of investment risk. On the other hand, an Outlook is an indication as to the possible direction of any rating change within a one year period and serves as a further refinement to the assigned credit rating for the guidance of investors, regulators, and the general public. A Stable Outlook indicates that the rating is likely to be maintained or to remain unchanged in the next twelve months

Philippine Peso 10-year Bonds due 2022
In April 2012, the Parent Company issued a ₱5,650.0 million bond due 2022 at a fixed rate equivalent to 6.0% p.a. PhilRatings assigned a PRS Aaa rating on the bonds indicating that it has the smallest degree of investment risk. Interest payments are protected by a large or by an exceptionally stable margin and principal is assured. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues. PRS Aaa is the highest credit rating possible on PhilRatings' rating scales for long-term issuances.

Philippine Peso 5-year and 10-year and 6-month Bonds due 2024
In July 2013, the Parent Company issued a total of ₱15,000.0 million bonds due 2024 at a fixed rate equivalent to 5.0% p.a. Credit Rating and Investors Services Philippines, Inc. (CRISP) assigned a "AAA" on the bonds indicating that it has a minimal credit risk owing to the Company's capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP. In 2019, the Parent Company issued a total of ₱3,000.0 million bonds due 2024 at a fixed rate equivalent to 4.758% p.a. under its new shelf registration. PhilRatings assigned a PRS Aaa rating on the bonds.

Philippine Peso 7-Year and 20-year Bonds due 2020 and 2033
In October 2013, the Parent Company issued a total of ₱6,000.0 million bonds, broken down into a ₱4,000.0 million bond due 2020 at a fixed rate equivalent to 4.6% p.a. and a ₱2,000.0 million bond due 2033 at a fixed rate equivalent to 6.0% p.a. CRISP assigned a "AAA" rating on the bonds indicating that it has a minimal credit risk owing to the Parent Company's capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP.

Philippine Peso 11-year Bonds due 2025
In April 2014, the Parent Company issued a total of ₱8,000.0 million bonds due 2025 at a fixed rate equivalent to 5.6% p.a. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings.

Philippine Peso 7.0 Billion Fixed Rate Bonds due 2022
In April 2015, the Parent Company issued a total of ₱7,000.0 million bonds due 2022 at a fixed rate equivalent to 4.5% p.a. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings.

Philippine Peso 9-year and 6-month Bonds due 2025
In April 2016, the Parent Company issued a total of ₱7,000.0 million bonds due 2025 at a fixed rate equivalent to 4.75% p.a. The Bonds is the second tranche of the Fixed-rate Bonds Series under the Parent Company's ₱50,000.0 million Debt Securities Program registered in the SEC. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings.

Philippine Peso 7-year and 10-year Bonds due 2026
In March 2016, the Parent Company issued a total of ₱8,000.0 million bonds due 2026 at a fixed rate equivalent to 4.85% p.a. The Bonds is the first tranche of the Fixed-rate Bonds Series under the Parent Company's ₱50,000 million Debt Securities Program registered in the SEC. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook, by PhilRatings. In May 2019, the Parent Company issued an ₱8,000.0 million fixed rate bond due 2026 at a rate equivalent to 6.369% p.a. The Bonds represent the first tranche of debt securities issued under the Parent Company's new ₱50,000.0 million Debt Securities Program registered with the SEC, and listed on the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 7-year Bonds due 2023
In October 2016, the Parent Company issued a ₱7,000.0 million fixed rate bond due 2023 at a rate equivalent to 3.8915% p.a. The Bonds represent the third tranche of the Fixed-rate Bonds Series issued under the Parent Company's ₱50,000.0 million Debt Securities Program registered with the SEC, and listed in the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 7-year and 3-month and 10-year Bonds due 2027
In May 2017, the Parent Company issued a ₱7,000.0 million fixed rate bond due 2027 at a rate equivalent to 5.2624% p.a. The Bonds represent the fourth tranche of the Fixed-rate Bonds Series issued under the Parent Company's ₱50,000.0 million Debt Securities Program registered with the SEC, and listed in PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings. In November 2019, the Parent Company issued a ₱1,000.0 million fixed rate bond due 2027 at a rate equivalent to 4.9899 % p.a. This was the third tranche of bonds issued under the new ₱50,000.0 million shelf registration of the Parent Company. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2028
In April 2018, the Parent Company issued a ₱10,000.0 million fixed rate bond due 2028 at a rate equivalent to 5.9203% p.a. and subject to repricing on 27 April 2023, the fifth anniversary of the Issue Date, at the higher of 5.9203% or the prevailing 5-year benchmark plus 75 bps. The Bonds represent the fifth tranche of the Fixed-rate Bonds Series issued under the Parent Company's ₱50,000.0 million Debt Securities Program registered with the SEC,and listed in the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2023
In October 2018, the Parent Company issued a ₱8,000.0 million fixed rate bond due 2023 at a rate equivalent to 7.0239% p.a. The Bonds represent the sixth and final tranche of the Fixed-rate Bonds Series issued under the Parent Company's ₱50,000.0 million Debt Securities Program registered with the SEC, and listed on the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 2-year Bonds due 2021
In November 2019, the Parent Company issued a ₱9,000.0 million fixed rate bond due 2021 at a rate equivalent to 4.2463% p.a. The Bonds form part of the third tranche of debt securities issued under the Parent Company's new ₱50,000.0 million Debt Securities Program registered with the SEC, and listed on the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 2-year Bonds due 2022
In June 2020, the Parent Company issued a ₱10,000.0 million fixed rate bond due 2022 at a rate equivalent to 3.00% p.a. The Bonds form part of the fourth tranche of debt securities issued under the Parent Company's new ₱50,000.0 million Debt Securities Program registered with the SEC, and the first issuer to hold a virtual listing ceremony on the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings and the first corporate bond to bookbuild, price, and issue within the community quarantine period.

Philippine Peso 5-year Bonds due 2025
In September 2020, the Parent Company issued a ₱6,250.0 million fixed rate bond due 2025 at a rate equivalent to 3.862% p.a. The Bonds represent the fifth tranche of debt securities issued under the Parent Company's new ₱50,000.0 million Debt Securities Program registered with the SEC and listed on the PDEx. The Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings and the largest 5-year bond issuance during the quarantine period.

Philippine Peso 5-, 10-, 15-Year FXCN due on 2016, 2021 and 2026
In January 2011, the Parent Company issued ₱10,000.0 million FXCNs to various financial institutions and retail investors. The notes will mature on various dates up to 2026. The FXCNs bear fixed interest rates ranging from 5.6% to 7.5% p.a. depending on the term of the notes.

The Parent Company prepaid ₱1,950.0 million of notes due in 2016 on January 19, 2013. Thereafter, the Parent Company either prepaid the loans before its maturity or paid the loans upon maturity. From 2014 until 2020, the Parent Company paid a total of ₱7,100.0 million, in which ₱10.0 million were each paid in 2020 and 2019. As of December 31, 2020 and 2019, the remaining balance of the FXCN amounted to ₱950.0 million and ₱960.0 million, respectively.

Philippine Peso 10-year Note due 2023
In December 2012, the Parent Company executed a ₱5,000.0 million committed Corporate Note facility with a local bank, of which an initial ₱3,500.0 million was drawn in 2012. The balance of ₱1,500.0 million was subsequently drawn in January 2013. Notes currently bear a fixed interest rate of 4.5% p.a. The Corporate Notes will mature on the third month succeeding the tenth anniversary of the initial drawdown date. In 2015, ₱50.0 million was prepaid by the Company. Thereafter, the Parent Company paid the ₱50.0 million loan amortizations until 2020. From 2016 until 2020, the Parent Company paid a total of ₱250.0 million, in which ₱50.0 million amortizations were each paid in 2020 and 2019. As of December 31, 2020 and 2019, the remaining balance of the note amounted to ₱4,700.0 million and ₱4,750.0 million, respectively.

Peso-denominated Long-term Loans
In August to September 2015, the Parent Company assumed an aggregate of ₱15,526.9 million various long-term facilities of some subsidiaries from various banks. The loans bear fixed interest rates ranging from 4.5% to 4.7% p.a. and terms ranging from 4.4 years to 10.5 years. As of December 31, 2020 and 2019, the remaining balance of the assumed long-term facilities amounted to ₱11,592.5 million and ₱14,107.8 million respectively.

In March 2017, the Parent Company executed a ₱10,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn an initial ₱5,000.0 million. The loan carries a fixed interest rate of 4.949% p.a. and a term of 10 years. The balance under the long-term facility of ₱5,000.0 million was drawn in April 2017.

In March 2018, the Parent Company executed a ₱5,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn the entire facility amount.

In March 2019, the Parent Company executed a ₱13,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn an initial ₱6,500.0 million. The loan carries a fixed interest rate of 6.272% p.a. and a term of 10 years. The ₱6,500.0 million balance was drawn in April 2019 at an interest rate of 6.307% per annum. In June 2020, the Parent Company prepaid the remaining long-term balance of ₱12,662.0 million with a pre-termination fee of ₱126.6 million recorded under interest expense and other financing charges account.

In January 2020, the Parent Company executed and availed a ₱5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.500% p.a. for the initial 5 years. In December 2020, the Parent Company also executed and availed a ₱10,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.000% p.a. for the first 7 years. Both loans will be repriced on the 5th and 7th anniversary, respectively.

As of December 31, 2020 and 2019, remaining aggregate balance of the Peso-denominated long-term loans amounted to ₱41,230.0 million and ₱41,885.1 million, respectively.

US Dollar-denominated Long-term Loans
In November 2019, the Parent Company executed and had simultaneously drawn a US$125.0 million long-term facility. The loan bears a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR), repriceable quarterly. All proceeds were onlent to MCT to refinance its existing loans. The loan will mature on the fifth anniversary of the initial drawdown date.

As of December 31, 2020 and 2019, the remaining aggregate balance of US Dollar-denominated long term loans amounted to ₱6,002.9 million and ₱6,329.4 million, respectively.

Subsidiaries
The subsidiaries' loans will mature on various dates up to 2030. Peso-denominated loans bear various floating interest rates at 60 bps to 80 bps spread over the benchmark 91-day PDST-R2 or and fixed interest rates ranging from 3.89% to 3.92% p.a. Certain loans which are subject to floating interest rates are subject to floor floating interest rates equivalent to (i) 95.0% or par of the Overnight Reverse Repurchase Agreement Rate of the Bangko Sentral ng Pilipinas (BSP Overnight Rate) or (ii) the BSP Overnight Rate plus a spread of 20 bps to 75 bps p.a. or (iii) the average of the Bangko Sentral ng Pilipinas Overnight Deposit Rate and Term Deposit Facility with a term closed to the 90-day interest period.

In 2020 and 2019, the subsidiaries made a total bank loan availment of ₱9,600.0 million and ₱6,083.0 million, respectively. In 2019, the subsidiaries made a total bank loan payment of ₱5,943.96 million. In 2020, the subsidiaries paid a total bank loan of ₱9,496.67 million and another ₱1,350.0 million for the matured fixed rate corporate notes. The total outstanding balance of the subsidiaries' loans as of December 31, 2020 and 2019 amounted to ₱24,154.45 million and ₱25,401.29 million loans, respectively.

Philippine Peso 5.0 Billion Fixed Rate Bonds due 2021
In June 2014, Cebu Holdings, Inc. issued a total of ₱5,000.0 million bonds due 2021 at a fixed rate equivalent to 5.3% p.a. The Bonds have been rated PRS Aaa by PhilRatings, indicating that obligor's capacity to meet its financial commitment on the obligation is extremely strong.

The loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional loans maturing beyond a year which will result to non-compliance of the required debt-to-equity ratios; merger or consolidation where the Company/subsidiary is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets. These restrictions and requirements were complied with by the Group as of December 31, 2020 and 2019.

Interest capitalized amounted to ₱40.1 million, ₱145.5 million, ₱196.2 million in 2020, 2019 and 2018 respectively. The capitalization rates are 2.63% - 5.18% in 2020, 4.41%-7.01% in 2019 and 2%-7.65% in 2018 (see Note 8 and 12).

Transaction costs capitalized amounted to ₱423.0 million, ₱333.8 million, ₱251.4 million in 2020, 2019 and 2018, respectively. Amortization amounted to ₱216.93 million, ₱151.9 million and ₱178.2 million in 2020, 2019 and 2018, respectively, and included under "Interest and other financing charges" (see Note 22).

17. Deposits and Other Current Liabilities

This account consists of:

	2020	2019
	(In Thousands)	
Current portion of customers' deposits	**₱19,760,584**	₱20,487,113
Security deposits	**5,311,506**	4,642,202
Others	**245,156**	343,266
	₱25,317,246	₱25,472,581

Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion.

The amount of revenue recognized from amounts included in customers' deposits at the beginning of the year amounted to ₱21,087.9 million, ₱22,826.6 million and ₱11,479.4 million in 2020, 2019 and 2018, respectively.

Security deposits are equivalent to three (3) to six (6) months' rent of tenants with cancellable lease contracts and whose lease term will end in the succeeding year. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts.

Other current liabilities mostly pertain to estimated liability on property development and unearned income.

18. Deposits and Other Noncurrent Liabilities

This account consists of:

	2020	2019
	(In Thousands)	
Deposits	**₱19,712,684**	₱13,646,810
Customers' deposit - noncurrent portion	**13,708,188**	8,809,357
Retentions payable	**6,058,579**	6,752,120
Contractors payable	**5,711,140**	6,595,611
Liability for purchased land	**2,111,165**	5,341,766
Deferred output VAT	**1,457,411**	1,721,402
Subscriptions payable	**498,175**	498,175
Other liabilities	**782,828**	638,395
	₱50,040,170	₱44,003,636

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties. Security deposits are equivalent to three (3) to six (6) months' rent of long-term tenants with noncancellable leases. This will be refunded to the lessees at the end of the lease term or applied to the last months' rentals on the related contracts. Deferred credits pertain to advances from buyers of real estate properties to cover various processing fees including, but not limited to, fees related to transfer of title such as registration fees, documentary taxes and transfer taxes. Payments made by the Group for the processing of title are charged to this account.

Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion.

Retentions payable pertains to the amount withheld by the Group on contractor's billings to be released after the guarantee period, usually one (1) year after the completion of the project or upon demand. The retention serves as a security from the contractor when there are claims for defects in projects requiring rework.

Contractors payable represents accrued costs incurred for property development that are not yet billed.

Liability for purchased land pertains to the portion of unpaid unsubdivided land acquired during the year. These are normally payable in quarterly or annual installment payments within three (3) or five (5) years.

Deferred output VAT pertains to output VAT on receivables for which sales recognition has been deferred based on sales collection threshold for VAT recognition purposes.

The Group's subscription payable pertains to ALLHC's investment in Cyber Bay.

On April 25, 1995, Central Bay, a wholly owned subsidiary of Cyber Bay, entered into a Joint Venture Agreement with the Philippine Reclamation Authority (PRA; formerly Public Estates Authority) for the complete and entire reclamation and horizontal development of a portion of the Manila-Cavite Coastal Road and Reclamation Project (the Project) consisting of three partially reclaimed and substantially eroded islands (the Three Islands) along Emilio Aguinaldo Boulevard in Parañaque and Las Piñas, Metro Manila with a combined total area of 157.8 hectares, another area of 242.2 hectares contiguous to the Three Islands and, at Central Bay's option as approved by the PRA, an additional 350 hectares more or less to regularize the configuration of the reclaimed area.

On March 30, 1999, the PRA and Central Bay executed an Amended Joint Venture Agreement (AJVA) to enhance the Philippine Government's share and benefits from the Project which was approved by the Office of the President of the Philippines on May 28, 1999.

On July 9, 2002, the Supreme Court (SC) (in the case entitled "Francisco Chavez vs. Amari Coastal Bay and Reclamation Corp.") issued a ruling declaring the AJVA null and void. Accordingly, PRA and Central Bay were permanently enjoined from implementing the AJVA.

On July 26, 2002, Central Bay filed a Motion for Reconsideration (MR) of said SC decision. On May 6, 2003, the SC En Banc denied with finality Central Bay's MR. On May 15, 2003, Central Bay filed a Motion for Leave to Admit Second MR. In an En Banc Resolution of the SC dated July 8, 2003, the SC resolved to admit the Second MR of Central Bay.

On November 11, 2003, the SC rendered a 7-7 split decision on Central Bay's Second MR. Because of the new issues raised in the SC's latest resolution that were never tried or heard in the case, Central Bay was constrained to file on December 5, 2003 a Motion for Re-deliberation of the SC's latest resolution which motion was denied with finality by the SC.

With the nullification of the AJVA, Central Bay has suspended all Project operations. On August 10, 2007, in view of the failure by the PRA to comply with its obligations and representations under the AJVA, Cyber Bay and Central Bay have filed their claims for reimbursement of Project expenses in the amount of ₱10,200.0 million with the PRA. Cyber Bay and Central Bay provided the PRA with the summary and details of their claims on September 5, 2007. On July 15, 2008, Cyber Bay sent a follow-up letter to the PRA. The PRA, in its letter dated July 18, 2008, informed Cyber Bay that its claim is still being evaluated by the PRA.

As at December 31, 2020 and 2019, the Group has unpaid subscription in Cyber Bay amounting to ₱481.7 million. The investment in Cyber Bay under "financial assets through FVOCI" amounted to ₱472.0 million and ₱513.6 million as of December 31, 2020 and 2019, respectively (see Note 10).

Other liabilities include nontrade payables, accrued payables and warranty payables.

19. Equity

The details of the number of shares follow:

December 31, 2020

	Number of Shares		Amount	
	Preferred	**Common**	**Preferred**	**Common**
		(In Thousands)		
Authorized	**15,000,000**	**20,000,000**	**₱1,500,000**	**₱20,000,000**
Issued*	**13,066,495**	**14,635,298**	**₱1,306,649**	**₱14,635,298**
Subscribed	**–**	**124,882**	**–**	**124,882**
	13,066,495	**14,760,180**	**₱1,306,649**	**₱14,760,180**

*Out of the total issued shares, 29,785 shares or ₱1,260,780 as of December 31, 2020 pertain to Treasury shares

December 31, 2019

	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
		(In Thousands)		
Authorized	15,000,000	20,000,000	₱1,500,000	₱20,000,000
Issued*	13,066,495	14,632,062	₱1,306,649	₱14,632,062
Subscribed	–	113,273	–	113,273
	13,066,495	14,745,335	₱1,306,649	₱14,745,335

*Out of the total issued shares, 25,373 shares or ₱1,104,353 as of December 31, 2019 pertain to Treasury shares

Preferred Shares (₱0.10 par value per share)
The Parent Company's preferred shares prior to 2012 were subscribed and issued through a stock rights offer with the following features: (a) non-voting; (b) dividend rate of 4.6% p.a., payable annually, noncumulative; (c) nonparticipating; (d) convertible at the option of the holder at a ratio of one (1) preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (e) no pre-emptive rights; (f) non-redeemable; (g) non-listed; and, (h) preferred in liquidation to the extent of par value.

The dividends for preferred shares are declared upon the sole discretion of the Parent Company's BOD.

On February 20, 2012, the BOD approved the following restructuring exercise in order to comply with the regulatory requirement on Filipino-ownership following the Supreme Court's ruling that nonvoting shares do not count as equity when computing for a Parent Company's Filipino-ownership level:

a. Redemption and retirement of the 13.0 billion outstanding preferred shares with par value of ₱0.10.
b. Reclassification of the 1,970.0 million unissued preferred shares to voting preferred shares through an amendment of Article Seventh of the Articles of Incorporation.
c. Increase in authorized capital stock by ₱1,300.0 million creating new voting preferred shares and a stock rights offer of 13,000 million voting preferred shares from the increase in the authorized capital stock.

On April 18, 2012, the stockholders ratified the BOD resolution on the capital restructuring. The voting preferred shares shall have the following features, rights, and privileges: (a) voting; (b) dividend rate of 4.7% per annum, equivalent to 90.0% of the 10-year PDST R2 (repriced every ten (10) years from issue date), payable annually, non-cumulative; (c) convertible at the option of the holder at a ratio of one (1) voting preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (d) no pre-emptive rights; (e) redeemable at par at the sole option of the corporation; (f) non-listed; and, (g) preferred in liquidation to the extent of par value.

The SEC approved on January 31, 2013 the following:

a. The decrease in authorized capital stock by ₱1,303.5 million, the aggregate par value of the 13,034.6 million preferred shares which have been redeemed and retired, from ₱22,803.5 million to ₱21,500.0 million, and

b. The amendments to Articles of Incorporation reflecting the decrease in capital stock.

As of December 31, 2020 and 2019, the Parent Company's authorized and outstanding preferred shares amounted to ₱1,500.0 million and ₱1,306.6 million, respectively at ₱0.10 par value per share.

Common Shares (₱1.00 par value per share)
On April 7, 2014, the stockholders resolved to approve the amendment of the Seventh Article of the Articles of Incorporation exempting from pre-emptive rights (1) the issuance of 1 billion common shares for properties or assets needed for the business of the Parent Company or for cash to acquire properties or assets needed for the business of the Parent Company or in payment of a debt contracted prior to the issuance of such shares, and (2) the issuance of common shares covered by the Parent Company's Stock Option Plans for members of the management committees of the Parent Company's subsidiaries or affiliates.

Likewise, the stockholders resolved to approve the amendment of the Stock Option Plan of the Parent Company to include the members of the Management Committees of the Parent Company's subsidiaries and affiliates as eligible grantees of stock options.

The rollforward analysis of the common shares follows:

	Number of Shares		Amount	
	2020	2019	**2020**	2019
		(In Thousands)		
Issued capital stock*				
At beginning of year	**14,632,062**	14,614,387	**₱14,632,062**	₱14,614,387
Issued shares	**3,236**	17,675	**3,236**	17,675
At end of year	**14,635,298**	14,632,062	**14,635,298**	14,632,062
Subscribed capital stock				
At beginning of year	**113,273**	120,494	**113,273**	120,494
Issued shares	**(3,236)**	(17,675)	**(3,236)**	(17,675)
Additional subscriptions	**14,845**	10,454	**14,845**	10,454
At end of year	**124,882**	113,273	**124,882**	113,273
	14,760,180	14,745,335	**₱14,760,180**	₱14,745,335

*Out of the total issued shares, 29,785 shares or ₱1,260,780 as of December 31, 2020 and 25,373 shares or ₱1,104,353 as of December 31, 2019 pertain to Treasury shares

No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Parent Company.

The Parent Company's track record of capital stock is as follows:

Type of Shares	Number of shares registered	Issue/ Offer price	Date of approval	Number of holders of securities as of 2020	Number of holders of securities as of 2019
Class B shares	800,000,000	Par Value - P1.00 /Issue Price P26.00	April 18, 1991	8,985	9,009
Class B shares	400,000,000	Par Value - P1.00*	July 06, 1992		
Class A shares	900,000,000	Par Value - P1.00**	July 05, 1993		
Class B shares	600,000,000	Par Value - P1.00**	July 05, 1993		

Note: Class A Shares and Class B Shares were declassified into one type of Common Shares on September 12, 1997.
**increase in authorized capital stock, registered to cover the shares held by the directors and 20% stock dividend amounting to P108,662,000.00*
***increase in authorized capital stock, registered to cover the 20% stock dividend amounting to P391,240,953.00*

On January 9, 2015, the Executive Committee of the Parent Company approved a top-up placement of 484,848,500 common shares of the Parent Company at a price of ₱33.00 per share. The placement was conducted via an accelerated bookbuilt offering structured as a top-up placement, whereby AC sold 484,848,500 listed common shares of stock to qualified third party buyers and subscribe to the same number of new shares from the Parent Company. The Parent Company completed the placement on January 12, 2015, raising an aggregate of ₱16,000.0 million in paid-up capital. The price was at 3.9% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to ₱194.0 million.

On April 13, 2013, the stockholders resolved to approve the amendment of the Seventh Article of the Company's Articles of Incorporation for the purpose of excluding or exempting treasury shares from the pre-emptive rights of stockholders.

On March 6, 2013, the Parent Company's Board resolved to approve the placement made by AC of its existing 320,000,000 listed common shares of the Company to certain qualified third party buyers or investors at ₱30.50 per share. The Parent Company completed the top-up placement, raising an aggregate of ₱12,200.0 million in paid up capital. The price was at 3.6% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to ₱162.4 million.

On July 10, 2012, the Parent Company's executive committee approved the placement of 680 million listed common shares of stock with par value of ₱1.00 per share, at a price of ₱20.00 per share, and the issuance of equal number of new shares of the Parent Company, at the same price of ₱20.00 per share, with AC as the seller of the placement tranche and subscriber of the subscription tranche. The Parent Company completed the top-up placement, raising an aggregate of ₱13,600 million in paid up capital. The price was at 5.0% discount to the closing price. Transaction cost charged to additional paid-in capital amounted to ₱200.0 million.

On April 2, 2008, the Parent Company's stockholders approved the allotment and subsequent issuance of the shares for the above-mentioned purposes and for the further amendment of the Amended Articles of Incorporation of the Parent Company to exclude the issuance of shares from the pre-emptive rights of the stockholders pursuant to Section 39 of the Philippine Corporation Code.

On February 12, 2008, the BOD approved the allotment and subsequent issuance of up to 1 billion common shares of stock with an aggregate par value of ₱1,000.0 million for the purpose of exchanging such shares for properties or assets and/or to raise funds to acquire properties or assets needed for the business of the Parent Company via issuance of equity or equity-linked instruments, the price and the terms and conditions of which shall be determined by the BOD based on prevailing market conditions or on agreements negotiated.

On July 5, 1991, the Parent Company launched its initial public offering where a total of 400 million common shares were offered at an offering price of ₱26.00 per share. The registration statement was approved on July 20, 1992. The Parent Company has 8,985 and 9,009 existing shareholders as of December 31, 2020 and 2019, respectively.

Treasury Shares

On February 28, March 11, March 12, and March 16, 2020, Ayala Land, Inc. purchased a total of 4,412,000 common shares at an average price of ₱35.67 per share for a total consideration of ₱156.4 million, pursuant to its share buyback program.

On February 21, 2020, the Board of Directors of Ayala Land, Inc. at its regular meeting approved the increase of an additional ₱25 billion to the Company's current share buyback program bringing the available balance to ₱26.1 billion. The program will be implemented through open market purchases executed via the trading facilities of the Philippine Stock Exchange.

On March 5, 2019, the Parent Company purchased a total of 10,372,746 of its common shares at ₱43.20 per share through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of ₱448.10 million in relation to its share buyback program. On November 26, 2019, the Parent Company also acquired a total of 15,000,000 of its common shares at ₱43.75 per share for a total purchase price of ₱656.25 million.

The amendment of the Articles of Incorporation on April 17, 2013 allowed the re-selling of the 79,528,299 listed common shares as part of the top-up placement transaction completed in July 2013. Treasury common shares were sold at ₱30.50 per share resulting to additional paid-in capital of ₱1,601.6 million.

On August 12, 2008, the BOD approved a share buyback program. It is part of the Parent Company's balance sheet management program and aims to (i) improve the Parent Company's balance sheet structure and capital efficiency and (ii) enhance shareholder value through the repurchase of shares whenever the stock is trading at a price discount perceived by the Parent Company as not reflective of its fair corporate value.

In 2008, the Parent Company repurchased a total of 79,528,228 of its common shares through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of ₱823.9 million in relation to its share buyback program. These have been reported as treasury shares.

Retained Earnings
The BOD approved the declaration and payment from unappropriated retained earnings of cash dividends of ₱0.27, ₱0.52 and ₱0.51 per share in 2020, 2019 and 2018, respectively, to all issued and outstanding shares.

On February 20, 2020, the BOD during its meeting approved the declaration of cash dividends of ₱0.27 per outstanding common share. The cash dividend was paid on March 20, 2020 to stockholders of common shares as of record date March 6, 2020.

On May 26, 2020, the BOD during its meeting approved the declaration of cash dividends of ₱0.00474786 per outstanding preferred share. The cash dividend was paid on June 25, 2020 to stockholders of preferred shares as of record date June 9, 2020.

On February 27, 2019, the BOD approved the declaration of cash dividends amounting to ₱0.26 per outstanding common share and was paid on March 29, 2019 to the shareholders on record as of March 13, 2019.

On May 27, 2019, the BOD declared annual cash dividends of 4.7% per year or ₱0.0047 per share to all shareholders of the Parent Company's unlisted voting preferred shares. These were paid on June 21, 2019 to the shareholders on record as of June 7, 2019.

On October 31, 2019, the BOD approved the declaration of cash dividends amounting to ₱0.26 per outstanding common share and was paid on November 29, 2019 to the shareholders on record as of November 15, 2019.

On February 20, 2018, the BOD approved the declaration of cash dividends amounting to ₱0.252 per outstanding common share and was paid out on April 3, 2018 to the shareholders on record as of March 12, 2018. Further, on the same date, the BOD declared annual cash dividends of 4.8% per year or ₱0.0047 per share to all shareholders of the Parent Company's unlisted voting preferred shares. These were paid on June 29, 2018 to the shareholders on record as of June 15, 2018.

On August 17, 2018, the BOD approved the declaration and payment from unappropriated retained earnings of cash dividends of ₱0.252 per share. The cash dividend was paid out on October 2, 2018 to stockholders of common shares on record as of September 6, 2018.

Total dividends for common shares declared for 2020, 2019 and 2018 amounted to ₱3,944.6 million, ₱7,659.5 million and ₱7,423.9 million, respectively. Total dividends for preferred shares declared for 2020, 2019 and 2018 amounted to ₱62.0 million each year.

As of December 31, 2020 and 2019, retained earnings of ₱8,000.0 million are appropriated for future expansion. The increase of ₱2,000.0 million in 2016 represents a continuing appropriation for land banking activities and planned building construction projects. Each year, the Parent Company incurs capital expenditures for property development which include among others land banking and building construction projects. The appropriation is being fully utilized to cover part of the annual expenditure requirement of the Parent Company.

The Parent Company has earmarked additional funds for expansion projects in the residential, shopping centers, office and hotel business segments, as well as various infrastructure projects for the Parent Company's mixed-use developments.

The following are among the major capital expenditures of the Parent Company which were approved by the BOD:

a) Ayala Triangle Garden 2 with product offering for a Triple A HQ Office Building, a 5-Star Hotel and 3-level Retail Podium with gardens and civic spaces which was approved by the Board on May 29, 2015. The project was launched in June 2015 and expected to be completed in April 2021.

b) Ayala Center Redevelopment which will offer intermodal transport facility, a 5-storey regional mall, 2 BPO towers, a SEDA hotel and a 300-units residential for lease was approved by the Board on November 27, 2015. The project was launched in January 2016 and expected to be completed in 2021.

Retained earnings also include undistributed net earnings amounting to ₱92,123.69 million and ₱92,044.45 million as of December 31, 2020 and 2019, respectively, representing accumulated equity in the net earnings of subsidiaries, associates and joint ventures. These are not available for dividend distribution unless declared by subsidiaries and other investees.

In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company's retained earnings available for dividend declaration as of December 31, 2020 and 2019 amounted to ₱67.87 billion and ₱58.1 billion, respectively.

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

Cumulative Translation Adjustment

The cumulative translation adjustments represents exchange differences arising from the translation of financial statements of the foreign operations, whose functional currency is other than Philippine Peso.

Equity Reserves

On August 13, 2020, ALI sold through a public listing its 49.0% effective noncontrolling interest in AREIT, Inc. at ₱27.0 per share. Subsequently during a one-month stabilization process, BPI Capital Corporation acquired a 3.4% interest in AREIT at an average price of ₱26.0/share and redelivered this to ALI. As a result of the sale and buy-back transactions, ALI's ownership interest in AREIT was diluted from 100.00% to 54.4%. In relation to the dilution without loss of control, the impact to ALI's net equity reserve amounted to ₱7,641.7 million. ALI's non-controlling interest increased by ₱4,701.7 million, as a result of the public offering of AREIT Inc. The difference between the consideration and carrying value of the non-controlling interest was credited to equity reserve as shown below:

	2020		
	Consideration received	Carrying value of Non-controlling interests deemed disposed	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
45.6% in AREIT	₱12,343,461	₱4,701,746	₱7,641,715

In September 2019, ALI purchased additional 648,177 shares of VPHI for ₱799.4 million increasing the Parent Company's ownership to 78.41%.

On April 17, 2019 ALI acquired additional 14,913,200 common shares of CHI through open market purchases using the trading facilities of the Philippine Stock Exchange totaling ₱88.7 million resulting in ALI's ownership from 70.4% to 71.1%.

On April 30, 2018, ALI and ALLHC executed a Deed of Exchange where ALI will subscribe to 1,225,370,620 common shares of ALLHC for an aggregate subscription price of ₱3.0 billion in exchange for 30,186 common shares of LTI. The subscription and exchange shall be subject to and deemed effective only upon the issuance by the SEC of the confirmation of valuation of the shares. The SEC issued its approval on February 28, 2019. This increased ALI's ownership to 69.50%. This resulted in an decrease in equity reserve amounting to ₱664.9 million.

On February 4, 2019, The Executive Committee of Ayala Land, Inc. (ALI) approved the purchase of a 20% equity interest owned by Mitsubishi Corporation in Laguna Technopark, Inc. (LTI), equivalent to 8,051 common shares, with a total value of ₱800 million. Subsequently, ALI will exchange the 20% equity interest in LTI for additional shares of stock in Prime Orion Philippines, Inc. (POPI), equivalent to 323,886,640 common shares, subject to conditions to be fulfilled by POPI. On May 10, 2019, Prime Orion Philippines, Inc., changed its corporate name to Ayalaland Logistics Holdings Corp. (ALLHC). On June 10, 2019, ALI sold its 20% equity interest or 8,051 common shares in LTI to ALLHC for a consideration of ₱800 million resulting to increase in ALI's ownership from 69.5% to 70.36%.

On September 9, 2019, OLI sold through a special block sale, 215,090,031 common shares of ALLHC to Avida Land Corporation, a wholly-owned subsidiary of ALI, for a total consideration of ₱628.1 million. Subsequently, these shares were acquired by ALI through a special block sale for a total consideration of ₱628.1 million. This resulted to ALI's effective ownership in ALLHC from 70.36% to 71.46%.

The transactions were accounted for as an equity transaction since there were no changes in control. The movements within equity are accounted for as follows:

	2019		
	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
8.41% in VPHI	₱799,420	₱68,916	₱730,504
0.69% in CHI	88,734	73,977	14,757
0.86% in ALLHC	800,000	825,447	(25,447)
1.10% in ALLHC	628,100	1,033,335	(405,235)
	₱2,316,254	₱2,001,675	₱314,579

In January 2018, ALI purchased additional 202,774,547 shares of ALLHC from Genez Investment Corporation for ₱497.7 million increasing the Parent Company's ownership from 62.9% to 67%.

In December 2018, ALI acquired 8,051 common shares of LTI for ₱800.0 million increasing its ownership from 75% to 95%.

In 2018, ALI acquired additional 59,631,200 common shares of CHI totaling to ₱352.8 million. Further, an additional 77,742,516 shares was acquired as a result of swap of CPVDC shares for a total consideration of ₱229.3 million which brings Parent Company's ownership to 70.4%.

In March 2018, the Irredeemable Convertible Unsecured Loan Stock of Dato Sri Tong and Tan Sri Barry Go, founders of MCT, were converted into 122,218,357 shares. This resulted in a 6.07% dilution of ALI's stake in MCT as of date of share issuance. As such, the current ownership stake of ALI in MCT is 66.25%. This resulted in an increase in Equity reserve amounting to ₱1,044.5 million.

The transactions were accounted for as an equity transaction since there were no changes in control.

The movements within equity are accounted for as follows:

	2018		
	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
4.14% in ALLHC	₱497,652	₱315,951	₱181,701
20.00% in LTI	800,000	528,295	271,705
1.53% net reduction in CHI	582,106	826,752	(244,646)
	₱1,879,758	₱1,670,998	₱208,760

In 2017, ALI purchased additional 97,763,900 common shares of CHI from BPI Securities Corporation totaling ₱575.0 million which increased the Company's ownership to 72% of the total outstanding capital stock of CHI.

In February 2017, ALI purchased additional 631,000 common shares of ALLHC from BPI Securities Corporation for ₱1.26 million. ALI's interest remains at 51% of the total ALLHC's outstanding capital stock.

In June 2017, Orion Land, Inc. (OLI), a subsidiary of ALLHC, acquired 512,480,671 common shares equivalent to 11.69% ownership at ₱2.45 share amounting to ₱1,255.58 million. The acquisition of ALLHC shares by OLI was treated as an acquisition of non-controlling interest resulting to a debit to equity reserve of ₱405.18 million. This increased ALI's effective ownership from 51.36% to 63.05%.

The transactions were accounted for as an equity transaction since there were no change in control. The movements within equity are accounted for as follows:

	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
5.09% in CHI	₱574,994	₱394,907	₱180,087
11.69% in ALLHC	1,258,579	852,656	405,923
	₱1,833,573	₱1,247,563	₱586,010

In August 2017, AHRC entered into a memorandum of agreement with Sicogon Development Corporation (SIDECO) and an individual to develop Sicogon Island into a new leisure destination. The investment of SIDECO and an individual to SITEC changed the ownership interest of AHRC in SITEC from 100% to 77% without a loss of control. The difference between the amount by which non-controlling interest of 23% are adjusted and the fair value of consideration paid is recognized directly to equity amounting to ₱134.1 million.

Below are several acquisitions of shares in existing subsdiaries in 2013 up to 2016 that resulted to equity reserves. Details follow:

	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
2016			
10.5% in CHI	₱1,209,784	₱748,746	₱461,038
2015			
6.7% in CHI	₱649,927	₱434,074	₱215,853
9.4% in NTDCC	778,356	174,770	603,586
1.9% in API	58,157	45,540	12,617
	₱1,486,440	₱654,384	₱832,056

	Consideration paid	Carrying value of Non-controlling interests acquired	Difference recognized within Equity as Equity Reserve
		(In Thousands)	
2013			
6.7% in CHI	₱3,520,000	₱797,411	₱2,722,589
9.4% in NTDCC	2,000,000	1,413,960	586,040
	₱5,520,000	₱2,211,371	₱3,308,629

Non-controlling interests

The Parent Company considers a subsidiary as a subsidiary with material NCI if its net assets exceed 5% of its total consolidated net assets of the Group as of reporting period and considers the relevance of the nature of activities of the subsidiary compared to other operations of the Group. There are no significant restrictions on the Parent Company's ability to use assets and settle liabilities of the Group. The financial information on the Parent Company's significant subsidiaries with material NCI follows:

AREIT, Inc.

AREIT, Inc., was incorporated in September 4, 2006. As of December 31, 2020, it is 45.04% owned by ALI, 9.39% owned by ALO and 45.57% public after being listed in the Philippine Stock Exchange (PSE) on August 13, 2020. It was organized primarily as a real estate investment trust, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations and other applicable laws.

The related balances for the year ended December 31, 2020 follows:

	(In Thousands, except for %)
Proportion of equity interests held by non-controlling interests	45.6%
Accumulated balances of material non-controlling interests	₱4,489,157
Net income allocated to material non-controlling interests	282,680
Comprehensive income allocated to material non-controlling interests	282,680

The summarized financial information of AREIT, Inc. as of and for the year ended December 31, 2020 is provided below. This information is based on amounts before inter-company eliminations.

	(In Thousands)
Statements of financial position	
Current assets	₱2,705,442
Noncurrent assets	11,915,782
Current liabilities	(722,609)
Noncurrent liabilities	(1,560,237)
Total equity	12,338,378
Attributable to:	
Equity holders of AREIT, Inc.	12,338,378
Non-controlling interests	–
Dividends paid to non-controlling interests	–

	(In Thousands)
Statements of comprehensive income	
Revenue	₱1,951,625
Cost and expenses	617,862
Income before income tax	1,333,763
Provision for income tax	(106,576)
Income from operations	1,227,187
Other comprehensive income	–
Total comprehensive income	1,227,187
Attributable to:	
Equity holders of AREIT, Inc.	₱1,227,187
Non-controlling interests	–

	(In Thousands)
Statements of cash flows	
Operating activities	₱1,475,827
Investing activities	(1,849,491)
Financing activities	310,461
Net increase in cash and cash equivalents	(₱63,203)

The fair value of the investment in AREIT, Inc. amounted to ₱12,526.4 million as of December 31, 2020.

CHI and Subsidiaries
CHI, a publicly-listed company, was incorporated in the Republic of the Philippines. It is engaged in real estate development, sale of subdivided land, residential and office condominium units, sports club shares, and lease of commercial spaces. The registered office address of CHI is at 20F ACC Tower, Bohol St., Cebu Business Park, Cebu City, Philippines.

	2020	2019
	(In Thousands, except for %)	
Proportion of equity interests held by non-controlling interests	**28.9%**	28.9%
Accumulated balances of material non-controlling interests	**₱2,528,941**	₱2,315,716
Net income allocated to material non-controlling interests	**201,523**	478,743
Comprehensive income allocated to material non-controlling interests	**201,523**	478,743

The summarized financial information of CHI is provided below. This information is based on amounts before inter-company eliminations.

	2020	2019
	(In Thousands)	
Statements of financial position		
Current assets	**₱4,154,937**	₱4,295,804
Noncurrent assets	**24,894,482**	24,946,742
Current liabilities	**(14,911,598)**	(10,240,011)
Noncurrent liabilities	**(1,661,300)**	(6,877,676)
Total equity	**12,476,521**	12,124,859
Attributable to:		
Equity holders of CHI	**9,744,862**	9,401,730
Non-controlling interests	**2,731,659**	2,723,129
Dividends paid to non-controlling interests	**–**	–

	For the years ended December 31	
	2020	2019
	(In Thousands)	
Statements of comprehensive income		
Revenue	**₱2,933,252**	₱4,797,053
Cost and expenses	**(2,506,461)**	(2,631,960)
Income before income tax	**426,791**	2,165,093
Provision for income tax	**(26,374)**	(495,612)
Income from operations	**400,417**	1,669,481
Other comprehensive (loss) income	**(48,755)**	5,266
Total comprehensive income	**351,662**	1,674,747
Attributable to:		
Equity holders of CHI	**₱343,132**	₱1,662,834
Non-controlling interests	**8,530**	11,913

	For the years ended December 31	
	2020	2019
	(In Thousands)	
Statements of cash flows		
Operating activities	**₱1,170,848**	₱2,559,418
Investing activities	**(1,220,472)**	(2,800,650)
Financing activities	**(78,000)**	329,653
Effect of exchange rate changes	**(337)**	207
Net increase in cash and cash equivalents	**(₱127,961)**	₱88,628

The fair value of the investment in CHI amounted to ₱9,050.7 million and ₱9,971.1 million as of December 31, 2020 and 2019, respectively.

ALLHC and Subsidiaries
ALLHC was incorporated in the Republic of the Philippines. It is engaged in real estate and property development, manufacturing and retailing/distribution, non-life insurance and other allied services, organized under a number of intermediate holding companies. The Company wholly owns Tutuban Properties, Inc., which holds the lease and development rights over Tutuban Center in downtown Divisoria.

	2020	2019
	(In Thousands, except for %)	
Proportion of equity interests held by non-controlling interests	**29.1%**	29.1%
Accumulated balances of material non-controlling interests	**₱4,192,761**	₱3,924,400
Net income allocated to material non-controlling interests	**178,995**	215,944
Comprehensive income allocated to material non-controlling interests	**178,995**	215,944

The summarized financial information of ALLHC is provided below. This information is based on amounts before inter-company eliminations (In Thousands).

	December 31, 2020	December 31, 2019
Statements of financial position		
Current assets	**₱6,652,483**	₱6,661,508
Noncurrent assets	**12,768,607**	12,684,534
Current liabilities	**(5,053,355)**	(5,542,833)
Noncurrent liabilities	**(2,526,349)**	(2,625,391)
Total equity	**11,841,386**	11,177,818
Attributable to:		
Equity holders of ALLHC	**₱11,564,113**	₱11,056,221
Non-controlling interests	**138,637**	121,597
Dividends paid to non-controlling interests	–	–

	For the years ended December 31	
	2020	2019
Statements of comprehensive income		
Revenue	**₱3,751,070**	₱5,345,981
Cost and expenses	**(2,915,978)**	(4,584,689)
Income before income tax	**835,092**	761,292
Provision for income tax	**(133,079)**	(119,873)
Income from operations	**702,013**	641,419
Other comprehensive income	–	–
Total comprehensive income	**702,013**	641,419

	For the years ended December 31	
	2020	2019
Attributable to:		
Equity holders of ALLHC	**₱680,864**	₱595,838
Non-controlling interests	**21,149**	45,581
Statements of cash flows		
Operating activities	**₱744,162**	₱546,946
Investing activities	**(883,705)**	(2,919,486)
Financing activities	**139,194**	2,311,988
Net decrease in cash and cash equivalents	**(₱349)**	(₱60,552)

The fair value of the investment in ALLHC amounted to ₱15,190.4 million and ₱13,135.2 million as of December 31, 2020 and 2019, respectively.

Capital Management
The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As of December 31, 2020 and 2019, the Group had the following ratios:

	2020	2019
Debt to equity	**0.81:1**	0.87:1
Net debt to equity	**0.74:1**	0.78:1

Debt consists of short-term and long-term debts. Net debt includes short-term and long-term debt less cash and cash equivalents, short-term investments and financial assets at FVPL. Equity, which the Group considers as capital, pertains to the total equity. The Group excludes the "Fair value reserve of financial assets at FVOCI" attributable to the equity holders of the Company in computing the debt to equity ratio.

The Group is subject to externally imposed capital requirements due to loan covenants (see Note 16). No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2020 and 2019.

Financial risk assessment
The Group's financial condition and operating results would not be materially affected by the current changes in interest, currency, credit, liquidity and market conditions.

Exposure to changes in interest rates is reduced by a debt portfolio mix of both fixed and floating interest rates. The Group's ratio of fixed to floating rate debt stood at 95:5 and 90:10 as of December 31, 2020 and 2019, respectively. As a result, any adverse movement in interest rates is mitigated.

Exposure to foreign currency holdings is at MYR193.7 million and US$18.0 million as of December 31, 2020, and MYR278.4 million and US$8.3 million as of December 31, 2019, respectively.

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Group's base of counterparties remains diverse. As such, it is not exposed to large concentration of credit risk.

Liquidity risk is addressed with long term funding already locked in, while funds are placed on cash equivalents, short term investment and financial assets at FVTPL.

20. **Revenue**

This account consists of:

	2020	2019	2018
		(In Thousand)	
Revenue from contracts with customers			
Residential development	**₱66,461,372**	₱117,580,972	₱120,396,794
Hotels and resorts	**3,388,190**	7,624,159	6,386,896
Construction	**3,278,557**	3,394,744	2,393,683
Others	**2,971,238**	5,452,595	5,297,101
Rental income (Notes 12 and 33)	**18,468,871**	31,687,075	28,522,420
Equity in net earnings of associates and joint venture	**586,502**	965,787	749,924
Total Revenue	**₱95,154,730**	₱166,705,332	₱163,746,818

The Group derives revenue from the transfer of goods and services over time and at a point in time in different product types. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

Residential development

	2020	2019	2018
		(In thousands)	
Type of Product			
Middle income housing	**₱21,239,940**	₱36,023,183	₱35,046,620
Coremid	**20,445,730**	34,813,550	33,694,884
Condominium	**18,231,721**	29,326,334	33,401,701
Lot only	**6,543,981**	17,417,905	18,253,589
	₱66,461,372	₱117,580,972	₱120,396,794

All of the Group's real estate sales from residential development are revenue from contracts with customers recognized over time.

Hotels and resorts

	2020	2019	2018
		(In thousands)	
Type of Product			
Rooms	**₱1,775,632**	₱4,447,172	₱3,909,395
Food and beverage	**731,812**	2,090,953	2,116,548
Others	**273,424**	324,322	296,049
Other operated department	**607,322**	761,712	64,904
	₱3,388,190	₱7,624,159	₱6,386,896

The Group's revenue from hotels and resorts is attributed to the operations from the development and management of hotels and resorts/serviced apartments. In view of the continuing community quarantines and restricted travel, the Group's hotels and resorts segment continues to be adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported under this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment.

The Group's construction revenue pertains to transactions with related parties such as joint ventures and associates.

Others are mainly composed of property management facilities of the Group and third party projects.

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions. Rent discounts and concessions given vary for merchants that are (1) forced to close and those that are still (2) operational. Rental fees and common charges of merchants who were forced to close during the quarantine period were waived with 50% discount in their common are usage expenses.

Set-out below is the reconciliation of contracts with customers with the amounts disclosed in segment information (in millions):

	2020					
	Residential Development	**International**	**Construction**	**Hotels and Reosrts**	**Property Management and Others**	**Total**
Sales to external customer	**₱53,014**	**₱4,845**	**₱3,279**	**₱3,388**	**₱2,971**	**₱67,497**
Interest	**8,603**	**–**	**–**	**–**	**–**	**8,603**
Total revenue from contracts with customers	**₱61,617**	**₱4,845**	**₱3,279**	**₱3,388**	**₱2,971**	**₱76,100**

	2019					
	Residential Development	International	Construction	Hotels and Reosrts	Property Management and Others	Total
Sales to external customer	₱102,981	₱6,709	₱3,395	₱7,624	₱5,453	₱126,162
Interest	7,891	–	–	–	–	7,891
Total revenue from contracts with customers	₱110,872	₱6,709	₱3,395	₱7,624	₱5,453	₱134,053

	2018					
	Residential Development	International	Construction	Hotels and Reosrts	Property Management and Others	Total
Sales to external customer	₱105,752	₱7,602	₱2,394	₱6,387	₱238	₱122,373
Interest	7,042	–	–	–	–	7,042
Total revenue from contracts with customers	₱112,794	₱7,602	₱2,394	₱6,387	₱238	₱129,415

21. Interest and Investment Income and Other Income

Interest and investment income consists of:

	2020	2019	2018
		(In Thousands)	
Interest income from banks	**₱293,354**	₱724,817	₱657,920
Interest income from advances to officers/employees and other companies	**75,160**	164,531	252,630

(Forward)

	2020	2019	2018
		(In Thousands)	
Gain on sale of equipment and other properties	**₱23,265**	₱40,870	₱46,570
Gain on sale of investments	–	–	588
Others	**2,922**	227	528
	₱394,701	₱930,445	₱958,236

Other income consists of:

	2020	2019	2018
		(In Thousands)	
Marketing and management fees	**₱219,937**	₱297,423	₱477,967
Others - net (Note 24)	**503,331**	860,512	1,062,750
	₱723,268	₱1,157,935	₱1,540,717

Other income mainly consists of gain on business combination, realized and unrealized gain on financial asset at FVTPL, financial impact of net foreign exchange transactions and gain from disposal of subsidiary.

22. Costs and Expenses and Other Charges

Real estate costs and expenses consist of:

	2020	2019	2018
		(In Thousands)	
Cost of real estate sales (Note 8)	**₱32,916,227**	₱59,353,001	₱67,784,088
Depreciation and amortization	**7,651,383**	7,419,920	4,858,275
Hotels and resorts operations	**2,990,397**	3,001,616	3,030,787
Manpower costs	**1,925,639**	2,046,960	1,800,424
Marketing and management fees	**1,274,861**	4,678,323	5,165,668
Rental	**863,622**	483,645	3,960,419
Materials and overhead	**43,759**	999,999	1,341,224
Direct operating expenses:			
Taxes and licenses	**4,078,001**	3,665,445	2,873,125
Commission	**1,912,056**	3,946,907	2,124,226
Repairs and maintenance	**1,663,775**	2,213,593	1,582,239
Light and water	**439,464**	3,934,328	4,440,156
Professional fees	**245,787**	199,848	172,226
Insurance	**213,150**	204,256	271,700
Transportation and travel	**67,353**	161,113	170,781
Entertainment, amusement and recreation	**14,756**	25,971	28,243
Others	**372,954**	2,417,014	1,475,549
	₱56,673,184	₱94,751,939	₱101,079,130

General and administrative expenses consist of:

	2020	2019	2018
		(In Thousands)	
Manpower costs (Notes 26 and 28)	**₱4,166,178**	₱4,719,739	₱4,685,180
Taxes and licenses	**1,096,167**	1,115,766	818,797
Depreciation and amortization	**945,283**	825,766	640,608
Security and Janitorial	**274,754**	691,011	603,404
Professional fees	**419,557**	386,146	744,679
Utilities	**266,391**	340,805	324,402
Repairs and maintenance	**332,586**	324,277	304,003
Rent	**10,642**	100,295	195,669
Transport and travel	**46,996**	96,894	106,366
Dues and fees	**52,251**	90,733	61,447
Supplies	**44,393**	70,795	64,550
Advertising	**42,970**	69,163	103,423
Donations and contribution	**57,628**	53,482	76,059
Training and seminars	**14,357**	46,776	79,023
Entertainment, amusement and recreation	**26,047**	38,203	41,970
Insurance	**37,306**	23,917	74,139
Others	**178,307**	373,591	177,609
	₱8,011,813	₱9,367,359	₱9,101,328

Manpower costs included in the consolidated statements of income follows:

	2020	2019	2018
		(In Thousands)	
Real estate costs and expenses			
Cost of real estate	**₱1,761,580**	₱1,784,450	₱1,534,290
Hotels and resorts operations	**164,059**	262,510	266,134
General and administrative expenses	**4,166,178**	4,719,739	4,685,180
	₱6,091,817	₱6,766,699	₱6,485,604

Depreciation and amortization expense included in the consolidated statements of income follows:

	2020	2019	2018
		(In Thousands)	
Real estate costs and expenses:			
Cost of real estate	**₱7,651,383**	₱7,419,920	₱4,858,275
Hotels and resorts operations	**975,906**	813,024	633,563
General and administrative expenses	**945,283**	825,766	640,608
	₱9,572,572	₱9,058,710	₱6,132,446

Other expenses consist of:

	2020	2019	2018
		(In Thousands)	
Financial expenses and other charges (Note 7)	**₱2,810,922**	₱1,076,207	₱1,123,307
Net provision for (reversals of) impairment losses on:			
Receivables (Note 7)	**752,641**	568,775	146,974
Investment properties (Note 12)	**225,208**	–	–
	₱3,788,771	₱1,644,982	₱1,270,281

Interest and other financing charges consist of:

	2020	2019	2018
		(In Thousands)	
Interest expense on:			
Long-term debt	**₱9,705,852**	₱9,153,067	₱7,259,118
Short-term debt	**1,164,767**	1,206,577	1,668,340
Lease liabilities (Note 33)	**1,430,607**	1,066,543	–
Other financing charges	**444,494**	773,571	666,545
	₱12,745,720	₱12,199,758	₱9,594,003

23. **Income Tax**

Net deferred tax assets:

	2020	2019
	(In Thousands)	
Deferred tax assets on:		
Difference between tax and book basis of accounting for real estate transactions	**₱8,678,138**	₱9,148,055
Lease liabilities	**3,628,273**	3,681,191
Accrued expenses	**1,131,316**	524,891
Allowance for probable losses	**792,783**	667,194
NOLCO	**336,510**	14,853
Retirement benefits	**144,837**	505,768
Unrealized foreign exchange losses	**105,275**	–
Others	**417,950**	385,883
	15,235,082	14,927,835
Deferred tax liabilities on:		
Right-of-use assets	**(2,491,661)**	(2,862,294)
Capitalized interest and other expenses	**(436,181)**	(485,077)
Unrealized foreign exchange gains	**(119,900)**	(45,027)
Others	**(65,825)**	(7,792)
	(3,113,567)	(3,400,190)
	₱12,121,515	₱11,527,645

Net deferred tax liabilities:

	2020	2019
	(In Thousands)	
Deferred tax assets on:		
Lease liabilities	**₱535,218**	₱555,071
Difference between tax and book basis of accounting for real estate transactions	**301,965**	₱92,021
Accrued expense	**110,114**	184,672
NOLCO	**72,669**	3,871
Allowance for probable losses	**54,074**	51,820
Unrealized foreign exchange loss	**6,502**	11,664
Others	**315,267**	192,762
	1,395,809	1,091,881

(Forward)

	2020	2019
	(In Thousands)	
Deferred tax liabilities on:		
Fair value adjustment arising from business combination	**(₱3,912,586)**	(₱3,904,145)
Difference between tax and book basis of accounting for real estate transactions	**(3,648,480)**	(2,018,940)
Right-of-use assets	**(616,339)**	(462,684)
Capitalized interest and other expenses	**(106,013)**	(297,873)
Retirement benefits	**(23,631)**	(27,480)
Prepaid expenses	**(5,357)**	–
Unrealized foreign exchange gain	**–**	(3,047)
Insurance recovery	**–**	(98,244)
Others	**(231,937)**	(370,222)
	(8,544,343)	(7,182,635)
	(₱7,148,534)	(₱6,090,754)

As of December 31, 2020 and 2019 deferred tax liabilities have not been recognized on the undistributed earnings and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future.

Certain subsidiaries of the Parent Company have NOLCO amounting to ₱1,681.7 million and ₱2,244.6 million as of December 31, 2020 and 2019, respectively, and MCIT amounting to ₱142.7 million and ₱152.0 million as of December 31, 2020 and 2019, respectively. Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. As of December 31, 2020 and 2019, total unrecognized NOLCO amounted to ₱317.7 million and ₱2,182.2 million, respectively. As of December 31, 2020 and 2019, total unrecognized MCIT amounted to ₱126.4 million and ₱150.9 million, respectively. The subsidiaries will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2020, the Group has incurred NOLCO which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
		(In Thousands)		
2017	₱666,258	₱666,258	₱–	2020
2018	990,792	–	990,792	2021
2019	587,561	–	587,561	2022
	₱2,244,611	₱666,258	₱1,578,353	

As of December 31, 2020, the Group has incurred NOLCO in taxable year 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
		(In Thousands)		
2020	₱103,323	₱–	₱103,323	2025

The carryover MCIT that can be used as deductions against income tax liabilities is as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
		(In Thousands)		
2017	₱16,332	₱16,332	₱–	2020
2018	130,127	–	130,127	2021
2019	5,576	–	5,576	2022
2020	6,992	–	6,992	2023
	₱159,027	₱16,332	₱142,695	

Reconciliation between the statutory and the effective income tax rates follows:

	2020	2019	2018
Statutory income tax rate	**30.00%**	30.00%	30.00%
Tax effect of:			
Equity in net earnings of associates and joint ventures	**(3.90)**	(1.90)	(1.66)
Income under tax holiday and other nontaxable income	**(0.88)**	(0.96)	(0.92)
Interest income and capital gains taxed at lower rates	**(0.25)**	(0.53)	(0.30)
Others - net	**1.99**	(0.42)	(0.60)
Effective income tax rate	**26.96%**	26.19%	26.51%

Deferred tax related to remeasurement gain on defined benefit plans recognized in OCI amounted to ₱252.5 million and ₱50.3 million in 2020 and 2019, respectively.

Republic Act (RA) No.10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into law on December 19, 2017 and took effect January 1, 2018, making the new tax law enacted as of the reporting date. Although the TRAIN changes existing tax law and includes several provisions that will generally affect businesses on a prospective basis, the management assessed that the same will not have any significant impact on the financial statement balances as of the reporting date.

Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE"
On February 1, 2021, the Bicameral Conference Committee, under the 18th Congress of the Philippines, approved the reconciled version of the House Bill No. 4157 and Senate Bill No.1357 (the CREATE). The general features of the CREATE bill are the following:

- Reduction in current income tax rate effective July 1, 2020;
- Proprietary educational institutions and hospitals which are nonprofit previously subject to a tax of 10% on their taxable income, shall be imposed a tax rate of 1% beginning July 1, 2020 until June 30, 2023;
- Increased threshold on sale of real estate properties that is exempt from VAT;
- Regional operating headquarters of multinational companies previously subject to a tax of 10% on their taxable shall be subject to the regular corporate income tax effective December 31, 2020; and
- Effective July 1, 2020 until June 30,2023, the MCIT rate shall be one percent 1%.

As at February 23, 2021, the harmonized copy of the CREATE bill has been transmitted to the Office of the President for signing or approval into law.

Board of Investments (BOI) Incentives

The Board of Investments issued certificates of registrations to the following companies in accordance with the existing Omnibus Investment Code. The projects have been granted an Income Tax Holiday (ITH) for a fixed period from the date of registration or actual start of operations, whichever is earlier.

	Registration Date	Project Location	ITH Start	ITH Period
Econorth Resort Ventures Inc.	November 21, 2017	Seda Lio	March 2018	5 years
Capitol Central Hotel Ventures, Inc.	September 08, 2017	Seda Capitol Central	January 2018	4 years
Bonifaco Hotel Ventures, Inc.	January 11, 2012	Seda BGC	June 2018	6 years
Bonifaco Hotel Ventures, Inc.	May 22, 2019	Seda BGC Expansion	May 2019	3 years
Makati North Hotel Ventures, Inc.	August 16, 2019	Seda Residences Makati	August 2019	4 years
MDC Conqrete, Inc.	October 5, 2020	PBU and WallQrete	January 2021	3 years
MDC Conqrete, Inc.	November 10, 2015	Modular Housing	November 2015	4 years
Amaia Land Corp	October 31, 2020	Amaia Scapes Rizal	October 2020	4 years
Amaia Land Corp	July 18, 2018	Amaia Scapes Bulacan Sector 3B	July 2018	3 years
Amaia Land Corp.	April 26, 2017	Amaia Steps Alabang - Delicia	April 2017	3 years
Amaia Land Corp.	April 20, 2017	Amaia Steps Capitol Central	April 2017	3 years
Amaia Land Corp.	April 20, 2017	Amaia Steps Sucat - Isabela	April 2017	3 years
Amaia Land Corp.	September 29, 2016	Amaia Scapes Iloilo	September 2016	4 years

24. Business Combinations and Acquisition of Non-controlling Interests

Business Combinations

MCT Berhad

On January 2, 2018, Ayala Land, Inc., (ALI) through its wholly owned subsidiary, Regent Wise Investments Limited (RWIL), signed a share purchase agreement to acquire an additional 17.24% share in MCT Berhad (MCT), subject to completion of certain conditions.

On January 5, 2018, the transfer of shares was completed and it increased RWIL's shareholding in MCT to 50.19% from 32.95%. RWIL also issued a notice of an unconditional mandatory take-over offer to the BOD of MCT, to acquire all remaining shares of the Company that are not already held by RWIL, following the completion of certain conditions to the share purchase agreement.

The mandatory take-over offer made in connection to the acquisition of additional shares in MCT closed as of 5:00 p.m. on February 19, 2018. Owners of 295,277,682 shares accepted the offer, equivalent to 22.12% of MCT's total outstanding shares. As a result of the offer, ALI's shareholdings in MCT increased from 50.19% to 72.31%. Total consideration paid is ₱5.98 billion.

Subsequently, the Group remeasured its previously held interest in MCT based on its acquisition-date fair value which resulted to a remeasurement loss of ₱1.79 billion.

The Group finalized the purchase price allocation of its acquisition of MCT through business combination in December 2018. The final purchase price allocation resulted in gain from bargain purchase of ₱1.85 billion. Non-controlling interests recognized amounted to ₱4,773.52 million.

The net gain of ₱60 million from the acquisition is presented under 'Other income' account in the 2018 consolidated statements of income.

The following are the fair values of the identifiable assets and liabilities assumed (in thousands):

Assets	
Cash and cash equivalents	₱1,078,224
Trade and other receivables	2,833,560
Inventories	13,620,873
Investment properties	5,712,635
Property, plant and equipment	4,599,423
Other noncurrent assets	69,222
	27,913,937
Liabilities	
Accounts and other payables	₱5,506,336
Borrowings	2,752,114
Income tax payable	128,551
Deferred tax liabilities	2,287,772
	10,674,773
Net assets	17,239,164
Total net assets acquired	12,465,640
Acquisition cost	(10,611,567)
Negative goodwill	₱1,854,073

The fair value of the trade and other receivables approximate their carrying amounts since these are short-term in nature. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

From January 8 to December 31, 2018, the Group's share in MCT's revenue and net income amounted to ₱7.6 billion and ₱1.3 billion.

Acquisition of Non-controlling Interests

Ayala Land Logistics Holdings Corp. (ALLHC)
On April 30, 2018, ALI and ALLHC executed a Deed of Exchange where ALI will subscribe to 1,225,370,620 common shares of ALLHC for an aggregate subscription price of ₱3.0 billion in exchange for 30,186 common shares of LTI. The subscription and exchange shall be subject to and deemed effective only upon the issuance by the SEC of the confirmation of valuation of the shares. The SEC issued its approval on February 28, 2019. This increased ALI's ownership to 69.50%.

On February 4, 2019, The Executive Committee of ALI approved the purchase of a 20% equity interest owned by Mitsubishi Corporation in LTI, equivalent to 8,051 common shares, with a total value of ₱800.0 million. Subsequently, ALI will exchange the 20% equity interest in LTI for additional shares of stock in ALLHC, equivalent to 323,886,640 common shares, subject to conditions to be fulfilled by ALLHC.

On June 10, 2019, ALI sold its 20% equity interest or 8,051 common shares in LTI to ALLHC for a consideration of ₱800.0 million. This increased ALI's ownership to 70.36%.

On September 9, 2019, OLI sold through a special block sale, 215,090,031 common shares of ALLHC to Avida Land Corporation, a wholly-owned subsidiary of ALI, for a total consideration of ₱628.1 million. Subsequently, these shares were acquired by ALI through a special block sale for a total consideration of ₱628.1 million. This increased ALI's effective ownership in ALLHC from 70.36% to 71.46%.

Cebu Holdings, Inc. (CHI)
On April 17, 2019 ALI acquired additional 14,913,200 common shares of CHI through open market purchases using the trading facilities of the Philippine Stock Exchange totaling P88.7 million resulting in ALI's ownership from 70.4% to 71.1%.

25. **Related Party Transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

In its regular conduct of business, the Group has entered into transactions with its parent company, associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, development, management, underwriting, marketing, leasing and administrative service agreements.

Terms and Conditions of Transactions with Related Parties
Transactions with related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free and settlement occurs generally in cash, except otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. The Group does not provide any allowance relating to receivable from related parties.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year (in thousands):

a. Transactions with Bank of the Philippine Islands (BPI), an associate of Ayala Corporation (AC)

   Cash and cash equivalents earn interest from 2.5% to 6.0% per annum for Philippine Peso-denominated and 1.0% to 3.0% per annum for USD-denominated investments. Investment in FVPL are UITF which earns interest depending on the duration of time invested in the fund. Interest earned with investments in BPI for the year amounted to ₱24.70 million, ₱125.5 million, and ₱129.3 million in 2020, 2019 and 2018, respectively.

   Short-term debts are secured peso denominated bank loans with interest rate ranging from 5.5% to 5.6% while long-term debts bear fixed rates ranging from 4.5% to 6.9% and floating rates ranging from 5.4% to 6.5% per annum with remaining terms ranging from less than a year to 9.9 years. Interest expense incurred on borrowings from BPI amounted to ₱723.29 million, ₱740.8 million, and ₱1,460.0 million for the years ended December 31, 2020, 2019 and 2018, respectively.

   As of December 31, 2020 and 2019, the Group maintains current and savings account, money market placements and short-term and long-term debt payable with BPI broken down as follows:

	2020	2019
	(In Thousands)	
Cash in bank	**₱3,510,108**	₱3,942,497
Cash equivalents	**47,486**	906,296
Marketable securities	**305,136**	80,000
Short term debt	**2,600,500**	9,399,330
Long-term debt	**13,231,337**	14,315,498

b. Outstanding balances with parent company, associates and other related party

   Receivables from/payables to other related parties pertain mostly to advances and reimbursement of operating expenses related to development cost and land acquisitions. Payables to related parties consist of expenses incurred on utilities, professional services and other miscellaneous services as well as purchases of vehicles. These are generally trade-related, noninterest-bearing and settled within one year.

Outstanding balances from/to related parties follow (amounts in thousands):

2020

	Receivable from related parties			Payable to related parties		
	Current	**Noncurrent**	**Total**	**Current**	**Noncurrent**	**Total**
AC	**₱55,316**	**₱–**	**₱55,316**	**₱236,815**	**₱–**	**₱236,815**
As Associates	**4,753,392**	**–**	**4,753,392**	**446,886**	**–**	**446,886**
Other related parties:						
Globe Telecom (Globe)	**148,435**	**–**	**148,435**	**7,164**	**–**	**7,164**
Bank of the Philippine Islands	**84,064**	**–**	**84,064**	**44,811**	**–**	**44,811**
ColColumbus	**–**	**–**	**–**	**267,355**	**–**	**267,355**
Manila Water PhilippineVentures, Inc.Inc.	**160,115**	**–**	**160,115**	**67,242**	**–**	**67,242**
Michigan Holdings, Inc.	**330**	**–**	**330**	**–**	**–**	**–**
Manila Water Company Inc.	**9,280**	**–**	**9,280**	**10,288**	**–**	**10,288**
Others	**278,227**	**–**	**278,227**	**47,631**	**–**	**47,631**
	680,451	**–**	**680,451**	**444,491**	**–**	**444,491**
	₱5,489,159	**₱–**	**₱5,489,159**	**₱1,128,192**	**₱–**	**₱1,128,192**

2019

	Receivable from related parties			Payable to related parties		
	Current	Noncurrent	Total	Current	Noncurrent	Total
AC	₱143,781	₱–	₱143,781	₱286,718	₱–	₱286,718
Associates	5,108,188	–	5,108,188	244,619	–	244,619
Other related parties:						
Globe Telecom (Globe)	145,593	–	145,593	6,164	–	6,164
Bank of the Philippine Islands	176,014	–	176,014	59,800	–	59,800
Columbus	–	–	–	267,355	–	267,355
Manila Water Philippine Ventures Inc.	258,169	–	258,169	80,810	–	80,810
Michigan Holdings, Inc.	110,103	–	110,103	–	–	–
Manila Water Company Inc.	57,402	–	57,402	18,221	–	18,221
Others	131,053	–	131,053	70,596	–	70,596
	878,334	–	878,334	502,946	–	502,946
	₱6,130,303	₱–	₱6,130,303	₱1,034,283	₱–	₱1,034,283

c. Revenue and expenses from related parties

The revenue from parent company, associates and other related parties pertains mostly to income from leasing and development projects while expenses composed of management fees and training expenses. These are usually non-interest bearing and not impaired. Transactions are settled within one year.

Revenue and expenses from related parties follow:

Revenue from related parties:

	2020	2019	2018
		(In Thousands)	
AC	**₱3,493**	₱25,450	₱28,081
Associates	**2,253,303**	4,128,193	4,703,524
Other Related Parties			
Bank of the Philippine Islands	**378,319**	414,609	330,519
Manila Water Philippine Ventures, Inc.	**264,628**	272,709	218,127
Globe Telecom, Inc.	**84,656**	185,063	193,899
Innove Communications	**7,982**	7,295	6,909
Manila Water Company, Inc. (MWCI)	**7,151**	53,882	2,653
Laguna AAA Waterworks Corp. (LAWC)	**1,500**	1,500	1,500
Michigan Holdings, Inc.	**1,203**	179,739	1,101
Others	**32,473**	1,153	868
	777,912	1,115,950	755,576
Total	**₱3,034,708**	₱5,269,593	₱5,487,181

Expenses from related parties:

	2020	2019	2018
		(In Thousands)	
AC	**₱10,950**	₱4,216	₱1,035
Associates	**201,558**	322,114	3,153,547
Other Related Parties			
Manila Water Company, Inc.	**234,167**	398,648	385,925
Bank of the Philippine Islands	**434,707**	213,257	296,002
Innove Communications, Inc.	**73,060**	92,003	68,805
AG Counselors Corp.	**206,354**	199,222	60,718
Globe Telecom, Inc.	**66,483**	88,188	53,920
Manila Water Philippine Ventures, Inc.	**125,617**	108,765	53,038
Others	**988,788**	432,865	377,544
	2,129,176	1,532,948	1,295,952
Total	**₱2,341,684**	₱1,859,278	₱4,450,534

The following describe the nature of the material transactions of the Group with related parties as of December 31, 2020 and 2019:

- On January 12, 2016, the Parent Company has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc., for the waterworks of ALI's projects nationwide. The MOA was signed by ALI and its subsidiaries and affiliates, Cebu Holdings, Inc. and Cebu Property Ventures and Development Corp. Revenue and expense in 2020 amounted to ₱264.6 million and ₱125.6 million, respectively, and ₱272.7 million and ₱108.8 million amounted in 2019, respectively.
- Certain credit facilities with BPI with a total carrying value of ₱13,231.3 million and ₱24,416.9 million as of December 31, 2020 and 2019, respectively, are secured by a real estate mortgage. This is in compliance with BSP ruling on directors, officers, stockholders and related interests.
- In October 2012 and July 2013, BG South, a subsidiary of Alveo, entered into a contract with FBDC for the purchase of land in Bonifacio Global City. Land cost amounting to ₱122.7 million and ₱816.0 million were recognized in profit or loss in 2020 and 2019, respectively.
- On May 20, 2013, DirectPower and its customers, which are all within the Ayala Group, entered into a Retail Electricity Supply contract wherein DirectPower agreed to supply electricity at a specific rate pursuant to the provisions and implementing rules and regulations of R.A. No. 9136 or the Electric Power Industry Reform Acts of 2001. Among the customers of Direct Power are FBDC, LDC, BPI, San Lazaro BPO Complex and 6750 Ayala Ave.
- The Group sold residential receivables on a without recourse basis to BPI Family Savings Bank, Inc., a related party, amounting to ₱20,458.0 million and ₱9,976.3 million in 2020 and 2019, respectively. Proceeds of receivables sold to BPI amounted to ₱18,431.9 million in 2020 and ₱9,281.2 million in 2019. The Group recognized loss on sale (under "Other charges") amounting to ₱2,064.0 million and ₱775.2 million in 2020 and 2019, respectively.
- The Group entered into agreements with BPI Asset Management and Trust Corporation in 2019 for the assignment of interest-bearing employee receivables amounting to ₱108.9 million (nil in 2020).
- Revenue from Globe pertains to development management fee and for lease of spaces.
- As of December 31, 2020 and 2019, the funds include investment in securities of its related parties with carrying value of ₱1.5 billion and ₱1.7 billion, respectively (see Note 26).

d. Remuneration of Key Management Personnel (KMP)

Key management personnel of the Group include all officers with position of vice president and up. Compensation of key management personnel amounted to ₱207.8 million and ₱197.2 million in 2020 and 2019, respectively.

Compensation of key management personnel by benefit type follows:

	2020	2019
	(In Thousands)	
Short-term employee benefits	**₱192,301**	₱185,540
Post-employment benefits (Note 26)	**15,497**	11,622
	₱207,798	₱197,162

The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10%) or more of the total assets of the corporation that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

26. **Retirement Plan**

The Group has funded, noncontributory tax-qualified defined benefit type of retirement plans (the Plan) covering substantially all of their employees. The benefits are based on a defined benefit formula.

The Plan aims to maintain a full funding, i.e., the Plan's assets fully covered the Plan's liabilities, as measured through generally accepted actuarial methodologies. Such will provide a higher level of assurance that all promised benefits can be paid from existing assets and expected investment returns. The target funded status is within the range of 80% to 100%.

The Group's fund is in the form of a trust fund being maintained by the trustee banks such as BPI Asset Management and Trust Corporation (collectively the "Retirement Fund"). The primary objective of the Retirement Fund is to achieve the highest total rate of return possible, consistent with a prudent level of risk. The investment strategy articulated in the asset allocation policy has been developed in the context of long-term capital market expectations, as well as multi-year projections of actuarial liabilities. Accordingly, the investment objectives and strategies emphasize a long-term outlook, and interim performance fluctuations will be viewed with the corresponding perspective.

The components of expense (included in manpower costs under "General and administrative expenses") in the consolidated statements of income follows:

	2020	2019	2018
		(In Thousands)	
Current service cost	**₱398,979**	₱443,364	₱310,759
Past service cost	**–**	–	10,563
Net interest cost on benefit obligation	**104,867**	117,607	77,418
Total pension expense	**₱503,846**	₱560,971	₱398,740

The remeasurement effects recognized in other comprehensive income (included in Equity under "Remeasurement loss on defined benefit plans") in the consolidated statements of financial position follow:

	2020	2019	2018
		(In Thousands)	
Return (loss) on plan assets (excluding amount included in net interest)	**(₱15,785)**	₱75,922	₱184,923
Remeasurement (loss) gain due to liability experience	**(47,859)**	1,544	101,979
Remeasurement (loss) gain due to liability assumption changes - demographic	**(5,641)**	145	(2,476)
Remeasurement loss due to liability assumption changes - economic	**(617,702)**	(245,365)	(369,807)
Remeasurements in other comprehensive income	**(₱686,987)**	(₱167,754)	(₱85,381)

The funded status and amounts recognized in the consolidated statement of financial position for the retirement plan as of December 31, 2020 and 2019, are as follows:

	2020	2019
	(In Thousands)	
Benefit obligations	**₱5,094,096**	₱4,365,274
Plan assets	**(2,085,519)**	(2,452,003)
Net pension liability position	**₱3,008,577**	₱1,913,271

As of December 31, 2020 and 2019 pension assets (included under "Other noncurrent assets") amounted to ₱12.2 million and ₱74.3 million, respectively, and pension liabilities amounted to ₱3,020.8 million and ₱1,987.6 million, respectively.

Changes in net defined benefit liability of funded plans in 2020 are as follows (in thousands):

		Net benefit cost in consolidated statement of income					Remeasurements in other comprehensive income							
	January 1, 2020	**Current service cost**	**Past service cost**	**Net interest**	**Subtotal**	**Benefits paid**	**Return on plan Assets***	**Remeasurement loss due to liability experience**	**Remeasurement loss due to liability assumption changes - demographic**	**Remeasurement loss due to liability assumption changes- economic**	**Net remeasure-ment loss**	**Contribution by employer**	**Transfer in /(out)**	**December 31, 2020**
Present value of defined benefit obligation	**₱4,365,274**	**₱398,979**	**₱–**	**₱210,090**	**₱609,069**	**(₱550,903)**	**₱–**	**₱47,859**	**₱5,641**	**₱617,702**	**₱671,202**	**₱–**	**(₱546)**	**₱5,094,096**
Fair value of plan assets	**(2,452,003)**	–	**–**	**(105,223)**	**(105,223)**	**698,183**	**15,785**	**–**	**–**	**–**	**15,785**	**(242,807)**	**546**	**(2,085,519)**
Net defined benefit liability	**₱1,913,271**	**₱398,979**	**₱–**	**₱104,867**	**₱503,846**	**₱147,280**	**₱15,785**	**₱47,859**	**₱5,641**	**₱617,702**	**₱686,987**	**(₱242,807)**	**₱–**	**₱3,008,577**

*excluding amount included in net interest

Changes in net defined benefit liability of funded plans in 2019 are as follows (in thousands):

		Net benefit cost in consolidated statement of income					Remeasurements in other comprehensive income							
	January 1, 2019	Current service cost	Past service cost	Net interest	Subtotal	Benefits paid	Return on plan Assets*	Remeasurement gain due to liability experience	Remeasurement gain due to liability assumption changes - demographic	emeasurement loss due to liability assumption Rchanges - economic	Net remeasure-ment loss	Contribution by employer	Transfer in /(out)	December 31, 2019
Present value of defined benefit obligation	₱3,676,584	₱443,364	₱–	₱279,339	₱722,703	(₱277,699)	₱–	(₱1,544)	(₱145)	₱245,365	₱243,676	₱–	₱10	₱4,365,274
Fair value of plan assets	(2,188,451)	–	–	(161,732)	(161,732)	335,918	(75,922)	–	–	–	(75,922)	(361,816)	–	(2,452,003)
Net defined benefit liability	₱1,488,133	₱443,364	₱–	₱117,607	₱560,971	₱58,219	(₱75,922)	(₱1,544)	(₱145)	₱245,365	₱167,754	(₱361,816)	₱10	₱1,913,271

*excluding amount included in net interest

All equity and debt instruments held have quoted prices in an active market. The remaining plan assets do not have quoted market prices in an active market.

The plan assets have diverse investments and do not have any concentration risk.

The fair value of plan assets by each class as at the end of the reporting period are as follows:

	December 31	
	2020	2019
	(In Thousands)	
Cash and cash equivalents	**₱9,246**	₱27,197
Equity investments		
Unit Investment Trust Funds	**323,553**	363,357
Mutual funds	**131,217**	158,991
Holding firms	**1,455**	1,688
Financials	**15,195**	18,435
Property	**78,366**	95,074
Industrials	**92,005**	111,622
Services	**17,059**	20,696
	658,850	769,863
Debt investments		
Government securities	**551,290**	537,483
AAA rated debt securities	**497,130**	545,950
Unit Investment Trust Funds	**56,970**	66,128
Mutual funds	**5,295**	6,146
Not rated debt securities	**306,738**	499,236
	1,417,423	1,654,943
	₱2,085,519	₱2,452,003

The Retirement Fund's investments will be appropriately diversified to control overall risk and will exhibit portfolio characteristics similar to the set benchmark for each asset class. In case of securities, the aggregate holdings of any security may not exceed 10% of the Plan assets. The criteria for including an asset class in the strategic policy include: (a) wide recognition and acceptance among institutional investors; (b) low correlation with other accepted asset classes; and (c) a meaningful performance history. The Group expects to make contributions of ₱581.02 million to its retirement fund in 2021.

The allocation of the fair value of plan assets follows:

	2020	2019
Investments in debt securities	**67.97%**	67.49%
Investments in equity securities	**31.59%**	31.40%
Others	**0.44%**	1.11%

Funds invested in debt securities include government securities, corporate notes and bonds and money market placements. Investments in equity securities consist of investments in PSE listed stocks and unit investment trust funds. Others were in the form of cash and cash equivalents.

The Group's transactions with the funds mainly pertain to contributions, benefit payments and settlements.

As of December 31, 2020 and 2019, the funds include investment in securities of its related parties (see Note 25). Details of the investment per type of security are as follows:

	December 31, 2020			December 31, 2019
	Carrying Value	**Fair Value**	**Unrealized (Gain) Loss**	Fair Value
	(In Thousands)			
Investments in debt securities	**₱885,050**	**₱916,337**	**(₱31,287)**	₱1,142,062
Investments in equity securities	**627,611**	**624,975**	**2,636**	603,857
Others	**13,319**	**13,393**	**(74)**	13,393
	₱1,525,980	**₱1,554,705**	**(₱28,725)**	₱1,759,312

The plan assets include shares of stock of the Parent Company with fair value amounting to ₱40.58 million and ₱38.56 million as of December 31, 2020 and 2019, respectively. The Parent Company gives the trustee bank the discretion to exercise voting rights over the shares. The plan assets include debt securities of the Parent Company amounting to ₱68.42 million and ₱66.8 million as of December 31, 2020 and 2019, respectively. The gain of the fund arising from investment in debt and equity securities of the Parent Company is ₱1.62 million.

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension liabilities are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2020	2019
Discount rates	**3.73 to 5.50%**	4.74 to 5.50%
Future salary increases	**3.00 to 8.00%**	4.00 to 8.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

2020

	Effect on income before income tax Increase (decrease)	
Change in basis points	**+ 100 basis points**	**- 100 basis points**
	(In Thousands)	
Discount rate	**(₱335,855)**	**₱508,470**
Salary increase rate	**489,491**	**(320,960)**

2019

	Effect on income before income tax Increase (decrease)	
Change in basis points	+ 100 basis points	- 100 basis points
	(In Thousands)	
Discount rate	(₱348,241)	₱382,527
Salary increase rate	363,629	(387,094)

Shown below is the maturity analysis of the undiscounted benefit payments:

Year ending:	2020	2019
	(In Thousands)	
1 year and less	**₱191,339**	₱666,659
more than 1 years to 5 years	**980,921**	1,837,060
more than 5 years to 10 years	**2,877,953**	2,580,119
more than 10 years to 15 years	**7,263,178**	14,122,637
more than 15 years to 20 years	**8,418,881**	2,696,046
more than 20 years	**14,802,379**	26,270,099

The average duration of the defined benefit obligation is 7.0 to 24.0 years and 11.0 to 24.0 years in 2020 and 2019, respectively.

27. Earnings Per Share

The following tables present information necessary to compute EPS (amounts in thousands except EPS):

EPS on net income attributable to equity holders of Ayala Land, Inc. are as follows:

	2020	2019	2018
	(In Thousands)		
Net income attributable to equity holders of Ayala Land, Inc.	**₱8,727,155**	₱33,188,399	₱29,240,880
Less: dividends on preferred stock	**(62,038)**	(62,038)	(62,038)
Net income attributable to equity holders of the Parent Company for basic and diluted earnings per share	**₱8,665,117**	₱33,126,361	₱29,178,842
Weighted average number of common shares for basic EPS	**14,721,234**	14,742,690	14,730,049
Add: dilutive shares arising from stock options	**2,296**	3,783	966
Adjusted weighted average number of common shares for diluted EPS	**14,723,530**	14,746,473	14,731,015
Basic and diluted EPS	**₱0.59**	₱2.25	₱1.98

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared.

Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

The convertibility of the preferred shares will start on the 10th year from the issue date which was in 2012. This has an antidilutive effect on the computation of diluted EPS.

28. Stock Options and Ownership Plans

The Parent Company has stock option plans for key employees covering 2.5% of the Parent Company's authorized capital stock. The grantee is selected based on certain criteria like outstanding performance over a three-year period.

ESOP
The ESOP grantees may exercise in whole or in part the vested allocation in accordance with the vesting percentage and vesting schedule stated in the ESOP. Also, the grantee must be an employee of the Parent Company or any of its subsidiaries during the 10-year option period. In case the grantee retires, he is given 3 years to exercise his vested and unvested options. In case the grantee resigns, he is given 90 days to exercise his vested options.

The Parent Company has no ESOP grant and availment during 2020, 2019 and 2018.

ESOWN
In November 2001, the Parent Company offered all its ESOWN subscribers with outstanding ESOWN subscriptions the option to cancel the subscriptions within the 5-year holding period. In December 2001, the program for ESOWN was indefinitely suspended.

In 2005, the Parent Company introduced a revised ESOWN Plan (the Plan) wherein grantees may subscribe in whole or in part to the shares awarded to them based on a discounted market price that was determined by the Compensation Committee as the offer price set at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. The subscription is subject to a holding period stated in the plan. To subscribe, the grantee must be an employee of the Parent Company or any of its subsidiaries during the ten (10)-year payment period. In case the grantee resigns, unsubscribed shares are cancelled, while the subscription may be paid up to the percent of holding period completed and payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares. All shares acquired through the Plan are subject to the Parent Company's right to repurchase.

The subscribed shares are effectively treated as options exercisable within a given period which is the same time as the grantee's payment schedule. The fair values of stock options granted are estimated on the date of grant using the Black-Scholes Merton (BSM) Formula and Binomial Tree Model (BTM), taking into account the terms and conditions upon which the options were granted. The BSM Formula and BTM Model requires six inputs to produce an option stock value namely; market value of the share, book value of the share, time to maturity, volatility rate, dividend yield, and risk free rate. The expected volatility was determined based on an independent valuation.

Movements in the number of options outstanding and weighted average exercise prices (WAEP) under ESOWN follow:

	2020	**WAEP**	2019	WAEP
At January 1	**305,415**	**₱35.94**	5,601,470	₱32.71
Granted	**18,194,618**		11,610,720	
Subscribed	**(14,845,498)**	**27.72**	(10,453,766)	43.70
Availment	**39,436**		487,585	
Cancelled	**(3,693,971)**		(6,940,594)	
At December 31	**–**	**₱–**	305,415	₱35.94

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	Grant Date							
	August 17, 2020	March 21, 2019	March 28, 2018	March 01, 2017	April 05, 2016	March 20, 2015	March 20, 2014	March 18, 2013
Number of unsubscribed shares	–	–	–	–	181,304	–	1,369,887	1,713,868
Fair value of each option (BTM)	₱–	₱–	₱–	₱8.48	₱13.61	₱16.03	₱12.60	₱16.05
Fair value of each option (BSM)	₱9.12	₱17.13	₱12.71	₱–	₱18.21	₱20.63	₱12.16	₱11.85
Weighted average share price	₱32.61	₱44.70	₱41.02	₱39.72	₱35.58	₱36.53	₱31.46	₱30.00
Exercise price	₱27.72	₱44.49	₱45.07	₱35.81	₱26.27	₱29.58	₱22.55	₱21.45
Expected volatility	25.05%	31.48%	34.04%	30.95%	32.03%	31.99%	33.50%	36.25%
Dividend yield	0.81%	1.16%	1.22%	1.34%	1.27%	1.02%	1.42%	1.93%
Interest rate	1.13%	5.57%	4.14%	4.41%	4.75%	4.11%	3.13%	2.78%

Total expense (included under "General and administrative expenses") recognized in 2020, 2019 and 2018 in the consolidated statements of income arising from share-based payments amounted to ₱111.92 million, ₱142.86 million, and ₱98.52 million, respectively (see Note 22).

ALLHC

ALLHC introduced the ESOWN Plan (the Plan) wherein grantees (employees within ALLHC Group) may subscribe in whole or in part to the shares awarded to them based on a discounted market price, but in no case lower than the par value, that was determined at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. To subscribe, the grantee must be an employee, officer or director of ALLHC as of June 30, 2015. In case the grantee resigns, unsubscribed shares are cancelled and returned to the plan pool, while the subscription payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares.

The BOD of ALLHC approved the allocation of 32 million shares (first tranche) for ESOWN plan which will be taken from the remaining unissued shares (with grant date in 2016) and the increase in authorized of stock of ALLHC, which was approved by the SEC in July 2016. In 2017, notice of grant for the 218 million shares (second tranche of ESOWN plan) was issued to employees for the right to subscribe to the common shares of ALLHC at ₱1.68 per share which were fully availed as of December 31, 2018. In 2020 and 2019, ALLHC has no ESOWN grant.

29. Financial Assets and Liabilities

Fair Value Information

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and liabilities recognized as of December 31, 2020 and 2019:

	December 31, 2020		December 31, 2019	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
		(In Thousands)		
Financial Assets at FVPL	**₱965,171**	**₱965,171**	₱485,436	₱485,436
Financial Assets at FVOCI				
Unquoted equity securities	**666,988**	**666,988**	565,650	565,650
Quoted equity securities	**844,455**	**844,455**	963,529	963,529
	1,511,443	**1,511,443**	1,529,179	1,529,179
	₱2,476,614	**₱2,476,614**	₱2,014,615	₱2,014,615

	December 31, 2020		December 31, 2019	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
		(In Thousands)		
Financial assets at amortized cost				
Noncurrent trade residential and office development	**₱42,547,808**	**₱45,313,900**	₱42,994,112	₱47,326,247
Receivable from employees	**842,506**	**844,542**	901,261	903,299
	₱43,390,314	**₱46,158,442**	₱43,895,373	₱48,229,546
Other financial liabilities				
Long-term debt	**₱202,819,593**	**₱211,109,769**	₱193,064,051	₱196,618,780
Deposits and other noncurrent liabilities	**48,582,759**	**36,367,004**	42,282,234	36,225,888
	₱251,402,352	**₱247,476,773**	₱235,346,285	₱232,844,668

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents, short-term investments and current receivables, accounts and other payables, current payables and short term debt - Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

Financial assets at FVPL - These are investments in fund and treasury bills. Fair value of the funds is based on net asset values as of reporting dates.

Noncurrent accounts and notes receivables - The fair values of residential accounts and notes receivable, and receivable from employees, are based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used ranged from 5.75% to 16.00% and 6.25% to 13.50% as of December 31, 2020 and 2019.

Financial assets at FVOCI quoted equity securities - fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities – fair values are based on the latest selling price available.

Liabilities - The fair value of noncurrent unquoted instruments (long-term debt and deposits) are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged 1.84% to 7.50% and 3.18% to 7.02% as of December 31, 2020 and 2019, respectively. The fair value of noncurrent unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

The Group categorizes trade receivable, receivable from employees, long-term debt and deposits and other noncurrent liabilities under Level 3. The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is that the higher the spread, the lower the fair value.

Quoted FVOCI financial assets amounting to ₱844.5 million and ₱963.5 million as of December 31, 2020, and 2019, respectively, were classified under Level 1 (see Note 10).

Unquoted FVOCI financial assets amounting to ₱667.0 million and ₱565.7 million as of December 31, 2020 and 2019, respectively, were classified under Level 3 (see Note 10).

Investment in Arch Capital Fund amounting to ₱328.0 million and ₱389.0 million as of December 31, 2020, and 2019, respectively, were classified under Level 3 (see Note 6).

Investment in Unit Investment Trust Fund (UITF) amounting to ₱378.1 million and ₱96.4 million as of December 31, 2020, and 2019, respectively, were classified under Level 2 (see Note 6).

Investment in Treasury bills amounting to ₱259.2 million as of December 31, 2020, were classified under Level 2 (see Note 6).

There have been no reclassifications from Level 1 to Level 2 categories in 2020 and 2019.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, short-term investment, financial assets at FVPL, AFS quoted and unquoted equity securities, investments in bonds, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Group's operations. The Group has various financial assets such as trade receivables and trade payables which arise directly from the conduct of its operations.

Exposure to liquidity, credit, interest rate, currency and equity risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of derivative financial instruments, if any, is solely for management of the Group's financial risk exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

The Group's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

There were no changes in the Group's financial risk management objectives and policies in 2020 and 2019.

Liquidity risk

Liquidity risk is defined by the Group as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Group that make it difficult for the Group to raise the necessary funds or that forces the Group to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities into cash immediately or in instances where conversion to cash is possible but at a loss due to wider than normal bid-offer spreads.

The Group employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Group has come up with a three-layered approach to liquidity through the prudent management of sufficient cash and cash equivalents, the potential sale of accounts receivables and the maintenance of short-term revolving credit facilities.

Cash and cash equivalents are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise. Management develops viable funding alternatives through a continuous program for the sale of its receivables and ensures the availability of ample unused short-term revolving credit facilities from both local and foreign banks as back-up liquidity.

The Group ascertains that its cash is invested in short-term bank placements and special deposit accounts, as well as in high-quality and marketable government and corporate securities.

Credit line
The Group has a total available credit line up to ₱84.43 billion and ₱68.0 billion with various local banks as of December 31, 2020 and 2019, respectively

The table summarizes the maturity profile of the Group's financial liabilities at December 31, 2020 and 2019 based on contractual undiscounted payments:

December 31, 2020

	< 1 year	**>1 to < 5 years**	**> 5 years**	**Total**
		(In Thousands)		
Accounts and other payables	**₱123,634,745**	**₱–**	**₱–**	**₱123,634,745**
Short-term debt	**9,131,325**	**–**	**–**	**9,131,325**
Long-term debt	**18,732,401**	**127,500,906**	**56,586,286**	**202,819,593**
Deposits and other current liabilities	**25,072,090**	**–**	**–**	**25,072,090**
Deposits and other noncurrent liabilities	**–**	**42,521,168**	**1,771,715**	**44,292,883**
	176,570,561	**170,022,074**	**58,358,001**	**404,950,636**
Interest payable*	**₱7,834,302**	**₱30,705,781**	**₱14,496,618**	**₱53,036,701**

**includes future interest payment*

December 31, 2019

	< 1 year	>1 to < 5 years	> 5 years	Total
		(In Thousands)		
Accounts and other payables	₱138,334,629	₱–	₱–	₱138,334,629
Short-term debt	18,032,830	–	–	18,032,830
Long-term debt	17,250,706	85,827,970	89,985,375	193,064,051
Deposits and other current liabilities	25,129,315	–	–	25,129,315
Deposits and other noncurrent liabilities	–	34,002,066	1,684,557	35,686,623
	198,747,480	119,830,036	91,669,932	410,247,448
Interest payable*	₱8,136,242	₱34,485,567	₱7,151,134	₱49,799,943

**includes future interest payment*

Cash and cash equivalents, short-term investments and financial assets at FVPL are used for the Group's liquidity requirements. Please refer to the terms and maturity profiles of these financial assets shown on the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section. There are no undrawn loan commitments from long-term credit facilities as of December 31, 2020 and 2019.

Credit risk
Credit risk is a risk that a counterparty will not meet its obligation under its financial instrument or customer contract leading to a financial loss.

The Group's credit risks are primarily attributable to installments receivable, rental receivables and other financial assets. To manage credit risks, the Group maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. The Group's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. For existing tenants, the Group has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, short-term investments, financial assets at FVPTL and financial assets at FVOCI. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The Group's maximum exposure to credit risk as of December 31, 2020 and 2019 is equal to the carrying values of its financial assets.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The security deposits and advance rental are considered in the calculation of impairment as recoveries. As of December 31, 2020 and 2019, the exposure at default amounts to ₱12,400.1 million and ₱14,354.9 million, respectively. The expected credit loss rate is 7.2% and 5.3% that resulted in the ECL of ₱1,945.5 million and ₱1,186.3 million as of December 31, 2020 and December 31, 2019, respectively.

As of December 31, 2020 and 2019, the aging analysis of past due but not impaired trade receivables presented per class follow:

December 31, 2020

	Neither Past Due nor Impaired	Past Due but not Impaired						Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total		
				(In Thousands)					
Trade:									
Residential, commercial and office development	**₱87,579,407**	**₱8,312,810**	**₱677,149**	**₱1,854,465**	**₱585,788**	**₱2,267,709**	**₱13,697,921**	**₱50,767**	**₱101,328,095**
Shopping centers	**2,524,233**	**195,961**	**298,868**	**230,567**	**203,055**	**901,865**	**1,830,316**	**1,060,057**	**5,414,606**
Construction contracts	**949,706**	**77,648**	**142,559**	**49,836**	**100,432**	**416,782**	**787,257**	**37,778**	**1,774,741**
Corporate business	**3,402,084**	**1,309**	**1,683**	**–**	**1,288**	**22,666**	**26,946**	**519,642**	**3,948,672**
Management fees	**31,292**	**2,464**	**13,335**	**13,539**	**554**	**56,691**	**86,583**	**6,678**	**124,553**
Others	**3,821,778**	**472,721**	**13,640**	**53,938**	**76,192**	**130,086**	**746,577**	**149,246**	**4,717,601**
Advances to other companies	**9,973,795**	**2,025**	**1,086,998**	**60,143**	**23,959**	**6,418,080**	**7,591,205**	**121,292**	**17,686,292**
Accrued receivables	**6,311,028**	**191,008**	**193,169**	**21,920**	**10,473**	**1,058,801**	**1,475,371**	**–**	**7,786,399**
Related parties	**5,472,155**	**86**	**2,661**	**86**	**3,664**	**10,507**	**17,004**	**–**	**5,489,159**
Receivables from employees	**709,628**	**10,631**	**6,638**	**4,069**	**561**	**110,979**	**132,878**	**–**	**842,506**
	₱120,775,106	**₱9,266,663**	**₱2,436,700**	**₱2,288,563**	**₱1,005,966**	**₱11,394,166**	**₱26,392,058**	**₱1,945,460**	**₱149,112,624**

December 31, 2019

	Neither Past Due nor Impaired	Past Due but not Impaired						Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total		
				(In Thousands)					
Trade:									
Residential, commercial and office development	₱93,504,125	₱4,304,075	₱911,803	₱589,709	₱670,084	₱4,267,611	₱10,743,282	₱13,555	₱104,260,962
Shopping centers	1,041,277	700,200	244,308	224,441	210,370	491,541	1,870,860	772,513	3,684,650
Construction contracts	582,635	24,010	10,479	42,662	186	855,570	932,907	37,778	1,553,320
Corporate business	3,174,308	21,857	65,603	20,766	52,067	311,351	471,644	182,208	3,828,160
Management fees	42,060	–	13,630	11,729	6,727	18,439	50,525	6,678	99,263
Others	4,237,501	63,107	9,499	12,496	25,981	99,550	210,633	110,409	4,558,543
Advances to other companies	12,017,162	217,231	847,194	72,611	160,274	5,606,586	6,903,896	63,152	18,984,210
Accrued receivables	6,087,195	124,387	97,970	11,424	90,977	1,376,843	1,701,601	–	7,788,796
Related parties	6,106,390	19,152	2,452	1,030	348	931	23,913	–	6,130,303
Receivables from employees	780,533	6,086	3,725	1,501	1,318	108,098	120,728	–	901,261
	₱127,573,186	₱5,480,105	₱2,206,663	₱988,369	₱1,218,332	₱13,136,520	₱23,029,989	₱1,186,293	₱151,789,468

The table below shows the credit quality of the Company's financial assets as of December 31, 2020 and 2019:

December 31, 2020

	Neither Past Due nor Impaired					Past Due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not Impaired	Impaired	Total
				(In Thousands)				
Cash and cash equivalents (excluding cash on hand)	₱16,973,044	₱–	₱–	₱–	₱16,973,044	₱–	₱–	₱16,973,044
Short-term investments	358,120	–	–	–	358,120	–	–	358,120
Financial assets at FVPL	965,171	–	–	–	965,171	–	–	965,171
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	75,749,759	6,844,468	4,985,180	–	87,579,407	13,697,921	50,767	101,328,095
Shopping centers	1,538,614	539,226	446,393	–	2,524,233	1,830,316	1,060,057	5,414,606
Construction contracts	932,957	16,749	–	–	949,706	787,257	37,778	1,774,741
Corporate business	3,396,865	1,038	4,181	–	3,402,084	26,946	519,642	3,948,672
Management fees	30,140	–	1,152	–	31,292	86,583	6,678	124,553
Others	3,053,903	694,945	72,930	–	3,821,778	746,577	149,246	4,717,601
Advances to other companies	9,607,267	6,753	359,775	–	9,973,795	7,591,205	121,292	17,686,292
Accrued receivables	6,300,452	48	10,528	–	6,311,028	1,475,371	–	7,786,399
Related parties	2,282,777	615,718	2,573,660	–	5,472,155	17,004	–	5,489,159
Receivable from employees	706,106	795	2,727	–	709,628	132,878	–	842,506
Financial Assets at FVOCI:								
Unquoted	–	–	–	844,455	844,455	–	–	844,455
Quoted	666,988	–	–	–	666,988	–	–	666,988
	₱122,562,163	₱8,719,740	₱8,456,526	₱844,455	₱140,582,884	₱26,392,058	₱1,945,460	₱168,920,402

December 31, 2019

	Neither Past Due nor Impaired					Past Due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not Impaired	Impaired	Total
				(In Thousands)				
Cash and cash equivalents (excluding cash on hand)	₱20,339,826	₱–	₱–	₱–	₱20,339,826	₱–	₱–	₱20,339,826
Short-term investments	617,149	–	–	–	617,149	–	–	617,149
Financial assets at FVPL	485,436	–	–	–	485,436	–	–	485,436
Accounts and notes receivables:								
Trade:								
Residential, commercial and offce development	81,411,415	8,158,202	3,934,508	–	93,504,125	10,743,282	13,555	104,260,962
Shopping centers	1,041,277	–	–	–	1,041,277	1,870,860	772,513	3,684,650
Construction contracts	582,635	–	–	–	582,635	932,907	37,778	1,553,320
Corporate business	3,155,230	5,539	13,539	–	3,174,308	471,644	182,208	3,828,160
Management fees	23,478	8,762	9,820	–	42,060	50,525	6,678	99,263
Others	4,237,501	–	–	–	4,237,501	210,633	110,409	4,558,543
Advances to other companies	10,341,028	1,128,079	548,055	–	12,017,162	6,903,896	63,152	18,984,210
Accrued receivables	6,087,195	–	–	–	6,087,195	1,701,601	–	7,788,796
Related parties	6,106,390	–	–	–	6,106,390	23,913	–	6,130,303
Receivable from employees	780,533	–	–	–	780,533	120,728	–	901,261
Financial Assets at FVOCI:								
Unquoted	–	–	–	565,650	565,650	–	–	565,650
Quoted	963,529	–	–	–	963,529	–	–	963,529
	₱136,172,622	₱9,300,582	₱4,505,922	₱565,650	₱150,544,776	₱23,029,989	₱1,186,293	₱174,761,058

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents, short-term investments, financial assets at FVTPL, financial assets at FVOCI quoted securities - based on the nature of the counterparty and the Group's internal rating system;

Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to 3 defaults in payment; and low grade pertains to receivables with more than 3 defaults in payment;

The unquoted financial assets at FVOCI are unrated.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by leveraging on its premier credit rating and increasing the fixed interest component of its debt portfolio. The Company's ratio of fixed to floating rate debt stood at around 95:5 and 90:10 as of December 31, 2020 and 2019, respectively.

The following tables demonstrate the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates on December 31, 2020 and 2019, with all variables held constant, (through the impact on floating rate borrowings):

December 31, 2020

	Effect on income before income tax Increase (decrease)	
Change in basis points	**+ 100 basis points**	**- 100 basis points**
	(In Thousands)	
Floating rate borrowings	**(₱116,402)**	**₱116,402**

December 31, 2019

	Effect on income before income tax Increase (decrease)	
Change in basis points	+ 100 basis points	- 100 basis points
	(In Thousands)	
Floating rate borrowings	(₱209,993)	₱209,993

The assumed change in rate is based on the currently observable market environment. There is no other impact on the Group's equity other than those already affecting the net income.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values are shown in the following table (in thousands):

December 31, 2020

	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Group							
Cash and cash equivalents							
(excluding cash on hand)	Fixed at the date of investment	Various	₱16,973,044	₱16,973,044	₱–	₱–	₱16,973,044
Short-term investments	Fixed at the date of investment or revaluation cut-off	Various	358,120	358,120	–	–	358,120
Accounts and notes receivable	Fixed at the date of sale	Date of sale	842,506	697,283	145,223	–	842,506
			₱18,173,670	₱18,028,447	₱145,223	₱–	₱18,173,670
Parent Company							
Short-term debt							
Floating-Peso	Variable	Monthly	₱6,640,500	₱6,640,500	₱–	₱–	₱6,640,500
Long-term debt							
Fixed							
Peso	Fixed at 6.0000%	10 years	5,650,000	–	5,650,000	–	5,650,000
Peso	Fixed at 5.0% to 6.0%	10.5 and 20 years	17,000,000	–	14,966,062	1,986,730	16,952,792
Peso	Fixed at 5.6250%	11 years	8,000,000	–	7,968,512	–	7,968,512
Peso	Fixed at 4.5000%	7 years	7,000,000	–	6,987,688	–	6,987,688
Peso	Fixed at 5.6250% to 7.5%	5, 10 and 15 years	950,000	9,322	936,778	–	946,100
Peso	Fixed at 4.50 to 6.307%	Up to 10.5 years	45,930,039	2,353,240	17,269,507	26,052,000	45,674,747
Peso	Fixed at 3.8915 to 4.85%	7, 9.5 and 10 years	22,000,000	–	21,912,113	–	21,912,113
Peso	Fixed at 5.2624%	10 years	7,000,000	–	–	6,979,065	6,979,065
Peso	Fixed at 5.9203%	10 years	10,000,000	–	–	9,916,583	9,916,583
Peso	Fixed at 7.0239%	5 years	8,000,000	–	7,962,717	–	7,962,717
Peso	Fixed at 3.1764% to 3.187%	5 years	6,002,875	–	6,002,875	–	6,002,875
Peso	Fixed at 4.2463% to 6.369%	2, 5, 7 and 7.25 years	21,000,000	8,781,628	10,912,739	963,622	20,657,989
Peso	Fixed at 3.00% to 3.86%	2 and 5 years	16,250,000	–	16,163,175	–	16,163,175
Subsidiaries							
Short-term debt							
Floating							
Peso	Variable	Monthly	2,490,825	2,490,825	–	–	2,490,825
Long-term debt							
Fixed							
Peso	Fixed at 4.5% to 5.265%	5 to 10 years	26,349,083	7,412,259	8,999,777	9,828,979	26,241,015
Floating							
Peso	Variable	3 months	2,805,364	175,952	1,768,963	859,307	2,804,222
			₱213,068,686	₱27,863,726	₱127,500,906	₱56,586,286	₱211,950,918

December 31, 2019

	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Group							
Cash and cash equivalents							
(excluding cash on hand)	Fixed at the date of investment	Various	₱20,339,826	₱20,339,826	₱–	₱–	₱20,339,826
Short-term investments	Fixed at the date of investment or revaluation cut-off	Various	617,149	617,149	–	–	617,149
Accounts and notes receivable	Fixed at the date of sale	Date of sale	901,263	597,391	303,872	–	901,263
			₱21,858,238	₱21,554,366	₱303,872	₱–	₱21,858,238
Parent Company							
Short-term debt							
Floating-Peso	Variable	Monthly	₱15,708,000	₱15,708,000	₱–	₱–	₱15,708,000
Long-term debt							
Fixed							
Peso	Fixed at 6.0000%	10 years	5,650,000	–	5,645,304	–	5,645,304
Peso	Fixed at 4.6250% to 6.0000%	7,10 and 20 years	21,000,000	4,000,000	14,931,968	1,985,276	20,917,244
Peso	Fixed at 5.6250%	11 years	8,000,000	–	–	7,952,880	7,952,880
Peso	Fixed at 4.5000%	7 years	7,000,000	–	6,968,807	–	6,968,807
Peso	Fixed at 5.6250% to 7.5%	5, 10 and 15 years	960,000	10,000	39,764	905,696	955,460
Peso	Fixed at 4.50 to 6.307%	Up to 10.5 years	46,635,094	3,178,255	11,098,312	32,196,332	46,472,899
Peso	Fixed at 3.8915 to 4.85%	7, 9.5 and 10 years	22,000,000	–	6,961,631	14,902,377	21,864,008
Peso	Fixed at 5.2624%	10 years	7,000,000	–	–	6,972,611	6,972,611
Peso	Fixed at 5.9203%	10 years	10,000,000	–	–	9,896,154	9,896,154
Peso	Fixed at 7.0239%	5 years	8,000,000	–	7,925,898	–	7,925,898
Peso	Fixed at 3.1764% to 3.187%	5 years	6,329,375	–	6,329,375	–	6,329,375
Peso	Fixed at 4.2463% to 6.369%	2, 5, 7 and 7.25 years	21,000,000	–	11,840,995	8,937,450	20,778,445
Subsidiaries							
Short-term debt							
Floating							
Peso	Variable	Monthly	2,324,830	2,324,830	–	–	2,324,830
Long-term debt							
Fixed							
Peso	Fixed at 4.5% to 5.265%	5 to 10 years	27,434,787	9,901,317	12,274,151	5,246,600	27,422,068
Floating							
Peso	Variable	3 months	2,966,498	161,134	1,811,764	990,000	2,962,898
			₱212,008,584	₱35,283,536	₱85,827,969	₱89,985,376	₱211,096,881

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Financial assets and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso. The Group's placements in foreign currencies amounted to $140.98 million and MYR 838.17 million as of December 31, 2020 and $162.61 million and MYR 658.34 million as of December 31, 2019. The amount of the Group's foreign currency-denominated debt amounting to $ 158.68 million and MYR 1,031.90 million as of December 31, 2020 and $154.29 million and MYR 936.71 million as of December 31, 2019. We have expected a decrease on financial assets due to the impact of COVID-19 outbreak and imposition of enhanced community quarantine (ECQ) by the government throughout the Philippines in March, extended until 2nd and 3rd quarter of the year. Considering that the Group is in the hospitality sector, the operations of the company were greatly affected. Aside from the aforementioned finding, the Group's foreign currency risk is minimal.

The following table shows the Group's consolidated foreign currency-denominated monetary assets and liabilities and their peso equivalents as of December 31, 2020 and December 31, 2019:

	December 31					
	2020			2019		
	US Dollar	**MYR ringgit**	**Php Equivalent**	US Dollar	MYR ringgit	Php Equivalent
Financial Assets						
Cash and cash equivalents	**$10,616**	**MYR 562,482**	**₱7,185,405**	$22,910	MYR450,225	₱6,688,920
Short-term investments	**4,790**	**38,503**	**686,990**	8,483	–	429,573
Accounts and notes receivable - net	**92,220**	**184,592**	**6,619,424**	88,724	169,418	6,573,423
Other current assets	**32,856**	**52,594**	**2,202,034**	42,116	35,376	2,567,158
Other noncurrent assets	**497**	**–**	**23,876**	380	3,324	60,064
Total	**140,979**	**838,171**	**16,717,729**	162,613	658,343	16,319,138
Financial Liabilities						
Accounts and other payables	**22,858**	**971,788**	**12,631,008**	21,757	935,811	12,593,561
Other current liabilities	**7,758**	**–**	**372,540**	5,115	–	259,013
Short-term debt	**–**	**25,000**	**296,703**	–	–	–
Long-term debt	**125,000**	**147**	**6,004,625**	125,000	397	6,334,870
Other noncurrent liabilities	**3,064**	**34,961**	**562,058**	2,419	501	128,645
Total	**158,680**	**1,031,896**	**19,866,934**	154,291	936,709	19,316,089
Net foreign currency denominated financial instruments	**($17,701)**	**(MYR193,725)**	**(₱3,149,205)**	$8,322	(MYR278,366)	(₱2,996,951)

In translating the foreign currency-denominated monetary assets in peso amounts, the exchange rates used were ₱48.02 to US$1.00 and ₱50.64 to US$1.00, the Philippine Peso - US dollar exchange rates as of December 31, 2020 and 2019, respectively. The Philippine Peso- MY ringgit exchange rate as of December 31, 2020 and 2019 used was ₱11.87 to MYR1.00 and ₱12.28 to MYR1.00, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso-US dollar exchange rate, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	Effect on income before tax Increase (decrease)	
Change in exchange rate	**2020**	2019
USD		
₱1.00	**(₱17,701)**	₱8,322
(₱1.00)	**17,701**	(8,322)
MYR		
₱1.00	**(₱193,725)**	(₱278,366)
(₱1.00)	**193,725**	278,366

There is no other impact on the Group's equity other than those already affecting the net income.

Equity price risk
Quoted financial assets at FVOCI are acquired at a certain price in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, country's economic performance, political stability, domestic inflation rates, these prices change, reflecting how market participants view the developments.

The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; limits on investment in each country, sector and market.

The analysis below demonstrates the sensitivity to a reasonably possible change of market index with all other variables held constant, of the Group's equity.

	Effect on equity Increase (decrease)	
Change in PSEi index	**2020**	2019
	(In Thousands)	
+5%	**₱27,247**	₱31,466
-5%	**(27,247)**	(31,466)

Quoted financial assets at FVPL pertain to investment in UITF (Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments.

As of December 31, 2020 and 2019, the Group's investment in the Fund where all other variables held constant, the fair value, net income and equity will increase or decrease by: (i) BPI UITF ₱2.6 million with a duration of 0.70 year and ₱0.3 million with a duration of 0.36 year, respectively, for a 100 basis points decrease or increase, in interest rates.

30. **Segment Information**

The industry segments where the Group and its associates and joint ventures operate follows:

- Property developments - sale of high-end and upper middle-income residential lots and units, affordable housing units and lots, economic housing and leisure community developments; lease of residential developments under joint venture; acquisition, development and sale of large-scale, mixed-use, master-planned communities; sale of override units or the Company's share in properties made available to subsidiaries for development
- International – development and sale of residential lots and units in MCT Berhad
- Shopping centers - development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities, gas stations and carparks in these shopping centers; management and operation of malls which are co-owned with partners
- Offices - development and lease or sale of office buildings; sale of industrial lots and lease of factory building
- Hotels and Resorts - development and management of hotels and resorts/serviced apartments and lease of land to hotel tenants
- Construction - land development and construction of the Group and third-party projects
- Property management and others - facilities management of the Group and third-party projects

Assets, liabilities, revenues and expenses of the Strategic Landbank Management and Visayas-Mindanao segment were reallocated to other business segments namely, shopping centers, corporate businesses and residential developments according to the nature of the products and services provided.

The Company and its subsidiaries generally account for inter-segment sales and transfers as if the sales and transfers were to third parties at current market prices.

Management committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

For the years ended December 31, 2020, 2019 and 2018, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

Business segments

The following tables regarding business segments present assets and liabilities as of December 31 and revenue and profit information for each of the three years in the period ended December 31 (in millions):

2020

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	₱53,014	₱4,845	₱–	₱–	₱3,388	₱3,279	₱2,971	₱–	₱–	₱67,497
Interest income from real estate sales	8,603	–	–	–	–	–	–	–	–	8,603
Rental revenue	–	–	9,063	9,405	–	–	–	–	–	18,468
Intersegment sales	–	–	–	–	–	32,601	–	–	(32,601)	–
Equity in net earnings of associates and joint ventures	148	–	2	380	–	(4)	(4)	65	–	587
Total revenue	61,765	4,845	9,065	9,785	3,388	35,876	2,967	65	(32,601)	95,155
Real estate costs and expenses	40,897	3,917	7,156	1,653	4,079	34,886	5,244	225	(33,372)	64,685
Gross margin (loss)	20,868	928	1,909	8,132	(691)	990	(2,277)	(160)	771	30,470
Interest and investment income										395
Other charges										(3,789)
Interest and other financing charges										(12,746)
Other income										723
Provision for income tax										(4,059)
Net income										₱10,994
Net income attributable to:										
Equity holders of Ayala Land, Inc.										8,727
Non-controlling interests										2,267
										₱10,994
Other Information										
Segment assets	₱557,840	₱23,233	₱205,505	₱106,848	₱55,147	₱49,218	₱11,607	₱93,761	(₱420,388)	₱682,771
Investment in associates and joint ventures	17,101	–	38	–	–	52	188	9,222	–	26,601
	574,941	23,233	205,543	106,848	55,147	49,270	11,795	102,983	(420,388)	709,372
Deferred tax assets	1,818	96	1,178	309	324	145	220	1,485	6,547	12,122
Total assets	₱576,759	₱23,329	₱206,721	₱107,157	₱55,471	₱49,415	₱12,015	₱104,468	(₱413,841)	₱721,494
Segment liabilities	₱235,380	₱12,605	₱79,334	₱24,521	₱19,059	₱40,451	₱5,989	₱197,589	(₱160,762)	₱454,166
Deferred tax liabilities	2,888	–	186	127	12	1	21	(112)	4,026	7,149
Total liabilities	₱238,268	₱12,605	₱79,520	₱24,648	₱19,071	₱40,452	₱6,010	₱197,477	(₱156,736)	₱461,315
Segment additions to:										
Property and equipment	₱211	₱83	₱73	₱40	₱991	₱335	₱630	₱735	₱–	₱3,098
Investment properties	₱1,032	₱463	₱1,188	₱1,030	₱46	₱68	₱23	₱1,766	₱–	₱5,616
Depreciation and amortization	₱618	₱189	₱4,411	₱1,779	₱875	₱998	₱483	₱220	₱–	₱9,573
Non-cash expenses other than depreciation and amortization	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Impairment losses	₱37	₱–	₱288	₱331	₱–	₱–	₱97	₱225	₱–	₱978

2019

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	₱102,981	₱6,709	₱–	₱–	₱7,624	₱3,395	₱5,453	₱–	₱–	₱126,162
Interest income from real estate sales	7,891		–	–	–	–	–	–	–	7,891
Rental revenue	–	–	22,019	9,668	–	–	–	–	–	31,687
Intersegments sales	–	–	–	–	–	61,557	–		(61,557)	–
Equity in net earnings of associates and joint ventures	698	–	14	–	–	–	–	254	–	966
Total revenue	111,570	6,709	22,033	9,668	7,624	64,952	5,453	254	(61,557)	166,706
Real estate costs and expenses	75,986	4,665	8,921	3,197	5,667	60,423	5,778	976	(61,494)	104,119
Gross margin (loss)	35,584	2,044	13,112	6,471	1,957	4,529	(325)	(722)	(63)	62,587
Interest and investment income										930
Other charges										(1,645)
Interest and other financing charges										(12,200)
Other income										1,158
Provision for income tax										(13,315)
Net income										₱37,515
Net income attributable to:										
Equity holders of Ayala Land, Inc.										33,188
Non-controlling interests										4,327
										₱37,515
Other Information										
Segment assets	₱556,914	₱–	₱204,115	₱105,863	₱81,288	₱55,349	₱6,731	₱63,481	(₱396,663)	₱677,078
Investment in associates and joint ventures	24,938	–	36	–	–	55	192	97	–	25,318
	581,852	–	204,151	105,863	81,288	55,404	6,923	63,578	(396,663)	702,396
Deferred tax assets	1,890	–	811	170	333	85	60	1,351	6,827	11,527
Total assets	₱583,742	₱–	₱204,962	₱106,033	₱81,621	₱55,489	₱6,983	₱64,929	(₱389,836)	₱713,923
Segment liabilities	₱242,826	₱–	₱135,933	₱55,563	₱64,617	₱46,101	₱3,274	₱52,870	(₱136,057)	₱465,127
Deferred tax liabilities	1,902	–	189	125	9	–	–	24	3,842	6,091
Total liabilities	₱244,728	₱–	₱136,122	₱55,688	₱64,626	₱46,101	₱3,274	₱52,894	(₱132,215)	₱471,218
Segment additions to:										
Property and equipment	₱254	₱1,891	₱1,652	₱41	₱4,151	₱1,752	₱131	₱648	₱–	₱10,520
Investment properties	₱4,970	₱8,733	₱19,446	₱3,012	₱201	₱163	₱262	₱232	₱–	₱37,019
Depreciation and amortization	₱ 676	₱ 85	₱ 3,949	₱1,769	₱ 783	₱975	₱ 454	₱ 368	₱–	₱9,059
Non-cash expenses other than depreciation and amortization	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Impairment losses	₱–	₱–	₱256	₱–	₱–	₱11	₱189	₱113	₱–	₱569

2018

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	₱105,753	₱7,602	₱–	₱–	₱6,387	₱2,394	₱5,297	₱–	₱–	₱127,433
Interest income from real estate sales	7,042	–	–	–	–	–	–	–	–	7,042
Rental revenue	–	–	19,908	8,614	–	–	–	–	–	28,522
Intersegments sales	–	–	–	–	–	69,027	–	–	(69,027)	–
Equity in net earnings of associates and joint ventures	451	–	10	–	–	–	–	289	–	750
Total revenue	113,246	7,602	19,918	8,614	6,387	71,421	5,297	289	(69,027)	163,747
Real estate costs and expenses	81,662	5,528	9,001	3,204	4,994	66,111	5,919	1,302	(67,541)	110,180
Gross margin (loss)	31,584	2,074	10,917	5,410	1,393	5,310	(622)	(1,013)	(1,486)	53,567
Interest and investment income										958
Other charges										(1,271)
Interest and other financing charges										(9,594)
Other income										1,541
Provision for income tax										(11,984)
Net income										₱33,217
Net income attributable to:										
Equity holders of Ayala Land, Inc.										₱29,241
Non-controlling interests										3,976
										₱33,217
Other Information										
Segment assets	₱274,128	₱21,774	₱69,488	₱46,013	₱34,190	₱54,955	₱6,590	₱460,890	(₱335,639)	₱632,389
Investment in associates and joint ventures	21,667	–	38	–	–	56	–	1,629	–	23,390
	295,795	21,774	69,526	46,013	34,190	55,011	6,590	462,519	(335,639)	655,779
Deferred tax assets	3,164	–	333	137	339	56	44	2,615	6,353	13,041
Total assets	₱298,959	₱21,774	₱69,859	₱46,150	₱34,529	₱55,067	₱6,634	₱465,134	(₱329,286)	₱668,820
Segment liabilities	₱170,872	₱10,348	₱27,659	₱16,855	₱13,631	₱47,355	₱3,176	₱264,436	(₱111,628)	₱442,704
Deferred tax liabilities	1,721	–	271	40	10	4	8	18	3,823	5,895
Total liabilities	₱172,593	₱10,348	₱27,930	₱16,895	₱13,641	₱47,359	₱3,184	₱264,454	(₱107,805)	₱448,599
Segment additions to:										
Property and equipment	(₱1,008)	₱4,570	(₱426)	₱833	₱524	₱2,774	₱833	(₱658)	₱–	₱7,442
Investment properties	₱4,289	₱7,683	₱6,143	₱3,883	₱3,337	₱787	(₱1)	₱16,881	(₱438)	₱42,564
Depreciation and amortization	₱707	₱618	₱2,537	₱1,555	₱207	₱1,475	₱242	₱266	(₱1,475)	₱6,132
Non-cash expenses other than depreciation and amortization	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Impairment losses	₱–	₱–	(₱2)	₱–	₱–	₱–	₱142	₱7	₱–	₱147

31. **Performance Obligations**

Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) service lot and house, and (ii) condominium unit and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an unbilled receivable or customers' deposit.

After the delivery of the completed real estate unit, the Group provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

Hotels and resorts
Rooms revenue from hotel and resort operations is recognized when the services are rendered. Revenue from banquets and other special events are recognized when the events take place.

Construction
Revenue from fixed price construction contracts are recognized overtime using the milestone-based revenue recognition which is in reference to output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2020 and 2019 are as follows:

	2020	2019
	(In Thousands)	
Within one year	**₱31,535,337**	₱42,267,120
More than one year	**62,554,555**	56,363,261
	₱94,089,892	₱98,630,381

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three to five years, from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

32. Registration with Philippine Economic Zone Authority (PEZA)

Ayala Land Inc., the Parent Company, was registered with PEZA last December 13, 2017 as a Developer/Operator of the Southpark Corporate Center.

North Eastern Commercial Corporation, a wholly owned subsidiary, was registered with PEZA last July 05, 2017 as a Developer/Operator of the 30th Coporate Center.

Ayala Land Inc., the Parent Company, was registered with PEZA last November 6, 2017 as a Developer/Operator of the Vertis North IT Park.

Central Block Developers, Inc., a wholly owned subsidiary, was registered with PEZA last June 19, 2017 as a Ecozone Facilities Enterprise of the Central Bloc 1 & 2.

Ayalaland Metro North, Inc., a wholly owned subsidiary, was registered with PEZA last January 16, 2017 as a Developer/Operator of the UP Town Corporate Center.

Pangulasian Island Resort Corporation (PIRC), a subsidiary of Ten Knots Development Corporation which is a subsidiary of Ayala Land, Inc., is registered with the Philippine Economic Zone Authority (PEZA) under the Certificate of Registration number 16-055 and Registration Agreement dated March 21, 2016. The registration shall entitle PIRC to conduct activities limited to resort operations, travel/tours/leisure and recreation-related activities, and the importation of raw materials, machinery, equipment, tools, goods, wares, articles, or merhandise directly used in its registered operations inside the Green Tourism Ecozone - Pangulasian.

Nuevo Centro, a wholly-owned subsidiary of Ayala Land, Inc., is registered with PEZA with Certificate of Registration number EZ 16-30 under Registration Agreement dated July 19, 2016. The registration as a Special Economic Zone Developer/Operator shall entitle Nuevo Centro, Inc. to establish, develop, administer, manage, and operate a Special Economic Zone to be known as Alviera Industrial Park. It has been designated a 311,954-square meter area located at Barangays Dolores and Banaba, Porac, Pampanga. The Company shall be exempt from payment of all national and local taxes, except real property taxes on land and shall pay a 5% final tax on gross income.

33. Leases

Operating Leases - Group as Lessor

The Group entered into lease agreements with third parties covering its investment property portfolio. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals receivable under noncancellable operating leases of the Group follows:

	2020	2019
	(In Thousands)	
Within one year	**₱9,961,331**	₱8,815,419
After one year but not more than five years	**33,927,015**	28,960,892
More than five years	**30,014,821**	23,871,373
	₱73,903,167	₱61,647,684

In 2020, the Group granted rent concessions to its tenants which were affected by the community quarantine imposed by the government amounting to ₱6.15 billion. These rent concessions did not qualify as a lease modification, thus, were accounted for as a variable lease payments and reported as reduction of lease income in 2020 (see Note 3).

<u>Group as Lessee</u>
The Group entered into lease agreements with third parties. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals payable under noncancellable operating leases of the Group follows:

	2020	2019
	(In Thousands)	
Within one year	**₱2,761,184**	₱1,126,912
After one year but not more than five years	**7,534,150**	4,598,276
More than five years	**52,179,626**	56,765,009
	₱62,474,960	₱62,490,197

Set out below are the carrying amounts of right-of-use assets recognized and the movements in 2020 and 2019:

			2020		
	Land	**Building**	**Aircraft**	**Others**	**Total**
			(in thousands)		
Cost					
At January 1	**₱14,710,930**	**₱216,836**	**₱1,595,614**	**₱219,920**	**₱16,743,300**
Additions	**–**	**25,488**	**106,209**	**64,653**	**196,350**
At December 31	**14,710,930**	**242,324**	**1,701,823**	**284,573**	**16,939,650**
Accumulated Depreciation and Amortization					
At January 1	**2,769,184**	**139,603**	**245,608**	**24,433**	**3,178,828**
Depreciation	**440,221**	**32,270**	**190,186**	**83,056**	**745,733**
Capitalized as investment property	**–**	**6,183**	**–**	**731**	**6,914**
At December 31	**3,209,405**	**178,056**	**435,794**	**108,220**	**3,931,475**
Net Book Value	**₱11,501,525**	**₱64,268**	**₱1,266,029**	**₱176,353**	**₱13,008,175**

			2019		
	Land	Building	Aircraft	Others	Total
			(in thousands)		
Cost					
At January 1, as previously reported	₱–	₱–	₱–	₱–	₱–
Effect of adoption of standard	14,482,586	187,042	1,595,614	219,920	16,485,162
At January 1, as restated	14,482,586	187,042	1,595,614	219,920	16,485,162
Additions	228,344	29,794	–	–	258,138
At December 31	14,710,930	216,836	1,595,614	219,920	16,743,300
Accumulated Depreciation and Amortization					
At January 1	–	–	–	–	–
Effect of adoption of standard	2,265,749	89,223	86,047	19,549	2,460,568
At January 1, as restated	2,265,749	89,223	86,047	19,549	2,460,568
Depreciation	408,306	50,380	159,561	1,298	619,545
Capitalized as investment property	95,129	–	–	3,586	98,715
At December 31	2,769,184	139,603	245,608	24,433	3,178,828
Net Book Value	₱11,941,746	₱77,233	₱1,350,006	₱195,487	₱13,564,472

The rollforward analysis of lease liabilities follows:

	2020	2019
At January 1, 2020	**₱17,463,705**	₱16,985,922
Additions	**171,901**	251,419
Accretion of interest expense (Note 22)	**1,430,607**	1,066,543
Capitalized interest	**24,210**	388,242
Foreign exchange gain (loss)	**94**	(48,776)
Payments	**(1,334,674)**	(1,179,645)
As at December 31, 2020	**₱17,755,843**	₱17,463,705
Current lease liabilities	**466,801**	724,859
Noncurrent lease liabilities	**₱17,289,042**	₱16,738,846

The following are the amounts recognized in the consolidated statement of income:

	2020	2019
Depreciation expense of right-of-use assets	**₱745,733**	₱619,545
Accretion of interest expense on lease liabilities (Note 22)	**1,430,607**	1,066,543
Rent expense - short-term leases	**4,562**	7,031
Rent expense - variable lease payments	**306,813**	323,093
Foreign exchange (gain) loss	**94**	(48,776)
Total amounts recognized in the consolidated statement of income	**₱2,487,809**	₱1,967,436

The Group has lease contracts for land that contains variable payments based on a certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

	2020		
	Fixed Payments	Variable Payments	Total
Fixed	**₱1,504,945**	**₱–**	**₱1,504,945**
Variable rent with minimum payment	**115,669**	**164,885**	**280,554**
Variable rent only	**–**	**146,490**	**146,490**
At December 31	**₱1,620,614**	**₱311,375**	**₱1,931,989**

	2019		
	Fixed Payments	Variable Payments	Total
Fixed	₱1,098,425	₱–	₱1,098,425
Variable rent with minimum payment	151,221	159,229	310,450
Variable rent only	–	170,895	170,895
At December 31	₱1,249,646	₱330,124	₱1,579,770

The significant leases entered into by the Group are as follows:

Parent Company

On January 2017, the Parent Company signed a Lease Agreement with Philippine Racing Club, Inc. for the lease of land located in Circuit Makati, Brgy. Carmona, Makati City with an aggregate area of 12,793 sqm. The term of the lease shall be twenty-three years and three months commencing from Delivery Date. The Lessee shall have the option to renew the lease under the same terms and conditions for another period of five years, provided that renewal period shall be mutually agreed by the Parties. For the period commencing from delivery date until sixty-three (63) months thereafter, the Lessee shall pay the Lessor the rent amounting to ₱100.00 million. Commencing on the sixty fourth

month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to fifty percent (50%) of the Gross Income of the Lessee.

On September 2018, the Parent Company signed a Lease Agreement with Manila Seedling Bank Foundation, Inc. (MSBFI) for the lease of a 4.5-hectare portion of land located at the corner of EDSA and Quezon Avenue, Diliman, Quezon City. The term of the lease shall be coterminous with the Lessor's usufruct over the Leased Premises, or until September 20, 2027.

<u>Bay City</u>
On September 2, 2014, Parent Company signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City with an aggregate area of 92,317 sqm. Parent Company signed a 45-year lease contract with an option to renew for another 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and the Parent Company. The Parent Company assigned the parcels of land to Bay City in December 2017.

ALI also signed the Air Rights and Basement Rights over the leased property with an aggregate area of 1,686.48 sqm and 8,294 sqm, respectively, subject to the same terms and conditions as the contract of lease dated September 2, 2014.

<u>AMNI</u>
On January 28, 2011, the Board of Regents of the University of the Philippines awarded to the Parent Company the ₱4.0 billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. The Parent Company signed a 25-year lease contract for the property last June 22, 2011, with an option to renew for another 25 years subject to mutual agreement of the parties. The lease payments shall commence as soon as sales are registered by the merchants. The rights were subsequently assigned by ALI to the Company in 2015.

A retail establishment with about 63,000 sqm of gross leasable area and an office/BPO building about 8,000 sqm of gross leasable area have been constructed on the property.

<u>NTDCC</u>
The Company entered into an assignment agreement with MRTDC wherein the latter has assigned its development rights to the Company in exchange for the Company's assumption of DRP obligation beginning January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration with escalation rate of 3% annually starting inception.

In consideration of the lease, the Group will be charged an annual rent related to the original DRP obligation on the MRTDC and 5% of the rental income from the Group's commercial center business. Of the 5% variable amount due, 2.42% shall be directly paid by the Group to the minority shareholders of Monumento Rail Transit Corporation, 28.47% shall be paid directly to Metro Global Holdings Corporation and the remaining 69.11% shall be applied against receivables.

On January 13, 2006, the deed of assignment between MRTDC and NTDCC was acknowledged by DOTC making MRTDC and NTDCC jointly and severally liable for the DRP and all other obligations attached thereto. NTDCC has been paying rent to DOTC in behalf of MRTDC since January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration. As of December 31, 2020 and 2019, the DRP obligation amounted to ₱3,703.3 million and ₱3,778.2 million, respectively.Total DRP obligation paid amounted to ₱244.0 million and ₱236.4 million in 2020 and 2019, respectively.

On October 29, 2015, the Company entered into a non-cancellable land lease agreement with GERI for the lease of an aggregate of 10,994.86 square meters undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development rights period.

During 2016, the Company entered into non-cancellable land lease agreement with Anglo, DBH and Allante which shall be effective until August 8, 2047.

ALICAP
In December 2017, the Company entered into 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1440 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with MSN 1440 was delivered to the Company in February 2018 and has started flight operations in March 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term for US$14.16 million.

In June 2018, the Company entered into another 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1492 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with MSN 1492 was delivered to the Company on the same month and has started flight operations in August 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term amounting to US$14.16 million.

AHRC
On January 30, 2018, the Company signed a Lease Agreement with Dunes & Eagle Land Development Corporation for the lease of ten parcels of land located at Barangay Mactan, Lapu-Lapu City, Mactan Island, Cebu with an aggregate area of 144,087 sqm. The term of the lease shall be for a period of fifty (50) years commencing from the date of execution of the agreement. Rent payment should be as follows: (a) ₱70 million per annum for the first 5 years (b) 5% of Gross Revenues or ₱70 million per annum whichever is higher for the 6th year to the 30th year, and (c) 5.5%of Gross Revenues or ₱70 million per annum whichever is higher for the 31st year to the 50th year.

On July 26, 2012, ALI entered into a renewable contract of lease with Province of Negros Occidental for 40,481 square meters area of land with a monthly lease of ₱73.00 per square meter which shall be escalated every five years by ten percent (10%) of the current rate of rent. The term of the lease shall be for a period of fifty (50) years commencing from the date of delivery subject to renewal by mutual agreement of the parties under such terms and conditions as may be mutually acceptable. The Company has assessed that the lease agreement is a non-cancellable lease. On December 23, 2014, ALI assigned its rights and obligations to Capitol Central Hotel Ventures, Inc. under the Contract of Lease Assignment over a portion on which Seda Capitol Central was constructed equivalent to an area of 3,714.80 square meters. The agreement on lease assignment transfers and conveys the Company to take over the lease of the assigned portion subject to the same terms and conditions contained in the contract of lease.

Bonifacio Hotel Ventures, Inc. entered into a non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which Seda BGC Tower 1 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or ₱350 per square meter for the 1st year, ₱375 per square meter for the 2nd year and ₱400 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period. The Company entered into another non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which the Seda BGC Tower 2 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or ₱575 per square meter for the 1st year, ₱616.06 per square meter for the 2nd year and ₱657.15 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period.

<u>ALLHC</u>
On August 28, 1990, the Company, through a Deed of Assignment, acquired all the rights, titles, interests and obligations of Gotesco Investment, Inc. in a contract of lease of the land owned by PNR for the Tutuban Terminal. The contract provided for a payment of a guaranteed minimum annual rental plus a certain percentage of gross sales. The lease covers a period of 25 years until 2014 and is automatically renewable for another 25 years, subject to compliance with the terms and conditions of the lease agreement. On December 22, 2009, ALLHC entered into an agreement with PNR for the renewal of its lease contract for another 25 years beginning September 5, 2014.

<u>SSECC</u>
The Company has an existing contract with Bases Conversion and Development Authority (BCDA) to develop, under a lease agreement signed on July 2000, a mall with an estimated gross leasable area of 152,000 sqm on a 9.8-hectare lot inside Fort Bonifacio. Subsequently, the Company transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounts to ₱106.5 million while the variable rent ranges from 5% to 20% of gross revenues.

<u>Capitol</u>
On April 26, 2012 Parent Company signed a Lease Agreement with the Province of Negros Occidental for the lease of a parcel of land with an aggregate area of 40,481 sq. m. located along Gatuslao cor. North and South Capitol Roads, Bacolod City, registered in the name of the Province of Negros Occidental. The Parent Company signed a 50-year lease contract with an option to renew as may be mutually agreed upon by the lessor and the Company. The Parent Company assigned the parcels of land to Capitol in December 2017.

<u>Arvo</u>
On October 15, 2014, Arvo entered into a property lease agreement with Rotonda Development Corporation for the construction, development and operation of a commercial and mall center. The terms of the lease shall be 42 years, with an option to renew for another 40 years subject to mutual agreement of the parties. The lease agreement provided rent-free period of 2 years and lease payments shall commence thereafter. Lease payments shall be paid annually at ₱60.00 per sqm, subject to an annual escalation of 4%.

The Group performed impairment testing on its right-of-use assets with a carrying value of ₱198.2 million as of December 31, 2020, by assessing its recoverable amount through estimation of its value in use. Based on the impairment testing, there is no impairment loss on the Group's hotel and resorts right-of-use assets (see Note 3).

34. Interest in Joint Operation

MDC has a 51.0% interest in Makati Development Corporation - First Balfour, Inc. Joint Venture (the Joint Venture), a joint operation whose purpose is to design and build St. Luke's Medical Center (the Project) in Fort Bonifacio Global City, Taguig. The application of PFRS 11 does not have significant impact on the Group's accounting of its interest in joint operation since it already reported its share in interest in joint operation using proportionate consolidation.

The Project, which started on January 31, 2007, is a world-class medical facility comprising, more or less, of a 611-bed hospital and a 378-unit medical office building, with an approximate gross floor area of 154,000 sqm, which meets international standards, and all standards and guidelines of applicable regulatory codes of the Philippines and complies with the criteria of the Environment of Care of the Joint Commission International Accreditation. The project was completed on October 30, 2009. Activities in 2011 to 2020 mainly pertain to winding down operations.

MDC classified its joint arrangement with First Balfour, Inc. as “Joint Operation” since the joint arrangement’s legal form does not confer separation between the parties and separate vehicle, the parties have the rights to the assets and obligations for the liabilities in proportion to the interests agreed by parties and there is an indication that the parties have no rights to the net assets of the Joint Operation.

The share of MDC in the net assets and liabilities of the Joint Venture at December 31, 2020 and 2019 which are included in the consolidated financial statements follow:

	2020	2019
	(In Thousands)	
Current assets:		
Cash and cash equivalents	**₱7,078**	₱7,100
Other current assets	**37,368**	37,368
Total assets	**₱44,446**	₱44,468
Total liabilities	**₱**	₱–

The following is the share of the MDC on the net income of the Joint Venture:

	2020	2019
	(In Thousands)	
Construction costs	**(₱7)**	(₱125)
Interest and other income (charges)	**(14)**	6,315
Income before income tax	**(21)**	6,190
Provision for final tax	**(1)**	(14)
Net income (loss)	**(22)**	₱6,176

There were no dividends declared in 2020 and 2019. Provision for income tax pertains to the final tax on interest income.

35. Long-term Commitments and Contingencies

Commitments

a. On December 8, 2017, ALI assigned to NTDCC development rights on certain portions of the North Triangle lot pads covered by a Deed of Assignment and Encroachment Settlement Agreement amounting to ₱631.2 million.

b. ALI and LT Group, Inc. (LTG) entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be an estate development that spans portions of Pasig City and Quezon City. A new company named, ALI-ETON Property Development Corporation, was incorporated on May 13, 2016.

   On January 15, 2018, the estate, named Parklinks was launched and is the greenest urban estate of Ayala Land in partnership with Eton Properties Inc. The first residential project of Ayala Land Premier, Parklinks North Tower was launched on the same year, while the Parklinks lifestyle mall broke ground as well, expected to provide a new destination for residents and office workers within the area when it opens in 2025. With the brisk residential sales of ALP’s first project, the Parklinks South tower was launched in 2019, together with Alveo’s first residential development “The Lattice”.

   Also set to rise within the estate will be an iconic bridge that will conveniently connect the QC and Pasig parcels, offering a new route that can help ease vehicular traffic in the north eastern and eastern portions of Metro Manila. The bridge is expected to be completed by late 2021.

c. On August 11, 2015, the Group won the bid for the Integrated Transport System Project – South Terminal ("ITS South Project"). The Company was awarded by the Department of Transportation and Communications ("DOTC") with a 35-year concession agreement to build and operate the ITS South Project and will likewise have the right to develop and operate commercial leasing facilities on the same 5.57 hectare former Food Terminal Inc. property on which the future transport terminal will be built. The site of the ITS South Project is right next to ARCA South, where the Company is developing an integrated mixed-use estate.

d. On June 30, 2015, the Parent Company, through SM-ALI Group Consortium (the Consortium), participated and won in the bidding for Lot No. 8-B-1, containing an area of 263,384 sqm, which is portion of Cebu City-owned lot located at the South Road Properties, Cebu City covered by Transfer Certificate of Title No. 107-2011000963. The Consortium is a consortium among SMPHI, the Company and CHI (together with the Company collectively referred to as the "ALI Group"). Consistent with the agreed payment schedule in the Deed of Absolute Sale, as of August 1, 2018 the ALI Group has fully paid ₱4.56 billion, excluding taxes. The SM-ALI Group finished the joint masterplan and secured the development permit last November 2019 from the Cebu City Council.

   On January 29, 2020, SM-ALI Group broke ground the 263,384sqm development and the construction of road networks and underground utilities commence on February 18, 2020.

   As of December 2020, the construction completion is at 47.51% and is forecasted to be finished in May 2022.

   The development is positioned to be the Entertainment Capital of the Region which are the epicenter of fun, strategically located and accessible and celebrated Cebu experience.

   It is envisioned to create a commercially viable mixed-use development and to create a living, vibrant community with world-class facilities, a well-designed urban setting, and lush, extensive landscaping.

e. On August 8, 1997, an "Assignment Agreement" was executed between Department of Transportation and Communications (DOTC), Metro Rail and MRTDC whereby MRTDC agreed to be bound by all obligations in respect of the Development Rights and make payments to DOTC.

f. On June 4, 2014, AHRC, a wholly owned subsidiary of the Parent Company has signed a long-term management agreement with the Mandarin Oriental Hotel Group to develop and operate luxury hotel in Makati City. Set to open its doors by 2023, the new Mandarin Oriental Manila will be featuring 276 spacious rooms complemented by an extensive range of modern amenities including premium selection of restaurants and a signature spa. AHRC is committed to pay $5 million (₱223.6 million) to Manila Mandarin Hotel, Inc. upon the opening of the New Hotel or June 30, 2017, whichever is earlier. In 2017, the Group fully paid the said amount.

g. On May 12, 2014, ALI has signed the terms of reference with Sureste Properties, Inc. (SPI), a wholly owned subsidiary of Bloomberry Resorts Corp. (BLOOM) for the retail area to be opened in the new Phase 1-A of Solaire Resort & Casino. The Company will be the leasing and marketing agent of the said area with gross leasable area of more than 5,000 sqm.

Contingencies
The Group has various contingent liabilities arising in the ordinary conduct of business including a case related to property restriction violation. The estimate of the probable cost for the resolution of this claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. Accordingly, no provision for any liability has been made in the consolidated financial statements.

Disclosures required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, were not provided as it may prejudice the Group's position in ongoing claims and it can jeopardize the outcome of the claims and contingencies.

36. Concession Agreement with Department of Transportation (DOTr)

On January 26, 2016, the Group through ASITI entered into a Concession Agreement (CA) with the Department of Transportation (DOTr). The CA sets forth the rights and obligations of ASITI as concessionaire, including the construction and operation of the South Integrated Transport System Project (the Project) of DOTr. During the concession period, DOTr will monitor and review the performance of the concessionaire.

The concession will run for a period of 35 years from the start of the construction of the Project. Under the terms of the concession agreement, ASITI will design, engineer, construct, operate and maintain a mass transportation intermodal terminal at the outskirts of Metro Manila. The operation of the Project includes the collection and remittance of terminal fees to DOTr of the concessionaire during the concession period. In addition, ASITI will be permitted to develop and operate commercial leasing facilities.

Upon the start of the construction of the Project, DOTr will give ASITI the full, exclusive and uninterrupted use and possession of a 5.57 hectare property known as the Project Land. Ownership of the Project Land shall remain with DOTr at all times while the possession, custody and risk of loss or deterioration of the Project and commercial assets shall vest in the concessionaire during the concession period. ASITI shall transfer the Project and the related assets, free from any liens or encumbrances, to DOTr at the end of the concession period. ASITI will be entitled to annual payments from DOTr amounting to ₱277.9 million during the 35-year concession period, subject to meeting benchmarks set for certain key performance indicators enumerated in the CA.

As of December 31, 2020, construction of the Project has not yet commenced.

37. Notes to Consolidated Statements of Cash Flows

Disclosed below is the rollforward of liabilities under financing activities:

2020

	January 1, 2020	**Cash flows**	**Non-cash changes**	**Foreign exchange movement**	**December 31, 2020**
			(In Thousands)		
Short-term debt	**₱18,032,830**	**(₱8,901,505)**	**₱–**	**₱–**	**₱9,131,325**
Current long-term debt	**17,250,706**	**(17,250,706)**	**18,732,401**	**–**	**18,732,401**
Non-current long-term debt	**175,813,346**	**27,332,917**	**(18,732,401)**	**(326,670)**	**184,087,192**
Dividends payable (Note 15)	**632,000**	**(5,328,246)**	**4,937,852**	**–**	**241,606**
Lease liabilities	**17,463,705**	**(1,334,674)**	**1,626,718**	**94**	**17,755,843**
Deposits and other noncurrent liabilities	**44,003,636**	**5,706,022**	**330,512**	**–**	**50,040,170**
Total liabilities from financing activities	**₱273,196,223**	**₱223,808**	**₱6,895,082**	**(₱326,576)**	**₱279,988,537**

2019

	January 1, 2019	Cash flows	Non-cash changes	Foreign exchange movement	December 31, 2019
			(In Thousands)		
Short-term debt	₱14,386,717	₱3,646,113	₱–	₱–	₱18,032,830
Current long-term debt	23,265,173	(23,265,173)	17,250,706	–	17,250,706
Non-current long-term debt	149,446,949	44,345,206	(17,250,706)	(728,104)	175,813,345
Dividends payable (Note 15)	664,546	(7,754,046)	7,721,500	–	632,000
Lease liabilities	16,985,922	(1,179,645)	1,706,204	(48,776)	17,463,705
Deposits and other noncurrent liabilities	50,922,906	(6,241,774)	(677,496)	–	44,003,636
Total liabilities from financing activities	₱255,672,213	₱9,550,681	₱8,750,208	(₱(776,880)	₱273,196,222

The noncash activities of the Group pertain the following:

2020

- Transfer from investment properties to inventories amounting to ₱18,563.9 million
- Transfer from investment properties to property and equipment amounting to ₱591.6 million
- Transfer from investment properties and property and equipment to building classified as held for sale amounting to ₱950.1 million and ₱2.1 million, respectively
- Transfer from inventories to investment properties amounting to ₱2,361.2 million
- Transfer from right-of-use assets and lease liabilities to investment properties amounting to ₱6.9 million and ₱24.2 million, respectively
- Capitalized interest amounted to to ₱40.1 million

2019

- transfer from investment properties to inventories amounting to ₱11,830.0 million
- transfer from inventories to investment properties amounting to ₱674.9 million
- transfer from investment properties to property and equipment amounting to ₱644.1 million
- transfer from property and equipment to investment properties to amounting to ₱133.1 million
- transfer from right-of-use assets to investment properties amounting to ₱98.7 million
- unpaid acquisition of investment properties amounting to ₱7,392.2 million

38. **Events After Reporting Date**

On January 5, 2021, AREIT, Inc. (AREIT), purchased 9.8 hectares of land owned by Technopark Land, Inc. (TLI), a subsidiary of Ayala Corporation, in Laguna Technopark through a deed of sale for ₱1.1 billion, VAT-inclusive. The purchase is payable in cash upon execution of the deed of sale and on January 21, 2021. The land is composed of four (4) parcels which is being leased by Integrated Micro-Electronics, Inc. (IMI), a related party, for its manufacturing operations for the next seven years from January 1, 2021 until December 31, 2027 with annual escalation rate of 5%.

On February 23, 2021, the BOD approved the following:

a. The merger of the Parent Company and its listed subsidiary, Cebu Holdings, Inc. (CHI) as well as its other subsidiaries, Asian I-Office Properties, Inc. (AiO), Arca South Commercial Ventures Corp. (ASCVC) and Central Block Developers Inc. (CBDI), with Ayala Land Inc., as the surviving entity. The plan of merger will be submitted for the approval of our stockholders during their annual meeting on April 21, 2021.

   CHI is 71.1% subsidiary. ASCVC is our wholly owned subsidiary, while AiO is a wholly owned subsidiary of CHI, and CBDI is 55% owned by CHI and 45% owned by ALI. The merger is an internal restructuring as well as a consolidation of the Group’s Cebu portfolio under one listed entity. The merger is expected to result in operational synergies, efficient funds management and simplified reporting to government agencies.

b. The amendment of ESOWN Plan to increase the share allocation for ESOWN grants from 2.5% to 3% of our authorized capital stock. This will be presented to the stockholders for approval on April 21, 2021.

c. The filing with the SEC of a new 3-year shelf registration of up to ₱50 billion of debt securities (the “Shelf Registration”).

d. The raising of up to ₱41 billion through the issuance of retail bonds and/or corporate notes for listing on the Philippine Dealing and Exchange Corporation, and/or bilateral term loans for the purpose of refinancing outstanding loans and to partially finance our general corporate requirements.

e. The declaration of cash dividends of ₱0.136 per outstanding common share payable on March 25, 2021 to stockholders of common shares as of record date March 10, 2021. This reflects a 49% decrease from the cash dividends declared in the first half of 2020 amounting to ₱0.268 per share.

On February 26, 2021, White Knight Holdings, Inc., a wholly-owned subsidiary of Ayala Land, Inc. ("ALI") entered into a Share Purchase Agreement with Healthway Philippines, Inc. ("HPI"), a wholly-owned subsidiary of Ayala Healthcare Holdings, Inc. to sell its 39.20% share in the outstanding capital stock of Mercado General Hospital, Inc., the holding company for the QualiMed healthcare network of hospitals and clinics, ("MGHI"). The sale of White Knight Holdings, Inc's interest in MGHI will allow ALI to redeploy capital and focus on its core businesses.

39. **Other Matters**

The declaration of COVID-19 by the World Health Organization (WHO) as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures throughout the country starting March 16, 2020 have caused disruptions in the Group's business activities. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain.

As of reporting date, all shopping malls have reopened at adjusted operating hours and construction works for commercial and residential projects have resumed while following the safety protocols mandated by the national government. Most hotels remained open throughout the community quarantine period, catering mostly to business process outsourcing employees and returning overseas Filipino workers.

SGV
Building a better working world

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BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Land, Inc. and its subsidiaries as at December 31, 2020 and 2019, and for each of the three years in the period ended December 31, 2020, included in this Form 17-A and have issued our report thereon dated February 23, 2021. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
SEC Accreditation No. 0664-AR-4 (Group A),
November 11, 2019, valid until November 10, 2022
Tax Identification No. 160-302-865
BIR Accreditation No. 08-001998-073-2020,
December 3, 2020, valid until December 2, 2023
PTR No. 8534357, January 4, 2021, Makati City

February 23, 2021

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November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Land, Inc. and Subsidiaries (the Group) as at December 31, 2020 and for each of the three years in the period ended December 31, 2020, and have issued our report thereon dated February 23, 2021. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2020 and for each of the three years in the period ended December 31, 2020 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
SEC Accreditation No. 0664-AR-4 (Group A),
November 11, 2019, valid until November 10, 2022
Tax Identification No. 160-302-865
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December 3, 2020, valid until December 2, 2023
PTR No. 8534357, January 4, 2021, Makati City

February 23, 2021

AYALA LAND, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
As of December 31, 2020

AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE A - Financial Assets
As of December 31, 2020

NAME OF ISSUING ENTITY AND ASSOCIATION OF EACH ISSUE	AMOUNT IN THE STATEMENT OF FINANCIAL POSITION		INCOME RECEIVED & ACCRUED	
Loans and Receivables				
A. Cash in Bank	**Php**	**13,678,488,230**	**Php**	**111,208,195**
BPI				
Peso		3,413,751,589		11,737,696
Foreign Currency		69,820,655		324,479
Other Banks				
Peso		3,231,862,935		23,201,919
Foreign Currency		6,963,053,052		75,944,100
B. Cash Equivalents 1/		**3,294,555,413**		**60,035,438**
BPI				
Special Savings Account				1,896,916
Time Deposits		47,486,002		6,074,317
Others				2,011,628
Other Banks				
Special Savings Account				3,532,568
Time Deposits		3,247,069,411		30,468,246
Others				16,051,764
C. Loans and receivable		**78,295,170,839**		**4,038,968,108**
Trade		78,295,170,839		4,038,968,108
Advances to other companies				
Investment in bonds classified as loans and receivables 2/		-		-
D . Financial Assets at FVPL		**706,019,210**		**6,221,617**
Investment in UITF		378,065,912		6,221,617
Investment in Funds		327,953,298		
E. AFS Financial assets		1,511,442,706		**-**
TOTAL :	**Php**	**97,485,676,398**	**Php**	**4,216,433,358**

1/ Cash equivalents are short term, highly liquid investments that are made for varying period of up to three (3) months depending on the immediate cash requirements of the group and earn interest at the respective short term rates.

2/ Investment in bonds classified as loans and receivables pertain to the Company's investment in unsecured subordinated notes of Land Bank of the Philippines and Development Bank of the Philippines and Company's investment in collateralized bonds of First Metro Investment Corp.

AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
As of December 31, 2020

NAME AND DESIGNATION OF DEBTOR	BALANCE AT BEGINNING OF PERIOD	ADDITIONS	AMOUNTS COLLECTED	CURRENT	NON-CURRENT	BALANCE AT END OF PERIOD
Employees						
Notes Receivable	Php 901,262,867	Php 728,872,086	Php 787,629,337	Php 697,282,993	Php 145,222,623	Php 842,505,615

AYALA LAND INC. AND SUBSIDIARIES
Schedule C - Accounts Receivable from Related Parties which are Eliminated during the Consolidation Period
As of December 31, 2020

	Amount Owed by Ayala Land, Inc. (ALI) Subsidiaries to ALI PARENT			
	Receivable Balance per ALI-PARENT	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	1,163,885,783	1,163,885,783	1,163,885,783	
Adauge Commercial Corp.	9,384,606	9,384,606	9,384,606	
Alabang Commercial Corporation (Conso)	40,002,390	40,002,390	40,002,390	
ALI Capital Corp. (Conso)	181,646,739	181,646,739	181,646,739	
ALI Commercial Center, Inc. (Conso)	714,833,249	714,833,249	714,833,249	
ALI-CII Development Corporation	4,181,521	4,181,521	4,181,521	
ALO Prime Realty Corporation	3,138,579	3,138,579	3,138,579	
Altaraza Development Corporation	56,000	56,000	56,000	
Alveo Land Corporation (Conso)	3,653,530,956	3,653,530,956	3,653,530,956	
Amaia Land Corporation (Conso)	2,532,649,835	2,532,649,835	2,532,649,835	
Amorsedia Development Corporation (Conso)	644,742,089	644,742,089	644,742,089	
Anvaya Cove Beach and Nature Club Inc	593,300	593,300	593,300	
Anvaya Cove Golf and Sports Club Inc.	78,865,388	78,865,388	78,865,388	
APRISA Business Process Solutions, Inc	2,160,623	2,160,623	2,160,623	
Arca South Commercial Ventures Corp.	1,114,525,210	1,114,525,210	1,114,525,210	
Arca South Integrated Terminal, Inc	33,608,349	33,608,349	33,608,349	
Arvo Commercial Corporation	377,818,226	377,818,226	377,818,226	
Aurora Properties, Inc.	71,708,403	71,708,403	71,708,403	
Aviana Development Corporation	87,588,673	87,588,673	87,588,673	
Avida Land Corporation (Conso)	5,775,377,945	5,775,377,945	5,775,377,945	
Ayala Hotels Inc.	975,159,480	975,159,480	975,159,480	
Ayala Land International Sales, Inc.(Conso)	143,920,716	143,920,716	143,920,716	
Ayala Land Sales Inc.	60,349,214	60,349,214	60,349,214	
Ayala Property Management Corporation (Conso)	34,712,251	34,712,251	34,712,251	
Ayala Theaters Management, Inc.	713,177	713,177	713,177	
AyalaLand Club Management, Inc.	25,134,107	25,134,107	25,134,107	
AREIT Fund Manager, Inc.	16,807,036	16,807,036	16,807,036	
Ayalaland Estates, Inc.	2,222,118,631	2,222,118,631	2,222,118,631	
AyalaLand Hotels and Resorts Corp. (Conso)	1,741,709,045	1,741,709,045	1,741,709,045	
Ayalaland Logistics Holdings Corp. (Conso)	1,002,731,574	1,002,731,574	1,002,731,574	
Ayalaland Malls Synergies, Inc.	40,770,046	40,770,046	40,770,046	
AyalaLand Malls, Inc. (Conso)	24,432,172	24,432,172	24,432,172	
Ayalaland Medical Facilities Leasing Inc.	18,592,201	18,592,201	18,592,201	
Ayalaland Metro North, Inc.	2,453,232	2,453,232	2,453,232	
AyalaLand Offices, Inc. (Conso)	116,691,021	116,691,021	116,691,021	
Ayalaland Premier, Inc.	79,309	79,309	79,309	
Bay City Commercial Ventures Corp.	8,893,963,398	8,893,963,398	8,893,963,398	
BellaVita Land Corp.	985,170,272	985,170,272	985,170,272	
BG West Properties, Inc	789,566,692	789,566,692	789,566,692	
Buendia Landholdings, Inc.	196,716	196,716	196,716	
Cagayan De Oro Gateway Corporation	376,141,781	376,141,781	376,141,781	
Capitol Central Commercial Ventures Corp.	1,881,019,039	1,881,019,039	1,881,019,039	
Cavite Commercial Towncenter Inc.	507,797,012	507,797,012	507,797,012	
Cebu Holdings, Inc. (Conso)	3,296,216,343	3,296,216,343	3,296,216,343	
CECI Realty Corp.	257,160,877	257,160,877	257,160,877	
Crans Montana Property Holdings Corporation	24,049,610	24,049,610	24,049,610	
Crimson Field Enterprises, Inc.	195,962,176	195,962,176	195,962,176	
Direct Power Services Inc.	16,034,142	16,034,142	16,034,142	
Ecoholdings Company, Inc.	702,706	702,706	702,706	
First Longfield Investments Ltd.	64,753	64,753	64,753	
FIVE STAR Cinema Inc.	65,094	65,094	65,094	
Hillsford Property Corporation	139,799	139,799	139,799	
Integrated Eco-Resort Inc.	123,862	123,862	123,862	
Lagdigan Land Corporation	574,917	574,917	574,917	
Leisure and Allied Industries Phils. Inc.	4,394,020	4,394,020	4,394,020	
Makati Cornerstone Leasing Corp.	4,297,649,954	4,297,649,954	4,297,649,954	
Makati Development Corporation (Conso)	61,363,513	61,363,513	61,363,513	
AREIT Property Managers, Inc.	362,294	362,294	362,294	
North Eastern Commercial Corp.	959,957,919	959,957,919	959,957,919	
North Triangle Depot Commercial Corp	868,382,531	868,382,531	868,382,531	
North Ventures Commercial Corp.	57,684,083	57,684,083	57,684,083	
NorthBeacon Commercial Corporation	13,017,872	13,017,872	13,017,872	
Nuevocentro, Inc. (Conso)	2,264,420,036	2,264,420,036	2,264,420,036	

AREIT, Inc.	1,161,020,165	1,161,020,165	1,161,020,165	
Philippine Integrated Energy Solutions, Inc.	7,419,878	7,419,878	7,419,878	
Primavera Towncentre, Inc.	46,858,168	46,858,168	46,858,168	
Red Creek Properties, Inc.	237,202,714	237,202,714	237,202,714	
Regent Time International, Limited	98,243,136	98,243,136	98,243,136	
Regent Wise Investments Limited(Conso)	6,128,969,611	6,128,969,611	6,128,969,611	
Roxas Land Corp.	8,642,020	8,642,020	8,642,020	
Serendra Inc.	173,509,184	173,509,184	173,509,184	
Soltea Commercial Corp.	289,247,413	289,247,413	289,247,413	
Southportal Properties, Inc.	309,830,041	309,830,041	309,830,041	
Station Square East Commercial Corp	1,180,167,993	1,180,167,993	1,180,167,993	
Subic Bay Town Center Inc.	5,206,230	5,206,230	5,206,230	
Summerhill Commercial Ventures Corp.	45,036,991	45,036,991	45,036,991	
Sunnyfield E-Office Corp	11,552,409	11,552,409	11,552,409	
Ten Knots Development Corporation(Conso)	22,470,675	22,470,675	22,470,675	
Ten Knots Philippines, Inc.(Conso)	46,507,168	46,507,168	46,507,168	
Verde Golf Development Corporation	94,548,747	94,548,747	94,548,747	
Vesta Property Holdings Inc.	27,464,765	27,464,765	27,464,765	
Westview Commercial Ventures Corp.	22,275,333	22,275,333	22,275,333	
Whiteknight Holdings, Inc.	33,184,355	33,184,355	33,184,355	
Sub-Total	**58,618,209,485**	**58,618,209,485**	**58,618,209,485**	-

	Amount Owed by ALI PARENT to ALI SUBSIDIARIES			
	Receivable Balance per ALI SUBSIDIARIES	**Payable Balance per ALI PARENT**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	14,257,338	14,257,338	14,257,338	
Alabang Commercial Corporation (Conso)	53,462,105	53,462,105	53,462,105	
ALI Capital Corp. (Conso)	67,073	67,073	67,073	
ALI Commercial Center, Inc. (Conso)	32,521,088	32,521,088	32,521,088	
ALI-CII Development Corporation	987	987	987	
ALO Prime Realty Corporation	790,887,665	790,887,665	790,887,665	
Altaraza Prime Realty Corporation	2,516,892	2,516,892	2,516,892	
Alveo Land Corporation (Conso)	704,470,573	704,470,573	704,470,573	
Amaia Land Corporation (Conso)	2,611,255	2,611,255	2,611,255	
Amorsedia Development Corporation (Conso)	120,706,662	120,706,662	120,706,662	
Anvaya Cove Golf and Sports Club Inc.	5,500	5,500	5,500	
APRISA Business Process Solutions, Inc	8,894,548	8,894,548	8,894,548	
Arvo Commercial Corporation	978,410,844	978,410,844	978,410,844	
Aurora Properties, Inc.	220,458,791	220,458,791	220,458,791	
Avida Land Corporation (Conso)	2,842,204,974	2,842,204,974	2,842,204,974	
Ayala Hotels Inc.	3,281,624,685	3,281,624,685	3,281,624,685	
Ayala Land International Sales, Inc.(Conso)	74,279,198	74,279,198	74,279,198	
Ayala Land Sales Inc.	25,371,552	25,371,552	25,371,552	
Ayala Property Management Corporation (Conso)	401,251,196	401,251,196	401,251,196	
AyalaLand Club Management, Inc.	231,823	231,823	231,823	
AREIT Fund Manager, Inc.	7,009,550	7,009,550	7,009,550	
Ayalaland Estates, Inc.	150,054,296	150,054,296	150,054,296	
AyalaLand Hotels and Resorts Corp. (Conso)	36,023,915	36,023,915	36,023,915	
Ayalaland Logistics Holdings Corp. (Conso)	636,325,283	636,325,283	636,325,283	
AyalaLand Malls, Inc. (Conso)	25,062,699	25,062,699	25,062,699	
Ayalaland Metro North, Inc.	51,059,595	51,059,595	51,059,595	
AyalaLand Offices, Inc. (Conso)	1,169,469,570	1,169,469,570	1,169,469,570	
Ayalaland Premier, Inc.	6,375,221	6,375,221	6,375,221	
BellaVita Land Corp.	57,982,970	57,982,970	57,982,970	
BG West Properties, Inc	4,451,958	4,451,958	4,451,958	
Buendia Landholdings, Inc.	21,525	21,525	21,525	
Cagayan De Oro Gateway Corporation	5,117,937	5,117,937	5,117,937	
Cavite Commercial Towncenter Inc.	23,926	23,926	23,926	
Cebu Holdings, Inc. (Conso)	207,639,102	207,639,102	207,639,102	
CECI Realty Corp.	520,710,596	520,710,596	520,710,596	
Crans Montana Property Holdings Corporation	92,728,430	92,728,430	92,728,430	
Crimson Field Enterprises, Inc.	23,065,218	23,065,218	23,065,218	
Direct Power Services Inc.	35,885,552	35,885,552	35,885,552	
First Longfield Investments Ltd.	15,362,571	15,362,571	15,362,571	
Hillsford Property Corporation	6,601	6,601	6,601	
Makati Cornerstone Leasing Corp.	178,369,960	178,369,960	178,369,960	
Makati Development Corporation (Conso)	5,488,555,707	5,488,555,707	5,488,555,707	
North Eastern Commercial Corp.	97,236,832	97,236,832	97,236,832	
North Triangle Depot Commercial Corp	186,116,033	186,116,033	186,116,033	
North Ventures Commercial Corp.	53,698,157	53,698,157	53,698,157	

NorthBeacon Commercial Corporation	12,125,588	12,125,588	12,125,588	
Nuevocentro, Inc. (Conso)	344,266	344,266	344,266	
AREIT, Inc.	653,315,757	653,315,757	653,315,757	
Philippine Integrated Energy Solutions, Inc.	104,553,406	104,553,406	104,553,406	
Primavera Towncentre, Inc.	1,407,328	1,407,328	1,407,328	
Red Creek Properties, Inc.	33,025,800	33,025,800	33,025,800	
Regent Time International, Limited	539,034,571	539,034,571	539,034,571	
Regent Wise Investments Limited(Conso)	314,556,067	314,556,067	314,556,067	
Serendra Inc.	1,489,044,990	1,489,044,990	1,489,044,990	
Soltea Commercial Corp.	1,625,448	1,625,448	1,625,448	
Southportal Properties, Inc.	110,857,147	110,857,147	110,857,147	
Station Square East Commercial Corp	58,438,101	58,438,101	58,438,101	
Subic Bay Town Center Inc.	109,991,120	109,991,120	109,991,120	
Summerhill Commercial Ventures Corp.	375,955,862	375,955,862	375,955,862	
Ten Knots Development Corporation(Conso)	4,927,691	4,927,691	4,927,691	
Ten Knots Philippines, Inc.(Conso)	4,920,733	4,920,733	4,920,733	
Verde Golf Development Corporation	142,445	142,445	142,445	
Vesta Property Holdings Inc.	810,509,595	810,509,595	810,509,595	
Westview Commercial Ventures Corp.	121,144	121,144	121,144	
Sub-Total	**23,227,485,013**	**23,227,485,013**	**23,227,485,013**	-

	Amount Owed by ALI SUBSIDIARIES TO MAKATI DEVELOPMENT CORP. AND SUBSIDIARIES			
	Receivable Balance per MDC & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	301,723,181	301,723,181	301,723,181	
Adauge Commercial Corp.	4,608,677	4,608,677	4,608,677	
Alabang Commercial Corporation (Conso)	7,160,052	7,160,052	7,160,052	
ALI Capital Corp. (Conso)	547,010,158	547,010,158	547,010,158	
ALI Commercial Center, Inc. (Conso)	1,234,883,999	1,234,883,999	1,234,883,999	
Alveo Land Corporation (Conso)	3,876,598,238	3,876,598,238	3,876,598,238	
Amaia Land Corporation (Conso)	875,919,305	875,919,305	875,919,305	
Amorsedia Development Corporation (Conso)	458,785,179	458,785,179	458,785,179	
Anvaya Cove Golf and Sports Club Inc.	8,728,296	8,728,296	8,728,296	
Arca South Commercial Ventures Corp.	434,832,036	434,832,036	434,832,036	
Arca South Integrated Terminal, Inc	6,009,625	6,009,625	6,009,625	
Arvo Commercial Corporation	316,719,508	316,719,508	316,719,508	
Aurora Properties, Inc.	9,896,693	9,896,693	9,896,693	
Aviana Development Corporation	432,063,408	432,063,408	432,063,408	
Avida Land Corporation (Conso)	2,373,301,958	2,373,301,958	2,373,301,958	
Ayala Hotels Inc.	1,526,952,186	1,526,952,186	1,526,952,186	
Ayala Land International Sales, Inc.(Conso)	2,713	2,713	2,713	
Ayala Land Sales Inc.	42,000	42,000	42,000	
Ayalaland Estates, Inc.	242,166,397	242,166,397	242,166,397	
AyalaLand Hotels and Resorts Corp. (Conso)	1,640,686,612	1,640,686,612	1,640,686,612	
Ayalaland Logistics Holdings Corp. (Conso)	260,238,742	260,238,742	260,238,742	
Ayalaland Malls Synergies, Inc.	1,469,109	1,469,109	1,469,109	
Ayalaland Medical Facilities Leasing Inc.	59,600,156	59,600,156	59,600,156	
Ayalaland Metro North, Inc.	500,000	500,000	500,000	
Bay City Commercial Ventures Corp.	1,036,654,483	1,036,654,483	1,036,654,483	
BellaVita Land Corp.	89,696,175	89,696,175	89,696,175	
BG West Properties, Inc	1,326,375,461	1,326,375,461	1,326,375,461	
Cagayan De Oro Gateway Corporation	466,768,952	466,768,952	466,768,952	
Capitol Central Commercial Ventures Corp.	137,897,047	137,897,047	137,897,047	
Cavite Commercial Towncenter Inc.	346,468,772	346,468,772	346,468,772	
Cebu Holdings, Inc. (Conso)	584,009,470	584,009,470	584,009,470	
CECI Realty Corp.	15,806,382	15,806,382	15,806,382	
Crans Montana Property Holdings Corporation	130,746,859	130,746,859	130,746,859	
Direct Power Services Inc.	357,482	357,482	357,482	
Hillsford Property Corporation	13,509,289	13,509,289	13,509,289	
Leisure and Allied Industries Phils. Inc.	162,605,500	162,605,500	162,605,500	
Makati Cornerstone Leasing Corp.	59,323,523	59,323,523	59,323,523	
North Eastern Commercial Corp.	51,553,524	51,553,524	51,553,524	
North Triangle Depot Commercial Corp	94,280,002	94,280,002	94,280,002	
Nuevocentro, Inc. (Conso)	688,778,219	688,778,219	688,778,219	
AREIT, Inc.	2,019,459	2,019,459	2,019,459	
Philippine Integrated Energy Solutions, Inc.	19,677,997	19,677,997	19,677,997	
Primavera Towncentre, Inc.	161,238,271	161,238,271	161,238,271	
Roxas Land Corp.	137,559,570	137,559,570	137,559,570	
Serendra Inc.	85,275,545	85,275,545	85,275,545	
Soltea Commercial Corp.	107,175,634	107,175,634	107,175,634	

Southportal Properties, Inc.	143,767,748	143,767,748	143,767,748	
Station Square East Commercial Corp	4,643,649	4,643,649	4,643,649	
Summerhill Commercial Ventures Corp.	24,454,660	24,454,660	24,454,660	
Sunnyfield E-Office Corp	2,261,577	2,261,577	2,261,577	
Ten Knots Development Corporation(Conso)	1,259	1,259	1,259	
Ten Knots Philippines, Inc.(Conso)	550,525,296	550,525,296	550,525,296	
Vesta Property Holdings Inc.	10,797,356	10,797,356	10,797,356	
Sub-Total	**21,074,127,387**	**21,074,127,387**	**21,074,127,387**	

	Amount Owed by ALI Subsidiaries to ACCENDO COMMERCIAL CORP.			
	Receivable Balance per ACCENDO	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Adauge Commercial Corp.	20,788	20,788	20,788	
Alabang Commercial Corporation (Conso)	6,865	6,865	6,865	
ALI Capital Corp. (Conso)	31,397	31,397	31,397	
ALI Commercial Center, Inc. (Conso)	90,227	90,227	90,227	
Alveo Land Corporation (Conso)	1,961,756	1,961,756	1,961,756	
Amorsedia Development Corporation (Conso)	0	0	0	
Aviana Development Corporation	2,133,794	2,133,794	2,133,794	
Avida Land Corporation (Conso)	7,382,180	7,382,180	7,382,180	
Ayala Property Management Corporation (Conso)	395,257	395,257	395,257	
AyalaLand Hotels and Resorts Corp. (Conso)	1,478,768	1,478,768	1,478,768	
AyalaLand Malls, Inc. (Conso)	132,895	132,895	132,895	
Ayalaland Metro North, Inc.	800	800	800	
Bay City Commercial Ventures Corp.	276,172	276,172	276,172	
Cagayan De Oro Gateway Corporation	159,681	159,681	159,681	
Capitol Central Commercial Ventures Corp.	32,791	32,791	32,791	
Cebu Holdings, Inc. (Conso)	398,994	398,994	398,994	
Makati Development Corporation (Conso)	179,854	179,854	179,854	
North Eastern Commercial Corp.	300	300	300	
North Triangle Depot Commercial Corp	37,985	37,985	37,985	
North Ventures Commercial Corp.	300	300	300	
Philippine Integrated Energy Solutions, Inc.	361	361	361	
Station Square East Commercial Corp	6,050	6,050	6,050	
Ten Knots Development Corporation(Conso)	1,820	1,820	1,820	
Ten Knots Philippines, Inc.(Conso)	2,818	2,818	2,818	
Westview Commercial Ventures Corp.	28,067	28,067	28,067	
Sub-Total	**14,759,921**	**14,759,921**	**14,759,921**	-

	Amount Owed by ALI Subsidiaries to ADAUGE COMMERCIAL CORP.			
	Receivable Balance per ADAUGE	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	5,612,162	5,612,162	5,612,162	
Amaia Land Corporation (Conso)	43,660	43,660	43,660	
Arca South Commercial Ventures Corp.	9,036,739	9,036,739	9,036,739	
Arvo Commercial Corporation	5,216,528	5,216,528	5,216,528	
Avida Land Corporation (Conso)	1,083,877	1,083,877	1,083,877	
AyalaLand Hotels and Resorts Corp. (Conso)	13,502,223	13,502,223	13,502,223	
Ayalaland Logistics Holdings Corp. (Conso)	3,058,046	3,058,046	3,058,046	
Ayalaland Metro North, Inc.	1,305	1,305	1,305	
Bay City Commercial Ventures Corp.	391,965	391,965	391,965	
Capitol Central Commercial Ventures Corp.	1,581	1,581	1,581	
Cebu Holdings, Inc. (Conso)	12,023,708	12,023,708	12,023,708	
Crans Montana Property Holdings Corporation	12,307,080	12,307,080	12,307,080	
Sunnyfield E-Office Corp	1,001,613	1,001,613	1,001,613	
Ten Knots Philippines, Inc.(Conso)	3,027,340	3,027,340	3,027,340	
Sub-Total	**66,307,828**	**66,307,828**	**66,307,828**	-

	Amount Owed by ALI Subsidiaries to ALABANG COMMERCIAL CORP. & SUBSIDIARIES			
	Receivable Balance per ACC & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	20,409	20,409	20,409	
ALI Commercial Center, Inc. (Conso)	2,057,359	2,057,359	2,057,359	
Alveo Land Corporation (Conso)	506,073	506,073	506,073	
Amaia Land Corporation (Conso)	237,713	237,713	237,713	
Amorsedia Development Corporation (Conso)	106,394	106,394	106,394	
Arca South Commercial Ventures Corp.	46,663,888	46,663,888	46,663,888	
Arvo Commercial Corporation	5,281,492	5,281,492	5,281,492	

Avida Land Corporation (Conso)	955,514	955,514	955,514	
Ayala Land Sales Inc.	571,187	571,187	571,187	
Ayalaland Logistics Holdings Corp. (Conso)	913	913	913	
Ayalaland Metro North, Inc.	6,200	6,200	6,200	
AyalaLand Offices, Inc. (Conso)	8,816,168	8,816,168	8,816,168	
Bay City Commercial Ventures Corp.	84,638,335	84,638,335	84,638,335	
Cagayan De Oro Gateway Corporation	3,506,515	3,506,515	3,506,515	
Cavite Commercial Towncenter Inc.	10,506	10,506	10,506	
Cebu Holdings, Inc. (Conso)	11,008,536	11,008,536	11,008,536	
FIVE STAR Cinema Inc.	6,754,131	6,754,131	6,754,131	
Hillsford Property Corporation	15,015,365	15,015,365	15,015,365	
Leisure and Allied Industries Phils. Inc.	44,128,711	44,128,711	44,128,711	
North Eastern Commercial Corp.	8,940	8,940	8,940	
North Triangle Depot Commercial Corp	340,435	340,435	340,435	
North Ventures Commercial Corp.	5,900	5,900	5,900	
NorthBeacon Commercial Corporation	41,800	41,800	41,800	
Serendra Inc.	161,620	161,620	161,620	
Soltea Commercial Corp.	77,866	77,866	77,866	
Station Square East Commercial Corp	112,401	112,401	112,401	
Summerhill Commercial Ventures Corp.	600	600	600	
Ten Knots Philippines, Inc.(Conso)	10,016,561	10,016,561	10,016,561	
Sub-Total	**241,051,531**	**241,051,531**	**241,051,531**	

	Amount Owed by ALI Subsidiaries to ALI CAPITAL CORP.			
	Receivable Balance per ALI CAPITAL CORP. & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
ALI Capital Corp. (Conso)	-	-	-	
Amaia Land Corporation (Conso)	38,217,091	38,217,091	38,217,091	
Arca South Commercial Ventures Corp.	83,885,918	83,885,918	83,885,918	
Arvo Commercial Corporation	10,637,755	10,637,755	10,637,755	
AyalaLand Hotels and Resorts Corp. (Conso)	8,640,866	8,640,866	8,640,866	
Ayalaland Medical Facilities Leasing Inc.	5,913,391	5,913,391	5,913,391	
Bay City Commercial Ventures Corp.	95,212,065	95,212,065	95,212,065	
Cebu Holdings, Inc. (Conso)	13,054,413	13,054,413	13,054,413	
Makati Development Corporation (Conso)	177,658	177,658	177,658	
Ten Knots Development Corporation(Conso)	33,836,413	33,836,413	33,836,413	
Ten Knots Philippines, Inc.(Conso)	17,687,771	17,687,771	17,687,771	
Whiteknight Holdings, Inc.	21,773,797	21,773,797	21,773,797	
Sub-Total	**329,037,138**	**329,037,138**	**329,037,138**	

	Amount Owed by ALI Subsidiaries to ALI COMMERCIAL CENTER INC.			
	Receivable Balance per ACCI & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	2,453,603	2,453,603	2,453,603	
Alabang Commercial Corporation (Conso)	3,249,204	3,249,204	3,249,204	
ALI Capital Corp. (Conso)	1,488,500	1,488,500	1,488,500	
ALI-CII Development Corporation	92,695	92,695	92,695	
Alveo Land Corporation (Conso)	46,939	46,939	46,939	
Amaia Land Corporation (Conso)	489,215	489,215	489,215	
APRISA Business Process Solutions, Inc	10,400	10,400	10,400	
Arca South Commercial Ventures Corp.	117,331,958	117,331,958	117,331,958	
Arvo Commercial Corporation	2,992,843	2,992,843	2,992,843	
Avida Land Corporation (Conso)	8,227,401	8,227,401	8,227,401	
Ayala Hotels Inc.	4,050	4,050	4,050	
Ayala Property Management Corporation (Conso)	29,962,511	29,962,511	29,962,511	
Ayala Theaters Management, Inc.	2,653,984	2,653,984	2,653,984	
AyalaLand Hotels and Resorts Corp. (Conso)	3,111,039	3,111,039	3,111,039	
Ayalaland Logistics Holdings Corp. (Conso)	320,162	320,162	320,162	
Ayalaland Malls Synergies, Inc.	3,648,376	3,648,376	3,648,376	
AyalaLand Malls, Inc. (Conso)	5,288,657	5,288,657	5,288,657	
Ayalaland Medical Facilities Leasing Inc.	197,632	197,632	197,632	
Ayalaland Metro North, Inc.	264,166	264,166	264,166	
Ayalaland Premier, Inc.	422,922	422,922	422,922	
Bay City Commercial Ventures Corp.	19,025,574	19,025,574	19,025,574	
BellaVita Land Corp.	227,938	227,938	227,938	
Cagayan De Oro Gateway Corporation	2,592,773	2,592,773	2,592,773	
Capitol Central Commercial Ventures Corp.	1,195,933	1,195,933	1,195,933	
Cavite Commercial Towncenter Inc.	281,341	281,341	281,341	

Cebu Holdings, Inc. (Conso)	4,793,076	4,793,076	4,793,076	
Crans Montana Property Holdings Corporation	682,469	682,469	682,469	
Direct Power Services Inc.	12,672	12,672	12,672	
FIVE STAR Cinema Inc.	22,485	22,485	22,485	
Leisure and Allied Industries Phils. Inc.	7,462,999	7,462,999	7,462,999	
Makati Cornerstone Leasing Corp.	799,666	799,666	799,666	
Makati Development Corporation (Conso)	147,564	147,564	147,564	
North Eastern Commercial Corp.	2,436,212	2,436,212	2,436,212	
North Triangle Depot Commercial Corp	7,480,926	7,480,926	7,480,926	
North Ventures Commercial Corp.	1,053,389	1,053,389	1,053,389	
NorthBeacon Commercial Corporation	461,972	461,972	461,972	
AREIT, Inc.	91,261	91,261	91,261	
Primavera Towncentre, Inc.	105,300	105,300	105,300	
Serendra Inc.	103,109	103,109	103,109	
Soltea Commercial Corp.	905,506	905,506	905,506	
Station Square East Commercial Corp	2,971,969	2,971,969	2,971,969	
Subic Bay Town Center Inc.	540,397	540,397	540,397	
Summerhill Commercial Ventures Corp.	768,344	768,344	768,344	
Ten Knots Philippines, Inc.(Conso)	1,327,851	1,327,851	1,327,851	
Westview Commercial Ventures Corp.	183,295	183,295	183,295	
Sub-Total	**237,930,279**	**237,930,279**	**237,930,279**	

	Amount Owed by ALI Subsidiaries to ALI-CII DEVELOPMENT CORP			
	Receivable Balance per ALI-CII	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Amaia Land Corporation (Conso)	1,572,242	1,572,242	1,572,242	
Arca South Integrated Terminal, Inc	1,201,493	1,201,493	1,201,493	
Arvo Commercial Corporation	1,202,827	1,202,827	1,202,827	
Avida Land Corporation (Conso)	764,115	764,115	764,115	
AyalaLand Hotels and Resorts Corp. (Conso)	93,129	93,129	93,129	
Ayalaland Logistics Holdings Corp. (Conso)	1,514,431	1,514,431	1,514,431	
Ayalaland Medical Facilities Leasing Inc.	17,134,393	17,134,393	17,134,393	
Bay City Commercial Ventures Corp.	56,448,169	56,448,169	56,448,169	
Cagayan De Oro Gateway Corporation	1,514,346	1,514,346	1,514,346	
Capitol Central Commercial Ventures Corp.	2,004,246	2,004,246	2,004,246	
Cebu Holdings, Inc. (Conso)	13,143,986	13,143,986	13,143,986	
Leisure and Allied Industries Phils. Inc.	18,151	18,151	18,151	
Soltea Commercial Corp.	18,810,349	18,810,349	18,810,349	
Sub-Total	**115,421,878**	**115,421,878**	**115,421,878**	-
	Amount Owed by ALI Subsidiaries to ALO PRIME REALTY CORP.			
	Receivable Balance per ALO PRIME REALTY CORP.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
AREIT, Inc.	(7,326,316)	(7,326,316)	(7,326,316)	
Sub-Total	**(7,326,316)**	**(7,326,316)**	**(7,326,316)**	-
	Amount Owed by ALI Subsidiaries to ALVEO LAND CORP. & SUBSIDIARIES			
	Receivable Balance per ALVEO LAND CORP. & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	283,924,587	283,924,587	283,924,587	
Adauge Commercial Corp.	28,238	28,238	28,238	
ALI Capital Corp. (Conso)	15,091,671	15,091,671	15,091,671	
ALI Commercial Center, Inc. (Conso)	68,526	68,526	68,526	
Alveo Land Corporation (Conso)	(1,668,936,549)	(1,668,936,549)	(1,668,936,549)	
Amaia Land Corporation (Conso)	150,739,120	150,739,120	150,739,120	
Amorsedia Development Corporation (Conso)	96,735,377	96,735,377	96,735,377	
Arca South Commercial Ventures Corp.	3,900,681	3,900,681	3,900,681	
Arca South Integrated Terminal, Inc	402,487	402,487	402,487	
Arvo Commercial Corporation	6,686,486	6,686,486	6,686,486	
Aurora Properties, Inc.	104,089,669	104,089,669	104,089,669	
Avida Land Corporation (Conso)	4,885,898	4,885,898	4,885,898	
Ayala Land International Sales, Inc.(Conso)	9,008,072	9,008,072	9,008,072	
Ayala Property Management Corporation (Conso)	2,462,836	2,462,836	2,462,836	
AyalaLand Hotels and Resorts Corp. (Conso)	40,226,704	40,226,704	40,226,704	
Ayalaland Logistics Holdings Corp. (Conso)	30,806,596	30,806,596	30,806,596	
Ayalaland Malls Synergies, Inc.	454,086	454,086	454,086	
AyalaLand Malls, Inc. (Conso)	54,613	54,613	54,613	
Ayalaland Medical Facilities Leasing Inc.	270,413	270,413	270,413	
Bay City Commercial Ventures Corp.	37,455,531	37,455,531	37,455,531	

BellaVita Land Corp.	907,729,136	907,729,136	907,729,136	
BG West Properties, Inc	242,082,075	242,082,075	242,082,075	
Cagayan De Oro Gateway Corporation	16,374	16,374	16,374	
Capitol Central Commercial Ventures Corp.	6,105,873	6,105,873	6,105,873	
Cebu Holdings, Inc. (Conso)	37,458,083	37,458,083	37,458,083	
Crans Montana Property Holdings Corporation	1,108,482	1,108,482	1,108,482	
Direct Power Services Inc.	12,742	12,742	12,742	
Makati Cornerstone Leasing Corp.	7,780	7,780	7,780	
Makati Development Corporation (Conso)	17,852,924	17,852,924	17,852,924	
North Eastern Commercial Corp.	4,987	4,987	4,987	
North Triangle Depot Commercial Corp	48,968	48,968	48,968	
Nuevocentro, Inc. (Conso)	431,894,906	431,894,906	431,894,906	
Primavera Towncentre, Inc.	321,912	321,912	321,912	
Serendra Inc.	65,223,557	65,223,557	65,223,557	
Soltea Commercial Corp.	2,329,450	2,329,450	2,329,450	
Summerhill Commercial Ventures Corp.	12,436,524	12,436,524	12,436,524	
Ten Knots Philippines, Inc.(Conso)	42,536,702	42,536,702	42,536,702	
Vesta Property Holdings Inc.	357,210,586	357,210,586	357,210,586	
Sub-Total	**1,242,736,101**	**1,242,736,101**	**1,242,736,101**	-

	Amount Owed by ALI Subsidiaries to AMAIA LAND, INC. & SUBSIDIARIES			
	Receivable Balance per AMAIA LAND, INC. & SUBSIDIARIES	**Payable Balance per ALI Subsidiaries**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alveo Land Corporation (Conso)	150,000	150,000	150,000	
Amaia Land Corporation (Conso)	2,367,846	2,367,846	2,367,846	
Avida Land Corporation (Conso)	10,997,619	10,997,619	10,997,619	
Ayala Property Management Corporation (Conso)	(37,946)	(37,946)	(37,946)	
BellaVita Land Corp.	94,942,975	94,942,975	94,942,975	
Makati Development Corporation (Conso)	2,985,115	2,985,115	2,985,115	
Sub-Total	**111,405,609**	**111,405,609**	**111,405,609**	-

	Amount Owed by ALI Subsidiaries to AMORSEDIA DEVPT. CORP. & SUBSIDIARIES			
	Receivable Balance per AMORSEDIA DEVPT. CORP. & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Amorsedia Development Corporation (Conso)	-	-	-	
Ayala Land Sales Inc.	472,264	472,264	472,264	
Bay City Commercial Ventures Corp.	5,049,416	5,049,416	5,049,416	
BellaVita Land Corp.	15,288,000	15,288,000	15,288,000	
Cagayan De Oro Gateway Corporation	63,340,455	63,340,455	63,340,455	
AREIT, Inc.	7,213,976	7,213,976	7,213,976	
Ten Knots Development Corporation(Conso)	5,205	5,205	5,205	
Sub-Total	**91,369,316**	**91,369,316**	**91,369,316**	-

	Amount Owed by ALI Subsidiaries to ANVAYA COVE BEACH & NATURE CLUB, INC.			
	Receivable Balance per ANVAYA COVE BEACH	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Anvaya Cove Golf and Sports Club Inc.	2,360,936	2,360,936	2,360,936	
Ayala Property Management Corporation (Conso)	105,872	105,872	105,872	
Makati Development Corporation (Conso)	368,552	368,552	368,552	
Sub-Total	**2,835,360**	**2,835,360**	**2,835,360**	

	Amount Owed by ALI Subsidiaries to ANVAYA COVE GOLF & NATURE CLUB, INC.			
	Receivable Balance per ANVAYA COVE GOLF	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Anvaya Cove Beach and Nature Club Inc	423,927	423,927	423,927	
Makati Development Corporation (Conso)	398,008	398,008	398,008	
Sub-Total	**821,935**	**821,935**	**821,935**	

	Amount Owed by ALI Subsidiaries to APRISA BUSINESS SOLUTIONS, INC.			
	Receivable Balance per APRISA	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	131,466	131,466	131,466	
Adauge Commercial Corp.	39,043	39,043	39,043	
ALI Commercial Center, Inc. (Conso)	2,455,208	2,455,208	2,455,208	

ALO Prime Realty Corporation	192,651	192,651	192,651	
Amaia Land Corporation (Conso)	1,204,011	1,204,011	1,204,011	
Arvo Commercial Corporation	724,186	724,186	724,186	
Aurora Properties, Inc.	60,637	60,637	60,637	
Aviana Development Corporation	22,098	22,098	22,098	
Avida Land Corporation (Conso)	4,618,824	4,618,824	4,618,824	
AyalaLand Hotels and Resorts Corp. (Conso)	300,106	300,106	300,106	
Ayalaland Logistics Holdings Corp. (Conso)	1,148,631	1,148,631	1,148,631	
Bay City Commercial Ventures Corp.	74,870,061	74,870,061	74,870,061	
BellaVita Land Corp.	365,747	365,747	365,747	
Cagayan De Oro Gateway Corporation	5,782,961	5,782,961	5,782,961	
Cavite Commercial Towncenter Inc.	138,542	138,542	138,542	
Cebu Holdings, Inc. (Conso)	13,474,429	13,474,429	13,474,429	
CECI Realty Corp.	63,123	63,123	63,123	
Crans Montana Property Holdings Corporation	7,044,174	7,044,174	7,044,174	
Lagdigan Land Corporation	1,736	1,736	1,736	
Makati Cornerstone Leasing Corp.	1,319,295	1,319,295	1,319,295	
Makati Development Corporation (Conso)	1,581,642	1,581,642	1,581,642	
North Eastern Commercial Corp.	1,459,411	1,459,411	1,459,411	
North Triangle Depot Commercial Corp	159,113	159,113	159,113	
North Ventures Commercial Corp.	408,901	408,901	408,901	
NorthBeacon Commercial Corporation	151,816	151,816	151,816	
Nuevocentro, Inc. (Conso)	232,340	232,340	232,340	
Soltea Commercial Corp.	669,648	669,648	669,648	
Subic Bay Town Center Inc.	65,690	65,690	65,690	
Summerhill Commercial Ventures Corp.	1,045,372	1,045,372	1,045,372	
Ten Knots Philippines, Inc.(Conso)	5,503,548	5,503,548	5,503,548	
Vesta Property Holdings Inc.	67,670	67,670	67,670	
Sub-Total	**125,302,080**	**125,302,080**	**125,302,080**	

	Amount Owed by ALI Subsidiaries to AREIT FUND MANAGER, INC.			
	Receivable Balance per AREIT FUND MANAGER, INC.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	7,571,042	7,571,042	7,571,042	
ALI Commercial Center, Inc. (Conso)	12,108,673	12,108,673	12,108,673	
Amaia Land Corporation (Conso)	32,348,254	32,348,254	32,348,254	
Amorsedia Development Corporation (Conso)	25,656,860	25,656,860	25,656,860	
Arca South Commercial Ventures Corp.	2,902,079	2,902,079	2,902,079	
AyalaLand Hotels and Resorts Corp. (Conso)	19,850,000	19,850,000	19,850,000	
Ayalaland Logistics Holdings Corp. (Conso)	35,066,840	35,066,840	35,066,840	
Cagayan De Oro Gateway Corporation	10,903,293	10,903,293	10,903,293	
Capitol Central Commercial Ventures Corp.	2,029,127	2,029,127	2,029,127	
Cebu Holdings, Inc. (Conso)	63,384,509	63,384,509	63,384,509	
Crans Montana Property Holdings Corporation	32,791,240	32,791,240	32,791,240	
Direct Power Services Inc.	36,516	36,516	36,516	
AREIT, Inc.	37,373,124	37,373,124	37,373,124	
Soltea Commercial Corp.	25,543,093	25,543,093	25,543,093	
Ten Knots Philippines, Inc.(Conso)	18,023	18,023	18,023	
Sub-Total	**307,582,672**	**307,582,672**	**307,582,672**	

	Amount Owed by ALI Subsidiaries to AREIT PROPERTY MANAGER, INC.			
	Receivable Balance per AREIT PROPERTY MANAGER, INC.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
AREIT, Inc.	28,598,120	28,598,120	28,598,120	
Sub-Total	**28,598,120**	**28,598,120**	**28,598,120**	

	Amount Owed by ALI Subsidiaries to AREIT, INC.			
	Receivable Balance per AREIT, INC.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	11,930	11,930	11,930	
ALI Capital Corp. (Conso)	2,550,667	2,550,667	2,550,667	
ALI Commercial Center, Inc. (Conso)	15,022,155	15,022,155	15,022,155	
Alveo Land Corporation (Conso)	33,114	33,114	33,114	
Amaia Land Corporation (Conso)	2,030,502	2,030,502	2,030,502	
Amorsedia Development Corporation (Conso)	24,393,442	24,393,442	24,393,442	
Arca South Commercial Ventures Corp.	118,928,479	118,928,479	118,928,479	

Arvo Commercial Corporation	205,762,016	205,762,016	205,762,016	
Ayala Property Management Corporation (Conso)	561,175	561,175	561,175	
AyalaLand Hotels and Resorts Corp. (Conso)	2,402,164,501	2,402,164,501	2,402,164,501	
Ayalaland Logistics Holdings Corp. (Conso)	103,238,318	103,238,318	103,238,318	
Ayalaland Malls Synergies, Inc.	2,507,137	2,507,137	2,507,137	
AyalaLand Offices, Inc. (Conso)	8,432,222	8,432,222	8,432,222	
Bay City Commercial Ventures Corp.	22,539,460	22,539,460	22,539,460	
BellaVita Land Corp.	39,830	39,830	39,830	
Cagayan De Oro Gateway Corporation	26,479,453	26,479,453	26,479,453	
Capitol Central Commercial Ventures Corp.	88,744,234	88,744,234	88,744,234	
Cavite Commercial Towncenter Inc.	25,607,965	25,607,965	25,607,965	
Cebu Holdings, Inc. (Conso)	390,127,085	390,127,085	390,127,085	
Crans Montana Property Holdings Corporation	117,088,223	117,088,223	117,088,223	
Hillsford Property Corporation	10,009,511	10,009,511	10,009,511	
Leisure and Allied Industries Phils. Inc.	20,050,000	20,050,000	20,050,000	
Nuevocentro, Inc. (Conso)	11,072,450	11,072,450	11,072,450	
Soltea Commercial Corp.	59,689,408	59,689,408	59,689,408	
Sunnyfield E-Office Corp	150	150	150	
Ten Knots Philippines, Inc.(Conso)	121,237,212	121,237,212	121,237,212	
Westview Commercial Ventures Corp.	1,816,394	1,816,394	1,816,394	
Sub-Total	**3,780,137,034**	**3,780,137,034**	**3,780,137,034**	

	Amount Owed by ALI Subsidiaries to ARVO COMMERCIAL CORP.			
	Receivable Balance per ARVO COMMERCIAL CORP.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alabang Commercial Corporation (Conso)	1,860	1,860	1,860	
ALI Commercial Center, Inc. (Conso)	35,590	35,590	35,590	
Cavite Commercial Towncenter Inc.	168,114	168,114	168,114	
Leisure and Allied Industries Phils. Inc.	1,300,314	1,300,314	1,300,314	
North Triangle Depot Commercial Corp	6,520	6,520	6,520	
Primavera Towncentre, Inc.	308,275	308,275	308,275	
Soltea Commercial Corp.	13,450	13,450	13,450	
Station Square East Commercial Corp	1,670	1,670	1,670	
Sub-Total	**1,835,793**	**1,835,793**	**1,835,793**	

	Amount Owed by ALI Subsidiaries to AURORA PROPERTIES, INC.			
	Receivable Balance per AURORA PROPERTIES, INC.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	559,161	559,161	559,161	
Alveo Land Corporation (Conso)	1,003,294	1,003,294	1,003,294	
Amaia Land Corporation (Conso)	25,000	25,000	25,000	
Amorsedia Development Corporation (Conso)	129,857,980	129,857,980	129,857,980	
Arca South Commercial Ventures Corp.	3,809,405	3,809,405	3,809,405	
Arvo Commercial Corporation	21,148,801	21,148,801	21,148,801	
Avida Land Corporation (Conso)	8,896,669	8,896,669	8,896,669	
AyalaLand Hotels and Resorts Corp. (Conso)	6,794,937	6,794,937	6,794,937	
Ayalaland Metro North, Inc.	871	871	871	
Bay City Commercial Ventures Corp.	94,021	94,021	94,021	
Cagayan De Oro Gateway Corporation	18,412,867	18,412,867	18,412,867	
Cavite Commercial Towncenter Inc.	637,669	637,669	637,669	
CECI Realty Corp.	167,851	167,851	167,851	
Crans Montana Property Holdings Corporation	10,037,500	10,037,500	10,037,500	
Makati Development Corporation (Conso)	7,680	7,680	7,680	
Nuevocentro, Inc. (Conso)	53,868,547	53,868,547	53,868,547	
Soltea Commercial Corp.	11,010,774	11,010,774	11,010,774	
Summerhill Commercial Ventures Corp.	5,300,456	5,300,456	5,300,456	
Ten Knots Development Corporation(Conso)	726	726	726	
Vesta Property Holdings Inc.	27,739	27,739	27,739	
Sub-Total	**271,661,946**	**271,661,946**	**271,661,946**	

	Amount Owed by ALI Subsidiaries to AVIANA DEVELOPMENT CORP.			
	Receivable Balance per AVIANA DEVELOPMENT CORP.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alveo Land Corporation (Conso)	403,644,975	403,644,975	403,644,975	
Sub-Total	**403,644,975**	**403,644,975**	**403,644,975**	

	Amount Owed by ALI Subsidiaries to AVIDA LAND CORP. & SUBSIDIARIES

	Receivable Balance per AVIDA LAND CORP. & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	123,879,478	123,879,478	123,879,478	
ALI Capital Corp. (Conso)	1,499,977	1,499,977	1,499,977	
ALI-CII Development Corporation	75,000	75,000	75,000	
Alveo Land Corporation (Conso)	32,035,194	32,035,194	32,035,194	
Amaia Land Corporation (Conso)	105,206,103	105,206,103	105,206,103	
Amorsedia Development Corporation (Conso)	443,199,340	443,199,340	443,199,340	
Arca South Commercial Ventures Corp.	22,588,798	22,588,798	22,588,798	
Arvo Commercial Corporation	27,176,272	27,176,272	27,176,272	
Aurora Properties, Inc.	38,953,608	38,953,608	38,953,608	
Aviana Development Corporation	55,000	55,000	55,000	
Avida Land Corporation (Conso)	26,508,607	26,508,607	26,508,607	
Ayala Hotels Inc.	25,702	25,702	25,702	
Ayala Land International Sales, Inc.(Conso)	12,517,676	12,517,676	12,517,676	
Ayala Property Management Corporation (Conso)	8,427,240	8,427,240	8,427,240	
Ayala Theaters Management, Inc.	69,503	69,503	69,503	
Ayalaland Estates, Inc.	328,898,856	328,898,856	328,898,856	
AyalaLand Hotels and Resorts Corp. (Conso)	314,877	314,877	314,877	
Ayalaland Logistics Holdings Corp. (Conso)	154,862,171	154,862,171	154,862,171	
Ayalaland Malls Synergies, Inc.	242,413	242,413	242,413	
Bay City Commercial Ventures Corp.	6,141,701	6,141,701	6,141,701	
BellaVita Land Corp.	339,083,997	339,083,997	339,083,997	
BG West Properties, Inc	1,200,226,411	1,200,226,411	1,200,226,411	
Cagayan De Oro Gateway Corporation	415,001,205	415,001,205	415,001,205	
Cebu Holdings, Inc. (Conso)	44,563,114	44,563,114	44,563,114	
CECI Realty Corp.	112,000	112,000	112,000	
Crans Montana Property Holdings Corporation	19,239	19,239	19,239	
Makati Development Corporation (Conso)	15,703,446	15,703,446	15,703,446	
Nuevocentro, Inc. (Conso)	340,478,284	340,478,284	340,478,284	
Roxas Land Corp.	242,508	242,508	242,508	
Serendra Inc.	2,498,773	2,498,773	2,498,773	
Soltea Commercial Corp.	2,191	2,191	2,191	
Station Square East Commercial Corp	420,337	420,337	420,337	
Summerhill Commercial Ventures Corp.	41,319	41,319	41,319	
Ten Knots Philippines, Inc.(Conso)	30,106,648	30,106,648	30,106,648	
Vesta Property Holdings Inc.	16,868	16,868	16,868	
Sub-Total	**3,721,193,858**	**3,721,193,858**	**3,721,193,858**	**-**

	Amount Owed by ALI Subsidiaries to AYALA HOTELS, INC.			
	Receivable Balance per AHI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	164,570	164,570	164,570	
ALI Capital Corp. (Conso)	63,733,181	63,733,181	63,733,181	
ALI Commercial Center, Inc. (Conso)	38,618	38,618	38,618	
Alveo Land Corporation (Conso)	18,258	18,258	18,258	
Amaia Land Corporation (Conso)	361,784,964	361,784,964	361,784,964	
Amorsedia Development Corporation (Conso)	72,418,125	72,418,125	72,418,125	
Arca South Commercial Ventures Corp.	133,478,660	133,478,660	133,478,660	
Arca South Integrated Terminal, Inc	1,002,800	1,002,800	1,002,800	
Arvo Commercial Corporation	182,627,058	182,627,058	182,627,058	
Avida Land Corporation (Conso)	2,152,829	2,152,829	2,152,829	
Ayala Land International Sales, Inc.(Conso)	4,500,000	4,500,000	4,500,000	
AyalaLand Hotels and Resorts Corp. (Conso)	386,716,050	386,716,050	386,716,050	
Ayalaland Logistics Holdings Corp. (Conso)	193,192,342	193,192,342	193,192,342	
Ayalaland Medical Facilities Leasing Inc.	71,072,508	71,072,508	71,072,508	
Ayalaland Metro North, Inc.	198,822	198,822	198,822	
Bay City Commercial Ventures Corp.	331,815,652	331,815,652	331,815,652	
Cagayan De Oro Gateway Corporation	274,581,637	274,581,637	274,581,637	
Capitol Central Commercial Ventures Corp.	67,787,812	67,787,812	67,787,812	
Cavite Commercial Towncenter Inc.	131,072,537	131,072,537	131,072,537	
Cebu Holdings, Inc. (Conso)	294,995,142	294,995,142	294,995,142	
Crans Montana Property Holdings Corporation	153,607,627	153,607,627	153,607,627	
North Triangle Depot Commercial Corp	24,959	24,959	24,959	
Nuevocentro, Inc. (Conso)	8,746,092	8,746,092	8,746,092	
Primavera Towncentre, Inc.	47,334,065	47,334,065	47,334,065	
Soltea Commercial Corp.	23,640,093	23,640,093	23,640,093	
Summerhill Commercial Ventures Corp.	7,348,017	7,348,017	7,348,017	

Ten Knots Development Corporation(Conso)	16,117	16,117	16,117	
Ten Knots Philippines, Inc.(Conso)	61,631,191	61,631,191	61,631,191	
Sub-Total	**2,875,699,725**	**2,875,699,725**	**2,875,699,725**	

	Amount Owed by ALI Subsidiaries to AYALA LAND INTERNATIONAL SALES, INC. & SUBS.			
	Receivable Balance per ALISI & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alveo Land Corporation (Conso)	49,637,690	49,637,690	49,637,690	
Amaia Land Corporation (Conso)	22,374,347	22,374,347	22,374,347	
Amorsedia Development Corporation (Conso)	350,771	350,771	350,771	
Arca South Commercial Ventures Corp.	13,731,788	13,731,788	13,731,788	
Avida Land Corporation (Conso)	119,467,795	119,467,795	119,467,795	
AyalaLand Hotels and Resorts Corp. (Conso)	4,734,498	4,734,498	4,734,498	
BellaVita Land Corp.	1,516,186	1,516,186	1,516,186	
Cebu Holdings, Inc. (Conso)	(507,452)	(507,452)	(507,452)	
Crans Montana Property Holdings Corporation	4,039,464	4,039,464	4,039,464	
Nuevocentro, Inc. (Conso)	18,613	18,613	18,613	
Sub-Total	**215,363,701**	**215,363,701**	**215,363,701**	

	Amount Owed by ALI Subsidiaries to AYALA LAND SALES, INC.			
	Receivable Balance per ALSI	**Payable Balance per ALI Subsidiaries**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alveo Land Corporation (Conso)	6,222,868	6,222,868	6,222,868	
Amaia Land Corporation (Conso)	11,706,631	11,706,631	11,706,631	
Amorsedia Development Corporation (Conso)	18,153,604	18,153,604	18,153,604	
Aviana Development Corporation	(154,252)	(154,252)	(154,252)	
Avida Land Corporation (Conso)	4,120,463	4,120,463	4,120,463	
Ayalaland Estates, Inc.	3,753,909	3,753,909	3,753,909	
AyalaLand Hotels and Resorts Corp. (Conso)	104,271	104,271	104,271	
Bay City Commercial Ventures Corp.	21,454,246	21,454,246	21,454,246	
BellaVita Land Corp.	52,832	52,832	52,832	
Cavite Commercial Towncenter Inc.	5,022,618	5,022,618	5,022,618	
Cebu Holdings, Inc. (Conso)	12,018,333	12,018,333	12,018,333	
Nuevocentro, Inc. (Conso)	474,686	474,686	474,686	
Roxas Land Corp.	482,666	482,666	482,666	
Soltea Commercial Corp.	31,618,231	31,618,231	31,618,231	
Ten Knots Philippines, Inc.(Conso)	6,712,830	6,712,830	6,712,830	
Sub-Total	**121,743,936**	**121,743,936**	**121,743,936**	

	Amount Owed by ALI Subsidiaries to AYALA PROPERTY MANAGEMENT CORP. & Subsidiaries			
	Receivable Balance per APMC & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	6,367,208	6,367,208	6,367,208	
Adauge Commercial Corp.	352,294	352,294	352,294	
ALI Capital Corp. (Conso)	64,773	64,773	64,773	
ALI Commercial Center, Inc. (Conso)	12,690,599	12,690,599	12,690,599	
Alveo Land Corporation (Conso)	14,675,556	14,675,556	14,675,556	
Amaia Land Corporation (Conso)	130,187,837	130,187,837	130,187,837	
Amorsedia Development Corporation (Conso)	40,187,820	40,187,820	40,187,820	
APRISA Business Process Solutions, Inc	2,917,203	2,917,203	2,917,203	
Arvo Commercial Corporation	10,872,775	10,872,775	10,872,775	
Aurora Properties, Inc.	76,380	76,380	76,380	
Avida Land Corporation (Conso)	29,081,462	29,081,462	29,081,462	
Ayala Hotels Inc.	1,430,717	1,430,717	1,430,717	
Ayala Land International Sales, Inc.(Conso)	144,000	144,000	144,000	
Ayalaland Estates, Inc.	192,495	192,495	192,495	
AyalaLand Hotels and Resorts Corp. (Conso)	27,522,437	27,522,437	27,522,437	
Ayalaland Logistics Holdings Corp. (Conso)	11,987,653	11,987,653	11,987,653	
Ayalaland Medical Facilities Leasing Inc.	2,464,000	2,464,000	2,464,000	
Ayalaland Metro North, Inc.	182,326	182,326	182,326	
AyalaLand Offices, Inc. (Conso)	2,669,470	2,669,470	2,669,470	
Bay City Commercial Ventures Corp.	2,766,859	2,766,859	2,766,859	
BellaVita Land Corp.	33,546	33,546	33,546	
BG West Properties, Inc	2,592,342	2,592,342	2,592,342	
Cagayan De Oro Gateway Corporation	58,742,380	58,742,380	58,742,380	
Capitol Central Commercial Ventures Corp.	132,634	132,634	132,634	
Cavite Commercial Towncenter Inc.	187,326	187,326	187,326	
Cebu Holdings, Inc. (Conso)	93,619,402	93,619,402	93,619,402	

CECI Realty Corp.	145,830	145,830	145,830	
Crans Montana Property Holdings Corporation	122,386,835	122,386,835	122,386,835	
Hillsford Property Corporation	43,496	43,496	43,496	
Leisure and Allied Industries Phils. Inc.	60,156,250	60,156,250	60,156,250	
Makati Cornerstone Leasing Corp.	2,360,981	2,360,981	2,360,981	
Makati Development Corporation (Conso)	627,200	627,200	627,200	
North Eastern Commercial Corp.	2,682,444	2,682,444	2,682,444	
North Triangle Depot Commercial Corp	182,326	182,326	182,326	
North Ventures Commercial Corp.	13,536,627	13,536,627	13,536,627	
NorthBeacon Commercial Corporation	187,704	187,704	187,704	
Nuevocentro, Inc. (Conso)	3,296,537	3,296,537	3,296,537	
AREIT, Inc.	19,771,482	19,771,482	19,771,482	
Philippine Integrated Energy Solutions, Inc.	90,589,509	90,589,509	90,589,509	
Roxas Land Corp.	5,403,834	5,403,834	5,403,834	
Serendra Inc.	17,836,281	17,836,281	17,836,281	
Soltea Commercial Corp.	9,498,666	9,498,666	9,498,666	
Southportal Properties, Inc.	4,625,911	4,625,911	4,625,911	
Subic Bay Town Center Inc.	136,744	136,744	136,744	
Summerhill Commercial Ventures Corp.	254,949	254,949	254,949	
Sunnyfield E-Office Corp	750,134	750,134	750,134	
Ten Knots Philippines, Inc.(Conso)	23,730,521	23,730,521	23,730,521	
Vesta Property Holdings Inc.	502,807	502,807	502,807	
Sub-Total	**830,848,562**	**830,848,562**	**830,848,562**	-

	Amount Owed by ALI Subsidiaries to AYALA THEATERS MANAGEMENT, INC.			
	Receivable Balance per ATMI	Payable Balance per ALI Subsidiaries	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	127	127	127	
ALI Commercial Center, Inc. (Conso)	3,000	3,000	3,000	
AyalaLand Malls, Inc. (Conso)	7,993	7,993	7,993	
Bay City Commercial Ventures Corp.	49,610	49,610	49,610	
Cagayan De Oro Gateway Corporation	205	205	205	
Cebu Holdings, Inc. (Conso)	880	880	880	
Makati Cornerstone Leasing Corp.	(1,000)	(1,000)	(1,000)	
North Eastern Commercial Corp.	159,936	159,936	159,936	
North Ventures Commercial Corp.	89,992	89,992	89,992	
NorthBeacon Commercial Corporation	44,464	44,464	44,464	
Summerhill Commercial Ventures Corp.	44,800	44,800	44,800	
Sub-Total	**400,007**	**400,007**	**400,007**	-

	Amount Owed by ALI Subsidiaries to AYALALAND CLUB MANAGEMENT, INC.			
	Receivable Balance per ACMI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Anvaya Cove Beach and Nature Club Inc	8,431,242	8,431,242	8,431,242	
Anvaya Cove Golf and Sports Club Inc.	5,361,353	5,361,353	5,361,353	
APRISA Business Process Solutions, Inc	4,500	4,500	4,500	
Ayala Land Sales Inc.	99,000	99,000	99,000	
Ayalaland Estates, Inc.	73,500	73,500	73,500	
AyalaLand Malls, Inc. (Conso)	500	500	500	
AyalaLand Offices, Inc. (Conso)	1,500	1,500	1,500	
Ayalaland Premier, Inc.	319,500	319,500	319,500	
Nuevocentro, Inc. (Conso)	2,469,000	2,469,000	2,469,000	
Sub-Total	**16,760,095**	**16,760,095**	**16,760,095**	-

	Amount Owed by ALI Subsidiaries to AYALALAND ESTATES, INC.			
	Receivable Balance per AEI	Payable Balance per ALI Subsidiaries	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	169,582	169,582	169,582	
ALI Commercial Center, Inc. (Conso)	55,401,807	55,401,807	55,401,807	
Altaraza Development Corporation	750,000	750,000	750,000	
Amorsedia Development Corporation (Conso)	38,148,730	38,148,730	38,148,730	
Arca South Commercial Ventures Corp.	2,003,208	2,003,208	2,003,208	
Arvo Commercial Corporation	3,756,915	3,756,915	3,756,915	
Avida Land Corporation (Conso)	15,032	15,032	15,032	
AyalaLand Hotels and Resorts Corp. (Conso)	838,433	838,433	838,433	
Bay City Commercial Ventures Corp.	24,785,782	24,785,782	24,785,782	
Cagayan De Oro Gateway Corporation	57,381	57,381	57,381	
Cebu Holdings, Inc. (Conso)	7,001,866	7,001,866	7,001,866	

CECI Realty Corp.	8,092	8,092	8,092	
CMPI Holdings, Inc (Conso)	67,760	67,760	67,760	
Crans Montana Property Holdings Corporation	32,781,171	32,781,171	32,781,171	
Leisure and Allied Industries Phils. Inc.	16,842,000	16,842,000	16,842,000	
Makati Development Corporation (Conso)	53,150	53,150	53,150	
North Eastern Commercial Corp.	46,192,647	46,192,647	46,192,647	
Nuevocentro, Inc. (Conso)	208,444,323	208,444,323	208,444,323	
Soltea Commercial Corp.	455,349	455,349	455,349	
Vesta Property Holdings Inc.	7,416	7,416	7,416	
Sub-Total	**437,780,646**	**437,780,646**	**437,780,646**	

	Amount Owed by ALI Subsidiaries to AYALA HOTELS & RESORTS GROUP			
	Receivable Balance per AHRC & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	7,000	7,000	7,000	
Ayala Hotels Inc.	362	362	362	
Ayala Property Management Corporation (Conso)	370,404	370,404	370,404	
AyalaLand Hotels and Resorts Corp. (Conso)	167	167	167	
AyalaLand Malls, Inc. (Conso)	2,946	2,946	2,946	
AyalaLand Offices, Inc. (Conso)	3,030	3,030	3,030	
BellaVita Land Corp.	427	427	427	
Cebu Holdings, Inc. (Conso)	2,129,747	2,129,747	2,129,747	
Integrated Eco-Resort Inc.	29,568	29,568	29,568	
Makati Development Corporation (Conso)	4,553	4,553	4,553	
Ten Knots Development Corporation(Conso)	16,874,771	16,874,771	16,874,771	
Ten Knots Philippines, Inc.(Conso)	12,768,462	12,768,462	12,768,462	
Sub-Total	**32,191,436**	**32,191,436**	**32,191,436**	-

	Amount Owed by ALI Subsidiaries to AYALALAND LOGISTICS HOLDINGS CORP. (Conso)			
	Receivable Balance per ALLHC & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	6,056,282	6,056,282	6,056,282	
Alabang Commercial Corporation (Conso)	35,390	35,390	35,390	
ALI Capital Corp. (Conso)	34,302,096	34,302,096	34,302,096	
ALI Commercial Center, Inc. (Conso)	7,674,031	7,674,031	7,674,031	
Amaia Land Corporation (Conso)	21,877,777	21,877,777	21,877,777	
Amorsedia Development Corporation (Conso)	12,570,513	12,570,513	12,570,513	
Arca South Commercial Ventures Corp.	815,744	815,744	815,744	
Arvo Commercial Corporation	14,469,867	14,469,867	14,469,867	
Avida Land Corporation (Conso)	17,663,368	17,663,368	17,663,368	
Ayala Property Management Corporation (Conso)	1,233	1,233	1,233	
AyalaLand Hotels and Resorts Corp. (Conso)	4,570,979	4,570,979	4,570,979	
Ayalaland Malls Synergies, Inc.	193,837	193,837	193,837	
Ayalaland Metro North, Inc.	6,021,883	6,021,883	6,021,883	
Bay City Commercial Ventures Corp.	108,887,038	108,887,038	108,887,038	
BellaVita Land Corp.	5,015,233	5,015,233	5,015,233	
Cagayan De Oro Gateway Corporation	15,336,897	15,336,897	15,336,897	
Capitol Central Commercial Ventures Corp.	79,308,973	79,308,973	79,308,973	
Cavite Commercial Towncenter Inc.	10,159,952	10,159,952	10,159,952	
Cebu Holdings, Inc. (Conso)	14,713,208	14,713,208	14,713,208	
Crans Montana Property Holdings Corporation	1,004,411	1,004,411	1,004,411	
Leisure and Allied Industries Phils. Inc.	(50,600)	(50,600)	(50,600)	
Makati Development Corporation (Conso)	62,727	62,727	62,727	
North Eastern Commercial Corp.	(738,135)	(738,135)	(738,135)	
North Triangle Depot Commercial Corp	500	500	500	
North Ventures Commercial Corp.	356,417	356,417	356,417	
Nuevocentro, Inc. (Conso)	1,649,123	1,649,123	1,649,123	
Soltea Commercial Corp.	6,430,586	6,430,586	6,430,586	
Station Square East Commercial Corp	400	400	400	
Summerhill Commercial Ventures Corp.	56,224	56,224	56,224	
Ten Knots Philippines, Inc.(Conso)	38,005	38,005	38,005	
Sub-Total	**368,483,959**	**368,483,959**	**368,483,959**	

	Amount Owed by ALI Subsidiaries to AYALALAND MALLS SYNERGIES, INC.			
	Receivable Balance per AMSI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Arca South Commercial Ventures Corp.	4,121,354	4,121,354	4,121,354	
AREIT Fund Manager, Inc.	345	345	345	

Ayalaland Logistics Holdings Corp. (Conso)	1,666,894	1,666,894	1,666,894	
Bay City Commercial Ventures Corp.	5,097,326	5,097,326	5,097,326	
Cebu Holdings, Inc. (Conso)	8,188,293	8,188,293	8,188,293	
North Eastern Commercial Corp.	29,864	29,864	29,864	
Soltea Commercial Corp.	4,074,516	4,074,516	4,074,516	
Ten Knots Philippines, Inc.(Conso)	8,073,051	8,073,051	8,073,051	
Sub-Total	**31,251,643**	**31,251,643**	**31,251,643**	

	Amount Owed by ALI Subsidiaries to AYALALALAND MALLS, INC. & Subsidiaries			
	Receivable Balance per ALMI & SUBSIDIARIES	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	4,026,320	4,026,320	4,026,320	
Adauge Commercial Corp.	21,877	21,877	21,877	
Alabang Commercial Corporation (Conso)	1,577,963	1,577,963	1,577,963	
ALI Commercial Center, Inc. (Conso)	6,364,419	6,364,419	6,364,419	
Arca South Commercial Ventures Corp.	77,786	77,786	77,786	
Arvo Commercial Corporation	6,117,511	6,117,511	6,117,511	
Ayalaland Logistics Holdings Corp. (Conso)	586,173	586,173	586,173	
Ayalaland Malls Synergies, Inc.	239,473	239,473	239,473	
AyalaLand Malls, Inc. (Conso)	466,361	466,361	466,361	
Ayalaland Metro North, Inc.	133,275	133,275	133,275	
Bay City Commercial Ventures Corp.	1,323,477	1,323,477	1,323,477	
Cagayan De Oro Gateway Corporation	1,266,869	1,266,869	1,266,869	
Capitol Central Commercial Ventures Corp.	4,150,492	4,150,492	4,150,492	
Cavite Commercial Towncenter Inc.	1,196,007	1,196,007	1,196,007	
Cebu Holdings, Inc. (Conso)	7,903,784	7,903,784	7,903,784	
Makati Cornerstone Leasing Corp.	1,421,018	1,421,018	1,421,018	
North Eastern Commercial Corp.	5,560,286	5,560,286	5,560,286	
North Triangle Depot Commercial Corp	158,770	158,770	158,770	
North Ventures Commercial Corp.	1,569,616	1,569,616	1,569,616	
NorthBeacon Commercial Corporation	91,793	91,793	91,793	
Nuevocentro, Inc. (Conso)	2,415	2,415	2,415	
Primavera Towncentre, Inc.	282,887	282,887	282,887	
Soltea Commercial Corp.	1,398,457	1,398,457	1,398,457	
Station Square East Commercial Corp	1,379,240	1,379,240	1,379,240	
Subic Bay Town Center Inc.	238,577	238,577	238,577	
Summerhill Commercial Ventures Corp.	1,114,202	1,114,202	1,114,202	
Westview Commercial Ventures Corp.	117,050	117,050	117,050	
Sub-Total	**48,786,094**	**48,786,094**	**48,786,094**	

	Amount Owed by ALI Subsidiaries to AYALALAND MEDICAL FACILITIES LEASING, INC.			
	Receivable Balance per AMFLI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Whiteknight Holdings, Inc.	291	291	291	
Sub-Total	**291**	**291**	**291**	

	Amount Owed by ALI Subsidiaries to AYALAND METRO NORTH, INC.			
	Receivable Balance per AMNI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	37,478	37,478	37,478	
Alabang Commercial Corporation (Conso)	8,117	8,117	8,117	
ALI Commercial Center, Inc. (Conso)	243,859	243,859	243,859	
Alveo Land Corporation (Conso)	130,480	130,480	130,480	
Amaia Land Corporation (Conso)	1,253,808	1,253,808	1,253,808	
Amorsedia Development Corporation (Conso)	8,312,681	8,312,681	8,312,681	
Arvo Commercial Corporation	5,217,559	5,217,559	5,217,559	
Avida Land Corporation (Conso)	92,222	92,222	92,222	
Ayalaland Logistics Holdings Corp. (Conso)	7,462,190	7,462,190	7,462,190	
Bay City Commercial Ventures Corp.	25,610,997	25,610,997	25,610,997	
Cagayan De Oro Gateway Corporation	36,054,294	36,054,294	36,054,294	
Capitol Central Commercial Ventures Corp.	5,244	5,244	5,244	
Cavite Commercial Towncenter Inc.	137,474	137,474	137,474	
Cebu Holdings, Inc. (Conso)	11,616,525	11,616,525	11,616,525	
Makati Cornerstone Leasing Corp.	2,622	2,622	2,622	
North Eastern Commercial Corp.	30,263	30,263	30,263	
North Triangle Depot Commercial Corp	7,867	7,867	7,867	
North Ventures Commercial Corp.	3,122	3,122	3,122	
NorthBeacon Commercial Corporation	12,369	12,369	12,369	

Nuevocentro, Inc. (Conso)	147,386	147,386	147,386	
Soltea Commercial Corp.	10,753,821	10,753,821	10,753,821	
Station Square East Commercial Corp	10,707	10,707	10,707	
Subic Bay Town Center Inc.	5,244	5,244	5,244	
Summerhill Commercial Ventures Corp.	7,867	7,867	7,867	
Ten Knots Philippines, Inc.(Conso)	12,027,360	12,027,360	12,027,360	
Sub-Total	**119,191,556**	**119,191,556**	**119,191,556**	-

	Amount Owed by ALI Subsidiaries to AYALALAND OFFICES, INC. & Subsidiaries			
	Receivable Balance per ALO & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	470,980	470,980	470,980	
Alabang Commercial Corporation (Conso)	79,262	79,262	79,262	
ALI Capital Corp. (Conso)	7,654,409	7,654,409	7,654,409	
ALI Commercial Center, Inc. (Conso)	25,789	25,789	25,789	
ALO Prime Realty Corporation	3,020,501	3,020,501	3,020,501	
Amaia Land Corporation (Conso)	97,720,188	97,720,188	97,720,188	
Amorsedia Development Corporation (Conso)	325,528,530	325,528,530	325,528,530	
Arca South Commercial Ventures Corp.	100,638	100,638	100,638	
Arca South Integrated Terminal, Inc	2,506,999	2,506,999	2,506,999	
Arvo Commercial Corporation	(21,194,305)	(21,194,305)	(21,194,305)	
Avida Land Corporation (Conso)	1,762,451	1,762,451	1,762,451	
Ayala Property Management Corporation (Conso)	555,088	555,088	555,088	
Ayalaland Estates, Inc.	(0)	(0)	(0)	
AyalaLand Hotels and Resorts Corp. (Conso)	46,808,856	46,808,856	46,808,856	
Ayalaland Logistics Holdings Corp. (Conso)	94,296,363	94,296,363	94,296,363	
Ayalaland Metro North, Inc.	269,993	269,993	269,993	
AyalaLand Offices, Inc. (Conso)	62,662,682	62,662,682	62,662,682	
Bay City Commercial Ventures Corp.	43,920,376	43,920,376	43,920,376	
BellaVita Land Corp.	31,323	31,323	31,323	
Cagayan De Oro Gateway Corporation	27,624,101	27,624,101	27,624,101	
Capitol Central Commercial Ventures Corp.	26,422,229	26,422,229	26,422,229	
Cebu Holdings, Inc. (Conso)	461,448,622	461,448,622	461,448,622	
CECI Realty Corp.	5,008,433	5,008,433	5,008,433	
Crans Montana Property Holdings Corporation	73,711,182	73,711,182	73,711,182	
Direct Power Services Inc.	28,234	28,234	28,234	
Hillsford Property Corporation	373,841	373,841	373,841	
Makati Cornerstone Leasing Corp.	3,383,552	3,383,552	3,383,552	
Makati Development Corporation (Conso)	560,464	560,464	560,464	
North Eastern Commercial Corp.	3,627,573	3,627,573	3,627,573	
North Ventures Commercial Corp.	129,848	129,848	129,848	
Nuevocentro, Inc. (Conso)	4,013,317	4,013,317	4,013,317	
AREIT, Inc.	5,868,325	5,868,325	5,868,325	
Soltea Commercial Corp.	6,497,627	6,497,627	6,497,627	
Sunnyfield E-Office Corp	53,623,922	53,623,922	53,623,922	
Ten Knots Philippines, Inc.(Conso)	13,619,234	13,619,234	13,619,234	
Westview Commercial Ventures Corp.	396,383,226	396,383,226	396,383,226	
Sub-Total	**1,748,543,850**	**1,748,543,850**	**1,748,543,850**	-

	Amount Owed by ALI Subsidiaries to AYALALAND PREMIER, INC.			
	Receivable Balance per AYALALAND PREMIER, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Ayala Property Management Corporation (Conso)	823,023	823,023	823,023	
Sub-Total	**823,023**	**823,023**	**823,023**	-

	Amount Owed by ALI Subsidiaries to BAY CITY COMMERCIAL VENTURES CORP.			
	Receivable Balance per BAY CITY	Payable Balance per ALI Subsidiaries	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Alabang Commercial Corporation (Conso)	500	500	500	
ALI Commercial Center, Inc. (Conso)	37,820	37,820	37,820	
Arca South Commercial Ventures Corp.	(193,344)	(193,344)	(193,344)	
Arca South Integrated Terminal, Inc	9,181	9,181	9,181	
Arvo Commercial Corporation	145,869	145,869	145,869	
Avida Land Corporation (Conso)	562,155	562,155	562,155	
Cagayan De Oro Gateway Corporation	17,889	17,889	17,889	
Cebu Holdings, Inc. (Conso)	2,431	2,431	2,431	
Makati Cornerstone Leasing Corp.	10,000,000	10,000,000	10,000,000	
North Eastern Commercial Corp.	146,394	146,394	146,394	

North Triangle Depot Commercial Corp	3,710	3,710	3,710	
Soltea Commercial Corp.	71,955	71,955	71,955	
Station Square East Commercial Corp	3,730	3,730	3,730	
Whiteknight Holdings, Inc.	73,376	73,376	73,376	
Sub-Total	**10,881,664**	**10,881,664**	**10,881,664**	-

	Amount Owed by ALI Subsidiaries to BELLAVITA LAND CORP.			
	Receivable Balance per BELLAVITA	**Payable Balance per ALI Subsidiaries**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Amaia Land Corporation (Conso)	19,451	19,451	19,451	
Arvo Commercial Corporation	128,800	128,800	128,800	
Avida Land Corporation (Conso)	767,235	767,235	767,235	
Ayalaland Logistics Holdings Corp. (Conso)	106,050	106,050	106,050	
Bay City Commercial Ventures Corp.	153,540	153,540	153,540	
Capitol Central Commercial Ventures Corp.	112,827	112,827	112,827	
Makati Development Corporation (Conso)	1,304,819	1,304,819	1,304,819	
Primavera Towncentre, Inc.	1,486,693	1,486,693	1,486,693	
Red Creek Properties, Inc.	1,899,778	1,899,778	1,899,778	
Sub-Total	**5,979,193**	**5,979,193**	**5,979,193**	

	Amount Owed by ALI Subsidiaries to BG WEST PROPERTIES, INC.			
	Receivable Balance per BG WEST	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Amorsedia Development Corporation (Conso)	8,342	8,342	8,342	
BG West Properties, Inc	194,500	194,500	194,500	
Makati Development Corporation (Conso)	30,248,627	30,248,627	30,248,627	
Sub-Total	**30,451,468**	**30,451,468**	**30,451,468**	

	Amount Owed by ALI Subsidiaries to CAGAYAN DE ORO GATEWAY CORP.			
	Receivable Balance per CDOGC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	48,112	48,112	48,112	
ALI Commercial Center, Inc. (Conso)	41,505	41,505	41,505	
Alveo Land Corporation (Conso)	679,801	679,801	679,801	
Amaia Land Corporation (Conso)	2,000	2,000	2,000	
Arvo Commercial Corporation	180	180	180	
Avida Land Corporation (Conso)	79,826	79,826	79,826	
Ayala Property Management Corporation (Conso)	6,000	6,000	6,000	
AyalaLand Hotels and Resorts Corp. (Conso)	5,281,863	5,281,863	5,281,863	
AyalaLand Malls, Inc. (Conso)	18,142	18,142	18,142	
Ayalaland Metro North, Inc.	200	200	200	
Cebu Holdings, Inc. (Conso)	93,389	93,389	93,389	
Lagdigan Land Corporation	513,602	513,602	513,602	
Leisure and Allied Industries Phils. Inc.	19,335	19,335	19,335	
Makati Development Corporation (Conso)	4,000	4,000	4,000	
North Eastern Commercial Corp.	92,389	92,389	92,389	
North Triangle Depot Commercial Corp	11,520	11,520	11,520	
North Ventures Commercial Corp.	50	50	50	
Philippine Integrated Energy Solutions, Inc.	432,299	432,299	432,299	
Soltea Commercial Corp.	200	200	200	
Sub-Total	**7,324,413**	**7,324,413**	**7,324,413**	

	Amount Owed by ALI Subsidiaries to CAPITOL CENTRAL COMMERCIAL VENTURES CORP.			
	Receivable Balance per CAPITOL CENTRAL	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Adauge Commercial Corp.	820	820	820	
Alabang Commercial Corporation (Conso)	540	540	540	
ALI Commercial Center, Inc. (Conso)	6,490	6,490	6,490	
Arvo Commercial Corporation	22,489	22,489	22,489	
Avida Land Corporation (Conso)	148,542	148,542	148,542	
Ayalaland Metro North, Inc.	960	960	960	
Cebu Holdings, Inc. (Conso)	18,130	18,130	18,130	
North Triangle Depot Commercial Corp	6,420	6,420	6,420	
Station Square East Commercial Corp	870	870	870	
Sub-Total	**205,261**	**205,261**	**205,261**	

	Amount Owed by ALI Subsidiaries to CAVITE COMMERCIAL TOWNCENTER INC.

	Receivable Balance per CCTCI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Alveo Land Corporation (Conso)	(124,911)	(124,911)	(124,911)	
Amaia Land Corporation (Conso)	306,654	306,654	306,654	
Avida Land Corporation (Conso)	131,494	131,494	131,494	
Ayala Property Management Corporation (Conso)	564,520	564,520	564,520	
Ayalaland Malls Synergies, Inc.	114,261	114,261	114,261	
AyalaLand Malls, Inc. (Conso)	4,000	4,000	4,000	
Bay City Commercial Ventures Corp.	1,199	1,199	1,199	
Capitol Central Commercial Ventures Corp.	28,644	28,644	28,644	
Leisure and Allied Industries Phils. Inc.	367,798	367,798	367,798	
Makati Cornerstone Leasing Corp.	6,116	6,116	6,116	
Makati Development Corporation (Conso)	39,280	39,280	39,280	
North Ventures Commercial Corp.	4,690	4,690	4,690	
Soltea Commercial Corp.	38,758	38,758	38,758	
Summerhill Commercial Ventures Corp.	137,276	137,276	137,276	
Sub-Total	**1,619,779**	**1,619,779**	**1,619,779**	

	Amount Owed by ALI Subsidiaries to CEBU HOLDINGS, INC. & Subsidiaries			
	Receivable Balance per CHI & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	2,233,499	2,233,499	2,233,499	
Adauge Commercial Corp.	136,282	136,282	136,282	
Alabang Commercial Corporation (Conso)	38,864	38,864	38,864	
ALI Capital Corp. (Conso)	21,064,031	21,064,031	21,064,031	
ALI Commercial Center, Inc. (Conso)	1,074,057	1,074,057	1,074,057	
Alveo Land Corporation (Conso)	253,692,283	253,692,283	253,692,283	
Amaia Land Corporation (Conso)	39,520,135	39,520,135	39,520,135	
Arca South Integrated Terminal, Inc	10,017,569	10,017,569	10,017,569	
Arvo Commercial Corporation	26,604,757	26,604,757	26,604,757	
Aviana Development Corporation	900	900	900	
Avida Land Corporation (Conso)	338,063,060	338,063,060	338,063,060	
Ayala Land International Sales, Inc.(Conso)	29,587	29,587	29,587	
Ayala Land Sales Inc.	4,108,053	4,108,053	4,108,053	
Ayala Property Management Corporation (Conso)	31,191	31,191	31,191	
AyalaLand Hotels and Resorts Corp. (Conso)	34,644,187	34,644,187	34,644,187	
Ayalaland Logistics Holdings Corp. (Conso)	96,728,640	96,728,640	96,728,640	
AyalaLand Malls, Inc. (Conso)	71,581	71,581	71,581	
Ayalaland Medical Facilities Leasing Inc.	8,035,701	8,035,701	8,035,701	
Ayalaland Metro North, Inc.	16,160	16,160	16,160	
Bay City Commercial Ventures Corp.	23,753,599	23,753,599	23,753,599	
Cagayan De Oro Gateway Corporation	23,156,849	23,156,849	23,156,849	
Capitol Central Commercial Ventures Corp.	13,549,636	13,549,636	13,549,636	
Cebu Holdings, Inc. (Conso)	18,841,458	18,841,458	18,841,458	
Crans Montana Property Holdings Corporation	40,451,037	40,451,037	40,451,037	
Leisure and Allied Industries Phils. Inc.	160,649	160,649	160,649	
Makati Development Corporation (Conso)	2,560,201	2,560,201	2,560,201	
North Triangle Depot Commercial Corp	853,516	853,516	853,516	
North Ventures Commercial Corp.	200	200	200	
NorthBeacon Commercial Corporation	19,644	19,644	19,644	
Nuevocentro, Inc. (Conso)	9,050,071	9,050,071	9,050,071	
Serendra Inc.	18,854	18,854	18,854	
Soltea Commercial Corp.	36,210,834	36,210,834	36,210,834	
Southportal Properties, Inc.	257,802	257,802	257,802	
Subic Bay Town Center Inc.	943	943	943	
Summerhill Commercial Ventures Corp.	8,354,406	8,354,406	8,354,406	
Ten Knots Philippines, Inc.(Conso)	792,648	792,648	792,648	
Westview Commercial Ventures Corp.	5,866	5,866	5,866	
Sub-Total	**1,014,148,750**	**1,014,148,750**	**1,014,148,750**	-

	Amount Owed by ALI Subsidiaries to CECI REALTY, INC.			
	Receivable Balance per CECI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	5,594,805	5,594,805	5,594,805	
Alveo Land Corporation (Conso)	965	965	965	
Amaia Land Corporation (Conso)	51,705,336	51,705,336	51,705,336	
Amorsedia Development Corporation (Conso)	35,971,589	35,971,589	35,971,589	
Arvo Commercial Corporation	25,085,038	25,085,038	25,085,038	

Aurora Properties, Inc.	14,882,016	14,882,016	14,882,016	
Avida Land Corporation (Conso)	5,517,161	5,517,161	5,517,161	
AyalaLand Hotels and Resorts Corp. (Conso)	80,448,822	80,448,822	80,448,822	
Ayalaland Logistics Holdings Corp. (Conso)	56,996,399	56,996,399	56,996,399	
Ayalaland Malls Synergies, Inc.	55,211	55,211	55,211	
Ayalaland Medical Facilities Leasing Inc.	120,981,683	120,981,683	120,981,683	
AyalaLand Offices, Inc. (Conso)	894,468	894,468	894,468	
Bay City Commercial Ventures Corp.	102,397,385	102,397,385	102,397,385	
Cavite Commercial Towncenter Inc.	50,329,063	50,329,063	50,329,063	
Cebu Holdings, Inc. (Conso)	108,288,647	108,288,647	108,288,647	
Crans Montana Property Holdings Corporation	240,163,984	240,163,984	240,163,984	
Direct Power Services Inc.	15,459	15,459	15,459	
Leisure and Allied Industries Phils. Inc.	108,300	108,300	108,300	
Makati Development Corporation (Conso)	4,607,188	4,607,188	4,607,188	
Nuevocentro, Inc. (Conso)	15,047,051	15,047,051	15,047,051	
Soltea Commercial Corp.	93,702,399	93,702,399	93,702,399	
Ten Knots Philippines, Inc.(Conso)	5,684,121	5,684,121	5,684,121	
Vesta Property Holdings Inc.	17,991,937	17,991,937	17,991,937	
Sub-Total	**1,036,469,028**	**1,036,469,028**	**1,036,469,028**	**-**

	Amount Owed by ALI Subsidiaries to CRANS MONTANA PROPERTY HOLDINGS CORP.			
	Receivable Balance per CRANS MONTANA	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Ayala Property Management Corporation (Conso)	58,812	58,812	58,812	
Ayalaland Medical Facilities Leasing Inc.	153,655	153,655	153,655	
Crans Montana Property Holdings Corporation	100	100	100	
Sub-Total	**212,567**	**212,567**	**212,567**	

	Amount Owed by ALI Subsidiaries to CRIMSON FIELD ENTERPRISES, INC.			
	Receivable Balance per CRIMSON FIELD ENTERPRISES, INC.	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
AyalaLand Hotels and Resorts Corp. (Conso)	1,005,320	1,005,320	1,005,320	
Crans Montana Property Holdings Corporation	3,015,959	3,015,959	3,015,959	
Sub-Total	**4,021,278**	**4,021,278**	**4,021,278**	

	Amount Owed by ALI Subsidiaries to DIRECT POWER SERVICES, INC.			
	Receivable Balance per DPSI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Alabang Commercial Corporation (Conso)	5,893,377	5,893,377	5,893,377	
ALI Capital Corp. (Conso)	240,806	240,806	240,806	
ALI Commercial Center, Inc. (Conso)	16,029,239	16,029,239	16,029,239	
ALI-CII Development Corporation	1,464,561	1,464,561	1,464,561	
Alveo Land Corporation (Conso)	1,598,480	1,598,480	1,598,480	
Amaia Land Corporation (Conso)	4,599	4,599	4,599	
Arvo Commercial Corporation	2,666,770	2,666,770	2,666,770	
Avida Land Corporation (Conso)	(437,153)	(437,153)	(437,153)	
Ayalaland Logistics Holdings Corp. (Conso)	(3,523)	(3,523)	(3,523)	
Ayalaland Metro North, Inc.	(39,290)	(39,290)	(39,290)	
AyalaLand Offices, Inc. (Conso)	17,408,608	17,408,608	17,408,608	
Bay City Commercial Ventures Corp.	280,663	280,663	280,663	
Cagayan De Oro Gateway Corporation	30,070	30,070	30,070	
Cavite Commercial Towncenter Inc.	1,007,945	1,007,945	1,007,945	
Cebu Holdings, Inc. (Conso)	17,445,007	17,445,007	17,445,007	
Crans Montana Property Holdings Corporation	(3,342)	(3,342)	(3,342)	
Hillsford Property Corporation	2,981	2,981	2,981	
Makati Cornerstone Leasing Corp.	303,972	303,972	303,972	
North Eastern Commercial Corp.	3,454,397	3,454,397	3,454,397	
North Triangle Depot Commercial Corp	9,571,620	9,571,620	9,571,620	
NorthBeacon Commercial Corporation	4,524,468	4,524,468	4,524,468	
AREIT, Inc.	3,317,064	3,317,064	3,317,064	
Philippine Integrated Energy Solutions, Inc.	13,450,225	13,450,225	13,450,225	
Primavera Towncentre, Inc.	34,787	34,787	34,787	
Serendra Inc.	6,299,763	6,299,763	6,299,763	
Station Square East Commercial Corp	10,205,022	10,205,022	10,205,022	
Subic Bay Town Center Inc.	1,593,852	1,593,852	1,593,852	
Summerhill Commercial Ventures Corp.	5,670,880	5,670,880	5,670,880	
Ten Knots Philippines, Inc.(Conso)	(9,023)	(9,023)	(9,023)	

Sub-Total	122,006,825	122,006,825	122,006,825	-

	Amount Owed by ALI Subsidiaries to ECOHOLDINGS COMPANY, INC.			
	Receivable Balance per ECI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Ten Knots Philippines, Inc.(Conso)	94,668,752	94,668,752	94,668,752	
Sub-Total	**94,668,752**	**94,668,752**	**94,668,752**	-

	Amount Owed by ALI Subsidiaries to FIRST LONGFIELD INVESTMENTS LTD.			
	Receivable Balance per FLIL	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	81,881,250	81,881,250	81,881,250	
Arca South Integrated Terminal, Inc	10,798,555	10,798,555	10,798,555	
Ayalaland Malls Synergies, Inc.	2,210,503	2,210,503	2,210,503	
Sub-Total	**94,890,308**	**94,890,308**	**94,890,308**	-

	Amount Owed by ALI Subsidiaries to FIVE STAR CINEMA, INC.			
	Receivable Balance per FSCI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Alabang Commercial Corporation (Conso)	1,470,459	1,470,459	1,470,459	
Cebu Holdings, Inc. (Conso)	15,055,000	15,055,000	15,055,000	
Soltea Commercial Corp.	2,790	2,790	2,790	
Summerhill Commercial Ventures Corp.	(49,420)	(49,420)	(49,420)	
Sub-Total	**16,478,829**	**16,478,829**	**16,478,829**	-

	Amount Owed by ALI Subsidiaries to HILLSFORD PROPERTY CORP.			
	Receivable Balance per HILLSFORD	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Amaia Land Corporation (Conso)	11,737	11,737	11,737	
Cebu Holdings, Inc. (Conso)	18,154	18,154	18,154	
North Eastern Commercial Corp.	1,550	1,550	1,550	
Sub-Total	**31,441**	**31,441**	**31,441**	-

	Amount Owed by ALI Subsidiaries to INTEGRATED ECO-RESORT, INC.			
	Receivable Balance per INTEGRATED ECO-RESORT, INC.	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
AyalaLand Hotels and Resorts Corp. (Conso)	78,123	78,123	78,123	
Bay City Commercial Ventures Corp.	112,341	112,341	112,341	
Ten Knots Philippines, Inc.(Conso)	522,964,668	522,964,668	522,964,668	
Sub-Total	**523,155,131**	**523,155,131**	**523,155,131**	-

	Amount Owed by ALI Subsidiaries to LAGDIGAN LAND CORP.			
	Receivable Balance per LAGDIGAN	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Arca South Commercial Ventures Corp.	32,685	32,685	32,685	
Bay City Commercial Ventures Corp.	61,192	61,192	61,192	
Cagayan De Oro Gateway Corporation	48,057,528	48,057,528	48,057,528	
Sub-Total	**48,151,404**	**48,151,404**	**48,151,404**	

	Amount Owed by ALI Subsidiaries to LEISURE AND ALLIED INDUSTRIES PHILS., INC.			
	Receivable Balance per LAIP	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
AyalaLand Hotels and Resorts Corp. (Conso)	32,000	32,000	32,000	
Sub-Total	**32,000**	**32,000**	**32,000**	

	Amount Owed by ALI Subsidiaries to MAKATI CORNERSTONE LEASING CORP.			
	Receivable Balance per MAKATI CORNERSTONE	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	3,415	3,415	3,415	
Alabang Commercial Corporation (Conso)	5,715	5,715	5,715	
ALI Capital Corp. (Conso)	2,378,607	2,378,607	2,378,607	
ALI Commercial Center, Inc. (Conso)	1,050,992	1,050,992	1,050,992	

Amaia Land Corporation (Conso)	102,860	102,860	102,860	
Amorsedia Development Corporation (Conso)	2,507,617	2,507,617	2,507,617	
Arvo Commercial Corporation	1,257,738	1,257,738	1,257,738	
Avida Land Corporation (Conso)	292,573	292,573	292,573	
Ayala Theaters Management, Inc.	2,250	2,250	2,250	
Ayalaland Logistics Holdings Corp. (Conso)	3,056,090	3,056,090	3,056,090	
Bay City Commercial Ventures Corp.	340,794	340,794	340,794	
BellaVita Land Corp.	185,030	185,030	185,030	
Cagayan De Oro Gateway Corporation	5,021,027	5,021,027	5,021,027	
Capitol Central Commercial Ventures Corp.	8,544,223	8,544,223	8,544,223	
Cavite Commercial Towncenter Inc.	6,830	6,830	6,830	
Cebu Holdings, Inc. (Conso)	12,047,670	12,047,670	12,047,670	
North Eastern Commercial Corp.	4,415	4,415	4,415	
North Triangle Depot Commercial Corp	46,950	46,950	46,950	
North Ventures Commercial Corp.	27,195	27,195	27,195	
NorthBeacon Commercial Corporation	3,415	3,415	3,415	
Soltea Commercial Corp.	201,053	201,053	201,053	
Station Square East Commercial Corp	14,730	14,730	14,730	
Summerhill Commercial Ventures Corp.	151,206	151,206	151,206	
Ten Knots Philippines, Inc.(Conso)	10,011,706	10,011,706	10,011,706	
Westview Commercial Ventures Corp.	561	561	561	
Sub-Total	**47,264,661**	**47,264,661**	**47,264,661**	

	Amount Owed by ALI Subsidiaries to NORTH EASTERN COMMERCIAL CORP.			
	Receivable Balance per NECC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	10,019,989	10,019,989	10,019,989	
Alabang Commercial Corporation (Conso)	12,110	12,110	12,110	
ALI Capital Corp. (Conso)	11,230,347	11,230,347	11,230,347	
ALI Commercial Center, Inc. (Conso)	7,917,510	7,917,510	7,917,510	
ALI-CII Development Corporation	470	470	470	
Alveo Land Corporation (Conso)	1,579,768	1,579,768	1,579,768	
Amaia Land Corporation (Conso)	25,824,434	25,824,434	25,824,434	
Amorsedia Development Corporation (Conso)	40,789,854	40,789,854	40,789,854	
Arca South Commercial Ventures Corp.	20,137,766	20,137,766	20,137,766	
Arvo Commercial Corporation	83,199,523	83,199,523	83,199,523	
Avida Land Corporation (Conso)	4,186,265	4,186,265	4,186,265	
Ayalaland Estates, Inc.	1,557,435	1,557,435	1,557,435	
AyalaLand Hotels and Resorts Corp. (Conso)	221,982,728	221,982,728	221,982,728	
Ayalaland Logistics Holdings Corp. (Conso)	270,227,856	270,227,856	270,227,856	
Ayalaland Malls Synergies, Inc.	2,755,867	2,755,867	2,755,867	
AyalaLand Malls, Inc. (Conso)	4,005	4,005	4,005	
Ayalaland Metro North, Inc.	18,964	18,964	18,964	
Bay City Commercial Ventures Corp.	100,832,039	100,832,039	100,832,039	
Cagayan De Oro Gateway Corporation	82,062,939	82,062,939	82,062,939	
Capitol Central Commercial Ventures Corp.	22,123,824	22,123,824	22,123,824	
Cebu Holdings, Inc. (Conso)	297,553,911	297,553,911	297,553,911	
Crans Montana Property Holdings Corporation	35,195,750	35,195,750	35,195,750	
Direct Power Services Inc.	23,047	23,047	23,047	
Hillsford Property Corporation	3,778	3,778	3,778	
Leisure and Allied Industries Phils. Inc.	205,679	205,679	205,679	
Makati Development Corporation (Conso)	50,060,307	50,060,307	50,060,307	
North Eastern Commercial Corp.	(5,167)	(5,167)	(5,167)	
North Triangle Depot Commercial Corp	184,522	184,522	184,522	
North Ventures Commercial Corp.	12,561	12,561	12,561	
NorthBeacon Commercial Corporation	7,551	7,551	7,551	
Soltea Commercial Corp.	65,447,672	65,447,672	65,447,672	
Station Square East Commercial Corp	13,810	13,810	13,810	
Subic Bay Town Center Inc.	14,177	14,177	14,177	
Summerhill Commercial Ventures Corp.	1,627,789	1,627,789	1,627,789	
Ten Knots Philippines, Inc.(Conso)	88,396,362	88,396,362	88,396,362	
Sub-Total	**1,445,205,442**	**1,445,205,442**	**1,445,205,442**	

	Amount Owed by ALI Subsidiaries to NORTH TRIANGLE DEPOT COMMERCIAL CORP.			
	Receivable Balance per NTDCC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	8,067	8,067	8,067	
Alabang Commercial Corporation (Conso)	117,060	117,060	117,060	
ALI Capital Corp. (Conso)	875,769	875,769	875,769	

ALI Commercial Center, Inc. (Conso)	6,234,302	6,234,302	6,234,302	
Alveo Land Corporation (Conso)	211,443	211,443	211,443	
Amaia Land Corporation (Conso)	223,794	223,794	223,794	
Amorsedia Development Corporation (Conso)	794,606	794,606	794,606	
Arca South Commercial Ventures Corp.	14,935	14,935	14,935	
Arvo Commercial Corporation	1,844,346	1,844,346	1,844,346	
Avida Land Corporation (Conso)	83,006	83,006	83,006	
AyalaLand Hotels and Resorts Corp. (Conso)	2,061,294	2,061,294	2,061,294	
Ayalaland Logistics Holdings Corp. (Conso)	865,280	865,280	865,280	
AyalaLand Malls, Inc. (Conso)	29,770	29,770	29,770	
Ayalaland Medical Facilities Leasing Inc.	119,340	119,340	119,340	
Ayalaland Metro North, Inc.	93,095	93,095	93,095	
Bay City Commercial Ventures Corp.	293,971	293,971	293,971	
Cagayan De Oro Gateway Corporation	296,968	296,968	296,968	
Cebu Holdings, Inc. (Conso)	1,095,336	1,095,336	1,095,336	
Crans Montana Property Holdings Corporation	145,428	145,428	145,428	
Leisure and Allied Industries Phils. Inc.	817,785	817,785	817,785	
Makati Development Corporation (Conso)	838,832	838,832	838,832	
North Eastern Commercial Corp.	391,287	391,287	391,287	
North Ventures Commercial Corp.	146,706	146,706	146,706	
NorthBeacon Commercial Corporation	3,362	3,362	3,362	
Nuevocentro, Inc. (Conso)	115,145	115,145	115,145	
Soltea Commercial Corp.	416,155	416,155	416,155	
Station Square East Commercial Corp	112,102	112,102	112,102	
Subic Bay Town Center Inc.	1,811	1,811	1,811	
Summerhill Commercial Ventures Corp.	673,602	673,602	673,602	
Ten Knots Development Corporation(Conso)	19,019	19,019	19,019	
Ten Knots Philippines, Inc.(Conso)	1,630,526	1,630,526	1,630,526	
Sub-Total	**20,574,145**	**20,574,145**	**20,574,145**	

	Amount Owed by ALI Subsidiaries to NORTH VENTURES COMMERCIAL CORP.			
	Receivable Balance per NVCC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	60,447	60,447	60,447	
Alabang Commercial Corporation (Conso)	14,690	14,690	14,690	
ALI Capital Corp. (Conso)	52,576,949	52,576,949	52,576,949	
ALI Commercial Center, Inc. (Conso)	1,271,658	1,271,658	1,271,658	
Alveo Land Corporation (Conso)	54,626	54,626	54,626	
Amaia Land Corporation (Conso)	1,765,035	1,765,035	1,765,035	
Amorsedia Development Corporation (Conso)	8,034,607	8,034,607	8,034,607	
Arca South Commercial Ventures Corp.	3,053,808	3,053,808	3,053,808	
Arca South Integrated Terminal, Inc	5,053,751	5,053,751	5,053,751	
Arvo Commercial Corporation	19,609,984	19,609,984	19,609,984	
Avida Land Corporation (Conso)	270,303	270,303	270,303	
Ayala Property Management Corporation (Conso)	1,790,801	1,790,801	1,790,801	
AyalaLand Hotels and Resorts Corp. (Conso)	10,821,521	10,821,521	10,821,521	
Ayalaland Logistics Holdings Corp. (Conso)	55,553,004	55,553,004	55,553,004	
Ayalaland Malls Synergies, Inc.	845	845	845	
AyalaLand Malls, Inc. (Conso)	110	110	110	
Ayalaland Medical Facilities Leasing Inc.	193,932	193,932	193,932	
Bay City Commercial Ventures Corp.	171,934,606	171,934,606	171,934,606	
Cagayan De Oro Gateway Corporation	5,800	5,800	5,800	
Capitol Central Commercial Ventures Corp.	90,312,898	90,312,898	90,312,898	
Cebu Holdings, Inc. (Conso)	75,307,985	75,307,985	75,307,985	
Crans Montana Property Holdings Corporation	9,521,797	9,521,797	9,521,797	
Leisure and Allied Industries Phils. Inc.	21,422,904	21,422,904	21,422,904	
Makati Development Corporation (Conso)	2,742,315	2,742,315	2,742,315	
North Eastern Commercial Corp.	909,306	909,306	909,306	
North Triangle Depot Commercial Corp	304,506	304,506	304,506	
NorthBeacon Commercial Corporation	1,600	1,600	1,600	
Soltea Commercial Corp.	23,170,655	23,170,655	23,170,655	
Station Square East Commercial Corp	20,130	20,130	20,130	
Summerhill Commercial Ventures Corp.	282,084	282,084	282,084	
Ten Knots Development Corporation(Conso)	38,816	38,816	38,816	
Ten Knots Philippines, Inc.(Conso)	3,424	3,424	3,424	
Sub-Total	**556,104,899**	**556,104,899**	**556,104,899**	-

	Amount Owed by ALI Subsidiaries to NORTH BEACON COMMERCIAL CORP.			
	Receivable Balance per NBCC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**

Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	11,252	11,252	11,252	
Alabang Commercial Corporation (Conso)	9,372	9,372	9,372	
ALI Capital Corp. (Conso)	16,428,022	16,428,022	16,428,022	
ALI Commercial Center, Inc. (Conso)	164,079	164,079	164,079	
Alveo Land Corporation (Conso)	343,834	343,834	343,834	
Amaia Land Corporation (Conso)	23,861,524	23,861,524	23,861,524	
APRISA Business Process Solutions, Inc	1,200	1,200	1,200	
Arvo Commercial Corporation	29,310,596	29,310,596	29,310,596	
Avida Land Corporation (Conso)	26,596	26,596	26,596	
AyalaLand Hotels and Resorts Corp. (Conso)	5,530,437	5,530,437	5,530,437	
Ayalaland Logistics Holdings Corp. (Conso)	100,522,713	100,522,713	100,522,713	
AyalaLand Malls, Inc. (Conso)	14,658	14,658	14,658	
Ayalaland Metro North, Inc.	20,423	20,423	20,423	
Bay City Commercial Ventures Corp.	108,503,470	108,503,470	108,503,470	
Cagayan De Oro Gateway Corporation	20,397,715	20,397,715	20,397,715	
Capitol Central Commercial Ventures Corp.	7,420,365	7,420,365	7,420,365	
Cavite Commercial Towncenter Inc.	66,865,451	66,865,451	66,865,451	
Cebu Holdings, Inc. (Conso)	27,851,534	27,851,534	27,851,534	
Hillsford Property Corporation	5,898	5,898	5,898	
Leisure and Allied Industries Phils. Inc.	106,033	106,033	106,033	
Makati Cornerstone Leasing Corp.	124,842	124,842	124,842	
North Eastern Commercial Corp.	69,958	69,958	69,958	
North Triangle Depot Commercial Corp	102,089	102,089	102,089	
North Ventures Commercial Corp.	1,334	1,334	1,334	
Nuevocentro, Inc. (Conso)	4,444,809	4,444,809	4,444,809	
Soltea Commercial Corp.	19,094,266	19,094,266	19,094,266	
Station Square East Commercial Corp	17,048	17,048	17,048	
Subic Bay Town Center Inc.	4,300	4,300	4,300	
Sub-Total	**431,253,819**	**431,253,819**	**431,253,819**	

	Amount Owed by ALI Subsidiaries to NUEVOCENTRO INC., (Conso)			
	Receivable Balance per NUEVOCENTRO	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
ALI Capital Corp. (Conso)	8,534	8,534	8,534	
Alveo Land Corporation (Conso)	9,000	9,000	9,000	
Amaia Land Corporation (Conso)	8,503	8,503	8,503	
Amorsedia Development Corporation (Conso)	-	-	-	
Arvo Commercial Corporation	157,510	157,510	157,510	
Aurora Properties, Inc.	100	100	100	
Avida Land Corporation (Conso)	15,634	15,634	15,634	
Ayalaland Estates, Inc.	46,100	46,100	46,100	
AyalaLand Hotels and Resorts Corp. (Conso)	496,136	496,136	496,136	
Ayalaland Logistics Holdings Corp. (Conso)	9,865,346	9,865,346	9,865,346	
Bay City Commercial Ventures Corp.	381,944	381,944	381,944	
CECI Realty Corp.	154,209	154,209	154,209	
Crans Montana Property Holdings Corporation	151,580	151,580	151,580	
Nuevocentro, Inc. (Conso)	-	-	-	
Prow Holdings, Inc.	199,255,639	199,255,639	199,255,639	
Vesta Property Holdings Inc.	26,154	26,154	26,154	
Sub-Total	**210,576,390**	**210,576,390**	**210,576,390**	**-**

	Amount Owed by ALI Subsidiaries to PHILIPPINE INTEGRATED ENERGY SOLUTIONS, INC.			
	Receivable Balance per PHIL. ENERGY	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	12,642,317	12,642,317	12,642,317	
Alabang Commercial Corporation (Conso)	3,328,295	3,328,295	3,328,295	
ALI Capital Corp. (Conso)	667,140	667,140	667,140	
ALI Commercial Center, Inc. (Conso)	6,577,505	6,577,505	6,577,505	
Amaia Land Corporation (Conso)	38,129,413	38,129,413	38,129,413	
Arvo Commercial Corporation	5,113,686	5,113,686	5,113,686	
AyalaLand Hotels and Resorts Corp. (Conso)	14,525,714	14,525,714	14,525,714	
Bay City Commercial Ventures Corp.	20,563,240	20,563,240	20,563,240	
Cagayan De Oro Gateway Corporation	11,674,762	11,674,762	11,674,762	
Capitol Central Commercial Ventures Corp.	370,296	370,296	370,296	
Cavite Commercial Towncenter Inc.	10,045,236	10,045,236	10,045,236	
Cebu Holdings, Inc. (Conso)	34,849,470	34,849,470	34,849,470	
North Triangle Depot Commercial Corp	7,592,467	7,592,467	7,592,467	
Summerhill Commercial Ventures Corp.	(167,000)	(167,000)	(167,000)	

Ten Knots Philippines, Inc.(Conso)	19,985,691	19,985,691	19,985,691	
Westview Commercial Ventures Corp.	16,787	16,787	16,787	
Sub-Total	**185,915,019**	**185,915,019**	**185,915,019**	-

	Amount Owed by ALI Subsidiaries to PRIMAVER TOWNCENTRE, INC.			
	Receivable Balance per PRIMAVERA	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Amaia Land Corporation (Conso)	127,183	127,183	127,183	
Arvo Commercial Corporation	401,906	401,906	401,906	
Avida Land Corporation (Conso)	93,317	93,317	93,317	
AyalaLand Malls, Inc. (Conso)	5,705	5,705	5,705	
AyalaLand Offices, Inc. (Conso)	837,584	837,584	837,584	
Cavite Commercial Towncenter Inc.	4,554,045	4,554,045	4,554,045	
North Ventures Commercial Corp.	3,749	3,749	3,749	
Sub-Total	**6,023,489**	**6,023,489**	**6,023,489**	-

	Amount Owed by ALI-Subsidiaries to RED CREEK PROPERTIES, INC.			
	Receivable Balance per RCPI	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
BellaVita Land Corp.	51,729,293	51,729,293	51,729,293	
Crans Montana Property Holdings Corporation	5,026,598	5,026,598	5,026,598	
Sub-Total	**56,755,891**	**56,755,891**	**56,755,891**	-

	Amount Owed by ALI, ALI-Subsidiaries to REGENT WISE INVESTMENTS, LTD. & Subsidiaries			
	Receivable Balance per RWIL & SUBSIDIARIES	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Regent Wise Investments Limited(Conso)	444,313,683	444,313,683	444,313,683	
Sub-Total	**444,313,683**	**444,313,683**	**444,313,683**	-

	Amount Owed by ALI, ALI-Subsidiaries to SERENDRA			
	Receivable Balance per SERENDRA	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	25,732	25,732	25,732	
Alveo Land Corporation (Conso)	2,243,214	2,243,214	2,243,214	
Amaia Land Corporation (Conso)	1,852,521	1,852,521	1,852,521	
Amorsedia Development Corporation (Conso)	73,399	73,399	73,399	
Avida Land Corporation (Conso)	3,567,509	3,567,509	3,567,509	
Ayala Land International Sales, Inc.(Conso)	-	-	-	
Ayala Property Management Corporation (Conso)	7,781,588	7,781,588	7,781,588	
Bay City Commercial Ventures Corp.	60,633	60,633	60,633	
BellaVita Land Corp.	958	958	958	
BG West Properties, Inc	17,001,618	17,001,618	17,001,618	
Cagayan De Oro Gateway Corporation	37,862	37,862	37,862	
Cebu Holdings, Inc. (Conso)	3,505,347	3,505,347	3,505,347	
Leisure and Allied Industries Phils. Inc.	127,284,551	127,284,551	127,284,551	
Makati Development Corporation (Conso)	183,195	183,195	183,195	
Sub-Total	**163,618,126**	**163,618,126**	**163,618,126**	

	Amount Owed by ALI-Subsidiaries to SOLTEA COMMERCIAL CORP.			
	Receivable Balance per SOLTEA	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI) Subsidiries:				
Accendo Commercial Corp	15,294	15,294	15,294	
Alabang Commercial Corporation (Conso)	27,124	27,124	27,124	
ALI Commercial Center, Inc. (Conso)	1,050,404	1,050,404	1,050,404	
Alveo Land Corporation (Conso)	311,592	311,592	311,592	
Amaia Land Corporation (Conso)	107,736	107,736	107,736	
Arvo Commercial Corporation	36,154	36,154	36,154	
Avida Land Corporation (Conso)	1,274,241	1,274,241	1,274,241	
Ayalaland Malls Synergies, Inc.	595,123	595,123	595,123	
AyalaLand Malls, Inc. (Conso)	410	410	410	
Ayalaland Metro North, Inc.	18,584	18,584	18,584	
Bay City Commercial Ventures Corp.	15,294	15,294	15,294	
Cagayan De Oro Gateway Corporation	15,294	15,294	15,294	
Cavite Commercial Towncenter Inc.	68,697	68,697	68,697	
Cebu Holdings, Inc. (Conso)	45,188	45,188	45,188	
Makati Cornerstone Leasing Corp.	15,294	15,294	15,294	

North Eastern Commercial Corp.	52,382	52,382	52,382	
North Triangle Depot Commercial Corp	93,124	93,124	93,124	
North Ventures Commercial Corp.	16,794	16,794	16,794	
NorthBeacon Commercial Corporation	16,164	16,164	16,164	
Serendra Inc.	15,294	15,294	15,294	
Station Square East Commercial Corp	23,990	23,990	23,990	
Summerhill Commercial Ventures Corp.	19,694	19,694	19,694	
Sub-Total	**3,833,873**	**3,833,873**	**3,833,873**	-

	Amount Owed by SOUTHPORTAL PROPERTIES, INC.			
	Receivable Balance per SOUTHPORTAL	**Payable Balance per ALI Subsidiaries**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	42,599	42,599	42,599	
ALI Capital Corp. (Conso)	15,490,237	15,490,237	15,490,237	
Alveo Land Corporation (Conso)	304	304	304	
Amaia Land Corporation (Conso)	14,298,690	14,298,690	14,298,690	
Amorsedia Development Corporation (Conso)	1,146,207	1,146,207	1,146,207	
Arca South Commercial Ventures Corp.	16,660,250	16,660,250	16,660,250	
Arvo Commercial Corporation	523,367	523,367	523,367	
Avida Land Corporation (Conso)	146,675	146,675	146,675	
AyalaLand Hotels and Resorts Corp. (Conso)	16,823,427	16,823,427	16,823,427	
Ayalaland Logistics Holdings Corp. (Conso)	5,476,488	5,476,488	5,476,488	
Ayalaland Medical Facilities Leasing Inc.	7,269,286	7,269,286	7,269,286	
Ayalaland Metro North, Inc.	3,452	3,452	3,452	
Bay City Commercial Ventures Corp.	3,991,523	3,991,523	3,991,523	
Cagayan De Oro Gateway Corporation	126,509	126,509	126,509	
Capitol Central Commercial Ventures Corp.	10,527,648	10,527,648	10,527,648	
Cebu Holdings, Inc. (Conso)	30,050,495	30,050,495	30,050,495	
Makati Cornerstone Leasing Corp.	11,014	11,014	11,014	
Makati Development Corporation (Conso)	112,430	112,430	112,430	
Summerhill Commercial Ventures Corp.	543,740	543,740	543,740	
Ten Knots Development Corporation(Conso)	90,346	90,346	90,346	
Ten Knots Philippines, Inc.(Conso)	1,200,708	1,200,708	1,200,708	
Sub-Total	**124,535,394**	**124,535,394**	**124,535,394**	

	Amount Owed by STATION SQUARE EAST COMMERCIAL CORP.			
	Receivable Balance per SSECC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	101,262	101,262	101,262	
Alabang Commercial Corporation (Conso)	50,344	50,344	50,344	
ALI Capital Corp. (Conso)	35,537,682	35,537,682	35,537,682	
ALI Commercial Center, Inc. (Conso)	2,381,793	2,381,793	2,381,793	
Alveo Land Corporation (Conso)	1,214,374	1,214,374	1,214,374	
Amaia Land Corporation (Conso)	18,329,332	18,329,332	18,329,332	
Amorsedia Development Corporation (Conso)	27,337,476	27,337,476	27,337,476	
APRISA Business Process Solutions, Inc	131,438	131,438	131,438	
Arca South Commercial Ventures Corp.	8,041,025	8,041,025	8,041,025	
Arca South Integrated Terminal, Inc	3,003,731	3,003,731	3,003,731	
Arvo Commercial Corporation	14,965,393	14,965,393	14,965,393	
Avida Land Corporation (Conso)	4,011,919	4,011,919	4,011,919	
AyalaLand Hotels and Resorts Corp. (Conso)	207,599,556	207,599,556	207,599,556	
Ayalaland Logistics Holdings Corp. (Conso)	241,428	241,428	241,428	
AyalaLand Malls, Inc. (Conso)	19,118	19,118	19,118	
Ayalaland Metro North, Inc.	19,077	19,077	19,077	
Bay City Commercial Ventures Corp.	62,172,875	62,172,875	62,172,875	
BellaVita Land Corp.	16,092	16,092	16,092	
Cagayan De Oro Gateway Corporation	22,379,019	22,379,019	22,379,019	
Capitol Central Commercial Ventures Corp.	66,934,494	66,934,494	66,934,494	
Cavite Commercial Towncenter Inc.	9,047	9,047	9,047	
Cebu Holdings, Inc. (Conso)	15,190,185	15,190,185	15,190,185	
Crans Montana Property Holdings Corporation	48,491,000	48,491,000	48,491,000	
Leisure and Allied Industries Phils. Inc.	2,070,442	2,070,442	2,070,442	
Makati Cornerstone Leasing Corp.	29,971	29,971	29,971	
Makati Development Corporation (Conso)	983,593	983,593	983,593	
North Eastern Commercial Corp.	2,099,778	2,099,778	2,099,778	
North Triangle Depot Commercial Corp	315,182	315,182	315,182	
North Ventures Commercial Corp.	21,437	21,437	21,437	
NorthBeacon Commercial Corporation	23,027	23,027	23,027	
Serendra Inc.	879,121	879,121	879,121	

Soltea Commercial Corp.	15,461,021	15,461,021	15,461,021	
Subic Bay Town Center Inc.	1,500	1,500	1,500	
Ten Knots Philippines, Inc.(Conso)	216	216	216	
Sub-Total	**560,062,948**	**560,062,948**	**560,062,948**	-

	Amount Owed by ALI-Subsidiaries to SUBIC BAY TOWN CENTER, INC.			
	Receivable Balance per SBTCI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	47,548	47,548	47,548	
Alabang Commercial Corporation (Conso)	1,740	1,740	1,740	
ALI Commercial Center, Inc. (Conso)	79,198	79,198	79,198	
Amaia Land Corporation (Conso)	156,221,978	156,221,978	156,221,978	
Arvo Commercial Corporation	18,241,511	18,241,511	18,241,511	
AyalaLand Hotels and Resorts Corp. (Conso)	1,010,514	1,010,514	1,010,514	
Ayalaland Logistics Holdings Corp. (Conso)	20,034,222	20,034,222	20,034,222	
Ayalaland Metro North, Inc.	980	980	980	
Bay City Commercial Ventures Corp.	8,888,132	8,888,132	8,888,132	
Cebu Holdings, Inc. (Conso)	24,654,448	24,654,448	24,654,448	
Crans Montana Property Holdings Corporation	17,896,430	17,896,430	17,896,430	
Leisure and Allied Industries Phils. Inc.	366,329	366,329	366,329	
North Triangle Depot Commercial Corp	34,885	34,885	34,885	
North Ventures Commercial Corp.	1,500	1,500	1,500	
NorthBeacon Commercial Corporation	14,000	14,000	14,000	
Soltea Commercial Corp.	5,694,766	5,694,766	5,694,766	
Station Square East Commercial Corp	1,000	1,000	1,000	
Ten Knots Philippines, Inc.(Conso)	57,465	57,465	57,465	
Sub-Total	**253,246,645**	**253,246,645**	**253,246,645**	

	Amount Owed by ALI to SUMMERHILL COMMERCIAL VENTURES CORP.			
	Receivable Balance per SUMMERHILL	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI) Subsidiaries:				
Accendo Commercial Corp	870	870	870	
Alabang Commercial Corporation (Conso)	12,150	12,150	12,150	
ALI Capital Corp. (Conso)	145,258	145,258	145,258	
ALI Commercial Center, Inc. (Conso)	1,471,792	1,471,792	1,471,792	
Amaia Land Corporation (Conso)	3,500	3,500	3,500	
Arca South Commercial Ventures Corp.	6,301,353	6,301,353	6,301,353	
Arvo Commercial Corporation	61,500,567	61,500,567	61,500,567	
Ayalaland Logistics Holdings Corp. (Conso)	16,947,416	16,947,416	16,947,416	
Ayalaland Malls Synergies, Inc.	(327,033)	(327,033)	(327,033)	
Ayalaland Metro North, Inc.	7,073	7,073	7,073	
AyalaLand Offices, Inc. (Conso)	1,394	1,394	1,394	
Bay City Commercial Ventures Corp.	13,510,788	13,510,788	13,510,788	
Cebu Holdings, Inc. (Conso)	740	740	740	
Direct Power Services Inc.	153,013	153,013	153,013	
Leisure and Allied Industries Phils. Inc.	(794,586)	(794,586)	(794,586)	
Makati Development Corporation (Conso)	793,050	793,050	793,050	
North Eastern Commercial Corp.	10,436	10,436	10,436	
North Triangle Depot Commercial Corp	270,813	270,813	270,813	
North Ventures Commercial Corp.	4,280	4,280	4,280	
NorthBeacon Commercial Corporation	2,593	2,593	2,593	
Soltea Commercial Corp.	5,287,352	5,287,352	5,287,352	
Station Square East Commercial Corp	36,700	36,700	36,700	
Subic Bay Town Center Inc.	1,380	1,380	1,380	
Sub-Total	**105,340,899**	**105,340,899**	**105,340,899**	-

	Amount Owed by ALI to SUNNYFIELD E-OFFICE CORP.			
	Receivable Balance per SUNNYFIELD	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI)				
Avida Land Corporation (Conso)	117,809	117,809	117,809	
Sub-Total	**117,809**	**117,809**	**117,809**	-

	Amount Owed by ALI to TEN KNOTS DEVELOPMENT CORP.			
	Receivable Balance per TKDC	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI)				
ALI Capital Corp. (Conso)	4,800,220	4,800,220	4,800,220	
ALI Commercial Center, Inc. (Conso)	10,382	10,382	10,382	

Alveo Land Corporation (Conso)	248,497	248,497	248,497	
AyalaLand Hotels and Resorts Corp. (Conso)	87,161,115	87,161,115	87,161,115	
Direct Power Services Inc.	9,458	9,458	9,458	
Ecoholdings Company, Inc.	500	500	500	
Integrated Eco-Resort Inc.	50,000	50,000	50,000	
Makati Development Corporation (Conso)	103,021	103,021	103,021	
Soltea Commercial Corp.	94,511	94,511	94,511	
Ten Knots Philippines, Inc.(Conso)	449,375,222	449,375,222	449,375,222	
Sub-Total	**541,852,926**	**541,852,926**	**541,852,926**	-

	Amount Owed by ALI to TEN KNOTS PHILIPPINES, INC.			
	Receivable Balance per TKPI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI)				
Adauge Commercial Corp.	9,105	9,105	9,105	
ALI Capital Corp. (Conso)	34,666,725	34,666,725	34,666,725	
AyalaLand Hotels and Resorts Corp. (Conso)	37,402,356	37,402,356	37,402,356	
Cebu Holdings, Inc. (Conso)	57,385	57,385	57,385	
Ecoholdings Company, Inc.	1,939,655	1,939,655	1,939,655	
Integrated Eco-Resort Inc.	3,460,013	3,460,013	3,460,013	
Philippine Integrated Energy Solutions, Inc.	2,350	2,350	2,350	
Ten Knots Development Corporation(Conso)	70,820,136	70,820,136	70,820,136	
Ten Knots Philippines, Inc.(Conso)	-	-	-	
Sub-Total	**148,357,725**	**148,357,725**	**148,357,725**	-

	Amount Owed by ALI to VESTA PROPERTY HOLDINGS, INC.			
	Receivable Balance per VPHI	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI)				
Accendo Commercial Corp	131,898	131,898	131,898	
ALI Capital Corp. (Conso)	47,835,724	47,835,724	47,835,724	
ALI Commercial Center, Inc. (Conso)	9,716,301	9,716,301	9,716,301	
Alveo Land Corporation (Conso)	34,866,018	34,866,018	34,866,018	
Amaia Land Corporation (Conso)	16,048,746	16,048,746	16,048,746	
Amorsedia Development Corporation (Conso)	78,676,863	78,676,863	78,676,863	
Arca South Commercial Ventures Corp.	8,413,411	8,413,411	8,413,411	
Arca South Integrated Terminal, Inc	10,007,168	10,007,168	10,007,168	
Arvo Commercial Corporation	120,958,303	120,958,303	120,958,303	
Aurora Properties, Inc.	150	150	150	
Avida Land Corporation (Conso)	12,441,854	12,441,854	12,441,854	
Ayala Land International Sales, Inc.(Conso)	188,476	188,476	188,476	
AyalaLand Hotels and Resorts Corp. (Conso)	11,089,243	11,089,243	11,089,243	
Ayalaland Logistics Holdings Corp. (Conso)	14,718,701	14,718,701	14,718,701	
Ayalaland Medical Facilities Leasing Inc.	2,795,983	2,795,983	2,795,983	
Bay City Commercial Ventures Corp.	334,675,563	334,675,563	334,675,563	
Cagayan De Oro Gateway Corporation	4,512,364	4,512,364	4,512,364	
Cavite Commercial Towncenter Inc.	37,922,071	37,922,071	37,922,071	
Cebu Holdings, Inc. (Conso)	149,738,299	149,738,299	149,738,299	
Crans Montana Property Holdings Corporation	5,022,084	5,022,084	5,022,084	
Hillsford Property Corporation	2,502,378	2,502,378	2,502,378	
Makati Development Corporation (Conso)	15,000	15,000	15,000	
North Eastern Commercial Corp.	35,150	35,150	35,150	
Nuevocentro, Inc. (Conso)	9,338,921	9,338,921	9,338,921	
Soltea Commercial Corp.	3,380,463	3,380,463	3,380,463	
Summerhill Commercial Ventures Corp.	21,624,557	21,624,557	21,624,557	
Ten Knots Philippines, Inc.(Conso)	25,218,426	25,218,426	25,218,426	
Sub-Total	**961,874,118**	**961,874,118**	**961,874,118**	-

	Amount Owed by ALI to WESTVIEW COMMERCIAL VENTURES CORP.			
	Receivable Balance per WESTVIEW	**Payable Balance per ALI SUBSIDIARIES**	**Current**	**Non-Current**
Ayala Land, Inc. (ALI)				
Adauge Commercial Corp.	2,900	2,900	2,900	
Amaia Land Corporation (Conso)	577,624	577,624	577,624	
Avida Land Corporation (Conso)	326,282	326,282	326,282	
Capitol Central Commercial Ventures Corp.	154,518	154,518	154,518	
Cebu Holdings, Inc. (Conso)	5,210	5,210	5,210	
North Triangle Depot Commercial Corp	5,210	5,210	5,210	
Subic Bay Town Center Inc.	9,983	9,983	9,983	
Sub-Total	**1,081,728**	**1,081,728**	**1,081,728**	-

	Amount Owed by ALI to WHITEKNIGHT HOLDINGS, INC.			
	Receivable Balance per WHITEKNIGHT	Payable Balance per ALI SUBSIDIARIES	Current	Non-Current
Ayala Land, Inc. (ALI)				
Ayalaland Medical Facilities Leasing Inc.	2,928,214	2,928,214	2,928,214	
Bay City Commercial Ventures Corp.	10,303,219	10,303,219	10,303,219	
Cebu Holdings, Inc. (Conso)	2,006,258	2,006,258	2,006,258	
Summerhill Commercial Ventures Corp.	556,880	556,880	556,880	
Sub-Total	**15,794,571**	**15,794,571**	**15,794,571**	

TOTAL ELIMINATED RECEIVABLES	**130,148,429,760**	**130,155,756,076**	**130,155,756,076**	**-**

AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE E - LONG-TERM DEBT
As of December 31, 2020

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE/ FACILITY AGREEMENT	CURRENT PORTION OF LONG-TERM DEBT (in '000)	LONG-TERM DEBT (NET OF CURRENT PORTION) (in '000)	Interest Rate	No. of Periodic Installment	Maturity Date
Ayala Land, Inc.:						
Bonds						
Philippine Peso	9,000,000	8,781,628		4.246%	N/A, Bullet	November 06, 2021
Philippine Peso	5,650,000		5,650,000	6.000%	N/A, Bullet	April 27, 2022
Philippine Peso	7,000,000		6,987,688	4.500%	N/A, Bullet	April 29, 2022
Philippine Peso	10,000,000		9,970,491	3.000%	N/A, Bullet	June 26, 2022
Philippine Peso	8,000,000		7,962,717	7.024%	N/A, Bullet	October 05, 2023
Philippine Peso	7,000,000		6,980,787	3.892%	N/A, Bullet	October 07, 2023
Philippine Peso	15,000,000		14,966,062	5.000%	N/A, Bullet	January 30, 2024
Philippine Peso	3,000,000		2,978,436	4.758%	N/A, Bullet	September 30, 2024
Philippine Peso	8,000,000		7,968,512	5.625%	N/A, Bullet	April 25, 2025
Philippine Peso	6,250,000		6,192,684	3.862%	N/A, Bullet	September 29, 2025
Philippine Peso	7,000,000		6,969,407	4.750%	N/A, Bullet	October 25, 2025
Philippine Peso	8,000,000		7,961,918	4.850%	N/A, Bullet	March 23, 2026
Philippine Peso	8,000,000		7,934,304	6.369%	N/A, Bullet	May 06, 2026
Philippine Peso	1,000,000		963,622	4.990%	N/A, Bullet	February 06, 2027
Philippine Peso	7,000,000		6,979,065	5.262%	N/A, Bullet	May 02, 2027
Philippine Peso	10,000,000		9,916,583	5.920%	N/A, Bullet	April 27, 2028
Philippine Peso	2,000,000		1,986,730	6.000%	N/A, Bullet	October 10, 2033
Fixed rate corporate notes (FXCNs)						
Philippine Peso	500,000			7.8750%	11	January 19, 2026
Philippine Peso	400,000	9,322	936,778	7.525%	11	January 19, 2026
Philippine Peso	100,000			7.525%	11	January 19, 2026
Philippine Peso	5,000,000	50,000	4,650,000	4.500%	33	March 10, 2023
Bank loan -US Dollar						
Bank Loan *(MBTC)*	6,002,875		6,002,875	Various floating rates	N/A, Bullet	November 06, 2024
Bank loan -Peso						
Bank Loan *(BDO)*	8,200,000	82,000	7,872,000	4.500%	5	February 28, 2026
Bank Loan *(BPI)*	609,875	221,594	248,445	4.500%	Various	Various from 2021 to 2023
Bank Loan *(DBP)*	4,817,000	1,430,000		4.725%	Various	March 1, 2021
Bank Loan *(LBP)*	10,000,000	43,513	9,754,931	Various fixed rates	39	Various from 2028 to 2030
Bank Loan *(MBTC)*	10,000,000	295,226	9,445,810	4.949%	28	March 21, 2027
Bank Loan *(PNB)*	10,000,000	192,908	9,649,821	4.000%	39	December 18, 2030
Bank Loan *(RCBC)*	1,900,000	38,000	1,700,500	4.500%	26	March 30, 2023
Sub-Total	**179,429,750,000**	**Php 11,144,190**	**Php 162,630,166**			
Subsidiaries:						
Bonds	5,000,000	4,996,408		5.320%	N/A, Bullet	June 06, 2021
Bank loan -Peso						
Bank Loan *(BPI)*	Various	2,266,462	10,460,314	Various fixed and floating rates	Various	Various from 2021 to 2028
Bank Loan *(BDO)*	Various	0	8,825,140	Various fixed and floating rates	Various	Various from 2022 to 2030
Bank Loan *(LandBank of the Phil)*	Various	324,800	2,170,363	Various fixed rates	Various	Various from 2021 to 2030
Bank loan -MYR	Various	541	1,207	Various	Various	Various
Sub-Total		**Php 7,588,211**	**Php 21,457,025**			
		Php 18,732,401	**Php 184,087,192**			

AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE E - Indebtedness to Related Parties (Long-Term Loans from Related Parties)
(Long Term Loans from Related Companies)
As of December 31, 2020

NAME OF RELATED PARTY	BALANCE AT BEGINNING OF PERIOD (in '000)	BALANCE AT END OF PERIOD (in '000)
Bank of the Philippine Islands	Php 14,315,498	Php 13,196,816

AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
As of December 31, 2020

NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE COMPANY FOR W/C THIS STATEMENT IS FILED	TITLE OF ISSUE OF EACH CLASS OF SECURITIES GUARANTEED	TOTAL AMOUNT GUARANTEED & OUTSTANDING	AMOUNT OWNED BY PERSON FOR W/C STATEMENT IS FILED	NATURE OFGUARANTEE
	NOT APPLICABLE			

AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE G- CAPITAL STOCK
As of December 31, 2020

TITLE OF ISSUE	NUMBER OF SHARES AUTHORIZED	NUMBER OF SHARES ISSUED AND OUTSTANDING AT SHOWN UNDER RELATED STATEMENT OF FINANCIAL POSITION CAPTION				NUMBER OF SHARES RESERVED FOR OPTIONS, WARRANTS, CONVERSION AND OTHER RIGHTS	NUMBER OF SHARES HELD BY RELATED PARTIES	DIRECTORS, OFFICERS AND EMPLOYEES	OTHERS
		ISSUED	SUBSCRIBED	TREASURY SHARES	TOTAL				
Common Stock	20,000,000,000	14,635,298,644	124,881,701	(29,784,746)	14,730,395,599	-	6,545,946,579	154,255,829	
Preferred Stock	15,000,000,000	13,066,494,759			13,066,494,759		12,163,180,640	2,157,932	

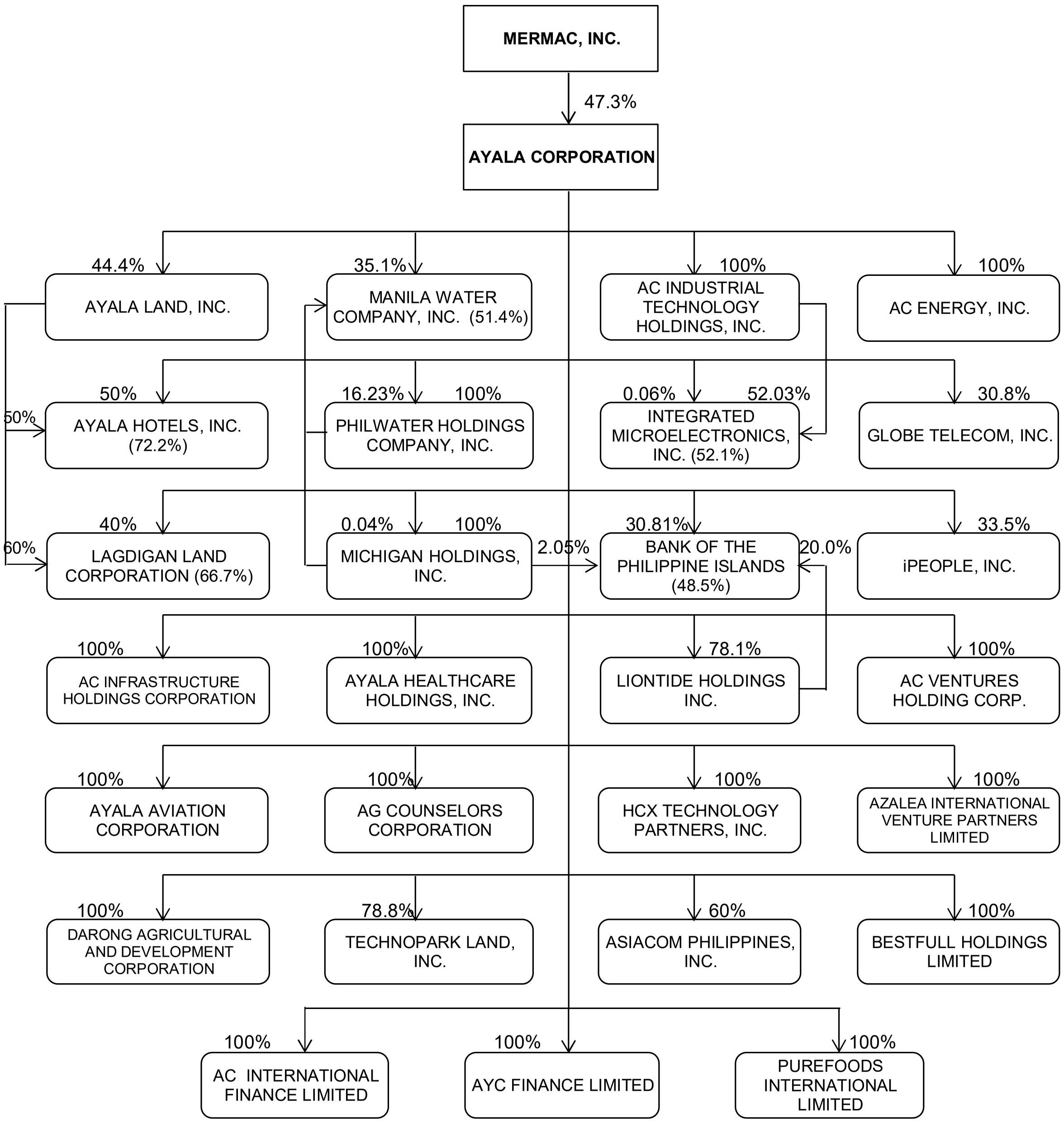
AYALA LAND, INC.
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
December 31, 2020

Items	Amount (In Thousands)	
Unappropriated Retained Earnings, beginning	**Php**	**61,663,731,309**
Less adjustments:		
Treasury shares	Php	-
Deferred tax assets		(1,831,740,899)
Fair Value adjustment		(593,852,588)
Unappropriated Retained Earnings, as adjusted, beginning		**59,238,137,822**
Net Income based on the face of AFS	Php	14,624,811,526
Less: Non-actual/unrealized income net of tax		
Amount of provision for deferred tax during the year		(729,345,936)
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)		
Unrealized actuarial gain		
Fair value adjustment (M2M gains)		
Fair value adjustment of Investment Property resulting to gain adjustment due to deviation from PFRS/GAAP-gain		
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS		
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)		
Adjustment due to deviation from PFRS/GAAP – loss		
Loss on fair value adjustment of investment property (after tax)		
Net Income Actual/Realized	**Php**	**13,895,465,590**
Less: Other adjustments		
Dividend declarations during the period		(4,006,666,131)
Treasury Shares		(1,260,780,037)
		8,628,019,422
Unappropriated Retained Earnings, as adjusted, ending		**67,866,157,244**

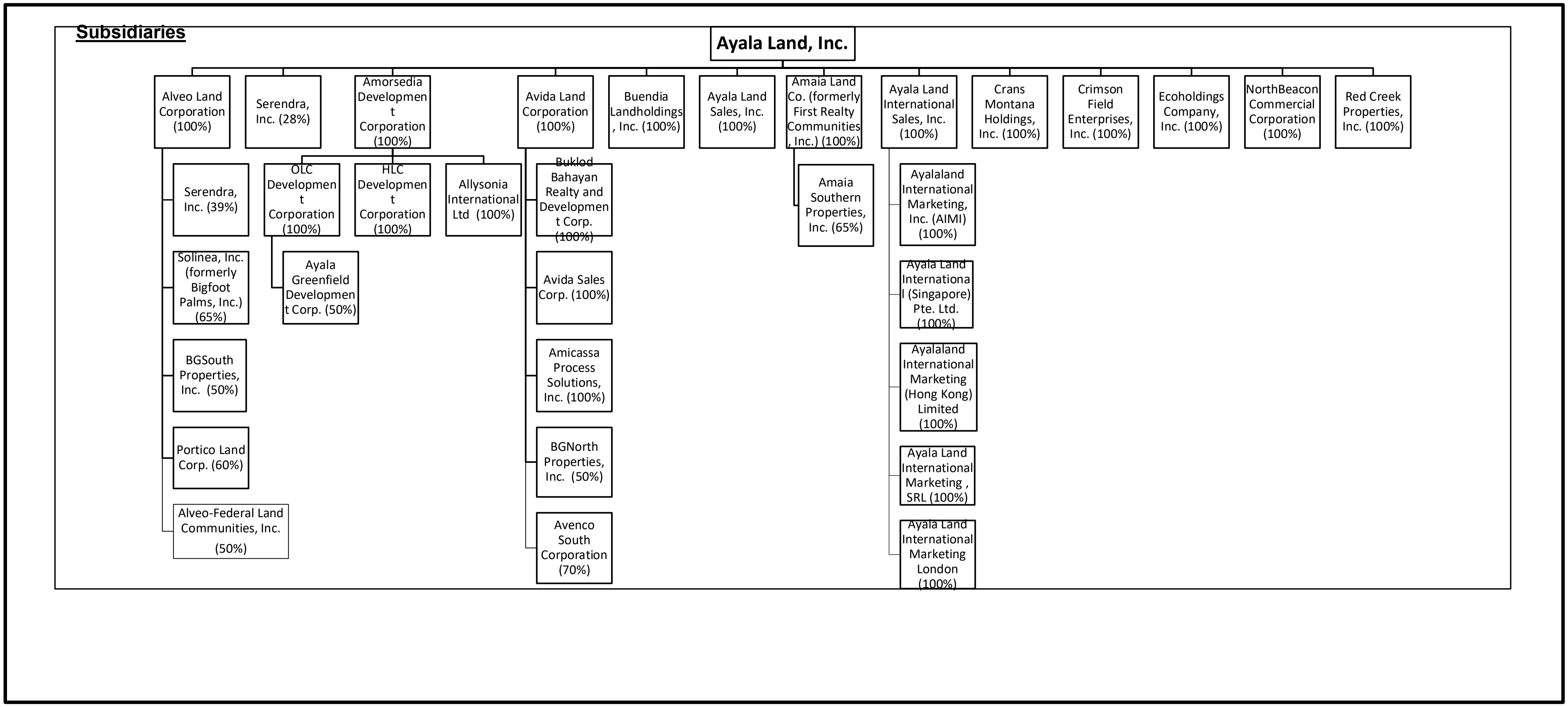
AYALA LAND, INC. AND SUBSIDIARIES
SCHEDULE FINANCIAL SOUNDNESS INDICATORS
December 31, 2020

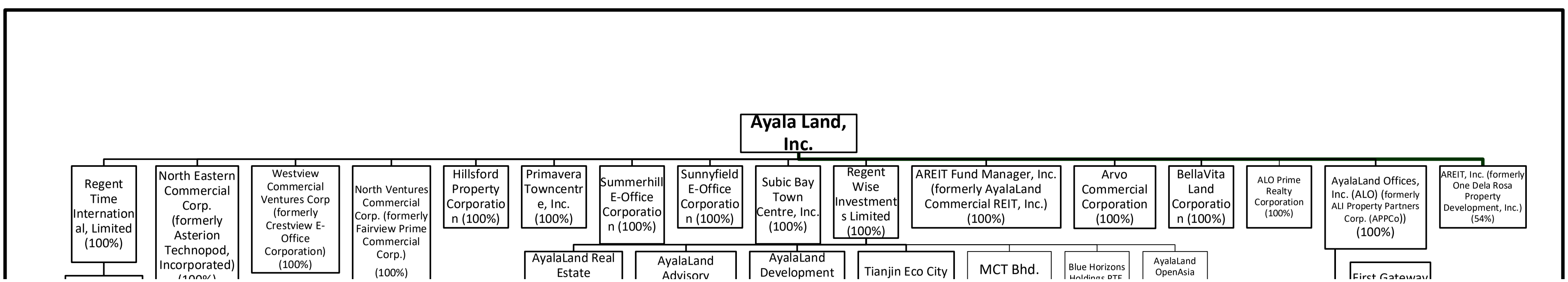
Ratio	Formula	Current Year	Prior Year
Current ratio	Current sssets / Current liabilities	1.62	1.30
Acid test ratio	Quick sssets / Current liabilities (Quick assets includes current assets and inventory)	0.89	0.77
Solvency ratio	EBITDA / Total debt (Total debt includes short-term debt, long-term debt and current portion of long-term debt)	0.15	0.31
Debt-to-equity ratio	Total debt / Consolidated stockholders' equity	0.81	0.87
Asset-to-equity ratio	Total assets / Consolidated stockholders' equity	2.77	2.94
Interest rate coverage ratio	EBITDA / Interest expense	2.96	6.27
Return on equity	Net income attributable to equity holders of the company / Average total stockholders' equity	0.04	0.17
Return on assets	Net income after tax / Average total assets	0.02	0.06
Net profit margin	Net income attributable to equity holders of the company / Total consolidated revenue	0.09	0.20

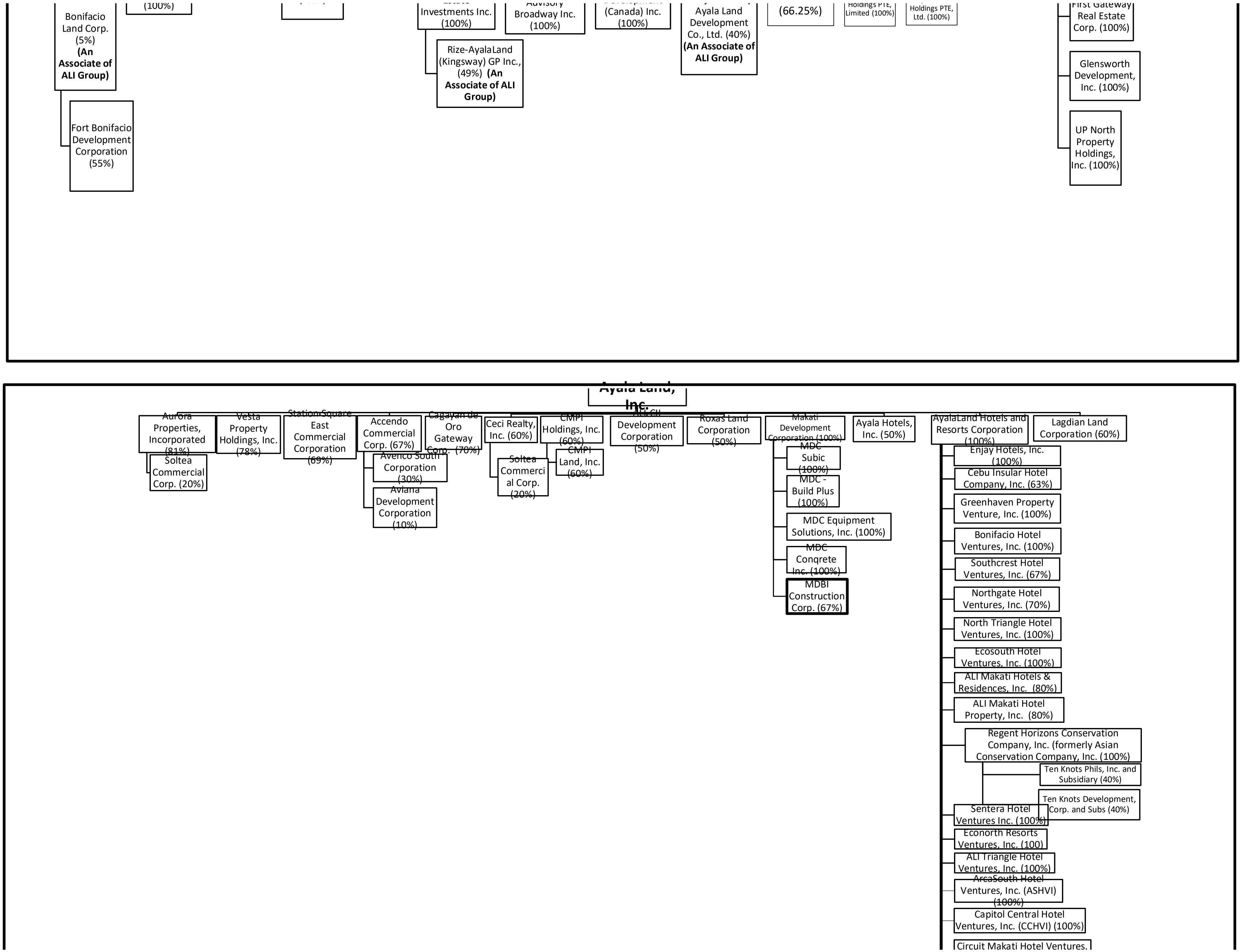
AYALA LAND, INC. AND SUBSIDIARIES
CORPORATE ORGANIZATIONAL CHART
As of December 31, 2020



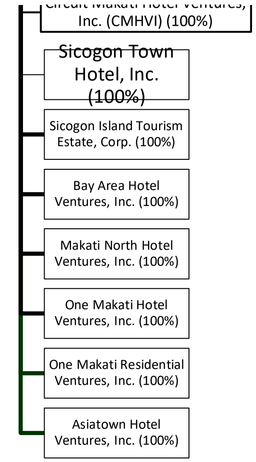
Legend:
% of ownership appearing outside the box - direct % of economic ownership
% of ownership appearing inside the box - effective % of economic ownership

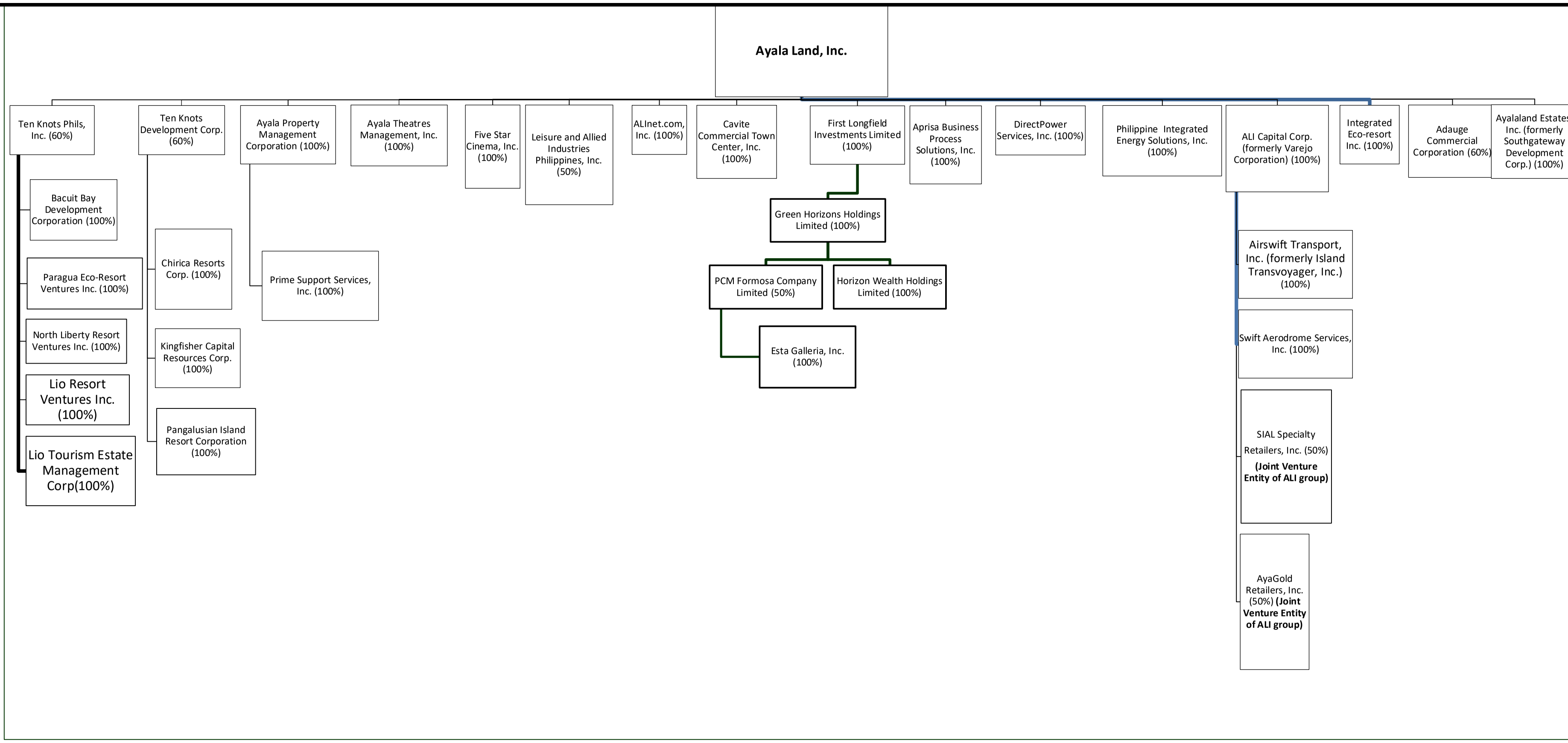

Subsidiaries
Ayala Land, Inc.
Alveo Land Corporation (100%)
Serendra, Inc. (39%)
Solinea, Inc. (formerly Bigfoot Palms, Inc.) (65%)
BGSouth Properties, Inc. (50%)
Portico Land Corp. (60%)
Alveo-Federal Land Communities, Inc. (50%)
Serendra, Inc. (28%)
Amorsedia Development Corporation (100%)
OLC Development Corporation (100%)
Ayala Greenfield Development Corp. (50%)
HLC Development Corporation (100%)
Allysonia International Ltd (100%)
Avida Land Corporation (100%)
Buklod Bahayan Realty and Development Corp. (100%)
Avida Sales Corp. (100%)
Amicassa Process Solutions, Inc. (100%)
BGNorth Properties, Inc. (50%)
Avenco South Corporation (70%)
Buendia Landholdings, Inc. (100%)
Ayala Land Sales, Inc. (100%)
Amaia Land Co. (formerly First Realty Communities, Inc.) (100%)
Amaia Southern Properties, Inc. (65%)
Ayala Land International Sales, Inc. (100%)
Ayalaland International Marketing, Inc. (AIMI) (100%)
Ayala Land International (Singapore) Pte. Ltd. (100%)
Ayalaland International Marketing (Hong Kong) Limited (100%)
Ayala Land International Marketing , SRL (100%)
Ayala Land International Marketing London (100%)
Crans Montana Holdings, Inc. (100%)
Crimson Field Enterprises, Inc. (100%)
Ecoholdings Company, Inc. (100%)
NorthBeacon Commercial Corporation (100%)
Red Creek Properties, Inc. (100%)

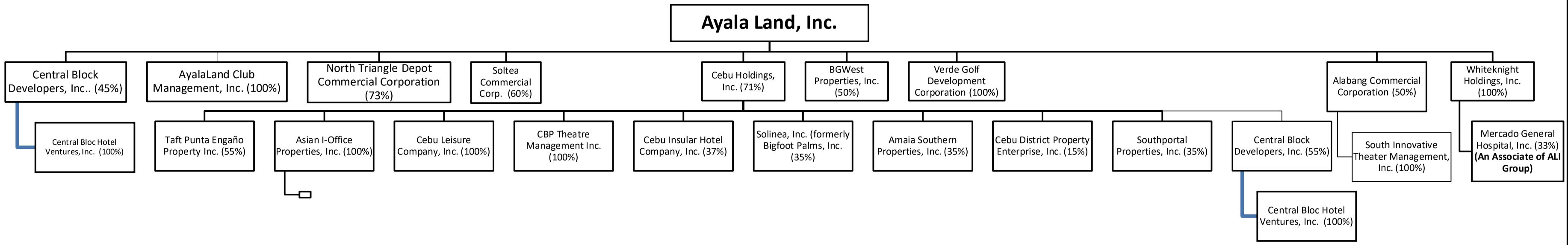

Ayala Land, Inc.
Regent Time International, Limited (100%)
North Eastern Commercial Corp. (formerly Asterion Technopod, Incorporated)
Westview Commercial Ventures Corp (formerly Crestview E-Office Corporation) (100%)
North Ventures Commercial Corp. (formerly Fairview Prime Commercial Corp.) (100%)
Hillsford Property Corporation (100%)
Primavera Towncentre, Inc. (100%)
Summerhill E-Office Corporation (100%)
Sunnyfield E-Office Corporation (100%)
Subic Bay Town Centre, Inc. (100%)
Regent Wise Investments Limited (100%)
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc.) (100%)
Arvo Commercial Corporation (100%)
BellaVita Land Corporation (100%)
ALO Prime Realty Corporation (100%)
AyalaLand Offices, Inc. (ALO) (formerly ALI Property Partners Corp. (APPCo)) (100%)
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.) (54%)
AyalaLand Real Estate
AyalaLand Advisory
AyalaLand Development
Tianjin Eco City
MCT Bhd.
AyalaLand OpenAsia

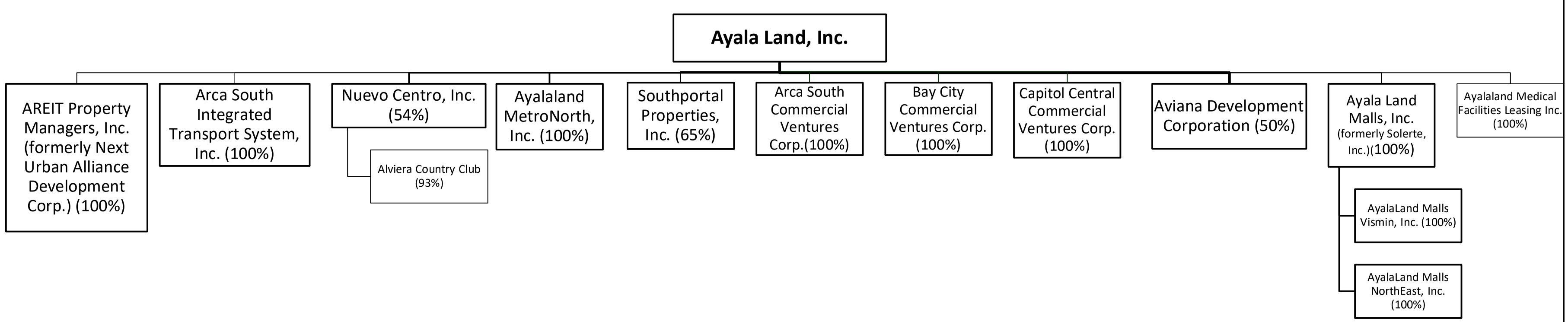


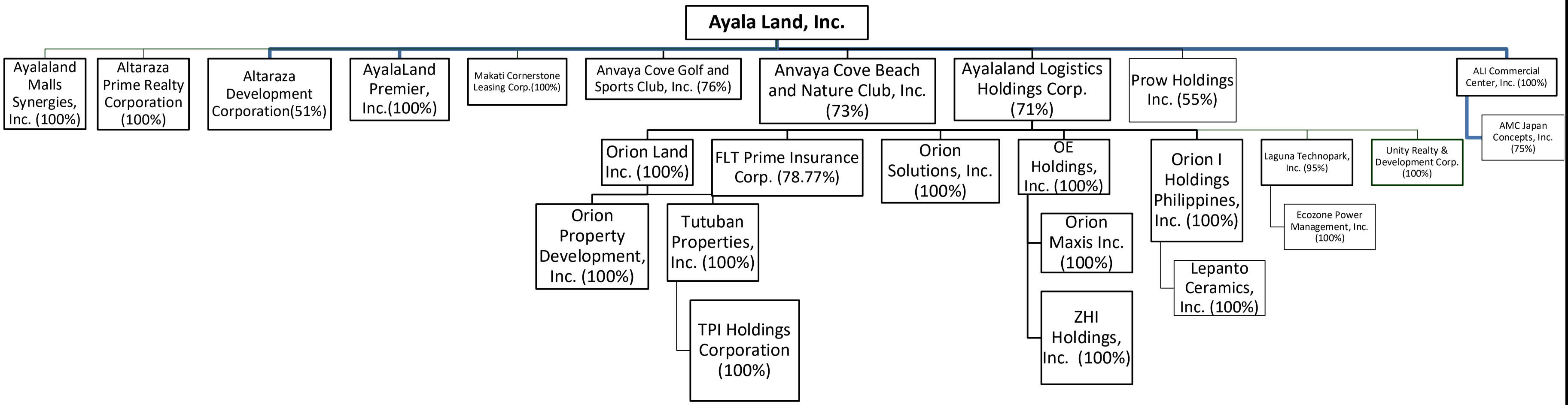
Bonifacio Land Corp. (5%) (An Associate of ALI Group)
Fort Bonifacio Development Corporation (55%)
(100%)
Investments Inc. (100%)
Rize-AyalaLand (Kingsway) GP Inc., (49%) (An Associate of ALI Group)
Broadway Inc. (100%)
(Canada) Inc. (100%)
Ayala Land Development Co., Ltd. (40%) (An Associate of ALI Group)
(66.25%)
Holdings PTE, Limited (100%)
Holdings PTE, Ltd. (100%)
First Gateway Real Estate Corp. (100%)
Glensworth Development, Inc. (100%)
UP North Property Holdings, Inc. (100%)
Ayala Land, Inc.
Aurora Properties, Incorporated (81%)
Soltea Commercial Corp. (20%)
Vesta Property Holdings, Inc. (78%)
Station Square East Commercial Corporation (69%)
Accendo Commercial Corp. (67%)
Avenco South Corporation (30%)
Aviana Development Corporation (10%)
Cagayan de Oro Gateway Corp. (70%)
Ceci Realty, Inc. (60%)
Soltea Commercial Corp. (20%)
CMPI Holdings, Inc. (60%)
CMPI Land, Inc. (60%)
ALI-CII Development Corporation (50%)
Roxas Land Corporation (50%)
Makati Development Corporation (100%)
MDC Subic (100%)
MDC - Build Plus (100%)
MDC Equipment Solutions, Inc. (100%)
MDC Conqrete Inc. (100%)
MDBI Construction Corp. (67%)
Ayala Hotels, Inc. (50%)
AyalaLand Hotels and Resorts Corporation (100%)
Lagdian Land Corporation (60%)
Enjay Hotels, Inc. (100%)
Cebu Insular Hotel Company, Inc. (63%)
Greenhaven Property Venture, Inc. (100%)
Bonifacio Hotel Ventures, Inc. (100%)
Southcrest Hotel Ventures, Inc. (67%)
Northgate Hotel Ventures, Inc. (70%)
North Triangle Hotel Ventures, Inc. (100%)
Ecosouth Hotel Ventures, Inc. (100%)
ALI Makati Hotels & Residences, Inc. (80%)
ALI Makati Hotel Property, Inc. (80%)
Regent Horizons Conservation Company, Inc. (formerly Asian Conservation Company, Inc. (100%)
Ten Knots Phils, Inc. and Subsidiary (40%)
Ten Knots Development, Corp. and Subs (40%)
Sentera Hotel Ventures Inc. (100%)
Econorth Resorts Ventures, Inc. (100)
ALI Triangle Hotel Ventures, Inc. (100%)
ArcaSouth Hotel Ventures, Inc. (ASHVI) (100%)
Capitol Central Hotel Ventures, Inc. (CCHVI) (100%)
Circuit Makati Hotel Ventures.


Inc. (CMHVI) (100%)
Sicogon Town Hotel, Inc. (100%)
Sicogon Island Tourism Estate, Corp. (100%)
Bay Area Hotel Ventures, Inc. (100%)
Makati North Hotel Ventures, Inc. (100%)
One Makati Hotel Ventures, Inc. (100%)
One Makati Residential Ventures, Inc. (100%)
Asiatown Hotel Ventures, Inc. (100%)


Ayala Land, Inc.
Ten Knots Phils, Inc. (60%)
Bacuit Bay Development Corporation (100%)
Paragua Eco-Resort Ventures Inc. (100%)
North Liberty Resort Ventures Inc. (100%)
Lio Resort Ventures Inc. (100%)
Lio Tourism Estate Management Corp(100%)
Ten Knots Development Corp. (60%)
Chirica Resorts Corp. (100%)
Kingfisher Capital Resources Corp. (100%)
Pangalusian Island Resort Corporation (100%)
Ayala Property Management Corporation (100%)
Prime Support Services, Inc. (100%)
Ayala Theatres Management, Inc. (100%)
Five Star Cinema, Inc. (100%)
Leisure and Allied Industries Philippines, Inc. (50%)
ALInet.com, Inc. (100%)
Cavite Commercial Town Center, Inc. (100%)
First Longfield Investments Limited (100%)
Green Horizons Holdings Limited (100%)
PCM Formosa Company Limited (50%)
Horizon Wealth Holdings Limited (100%)
Esta Galleria, Inc. (100%)
Aprisa Business Process Solutions, Inc. (100%)
DirectPower Services, Inc. (100%)
Philippine Integrated Energy Solutions, Inc. (100%)
ALI Capital Corp. (formerly Varejo Corporation) (100%)
Airswift Transport, Inc. (formerly Island Transvoyager, Inc.) (100%)
Swift Aerodrome Services, Inc. (100%)
SIAL Specialty Retailers, Inc. (50%) (Joint Venture Entity of ALI group)
AyaGold Retailers, Inc. (50%) (Joint Venture Entity of ALI group)
Integrated Eco-resort Inc. (100%)
Adauge Commercial Corporation (60%)
Ayalaland Estates, Inc. (formerly Southgateway Development Corp.) (100%)


Ayala Land, Inc.
Central Block Developers, Inc.. (45%)
Central Bloc Hotel Ventures, Inc. (100%)
AyalaLand Club Management, Inc. (100%)
North Triangle Depot Commercial Corporation (73%)
Soltea Commercial Corp. (60%)
Cebu Holdings, Inc. (71%)
BGWest Properties, Inc. (50%)
Verde Golf Development Corporation (100%)
Alabang Commercial Corporation (50%)
Whiteknight Holdings, Inc. (100%)
Taft Punta Engaño Property Inc. (55%)
Asian I-Office Properties, Inc. (100%)
Cebu Leisure Company, Inc. (100%)
CBP Theatre Management Inc. (100%)
Cebu Insular Hotel Company, Inc. (37%)
Solinea, Inc. (formerly Bigfoot Palms, Inc. (35%)
Amaia Southern Properties, Inc. (35%)
Cebu District Property Enterprise, Inc. (15%)
Southportal Properties, Inc. (35%)
Central Block Developers, Inc. (55%)
Central Bloc Hotel Ventures, Inc. (100%)
South Innovative Theater Management, Inc. (100%)
Mercado General Hospital, Inc. (33%) **(An Associate of ALI Group)**


Ayala Land, Inc.
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.) (100%)
Arca South Integrated Transport System, Inc. (100%)
Nuevo Centro, Inc. (54%)
Alviera Country Club (93%)
Ayalaland MetroNorth, Inc. (100%)
Southportal Properties, Inc. (65%)
Arca South Commercial Ventures Corp.(100%)
Bay City Commercial Ventures Corp. (100%)
Capitol Central Commercial Ventures Corp. (100%)
Aviana Development Corporation (50%)
Ayala Land Malls, Inc. (formerly Solerte, Inc.)(100%)
AyalaLand Malls Vismin, Inc. (100%)
AyalaLand Malls NorthEast, Inc. (100%)
Ayalaland Medical Facilities Leasing Inc. (100%)

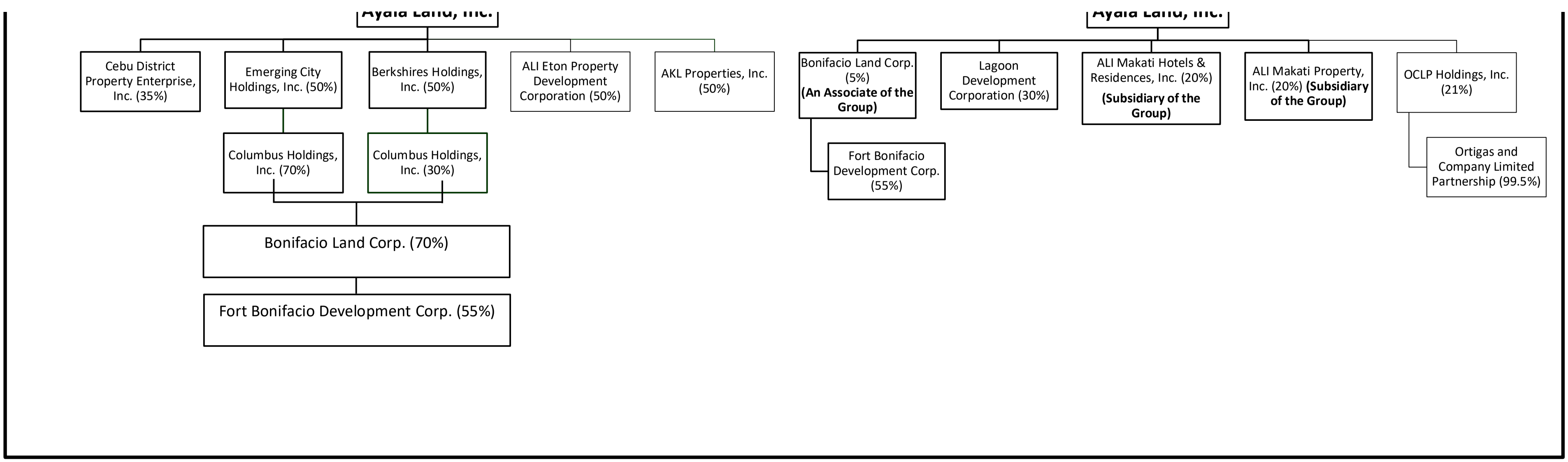


Direct Investments in Joint Ventures

Ayala Land, Inc.

Direct Investments in Associates

Ayala Land, Inc.



Cebu District Property Enterprise, Inc. (35%)
Emerging City Holdings, Inc. (50%)
Berkshires Holdings, Inc. (50%)
ALI Eton Property Development Corporation (50%)
AKL Properties, Inc. (50%)
Columbus Holdings, Inc. (70%)
Columbus Holdings, Inc. (30%)
Bonifacio Land Corp. (70%)
Fort Bonifacio Development Corp. (55%)
Bonifacio Land Corp. (5%) (An Associate of the Group)
Lagoon Development Corporation (30%)
ALI Makati Hotels & Residences, Inc. (20%) (Subsidiary of the Group)
ALI Makati Property, Inc. (20%) (Subsidiary of the Group)
OCLP Holdings, Inc. (21%)
Fort Bonifacio Development Corp. (55%)
Ortigas and Company Limited Partnership (99.5%)

AYALA LAND, INC. AND SUBSIDIARIES
ANNEX I – BOND PROCEEDS

P6.3 Billion Fixed Rate Bonds due 2025

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**6,250,000,000.00**	**6,250,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,578,155.00	1,578,155.00
Documentary Stamp Tax	46,875,000.00	46,875,000.00
Underwriting Fee	23,437,500.00	23,437,500.00
Estimated Professional Expenses & Agency fees	5,000,000.00	5,520,092.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	274,183.33
Listing Fee	100,000.00	100,000.00
Total Expenses	77,990,655.00	77,784,930.33
Net Proceeds	**6,172,009,345.00**	**6,172,215,069.67**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P6.3 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.17 billion. Net proceeds were used to refinance the Company's 4.725% per annum ₱1.8 billion term loan maturity on September 29, 2020, 4.625% per annum ₱4.0 billion bond maturity on October 10, 2020 and a portion of its existing short-term loans.

P10.0 Billion Fixed Rate Bonds due 2022 **NIL**

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**10,000,000,000.00**	**10,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,093,125.00	1,578,155.00
Documentary Stamp Tax	75,000,000.00	46,875,000.00
Underwriting Fee	37,500,000.00	23,437,500.00
Estimated Professional Expenses & Agency fees	9,000,000.00	5,478,301.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	428,993.33
Listing Fee	150,000.00	100,000.00
Total Expenses	125,743,125.00	77,897,949.33
Net Proceeds	**9,874,256,875.00**	**9,922,102,050.67**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.92 billion. Net proceeds were used to partially finance the Company's general corporate requirements.

P9.0 Billion Fixed Rate Bonds due 2021 and P1.0 Billion Fixed Rate Bonds due 2027

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**10,000,000,000.00**	**10,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,093,125.00	3,093,125.00
Documentary Stamp Tax	75,000,000.00	75,000,000.00
Underwriting Fee	37,500,000.00	37,500,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	4,206,571.43
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	118,285.00
Listing Fee	150,000.00	253,611.12
Total Expenses	125,743,125.00	124,378,163.98
Net Proceeds	**9,874,256,875.00**	**9,875,621,836.02**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to partially finance various projects.

P3.0 Billion Fixed Rate Bonds due 2024 **NIL**

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**3,000,000,000.00**	**3,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	757,500.00	757,500.00
Documentary Stamp Tax	22,500,000.00	22,500,000.00
Underwriting Fee	11,250,000.00	11,025,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	3,965,234.71
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	69,300.00
Listing Fee	150,000.00	151,708.34

Total Expenses	44,657,500.00	42,433,977.76
Net Proceeds	**2,955,342,500.00**	**2,957,566,022.24**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P2.96 billion. Net proceeds were used to partially finance various projects.

P8.0 Billion Fixed Rate Bonds due 2026 **NIL**

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**8,000,000,000.00**	**8,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588,125.00	2,588,125.00
Documentary Stamp Tax	60,000,000.00	60,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	6,066,185.05
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	338,659.20
Listing Fee	150,000.00	218,166.66
Total Expenses	106,738,125.00	99,211,135.91
Net Proceeds	**7,893,261,875.00**	**7,900,788,864.09**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.90 billion. Net proceeds were used to partially finance various projects.

P8.0 Billion Fixed Rate Bonds due 2023 **NIL**

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**8,000,000,000.00**	**8,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,020,000.00	2,020,000.00
Documentary Stamp Tax	60,000,000.00	60,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	4,044,234.00
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	49,875.00
Listing Fee	100,000.00	100,000.00
Total Expenses	106,120,000.00	96,214,109.00
Net Proceeds	**7,893,880,000.00**	**7,903,785,891.00**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.90 billion. Net proceeds were used to partially finance various projects.

P10.0 Billion Fixed Rate Bonds due 2028 **NIL**

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**10,000,000,000.00**	**10,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525,000.00	2,525,000.00
Documentary Stamp Tax	75,000,000.00	75,000,000.00
Underwriting Fee	37,500,000.00	37,500,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	4,901,842.56
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	622,938.20
Listing Fee	200,000.00	200,000.00
Total Expenses	129,225,000.00	120,749,780.76
Net Proceeds	**9,870,775,000.00**	**9,879,250,219.24**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2027

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**7,000,000,000.00**	**7,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,767,500.00	1,767,500.00

Documentary Stamp Tax	35,000,000.00	35,000,000.00
Underwriting Fee	26,250,000.00	26,250,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	3,161,187.20
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	990,430.17
Listing Fee	100,000.00	100,000.00
Total Expenses	74,617,500.00	67,269,117.37
Net Proceeds	**6,925,382,500.00**	**6,932,730,882.63**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.92 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2023 and P3.0 Billion Homestarter Bonds due 2019

(In pesos)	**ESTIMATED PER PROSPECTUS**	**ACTUAL**
Issue Amount	**10,000,000,000.00**	**10,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525,000.00	2,525,000.00
Documentary Stamp Tax	50,000,000.00	50,000,000.00
Underwriting Fee	44,250,000.00	26,250,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	2,960,000.00
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	201,849.33
Listing Fee	200,000.00	200,000.00
Total Expenses	110,975,000.00	82,136,849.33
Net Proceeds	**9,889,025,000.00**	**9,917,863,150.67**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.9 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2025

(In pesos)	**ESTIMATED PER PROSPECTUS**	**ACTUAL**
Issue Amount	**7,000,000,000.00**	**8,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,767,500.00	1,767,500.00
Documentary Stamp Tax	35,000,000.00	35,000,000.00
Underwriting Fee	26,250,000.00	26,250,000.00
Estimated Professional Expenses & Agency fees	7,500,000.00	2,301,963.00
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	248,847.18
Listing Fee	100,000.00	100,000.00
Total Expenses	73,117,500.00	65,668,310.18
Net Proceeds	**6,926,882,500.00**	**6,934,331,689.82**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P7.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.9 billion. Net proceeds were used to partially finance various projects.

P8.0 Billion Fixed Rate Bonds due 2026 **NIL**

(In pesos)	**ESTIMATED PER PROSPECTUS**	**ACTUAL**
Issue Amount	**8,000,000,000.00**	**8,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588,125.00	2,588,125.00
Documentary Stamp Tax	40,000,000.00	40,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
Estimated Professional Expenses & Agency fees	7,500,000.00	3,651,246.00
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	398,937.60
Listing Fee	100,000.00	100,000.00
Total Expenses	82,688,125.00	76,738,308.60
Net Proceeds	**7,917,311,875.00**	**7,923,261,691.40**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.9 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2022 **NIL**

ESTIMATED **ACTUAL**

(In pesos)	PER PROSPECTUS	ACTUAL
Issue Amount	**7,000,000,000.00**	**7,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	-	-
Documentary Stamp Tax	35,000,000.00	35,000,000.00
Underwriting Fee	26,250,000.00	25,724,999.99
Estimated Professional Expenses & Agency fees	5,740,000.00	3,058,763.32
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	19,307.59
Listing Fee	100,000.00	100,000.00
Total Expenses	69,590,000.00	63,903,070.90
Net Proceeds	**6,930,410,000.00**	**6,936,096,929.10**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P7.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.9 billion. Net proceeds were used to partially finance various projects.

P5.0 Billion Fixed Rate Bonds due 2021

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**5,000,000,000.00**	**5,000,000,000.00**
Expenses		
Documentary Stamp Tax	25,000,000.00	25,000,000.00
SEC Registration	1,812,500.00	1,812,500.00
Legal Research Fee	18,125.00	18,125.00
Upfront Fees	-	-
Underwriting Fee	18,750,000.00	18,750,000.00
Professional Expenses and Agency Fees	3,828,500.00	4,051,801.20
Out of Pocket Expenses (publication, printing etc.)	2,500,000.00	275,128.39
Total Expenses	**52.051.125.00**	**49,907,554.59**
Net Proceeds	**4,947,978,875.00**	**4,950,092,445.41**

Balance of Proceeds as of 12.31.2020 **NIL**

Cebu Holdings, Inc. raised from the Bonds gross proceeds of P5.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P4.95 billion. Net proceeds were used to partially finance various projects.

P8 Billion Fixed Rate Callable Bonds due 2025

(in pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**8,000,000,000.00**	**8,000,000,000.00**
Expenses		
Documentary Stamp Tax	40,000,000.00	40,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
SEC Registration		
SEC Registration Fee	4,312,500.00	4,312,500.00
SEC Legal Research Fee	43,125.00	43,125.00
Professional Expenses	7,748,500.00	7,178,064.00
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	126,279.00
Listing Fee	168,000.00	100,000.00
Total Expenses	**84,772,125.00**	**81,759,968.00**
Net Proceeds	**7,915,227,875.00**	**7,918,240,032.00**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.9 billion. Net proceeds were used to partially finance various projects.

P4.0 Billion in Fixed Rate Bonds due 2020 and P2.0 Billion Fixed Rate Bonds due 2033

(in pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**6,000,000,000.00**	**6,000,000,000.00**
Expenses		
Documentary Stamp Tax	30,000,000.00	30,000,000.00
Upfront Fees		
Underwriting Fee (375 bps + GRT)	22,500,000.00	22,500,000.00
Professional Expenses	1,457,500.00	2,517,808.07
Listing Fee	100,000.00	100,000.00
Out of Pocket Expenses (publication, printing etc.)	1,000,000.00	5,530.00
Total Expenses	**55,057,500.00**	**55,123,338.07**
Net Proceeds	**5,944,942,500.00**	**5,944,876,661.93**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P6.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P5.9 billion. Net proceeds were used to partially finance various projects.

P15.0 Billion Fixed Rate Bonds due 2024

(in pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**15,000,000,000.00**	**15,000,000,000.00**
Expenses		
Documentary Stamp Tax	75,000,000.00	75,000,000.00
SEC Registration	5,812,500.00	5,812,500.00
Legal Research Fee	58,125.00	58,125.00
Upfront Fees		
Underwriting Fee	56,250,000.00	56,250,000.00
Professional Expenses	7,336,000.00	401,082.05
Trustee	20,000.00	20,000.00
Registry Account Opening Fee	150,000.00	150,000.00
Listing Fee	100,000.00	100,000.00
Out of Pocket Expenses (publication, printing etc.)	2,500,000.00	97,807.91
Total Expenses	**147,226,625.00**	**137,889,514.96**
Net Proceeds	**14,852,773,375.00**	**14,862,110,485.04**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P15.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P14.9 billion. Net proceeds were used to partially finance various projects.

P9.35 Billion Fixed Rate Callable Bonds due 2019 and ₱5.65 Billion Fixed Rate Callable Bonds due 2022

(in pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**15,000,000,000.00**	**15,000,000,000.00**
Expenses		
Documentary Stamp Tax	75,000,000.00	75,000,000.00
Underwriting Fee	54,035,000.00	54,035,000.00
Rating Fee	5,040,000.00	4,125,000.00
SEC Registration		
SEC Registration Fee	4,312,500.00	4,312,500.00
SEC Legal Research Fee	43,125.00	43,125.00
Professional Expenses	1,960,000.00	3,064,146.00
Marketing/Printing/Photocopying Costs and OPEs	500,000.00	383,755.82
Registry and Paying Agency Fee	337,500.00	1,056,314.87
Trustee Fees	112,500.00	20,000.00
Listing Fee	100,000.00	443,666.68
Total Expenses	**141,440,625.00**	**142,483,508.37**
Net Proceeds	**14,858,559,375.00**	**14,857,516,491.63**

Balance of Proceeds as of 12.31.2020 **NIL**

Ayala Land raised from the Bonds gross proceeds of P15.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P14.9 billion. Net proceeds were used to partially finance various projects.