C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1 5 2 7 4 7

COMPANY NAME

A Y A L A   L A N D ,   I N C .   A N D   S U B S I D I A R I E S

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
A A F S		

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.*

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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, 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.

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.

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.

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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

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)

	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, 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.

Changes in Accounting Policies

- 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.

<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, 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:
  - 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

  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

		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**

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

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.

<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.

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.

<u>Subsidiaries</u>
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	**Amount**	Shares	Amount	Shares	Amount
	In thousand	**in millions**	In thousand	in millions	In thousand	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.

<u>Treasury Shares</u>
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 ₱0.40, ₱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 ₱0.26 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 ₱0.14 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 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.

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):

		Net benefit cost in consolidated statement of income					Remeasurements in other comprehensive income							
	January 1, 2021	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, 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):

		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

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.

<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 ₱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						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

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

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:

<u>2021</u>

	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
Building a better working world

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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)
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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

Other Supporting Schedules

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) Subsidires:				
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) Subsidires:				
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) Subsidires:				
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) Subsidiaries:				
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) Subsidiaries:				
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) Subsidiries:				
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) Subsidiaries:				
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 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	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) Subsidiries:				
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) Subsidiries:				
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) Subsidiries:				
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) Subsidiries:				
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	

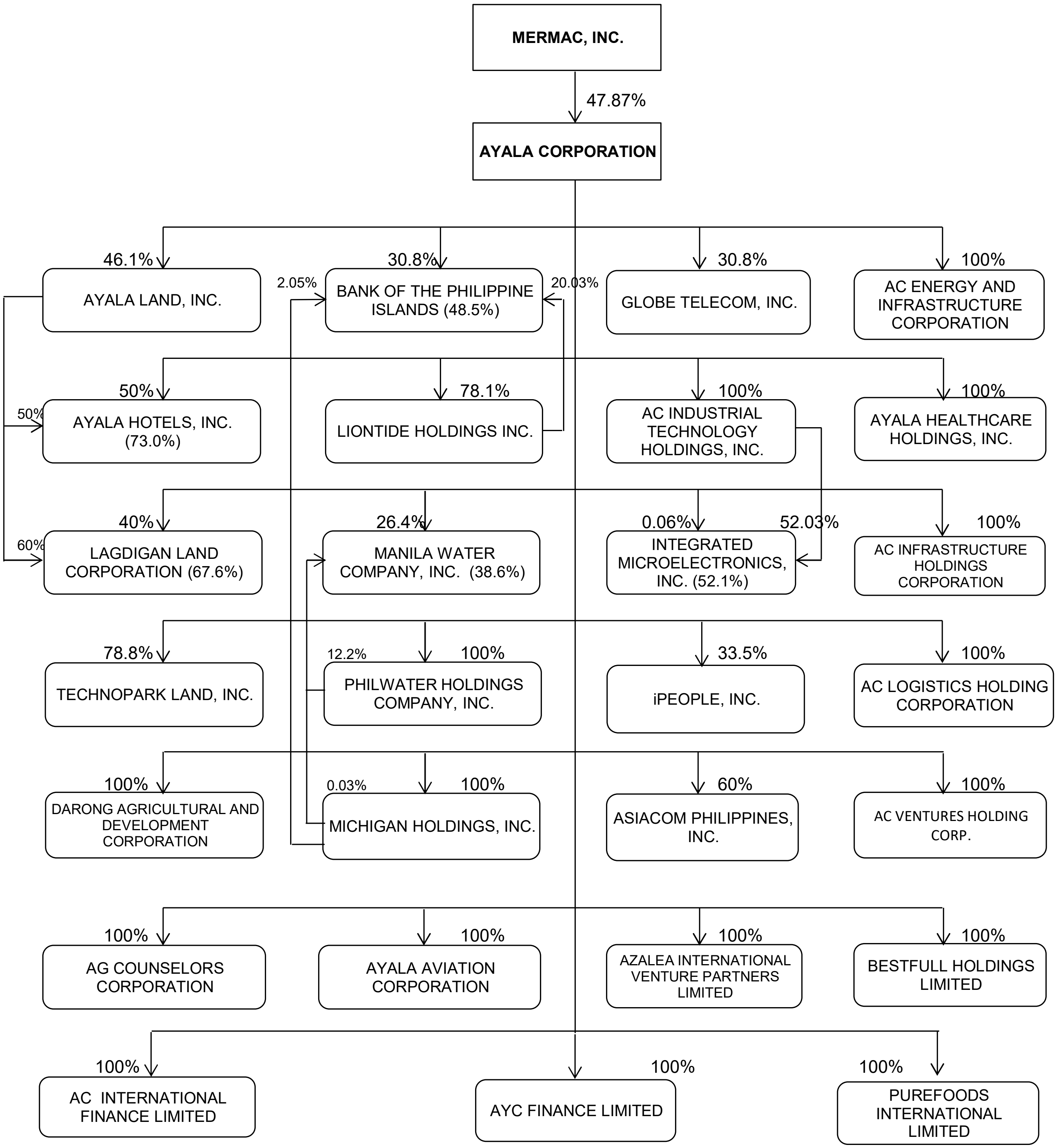
AYALA LAND, INC.
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
December 31, 2021

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

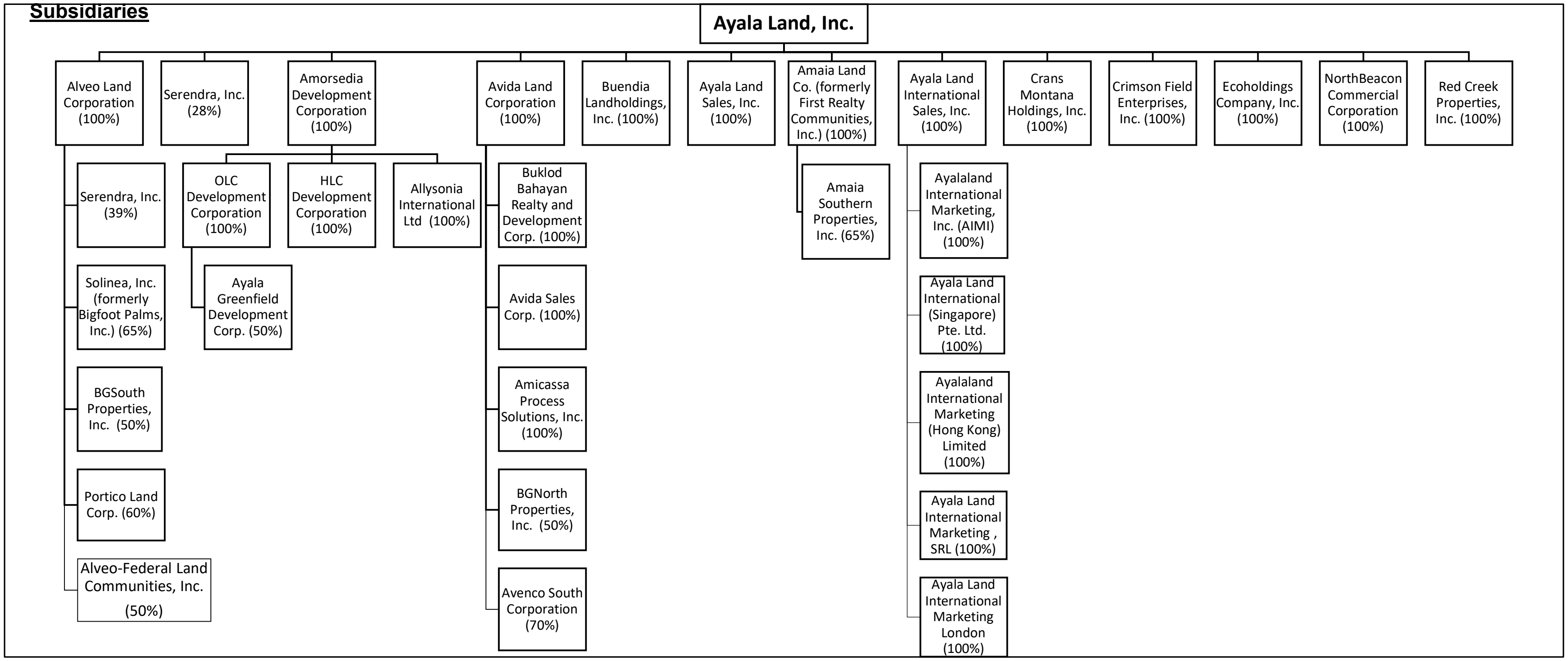
Ratio	Formula	Current Year	Prior Year
Current ratio	Current sssets / Current liabilities	1.58	1.62
Acid test ratio	Quick assets (Total current assets excluding inventory)/ Current liabilities	0.87	0.89
Solvency ratio	EBITDA / Total debt (Total debt includes short-term debt, long-term debt and current 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

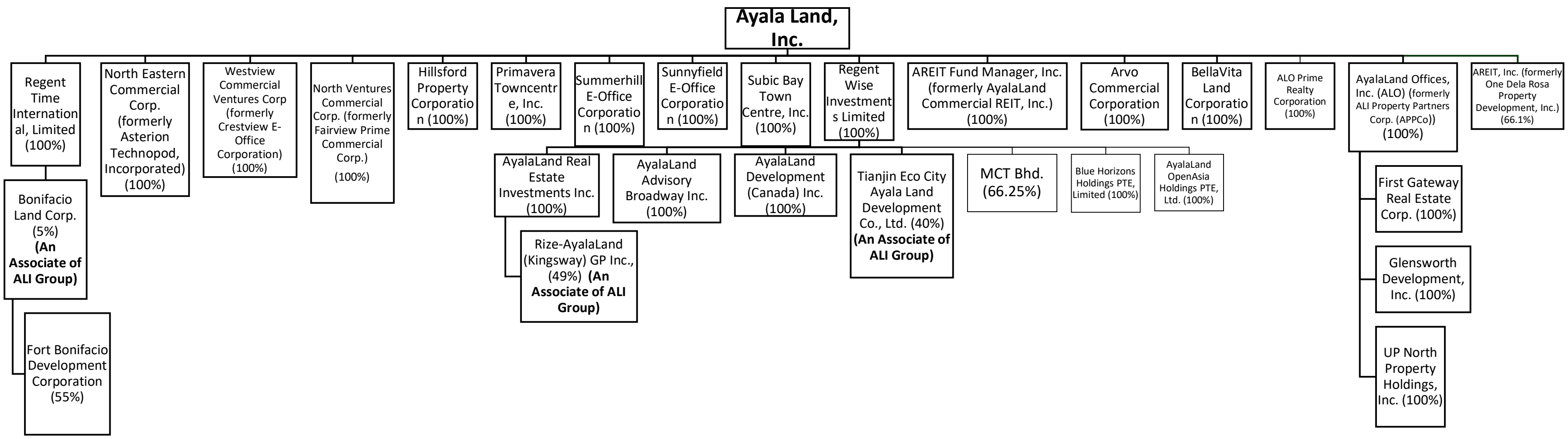
AYALA LAND, INC. AND SUBSIDIARIES
CORPORATE ORGANIZATIONAL CHART
As of December 31, 2021



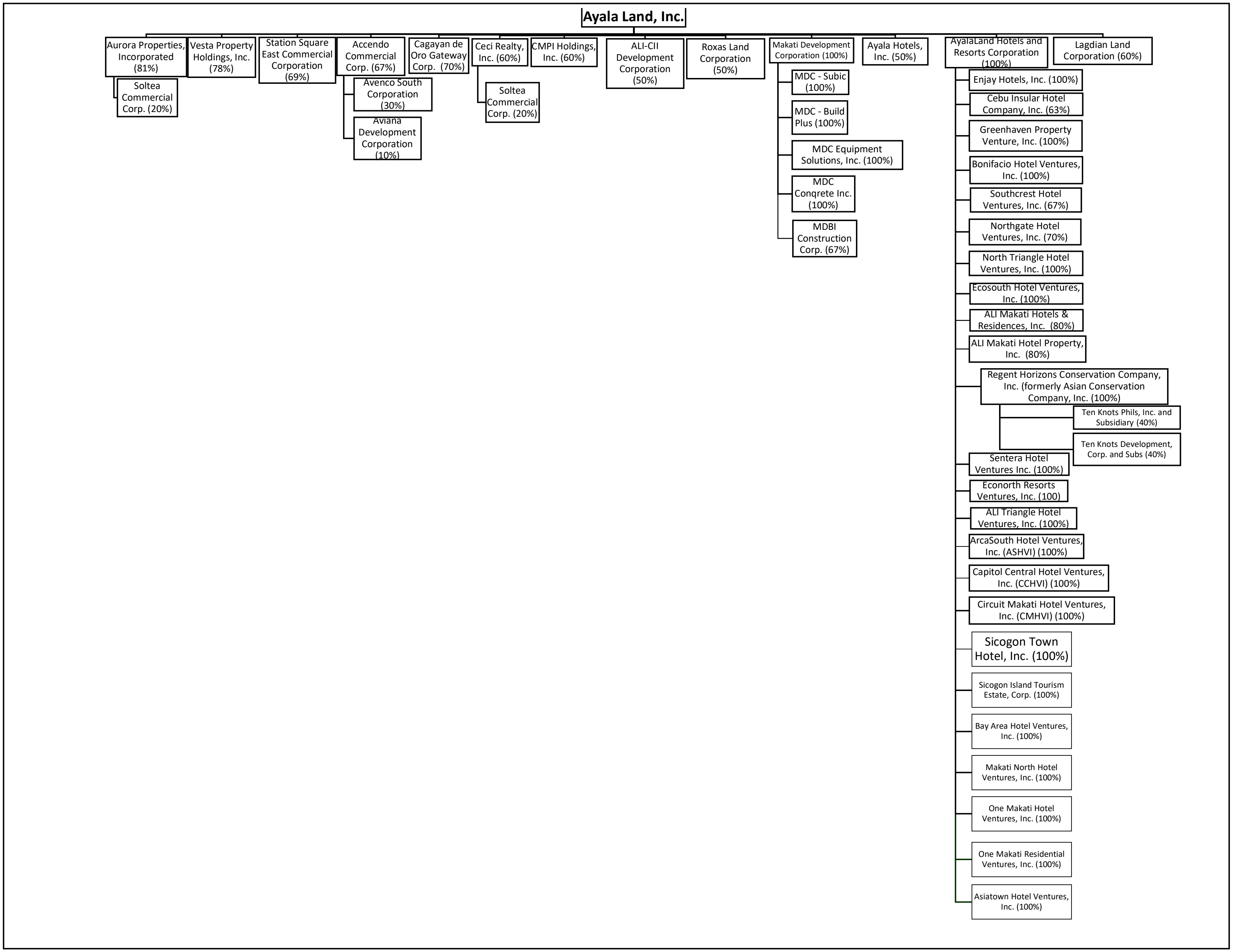
Legend:
% of ownership appearing outside the box - direct % of economic ownership
% of ownership appearing inside the box - effective % of economic ownership

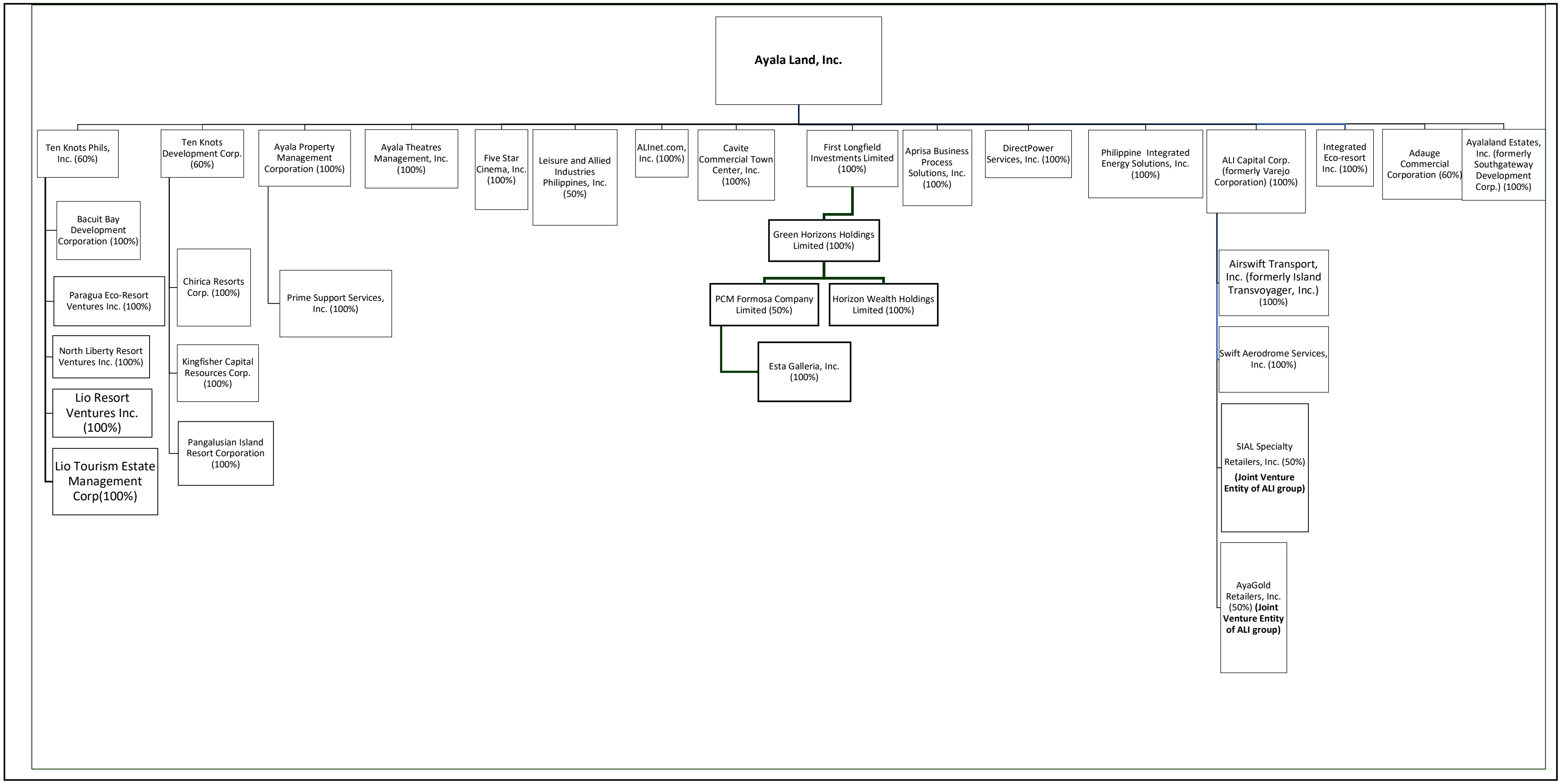
Subsidiaries

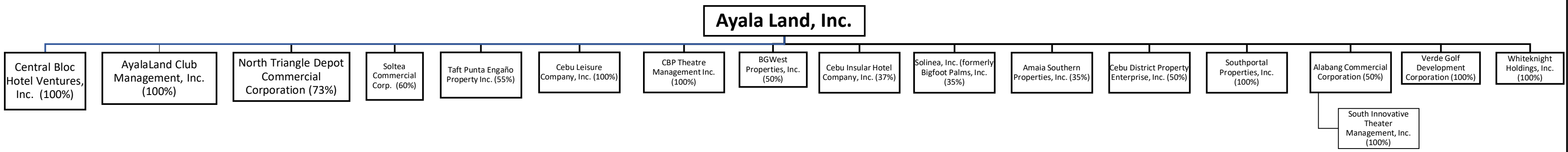




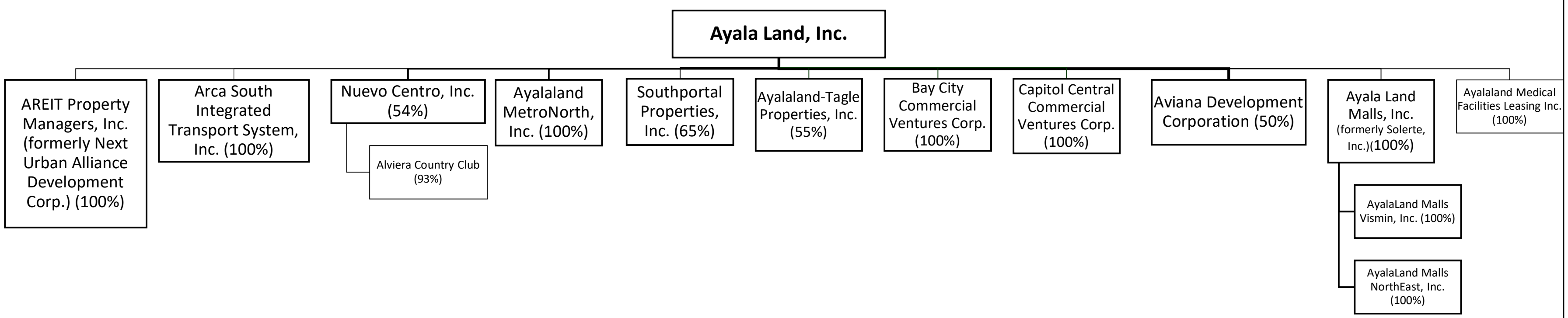
Ayala Land, Inc.
Regent Time International, Limited (100%)
Bonifacio Land Corp. (5%) **(An Associate of ALI Group)**
Fort Bonifacio Development Corporation (55%)
North Eastern Commercial Corp. (formerly Asterion Technopod, Incorporated) (100%)
Westview Commercial Ventures Corp (formerly Crestview E-Office 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%)
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.) (66.1%)
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%)

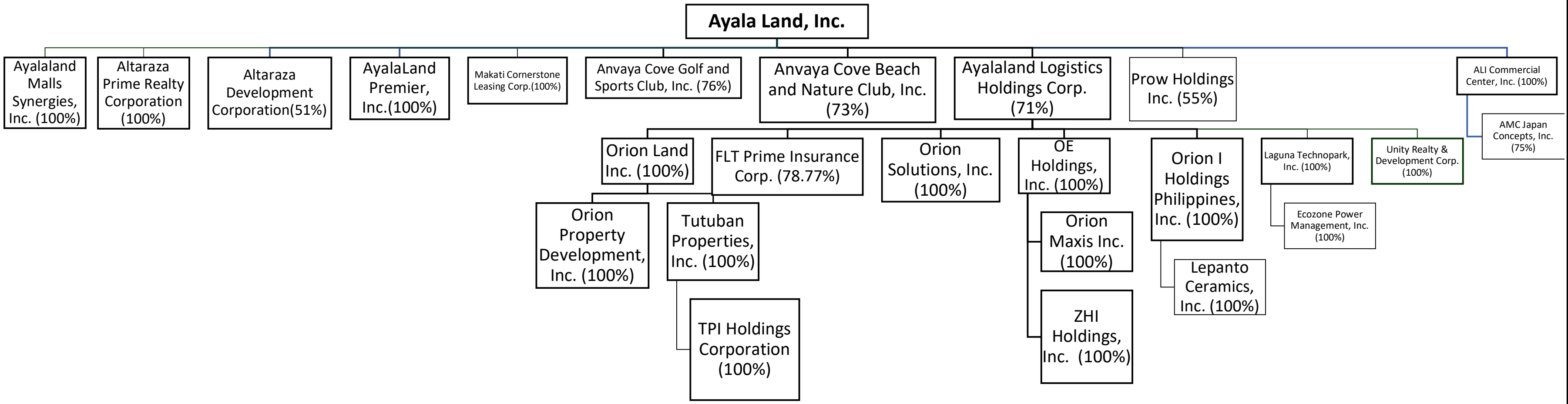

Ayala Land, Inc.
Aurora Properties, Incorporated (81%)
Soltea Commercial Corp. (20%)
Vesta Property Holdings, Inc. (78%)
Station Square East Commercial Corporation (69%)
Accendo Commercial Corp. (67%)
Avenco South Corporation (30%)
Aviana Development Corporation (10%)
Cagayan de Oro Gateway Corp. (70%)
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%)

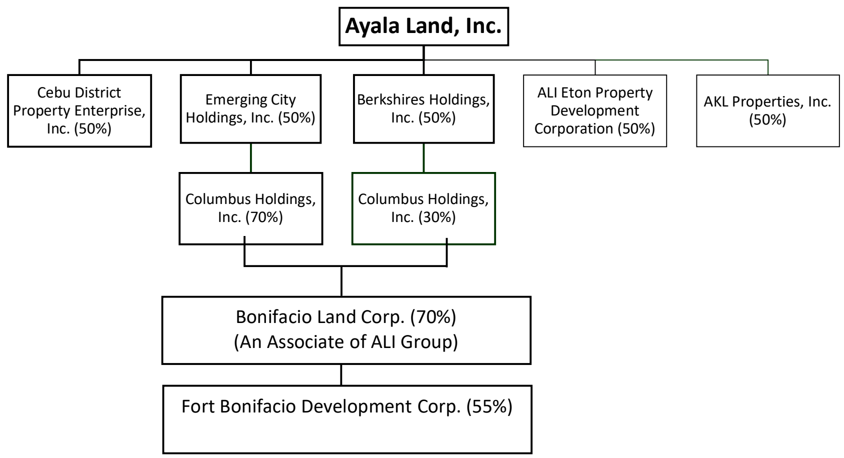


Ayala Land, Inc.
Central Bloc Hotel Ventures, Inc. (100%)
AyalaLand Club Management, Inc. (100%)
North Triangle Depot Commercial Corporation (73%)
Soltea Commercial Corp. (60%)
Taft Punta Engaño Property Inc. (55%)
Cebu Leisure Company, Inc. (100%)
CBP Theatre Management Inc. (100%)
BGWest Properties, 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%)

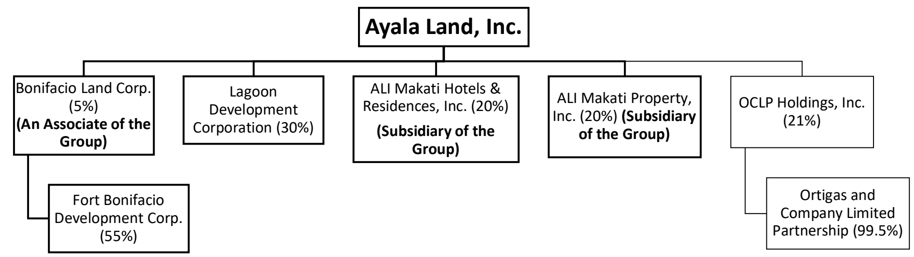

Ayala Land, Inc.
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.) (100%)
Arca South Integrated Transport System, Inc. (100%)
Nuevo Centro, Inc. (54%)
Alviera Country Club (93%)
Ayalaland MetroNorth, Inc. (100%)
Southportal Properties, Inc. (65%)
Ayalaland-Tagle Properties, 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.

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 12.31.2021 **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.