COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	5	2	7	4	7					

COMPANY NAME

AYALA LAND, INC. AND SUBSIDIARIES

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

Form Type	Department requiring the report	Secondary License Type, if Applicable
AFS	SEC	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
	7 908-3677	

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
13,115	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

31st 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.

Independent Auditor's Report

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

Report on the Audit of the Consolidated Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Ayala Land, Inc. (the "Parent Company") and its Subsidiaries (the "Group") as at and for the year ended December 31, 2023 are prepared, in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief issued and approved by the Securities and Exchange Commission (SEC), as described in Note 36 to the consolidated financial statements.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statement of financial position as at December 31, 2023;
- the consolidated statement of income for the year ended December 31, 2023;
- the consolidated statement of comprehensive income for the year ended December 31, 2023;
- the consolidated statement of changes in equity for the year ended December 31, 2023;
- the consolidated statement of cash flows for the year ended December 31, 2023; and
- the notes to the consolidated financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 Code of Ethics.

Emphasis of Matter

We draw attention to Note 36 to the consolidated financial statements, which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC in response to the COVID-19 pandemic. The details of the financial reporting relief availed by the Group and the impact of the application on the 2023 consolidated financial statements are discussed in Note 36.3. Our opinion is not modified in respect of this matter. Our opinion remains to be unqualified on the consolidated financial statements taken as a whole.

Other Matter

The consolidated financial statements of the Group as at December 31, 2022 and for the years ended December 31, 2022 and 2021 were audited by another firm of auditors whose report, dated February 21, 2023, expressed an unmodified opinion on those statements.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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.

The key audit matter identified in our audit pertains to the real estate revenue recognition based on percentage of completion (PoC) as a measure of progress.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Real estate revenue recognition based on PoC as a measure of progress	
Refer to Note 35.2 to the consolidated financial statements for the discussion on critical accounting estimates and assumptions. The real estate revenue for the year ended December 31, 2023 amounts to P92.3 billion, which accounts for approximately 63% of the consolidated total revenue. It is therefore material to the consolidated financial statements. Real estate revenue from contracts with customers is recognized over time using the output method in accordance with the guidance set in PFRS 15, *Revenue from contracts with customers*, and Philippine Interpretations Committee Questions and Answers (PIC Q&A) 2018-12. Under the output method, revenue is calculated with reference to the PoC of the project. In the case of the Group, PoC is determined based on the actual physical completion of the project. Hence, real estate revenue recognition requires significant judgment and estimation.	We addressed the matter by understanding and evaluating the process employed by the Group in estimating the PoC of the real estate development projects. In particular, we performed a combination of controls and substantive testing procedures as follows: • Evaluated the design and tested the operating effectiveness of key controls surrounding the project budgeting, project costing and project milestone measurement activities. Further, we performed reasonableness testing of key inputs and assumptions used in the project budgeting and project costing activities, through site visits and inspection of bill of quantity and other relevant supporting documents. • Agreed the milestone percentage per project by inspecting the underlying project accomplishment reports prepared by project engineers and as evaluated and approved by independent quantity surveyors. • Performed test of details on incurred project costs through corroboration with supporting documents such as contractors' progress billing statements, supplier invoices, proof of delivery and other relevant supporting documents. • Performed mathematical accuracy check of PoC applied to each project and individually sold units and verified that the PoC is accurately used in the calculation of the Group's real estate revenue.

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, 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 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 audit 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 audit, 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 of the consolidated financial statements in accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 36 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 the financial reporting relief issued and approved by the SEC, as described in Note 36 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 Group 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, actions taken to eliminate threats or safeguards applied.

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 Roderick M. Danao.

Isla Lipana & Co.

Roderick M. Danao
Partner
CPA Cert. No. 88453
P.T.R. No. 0011280, issued on January 12, 2024, Makati City
TIN 152-015-078
BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 20, 2024

Statements Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Stockholders of
Ayala Land, Inc
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited the consolidated financial statements of Ayala Land, Inc. (the "Parent Company") and its Subsidiaries as at and for the year ended December 31, 2023, on which we have rendered the attached report dated February 20, 2024. The supplementary information shown in the Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration and Map of the Group of Companies within which the Parent Company belongs, as additional components required by Part I, Section 5 of the Revised SRC Rule 68, and Schedules A, B, C, D, E, F and G, as required by Part II of the Revised SRC Rule 68, is presented for the purposes of filing with the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised SRC Rule 68.

Isla Lipana & Co.

Roderick M. Danao
Partner
CPA Cert. No. 88453
P.T.R. No. 0011280, issued on January 12, 2024, Makati City
TIN 152-015-078
BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 20, 2024

Statements Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Land, Inc. and its Subsidiaries (the "Group") as at and for the year ended December 31, 2023, and have issued our report thereon dated February 20, 2024. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) 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 SRC 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. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the year ended December 31, 2023 and no material exceptions were noted.

Isla Lipana & Co.

Roderick M. Danao
Partner
CPA Cert. No. 88453
P.T.R. No. 0011280, issued on January 12, 2024, Makati City
TIN 152-015-078
BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 20, 2024

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents	2	17,066,330	11,885,329
Short-term investments	3	333,610	330,500
Financial assets at fair value through profit or loss (FVTPL)	4	419,802	291,989
Accounts and notes receivable, net	5	105,530,428	102,151,267
Inventories	6	209,316,511	180,348,474
Other current assets	7	80,290,824	64,849,846
Total current assets		412,957,505	359,857,405
Non-current assets			
Accounts and notes receivables, net of current portion	5	58,453,299	49,032,711
Financial assets at fair value through other comprehensive income (FVOCI)	8	1,121,969	1,033,481
Investments in associates and joint ventures	9	31,212,698	31,917,095
Right-of-use assets, net	31	11,808,541	12,418,841
Investment properties, net	10	241,061,619	245,525,507
Property and equipment, net	11	41,261,219	36,153,839
Deferred tax assets, net	21	15,345,133	13,889,287
Other non-current assets	12	33,410,499	29,826,354
Total non-current assets		433,674,977	419,797,115
Total assets		846,632,482	779,654,520

(forward)

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in thousands of Philippine Peso)

(continuation)

	Notes	2023	2022
Liabilities and Equity			
Current liabilities			
Short-term debt	14	16,905,106	6,547,272
Accounts and other payables	13	162,475,442	143,952,127
Income tax payable		586,605	845,073
Current portion of lease liabilities	31	1,108,553	710,160
Current portion of long-term debt	14	18,969,421	19,258,289
Deposits and other current liabilities	15	34,131,984	31,211,023
Total current liabilities		234,177,111	202,523,944
Non-current liabilities			
Long-term debt, net of current portion	14	222,379,734	210,233,290
Pension liabilities	24	2,769,457	1,871,186
Lease liabilities, net of current portion	31	17,414,070	17,992,406
Deferred tax liabilities, net	21	7,324,267	5,849,288
Deposits and other non-current liabilities	16	42,638,781	47,519,881
Total non-current liabilities		292,526,309	283,466,051
Total liabilities		526,703,420	485,989,995
Equity			
Equity attributable to equity holders of Ayala Land, Inc.			
Paid-in capital	17	98,115,042	97,636,864
Remeasurement (loss) gain on defined benefit plans		(481,670)	106,942
Fair value reserve of financial assets at FVOCI	8	(680,620)	(877,913)
Cumulative translation adjustments		(107,679)	437,996
Equity reserves	17	(2,589,586)	(6,506,845)
Treasury stock	17	(22,776,361)	(19,080,714)
Retained earnings		202,381,286	183,535,858
		273,860,412	255,252,188
Non-controlling interests	17	46,068,650	38,412,337
Total equity		319,929,062	293,664,525
Total liabilities and equity		846,632,482	779,654,520

The notes on pages 1 to 126 are an integral part of these consolidated financial statements.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Income
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso, except earnings per share)

	Notes	2023	2022	2021
Revenue				
Real estate sales	18	140,141,723	116,356,382	96,144,850
Interest income from real estate sales	5, 18	5,359,526	6,694,930	6,801,012
Equity in net earnings of associates and joint ventures	9, 18	1,575,295	1,429,795	842,565
		147,076,544	124,481,107	103,788,427
Interest and investment income	19, 23	689,548	387,083	253,107
Other income	19	1,091,317	1,687,624	2,101,071
		1,780,865	2,074,707	2,354,178
		148,857,409	126,555,814	106,142,605
Costs and expenses				
Cost of real estate sales	20	87,138,671	75,628,711	64,641,519
General and administrative expenses	20	8,910,449	7,264,339	6,538,859
Interest and other financing charges	20	13,498,847	11,446,669	11,037,772
Other expenses	20	2,849,234	3,996,044	3,636,915
		112,397,201	98,335,763	85,855,065
Income before income tax		36,460,208	28,220,051	20,287,540
Provision for income tax				
Current tax expense		7,407,869	6,943,074	5,984,642
Deferred tax expense (benefit)		48,761	(1,247,276)	(1,356,465)
		7,456,630	5,695,798	4,628,177
Net income		29,003,578	22,524,253	15,659,363
Net income attributable to:				
Equity holders of Ayala Land, Inc.	25	24,507,581	18,617,234	12,228,148
Non-controlling interest		4,495,997	3,907,019	3,431,215
		29,003,578	22,524,253	15,659,363
Earnings Per Share				
Net income attributable to equity holders of Ayala Land, Inc.				
Basic and diluted	25	1.63	1.26	0.83

The notes on pages 1 to 126 are an integral part of these consolidated financial statements.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022	2021
Net income		29,003,578	22,524,253	15,659,363
Other comprehensive (loss) income				
Item that will be subsequently reclassified to profit or loss:				
Cumulative translation adjustment		(529,265)	229,224	265,284
Items that will not be subsequently reclassified to profit or loss:				
Changes in fair value reserve of financial assets at FVOCI	8	205,077	(16,905)	(97,378)
Remeasurement (loss) gain on defined benefit plan	24	(784,816)	186,961	1,099,585
Income tax effect		196,204	(46,740)	(274,896)
		(912,800)	352,540	992,595
Total comprehensive income		28,090,778	22,876,793	16,651,958
Total comprehensive income attributable to:				
Equity holders of Ayala Land, Inc.		23,570,587	18,936,821	13,049,676
Non-controlling interests		4,520,191	3,939,972	3,602,282
		28,090,778	22,876,793	16,651,958

The notes on pages 1 to 126 are an integral part of these consolidated financial statements

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Attributable to equity holders of Ayala Land, Inc.												
	Capital Stock (Note 17)	Additional Paid in Capital (Note 17)	Subscriptions Receivables	Appropriated Retained Earnings (Note 17)	Unappropriated Retained Earnings (Note 17)	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 24)	Fair value reserve of financial assets at FVOCI (Note 8)	Cumulative Translation Adjustments (Note 17)	Equity Reserves (Note 17)	Treasury Stock (Note 17)	Total	Non-Controlling Interests	Total Equity
Balances at January 1, 2021	16,066,829	49,149,512	(2,262,756)	8,000,000	150,822,683	(818,101)	(748,220)	167,395	585,256	(1,260,780)	219,701,818	37,623,175	257,324,993
Comprehensive income													
Net income	-	-	-	-	14,221,177	-	-	-	-	-	14,221,177	3,431,215	17,652,392
Other comprehensive income	-	-	-	-	-	824,689	(97,378)	94,217	-	-	821,528	171,067	992,595
Total comprehensive income for the year	-	-	-	-	14,221,177	824,689	(97,378)	94,217	-	-	15,042,705	3,602,282	18,644,987
Appropriation of retained earnings	-	-	-	17,000,000	(17,000,000)	-	-	-	-	-	-	-	-
Cost of stock options	-	150,072	-	-	-	-	-	-	-	-	150,072	-	150,072
Collection of subscription receivable	-	-	324,725	-	-	-	-	-	-	-	324,725	-	324,725
Stock options exercised	11,389	335,219	(346,608)	-	-	-	-	-	-	-	-	-	-
Statutory merger	609,626	15,859,460	-	-	-	(39,867)	(35,297)	-	(276,774)	(13,976,965)	2,140,183	(2,140,183)	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	(1,656,635)	(1,656,635)	-	(1,656,635)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	981,129	-	981,129	-	981,129
Net change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	553,837	553,837
Cash dividends declared	-	-	-	-	(4,063,228)	-	-	-	-	-	(4,063,228)	(1,757,559)	(5,820,787)
Balances at 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**
Comprehensive income													
Net income	-	-	-	-	18,617,234	-	-	-	-	-	18,617,234	3,907,019	22,524,253
Other comprehensive income	-	-	-	-	-	140,221	2,982	176,384	-	-	319,587	32,953	352,540
Total comprehensive income for the year	-	-	-	-	18,617,234	140,221	2,982	176,384	-	-	18,936,821	3,939,972	22,876,793
Cost of stock options	-	78,860	-	-	-	-	-	-	-	-	78,860	-	78,860
Collection of subscription receivable	-	-	200,365	-	-	-	-	-	-	-	200,365	-	200,365
Stock options exercised	14,172	451,829	(391,994)	-	-	-	-	-	-	-	74,007	-	74,007
Stock issuance for properties	75,046	4,112,495	-	-	-	-	-	-	-	-	4,187,541	-	4,187,541
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	(2,186,334)	(2,186,334)	-	(2,186,334)
Acquisition of non-controlling interest	236,534	12,962,089	-	-	-	-	-	-	(7,796,456)	-	5,402,167	-	5,402,167
Net change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(1,755,347)	(1,755,347)
Cash dividends declared	-	-	-	-	(4,062,008)	-	-	-	-	-	(4,062,008)	(1,653,840)	(5,715,848)
Balances at December 31, 2022	**17,013,596**	**83,099,536**	**(2,476,268)**	**25,000,000**	**158,535,858**	**106,942**	**(877,913)**	**437,996**	**(6,506,845)**	**(19,080,714)**	**255,252,188**	**38,412,337**	**293,664,525**

(forward)

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

(continuation)

				Attributable to equity holders of Ayala Land, Inc.									
	Capital Stock (Note 17)	Additional Paid in Capital (Note 17)	Subscriptions Receivables	Appropriated Retained Earnings (Note 17)	Unappropriated Retained Earnings (Note 17)	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 24)	Fair value reserve of financial assets at FVOCI (Note 8)	Cumulative Translation Adjustments (Note 17)	Equity Reserves (Note 17)	Treasury Stock (Note 17)	Total	Non-Controlling Interests	Total Equity
Balances at January 1, 2023	17,013,596	83,099,536	(2,476,268)	25,000,000	158,535,858	106,942	(877,913)	437,996	(6,506,845)	(19,080,714)	255,252,188	38,412,337	293,664,525
Comprehensive income													
Net income	-	-	-	-	24,507,581	-	-	-	-	-	24,507,581	4,495,997	29,003,578
Other comprehensive (loss) income	-	-	-	-	-	(588,612)	197,293	(545,675)	-	-	(936,994)	24,194	(912,800)
Total comprehensive income for the year	-	-	-	-	24,507,581	(588,612)	197,293	(545,675)	-	-	23,570,587	4,520,191	28,090,778
Cost of stock options	-	149,456	-	-	-	-	-	-	-	-	149,456	-	149,456
Collection of subscription receivable	-	-	251,426	-	-	-	-	-	-	-	251,426	-	251,426
Stock options exercised	14,579	317,960	(272,020)	-	-	-	-	-	-	-	60,519	-	60,519
Collection of VPS conversion	-	16,777	-	-	-	-	-	-	-	-	16,777	-	16,777
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	(3,695,647)	(3,695,647)	-	(3,695,647)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	489,276	-	489,276	(31,511)	457,765
Net change in non-controlling interest	-	-	-	-	-	-	-	-	3,427,983	-	3,427,983	6,121,631	9,549,614
Cash dividends declared	-	-	-	-	(5,662,153)	-	-	-	-	-	(5,662,153)	(2,953,998)	(8,616,151)
Balances at December 31, 2023	**17,028,175**	**83,583,729**	**(2,496,862)**	**25,000,000**	**177,381,286**	**(481,670)**	**(680,620)**	**(107,679)**	**(2,589,586)**	**(22,776,361)**	**273,860,412**	**46,068,650**	**319,929,062**

The notes on pages 1 to 126 are an integral part of these consolidated financial statements.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
Income before income tax		36,460,208	28,220,051	20,287,540
Adjustments for:				
Interest and other financing charges	20	13,498,847	11,446,669	11,037,772
Depreciation and amortization	10,11,12	9,505,083	9,688,718	8,820,507
Dividends received from investees	9	915,983	589,221	321,617
Provision for impairment losses	20	595,646	253,738	539,692
Cost of share-based payments		149,456	78,860	150,072
Unrealized (gain) loss on financial assets at fair value through profit or loss		(108,589)	333,413	(99,372)
Equity in net earnings of associates and joint ventures	9	(1,575,295)	(1,429,795)	(842,565)
Gain on sale of investment in associates and jointly controlled entities	9	-	-	(807,618)
Interest income		(6,049,074)	(7,082,013)	(7,054,119)
Operating income before working capital changes		53,392,265	42,098,862	32,353,526
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Accounts and notes receivable - trade		(5,054,003)	(2,046,107)	251,492
Inventories	6	(18,291,371)	(15,136,166)	(1,459,729)
Other current assets	7	(15,576,013)	509,713	(7,279,935)
Increase (decrease) in:				
Accounts and other payables		17,129,876	14,018,427	(7,690,011)
Deposits and other current liabilities	15	2,922,441	(3,542,142)	2,154,067
Pension liabilities	24	309,659	(92,328)	(92,362)
Cash generated from operations		34,832,854	35,810,259	18,237,048
Interest received		6,016,868	6,638,191	7,008,224
Interest paid		(11,793,508)	(9,495,457)	(10,385,580)
Income tax paid		(7,695,965)	(6,604,639)	(6,933,615)
Net cash from operating activities		21,360,249	26,348,354	7,926,077
Cash flows from investing activities				
Proceeds from:				
Sale/redemption of short-term investments		327,150	-	41,160
Sale/redemption of financial assets at FVTPL		3,568,193	4,065,795	1,168,987
Sale of investments in FVOCI	8	42,894	16,371	-
Disposal of property and equipment	11	1,598,122	1,390,786	483,360
Disposal of investment properties	10	1,080,985	764,475	294,149
Disposal of investments in associates and jointly controlled entities		52,935	-	807,618
Additions to:				
Short-term investments	3	(3,617)	-	(8,680)
Financial assets at FVTPL	4	(3,604,552)	(4,179,683)	(805,248)
Financial assets at FVOCI	8	(2,124)	-	-
Investments in associates and joint ventures	9	(1,920,000)	(2,705,023)	(778,748)
Investment properties	10	(19,634,549)	(15,587,700)	(22,030,868)
Property and equipment	11	(1,819,873)	(4,424,285)	(3,215,492)
Net (increase) decrease in:				
Accounts and notes receivables - non-trade	5	(9,427,421)	(5,210,278)	(12,981)
Other non-current assets	12	(444,331)	2,944,192	(2,171,784)
Net cash used in investing activities		(30,186,188)	(22,925,350)	(26,228,527)

(forward)

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in Philippine Peso)

(continuation)

	Notes	2023	2022	2021
Cash flows from financing activities				
Proceeds from:				
Short and long-term debt	14	125,434,426	162,816,824	191,282,758
Capital stock subscriptions	17	328,722	274,373	324,724
Payments of short and long-term debt	14	(103,062,150)	(149,899,033)	(180,536,836)
Payments of principal portion of lease liabilities	31	(2,065,425)	(1,316,469)	(1,432,361)
(Decrease) increase in deposits and other non-current liabilities		(4,451,799)	(12,584,594)	10,695,432
Acquisition of non-controlling interest	17	6,114,435	1,675,369	1,534,967
Increase in equity reserves		3,917,259	2,004,323	-
Acquisition of treasury shares	17	(3,695,647)	(2,186,334)	(1,656,635)
Dividends paid to non-controlling interests		(2,953,998)	(1,653,840)	(1,324,396)
Dividends paid to equity holders of Ayala Land, Inc.	17	(5,679,961)	(4,667,960)	(4,051,013)
Net cash from (used in) financing activities		13,885,862	(5,537,341)	14,836,640
Net increase (decrease) in cash and cash equivalents		5,059,923	(2,114,337)	(3,465,810)
CASH AND CASH EQUIVALENTS				
At January 1		11,885,329	13,971,437	17,037,347
Effect of exchange rate changes on cash and cash equivalents		121,078	28,229	399,900
At December 31	2	17,066,330	11,885,329	13,971,437
Non-cash investing and financing activities	33			

The notes on pages 1 to 126 are an integral part of these consolidated financial statements.

(In the notes, all amounts are shown in thousands of Philippine Pesos unless otherwise stated)

1 General information

Corporate information

Ayala Land, Inc. (the "Parent Company", the "Company" or "ALI") is domiciled and was incorporated on June 30, 1988 in the Republic of the Philippines with corporate life of fifty years. Its immediate Parent Company is Ayala Corporation (AC). AC is a publicly listed company which is 47.86%-owned by Mermac, Inc. and the rest by the public as at December 31, 2023. The Parent Company's registered office and principal place of business is at 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 represent the consolidation of the financial statements of the Parent Company and the following domestic and foreign subsidiaries:

	2023*	2022*
Real Estate:		
Alveo Land Corporation (Alveo)	100%	100%
Serendra, Inc.	39	39
Solinea, Inc. (Solinea)	65	65
BGSouth Properties, Inc. (BGS/BG South)	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
Amicassa Process Solutions, Inc.	100	100
Avencosouth Corp.	70	70
BGNorth Properties, Inc. (BGN/BG North)	50	50
Buklod Bahayan Realty and Development Corp.	-	100
Avida Sales Corp.	-	100
Amaia Land Co. (Amaia)	100	100
Amaia Southern Properties, Inc. (ASPI)	65	65
AyalaLand Premier, Inc.	100	100
AKL Properties, Inc.	50	-
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
Ayala Land Sales, Inc.	-	100
Southportal Properties, Inc. (Southportal)	100	100
Buendia Landholdings, Inc.	100	100

	2023*	2022*
Crimson Field Enterprises, Inc.	100	100
Crans Montana Holdings, Inc.	100	100
Ecoholdings Company, Inc. (ECI)	100	100
NorthBeacon Commercial Corporation (NBCC)	100	100
Red Creek Properties, Inc.	100	100
Regent Time International, Limited (Regent Time) (British Virgin Islands)	100	100
North Eastern Commercial Corp. (NECC)	100	100
Westview Commercial Ventures Corp. (Westview)	100	100
North Ventures Commercial Corporation	100	100
Hillsford Property Corporation (Hillsford)	100	100
Primavera Towncentre, Inc. (PTI)	100	100
Summerhill Commercial Ventures Corporation (Summerhill)	100	100
Sunnyfield E-Office Corporation (Sunnyfield)	100	100
Subic Bay Town Centre, Inc. (SBTCI)	100	100
Regent Wise Investments Limited (Regent Wise) (Hongkong company)	100	100
AyalaLand Real Estate Investments Inc. (Canada)	100	100
AyalaLand Advisory Broadway Inc. (Canada)	100	100
AyalaLand Development (Canada) Inc.	100	100
Blue Horizons Holdings PTE, Ltd (Singapore)	100	100
Avaland Berhad (formerly Modular Construction Technology (MCT) Bhd. (Malaysia)	66	66
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	100	100
Arvo Commercial Corporation (Arvo)	100	100
BellaVita Land Corporation (BellaVita)	100	100
Nuevo Centro, Inc. (Nuevo Centro)	54	54
Alviera Country Club, Inc. (Alviera)	50	50
Cavite Commercial Town Center, Inc. (CCTCI)	100	100
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.)	66	66
AyalaLand Offices, Inc. (ALO)	100	100
First Gateway Real Estate Corp.	100	100
Glensworth Development, Inc. (Glensworth)	100	100
UP North Property Holdings, Inc.	100	100
ALO Prime Realty Corporation	100	100
Makati Cornerstone Leasing Corp. (MCLC)	100	100
Capitol Central Commercial Ventures Corp.	100	100
Bay City Commercial Venture Corp. (BCCVC)	100	100
Aurora Properties Incorporated	81	81
Soltea Commercial Corp.	16	16
Vesta Property Holdings, Inc. (VPHI)	88	84
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
Cagayan de Oro Gateway Corp. (CDOGC)	70	70
Ceci Realty, Inc. (Ceci)	60	60
Soltea Commercial Corp.	12	12
Soltea Commercial Corp.	60	60
CMPI Holdings, Inc.	60	60
ALI-CII Development Corporation (ALI-CII)	50	50
Roxas Land Corporation (RLC)	50	50
Adauge Commercial Corporation (Adauge)	60	60
AyalaLand Estates, Inc	100	100
Prima Gaedi Development Corp	100	100
Redheap Holdings Inc.	100	100
Rookwood Properties, Inc.	100	100
Wedgemore Property Inc	100	100
Javantiger, Inc.	100	100
Ayalaland MetroNorth, Inc. (AMNI)	100	100
Verde Golf Development Corp.	100	100

(forward)

	2023*	2022*
North Triangle Depot Commercial Corporation (NTDCC)	73	73
Ayalaland-Tagle Properties, Inc.	55	55
BGWest Properties, Inc. (BGW/BG West)	50	50
Lagdigan Land Corp. (Lagdigan)	60	60
Central Bloc Hotel Ventures, Inc.	100	100
Cebu Leisure Company, Inc.	100	100
CBP Theatre Management Inc.	100	100
Taft Punta Engaño Property Inc. (TPEPI)	55	55
Cebu Insular Hotel Company, Inc. (CIHCI)	37	37
Solinea, Inc.	35	35
Amaia Southern Properties, Inc. (ASPI)	35	35
Alabang Commercial Corporation (ACC)	50	50
South Innovative Theater Management (SITMI)	50	50
Ayalaland Malls Inc. (formerly ALI Commercial Center, Inc.) (ALMI)	100	100
AyalaLand Malls Vismin, Inc.	100	100
Kitrino Koudini Holdings Inc.	100	-
South Ralston Properties, Inc.	100	-
AyalaLand Logistics Holdings Corp. (ALLHC) (formerly Prime Orion Philippines, Inc.)	71	71
A-Flow Land I Corp.	43	43
Orion Solutions, Inc.	71	71
Orion I Holdings Philippines, Inc.	71	71
Orion Maxis, Inc.	71	71
Orion Land, Inc. and Subsidiaries	71	71
LCI Commercial Ventures, Inc.	71	71
Laguna Technopark, Inc. and Subsidiary	71	71
Unity Realty & Development Corp. (URDC)	71	71
FLT Prime Insurance Corporation	56	56
Ayalaland Malls Synergies, Inc.	100	100
Ayala Malls Zing (AMZING), Inc.	100	100
Construction:		
Makati Development Corporation (MDC)	100	100
MDC Subic, Inc.	100	100
MDC Build Plus, Inc.	100	100
MDC Conqrete, Inc. (MCI)	100	100
MDC Equipment Solutions, Inc. (MESI)	100	100
MDBI Construction Corp.	67	67
Hotels and Resorts:		
Ayala Hotels, Inc. (AHI)	100	100
AyalaLand Hotels and Resorts Corporation (AHRC)	100	100
ALI Makati Hotel & Residences, Inc.	80	80
ALI Makati Hotel Property, Inc.	80	80
Ten Knots Phils., Inc. (TKPI)	40	40
Ten Knots Development, Corp. (TKDC)	40	40
Regent Horizons Conservation Company, Inc.	100	100
Enjay Hotels, Inc. (Enjay)	100	100
Greenhaven Property Venture, Inc. (GPVI)	100	100
Cebu Insular Hotel Company, Inc. (CIHCI)	63	63
Bonifacio Hotel Ventures, Inc.	100	100
Southcrest Hotel Ventures, Inc.	67	67
Northgate Hotel Ventures, Inc.	70	70
North Triangle Hotel Ventures, Inc.	100	100
Ecosouth Hotel Ventures, Inc.	100	100
Sentera Hotel Ventures, Inc.	100	100
Econorth Resorts Ventures, Inc.	100	100
ALI Triangle Hotel Ventures, Inc.	100	100
Circuit Makati Hotel Ventures, Inc.	100	100
Capitol Central Hotel Ventures, Inc.	100	100
Arca South Hotel Ventures, Inc.	100	100
Sicogon Town Hotel, Inc.	100	100

(forward)

	2023*	2022*
Bay Area Hotel Ventures, Inc.	100	100
Makati North Hotel Ventures, Inc. (MNHVI)	100	100
One Makati Hotel Ventures, Inc. (OMHVI)	100	100
Sicogon Island Tourism Estate Corp. (SITE Corp.)	77	77
Asiatown Hotel Ventures, Inc.	100	100
Seda College, Inc. (formerly One Makati Residential Ventures, Inc.)	100	100
ALI Makati Hotels & Residences, Inc.	20	20
ALI Makati Hotel Property, Inc.	20	20
Ten Knots Phils., Inc. (TKPI)	60	60
Bacuit Bay Development Corporation	60	60
Lio Resort Ventures, Inc.	60	60
North Liberty Resort Ventures, Inc.	60	60
Turista.ph (formerly Paragua Eco-Resort Ventures Inc.)	60	60
Lio Tourism Estate Management Corporation	60	60
Ten Knots Development, Corp. (TKDC)	60	60
Chirica Resorts Corp.	60	60
Kingfisher Capital Resources Corp.	60	60
Pangulasian Island Resort Corporation	60	60
Integrated Eco-Resort Inc.	100	100
Sicogon Island Tourism Estate Corp.	5	-
Property Management:		
Ayala Property Management Corporation (APMC)	100	100
Prime Support Services, Inc.	100	100
Ayala Theatres Management, Inc. (ATMI)	100	100
DirectPower Services, Inc. (DirectPower)	100	100
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	100	100
Entertainment:		
Five Star Cinema, Inc.	100	100
Leisure and Allied Industries Philippines, Inc. (LAIP)	50	50
Others		
Darong Agricultural Development Corporation (DADC)	100	100
First Longfield Investments Limited (First Longfield) (Hongkong Company)	100	100
Green Horizons Holdings Limited and Subsidiary	100	100
Aprisa Business Process Solutions, Inc. (Aprisa)	100	100
AyalaLand Club Management, Inc.	-	100
ALI Capital Corp. (formerly Varejo Corp.) (ALICap)	100	100
Airswift Transport, Inc. (formerly Island Transvoyager, Inc.) (Airswift)	100	100
Swift Aerodrome Services, Inc. (SASI)	100	100
Arca South Integrated Terminal, Inc. (ASITI)	100	100
Whiteknight Holdings, Inc.	100	100
Ayalaland Medical Facilities Leasing, Inc.	100	100
Anvaya Cove Beach and Nature Club, Inc. (Anvaya Cove Beach)	73	73
Anvaya Cove Golf and Sports Club, Inc. (Anvaya Cove Golf)	76	76

**Represents the Group's effective ownership*

The above companies are domiciled in the Philippines except for the foreign entities which are domiciled and incorporated in the country as mentioned above.

The Parent Company, through its 50.0% effective ownership and by virtue of a management contract or shareholders' agreement, exercises control over the operations and management of ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII, LAIP and AKL, a newly consolidated entity. Accordingly, the accounts of ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII, LAIP and AKL are consolidated to the accounts of the Parent Company (Note 36).

The following were the changes in the group structure during 2023:

a. On March 29, 2023, ALI sold 205,000,000 shares of AREIT, Inc. (AREIT) at a transaction price of P32.10 per share, equivalent to P6.58 billion, with an impact to equity reserves amounting to P4.41 billion in relation to its P22.5 billion property-for-share swap transaction with AREIT. As a result, ALI's holding in AREIT was reduced from 66.0% to 54.4%.

b. On September 20, 2023, ALI, ALMI, NBCC and AREIT received the Securities and Exchange Commission's (SEC) approval of its property-for-share swap involving identified prime flagship offices and malls with an aggregate value of P22.5 billion in exchange for 607,559,380 primary common shares of AREIT, pursuant to the Deed of Exchange executed on June 2, 2023. Consequently, ALI's holding in AREIT increased to 66.0%.

c. During the year, the following mergers have been completed:

    - The merger of Avida and its subsidiaries, namely Buklod Bahayan Realty and Development Corp. and Avida Sales Corp. (collectively referred to as the "Companies"), was approved by the SEC on April 20, 2023 with Avida as the surviving entity. Consequently, the companies' operations and its assets and liabilities have been absorbed by Avida effective May 1, 2023.

    - On October 17, 2023, the SEC approved the merger of Ayala Land Premier, Inc. (ALP), Ayala Land Sales, Inc. (ALSI) and Ayala Club Management Inc. (ACMI) where ALP is the surviving entity.

d. The Parent Company acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. for a value of P31.51 million in July 2023. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 84% in 2022 to 88% in July 2023. The acquisition involved entities under common control. As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. Impact to equity reserves, as a result of this transaction, amounted to P351.13 million in 2023.

e. On August 18, 2023, the Parent Company purchased 100,000 common shares of South Ralston for a total consideration of P0.10 million which is equivalent to 100% stake in the entity. This transaction was accounted as acquisition of asset.

f. On September 18, 2023, ALMI, a subsidiary, acquired 5,000 common shares of Kitrino Koudouni Holdings, Inc. for a total consideration of P0.05 million, which is equivalent to 100% stake in the entity. This transaction was accounted as acquisition of asset.

g. On November 14, 2023, the Parent Company purchased 7,143 common shares and 64,289 preferred shares of SITE Corp. for a total consideration of P203.58 million from the existing investor which is equivalent to a 5% stake in the company. This acquisition is accounted as involving entities under control. As a result, the impact to equity reserves amounted to P132.15 million.

h. The Parent Company, through its 50.0% effective ownership and by virtue of Development Management Agreement, exercises control over the operations and management of AKL Properties, Inc. Accordingly, the assets, liabilities, equity, and result of its operations are consolidated into the Group beginning 2023. The Group reclassified the amount from investment in joint ventures to investment in subsidiaries.

Approval and authorization for issuance of consolidated financial statements

The consolidated financial statements of the Group have been approved and authorized for issue by the Board of Directors (BOD) on February 20, 2024.

2 Cash and cash equivalents

The account as at December 31 consists of:

	2023	2022
Cash on hand	38,699	67,273
Cash in banks	10,615,507	10,227,350
Cash equivalents	6,412,124	1,590,706
	17,066,330	11,885,329

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term rates.

There is no restriction on the Group's cash and cash equivalents balances as at December 31, 2023 and 2022.

3 Short-term investments

Short-term investments consist of money market placements made for varying periods of more than three months and up to one year and earn interest at the respective short-term investment rates.

4 Financial assets at fair value through profit or loss (FVTPL)

The account as at December 31 consists of:

	2023	2022
Investment in Unit Investment Trust Funds (UITFs)	228,674	84,793
Investment in ARCH Capital Fund	191,128	207,196
	419,802	291,989

The Group's investment in UITFs consists of investments in BPI Money Market Fund and BPI USD Short Term Fund (collectively referred to as the "Funds") which aim 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 investments in UITFs are maintained with Bank of the Philippine Islands, a related party (Note 23).

Investment in ARCH Capital Fund pertains to monetary interest in a fund in which the Group takes the view that these are held for trading and it is a portfolio of identified property funds invested and managed by professional managers.

5 Accounts and notes receivable

The account as at December 31 consists of:

	2023	2022
Trade receivables from:		
Residential, commercial and office development	112,185,536	101,797,458
Shopping centers	5,033,715	6,315,550
Construction contracts	4,039,336	2,826,924
Corporate business	3,775,841	3,676,026
Management fees	187,566	231,510
Others	4,503,181	5,791,638
Advances to other companies	18,359,495	15,858,263
Accrued receivables	11,096,749	9,370,342
Receivables from related parties	6,537,813	6,927,883
Receivables from employees	1,048,211	927,787
	166,767,443	153,723,381
Allowance for impairment losses	(2,783,716)	(2,539,403)
	163,983,727	151,183,978
Less: Non-current portion	(58,453,299)	(49,032,711)
Current portion of accounts and notes receivable	105,530,428	102,151,267

The classes of trade receivables of the Group are as follows:

- Residential, commercial and office development consist of receivables from the sale of high-end, upper middle-income and affordable residential lots and units; economic and socialized housing units; sale of commercial lots; sale of office units; and leisure community developments;
- Shopping centers consist of lease receivables from retail spaces;
- Construction contracts consist of receivables from third party construction projects;
- Corporate business consists of lease receivables from office and factory buildings and receivables from sale of industrial lots;
- Management fees consist of receivables from facilities management services; and
- Others consist of receivables from hotel operations and other support services.

Residential, commercial and office development receivables are collectible in monthly installments over a period of one to ten years. These are carried at amortized cost using the effective interest rate method with annual interest rates ranging from 1.00% to 13.50%. Titles to real estate properties are transferred to buyers once full payment has been made.

Receivables from shopping centers, construction contracts and management fees are due within 30 days upon billing.

Corporate business receivables are collectible on a monthly or quarterly basis depending on the terms of the lease contracts.

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 mainly comprise of 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 advances are liquidated when proceeds from the sale of the related projects are applied. The remaining amount of advances to other companies are collectible over a fixed term or on demand.

Advances to other companies also include receivables from MRT Development Corporation (MRTDC) shareholders which pertain 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 at December 31, 2023, receivables including interest from MRTDC shareholders amounted to P309.5 million (2022 - P308.6 million).

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 at 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 on demand.

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.

As at December 31, 2023, receivables amounting to P2,783.7 million (2022 - P2,539.4 million) were impaired and fully provided for.

Movements in the allowance for impairment losses follow:

	Trade							
	Residential and Office Development	Shopping Centers	Construction Contracts	Corporate Business	Management Fees	Others	Advances to Other Companies	Total
At January 1, 2022	62,314	1,074,658	152,231	633,108	16,630	221,488	133,725	2,294,154
Provision during the year (Note 20)	2,188	146,520	3,466	37,005	-	8,276	56,283	253,738
Accounts written-off	(410)	(3,761)	-	-	-	(4,318)	-	(8,489)
At December 31, 2022	64,092	1,217,417	155,697	670,113	16,630	225,446	190,008	2,539,403
Provision during the year (Note 20)	46,803	65,210	-	262,887	-	103,434	-	478,334
Reversal	-	(27,324)	(68,695)	-	(5,889)	(47,391)	-	(149,299)
Accounts written-off	(2,386)	-	-	-	(3,606)	(78,730)	-	(84,722)
At December 31, 2023	108,509	1,255,303	87,002	933,000	7,135	202,759	190,008	2,783,716

In 2023, reversal of allowance for impairment losses representing recoveries of previously impaired accounts amounting to P149.30 million is recognized within other income in the consolidated statement of income (2022 - nil).

As at December 31, 2023, nominal amounts of trade receivables from residential, commercial and office development totaling P111,181 million (2022 - P101,665 million) 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 follow:

	Note	2023	2022
At January 1		5,030,125	8,447,356
Additions during the year		4,458,289	3,277,699
Accretion for the year	18	(5,359,526)	(6,694,930)
At December 31		4,128,888	5,030,125

In 2023, the Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting to P45.0 million (2022 - nil). The transactions were without recourse and did not result in any gain or loss (Note 23).

In 2023, the Group sold residential receivables on a without recourse basis to partner mortgage banks, which include Bank of the Philippine Islands, a related party (Note 23), amounting to P15,110.4 million (2022 - P15,270.2 million) and were sold at a discount with total proceeds of P13,303.6 million (2022 - P12,366.1 million). The Group recognized loss on sale, presented as financial expenses and other charges within other expenses, amounting to P1,806.8 million (2022 - P2,904.1 million) (Note 20).

6 Inventories

The account as at December 31 consists of:

	2023	2022
Real estate - at cost		
Residential and condominium units	104,852,762	98,094,649
Residential and commercial lots	102,006,925	80,333,348
Offices - at cost	2,456,824	1,920,477
	209,316,511	180,348,474

Movements in inventories follow:

	Notes	Residential and commercial lots	Residential and Condominium units	Offices	Total
At January 1, 2022		58,590,787	87,509,406	2,056,532	148,156,725
Land acquired during the year		2,312,910	2,565,329	-	4,878,239
Construction/development costs incurred		11,857,664	35,642,819	549,044	48,049,527
Disposals (recognized as cost of real estate sales)	20	(9,302,984)	(27,622,905)	(685,099)	(37,610,988)
Transfers from investment properties	10	16,874,971	-	-	16,874,971
At December 31, 2022		80,333,348	98,094,649	1,920,477	180,348,474
Land acquired during the year		1,199,505	2,463,675	-	3,663,180
Construction/development costs incurred		34,152,455	26,025,306	1,022,282	61,200,043
Disposals (recognized as cost of real estate sales)	20	(23,080,092)	(21,730,868)	(485,935)	(45,296,895)
Transfers from investment properties	10	9,401,709	-	-	9,401,709
At December 31, 2023		102,006,925	104,852,762	2,456,824	209,316,511

As at December 31, 2023 and 2022, the Group has no purchase commitments, liens and encumbrances pertaining to its inventories.

7 Other current assets

The account as at December 31 consists of:

	2023	2022
Advances to contractors and suppliers	27,585,010	17,104,282
Prepaid expenses	20,824,812	19,402,131
Input value-added tax (VAT)	13,537,622	12,413,545
Creditable withholding taxes	12,220,825	9,528,091
Materials, parts and supplies	1,505,046	1,444,083
Others	4,617,509	4,957,714
	80,290,824	64,849,846

Advances to contractors and suppliers pertain to prepayments for the construction of inventories. These are recouped as application of payment to contractors and suppliers, which are expected to occur within 12 months.

Prepaid expenses consist of prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, rentals and insurance.

In 2023, the cost to obtain contracts which includes prepaid commissions and advances to brokers amounted to P3,443.8 million (2022 - P3,302.0 million). 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. Management performs an impairment assessment of the costs to complete the contract. The ability to reasonably 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.

Input VAT is to be applied against output VAT. The remaining balance is assessed to be recoverable in future periods.

Creditable withholding taxes are to be applied against income tax payable.

Materials, parts and supplies are expected to be used in the construction and maintenance of projects.

Others include deferred charges and letters of credit. Deferred charges pertain to project-related costs already paid but not yet consumed in the actual construction activities.

8 Financial assets at fair value through other comprehensive income (FVOCI)

The account as at December 31 consists of:

	2023	2022
Shares of stock:		
Quoted	759,308	769,903
Unquoted	1,043,281	1,141,491
	1,802,589	1,911,394
Net unrealized loss	(680,620)	(877,913)
	1,121,969	1,033,481

Investments in quoted shares of stock include shares held in 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 hold as part of the infrastructure that it provides to its real estate projects.

In 2023, the Group made an additional investment in FVOCI amounting to P2.1 million (2022 - nil) and disposed equity securities amounting to P42.9 million (2022 - P16.4 million) and recorded a gain of P6.5 million (2022 - P1.3 million) from the disposals.

Movements in the fair value reserve of financial assets at FVOCI follow:

	2023	2022
At January 1	(877,913)	(880,895)
Fair value changes during the year	203,828	2,982
Derecognition of unrealized gain due to redemption of shares	(6,535)	-
At December	(680,620)	(877,913)

9 Investment in associates and joint ventures

The account as at December 31 consists of:

	Note	2023	2022
Investment in stocks - cost			
At January 1		25,651,600	22,946,577
Additions		1,920,000	2,705,023
Disposals		(52,935)	-
Transfer to investment in subsidiary		(3,083,523)	-
At December 31		24,435,142	25,651,600
Accumulated equity in net earnings			
At January 1		5,921,822	5,081,248
Equity in net earnings	18	1,575,295	1,429,795
Dividends received		(915,983)	(589,221)
Transfer to investment in subsidiary		(131,941)	-
At December 31		6,449,193	5,921,822
Total		30,884,335	31,573,422
Equity share in cumulative translation adjustment		328,363	343,673
		31,212,698	31,917,095

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 effective percentages of ownership are shown below:

	Percentage of Ownership		Carrying amounts	
	2023	2022	2023	2022
Joint ventures:				
ALI-ETON Property Development Corporation (ALI ETON)	50%	50%	9,652,505	7,616,202
Emerging City Holdings, Inc. (ECHI)	50%	50%	4,190,077	3,999,608
Berkshires Holdings, Inc. (BHI)	50%	50%	2,052,670	1,970,587
Cebu District Property Enterprise, Inc. (CDPEI)	50%	50%	1,704,003	1,735,065
Alveo-Federal Land Communities, Inc.	50%	50%	539,381	947,037
AyaGold Retailers, Inc. (AyaGold)	50%	50%	135,552	141,605
SIAL Specialty Retailers, Inc. (SIAL Specialty)	50%	50%	26,462	26,462
AKL Properties, Inc. (AKL)*	50%	50%	-	3,230,774
A-FLOW Properties I Corp	36%	36%	177,001	181,145
BYMCW, Inc.	30%	30%	59,100	60,607
			18,536,751	19,909,092
Associates:				
Ortigas Land Corporation (OLC)	21%	21%	10,143,892	9,525,402
Bonifacio Land Corp. (BLC)	10%	10%	1,527,981	1,451,942
Rize-Ayalaland (Kingsway) GP, Inc. (Rize-Ayalaland)	49%	49%	804,166	794,185
Tianjin Eco-City Ayala Land Development Co., Ltd. (Tianjin Eco-City)	40%	40%	149,477	199,259
Lagoon Development Corporation (LDC)	30%	30%	50,431	37,215
			12,675,947	12,008,003
			31,212,698	31,917,095

**The Group reclassified the amount from investment in joint venture to investment in subsidiaries beginning 2023 (Note 1).*

The Parent Company considers an associate and a joint venture with material interest if its net assets exceed 5% of the total consolidated net assets of the Group as at 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 of the Parent Company's significant associates and joint ventures with material interest follows:

The financial information of the associates with material interest:

OLC

ALI has a 21% stake in OLC that was purchased from existing OLC shareholders. OLC 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 OLC:

	2023	2022
Current assets	32,554,643	25,207,970
Non-current assets	28,827,055	23,705,727
Current liabilities	(23,147,183)	(12,793,028)
Non-current liabilities	(21,253,275)	(22,068,593)
Equity	16,981,240	14,052,076
Proportion of Group's ownership	21.0%	21.1%

	2023	2022
Group's share in identifiable net assets	3,566,060	2,964,988
Carrying amount of the investment	(10,143,892)	(9,525,402)
Fair value adjustments	(6,577,832)	(6,560,414)
Negative goodwill	(148,046)	(148,046)
Dividends received	77,592	71,447

As at December 31, 2023, net assets attributable to the equity holders of OLC amounted to P16,981.2 million (2022 - P14,052.0 million).

	2023	2022
Revenue	12,769,959	11,187,455
Cost and expenses	(9,529,626)	(8,498,323)
Net income (continuing operations)	3,240,333	2,689,132
Group's share in net income for the year	680,470	560,924
Total comprehensive income	2,553,524	2,671,067
Group's share in total comprehensive income for the year	536,240	560,924

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. Its registered office and principal place of business is Taguig City, Philippines.

Set out below is the summarized financial information for BLC:

	2023	2022
Current assets	12,196,122	10,493,988
Non-current assets	34,509,206	32,427,255
Current liabilities	(2,976,354)	(2,439,245)
Non-current liabilities	(9,187,034)	(7,723,742)
Equity	34,541,940	32,758,256
Less: Non-controlling interest	(15,513,945)	(14,693,397)
Equity attributable to Parent Company	19,027,995	18,064,859
Proportion of Group's ownership	10.1%	10.1%
Group's share in identifiable net assets	1,921,828	1,824,551
Carrying amount of the investment	1,527,981	1,451,942
Fair value adjustments	(393,847)	(372,609)
Negative goodwill	(393,847)	(372,609)
Dividends received	84,877	66,689

As at December 31, 2023, net assets attributable to the equity holders of BLC amounted P19,028.0 million (2022 - P18,064.9 million).

	2023	2022
Revenue	6,969,474	5,068,151
Cost and expenses	(3,587,994)	(2,875,984)
Net income (continuing operations)	3,381,480	2,192,167
Net income attributable to non-controlling interest	1,593,209	1,029,723
Net income attributable to Parent Company	1,788,271	1,162,444
Group's share in net income for the year	180,615	117,407
Total comprehensive income	1,788,271	1,162,444
Group's share in total comprehensive income for the year	180,615	117,407

Aggregate financial information on the associates with immaterial interest (Rize-Ayalaland, Tianjin Eco-City and LDC) follows:

	2023	2022
Carrying amount	1,004,074	1,030,659
Share in net income from continuing operations	26,739	44,455
Share in total comprehensive income	26,739	44,455
Dividends received	53,323	9,000

The financial information of the joint ventures with material interest:

ALI Eton

	2023	2022
Current assets	22,043,118	20,526,458
Non-current assets	4,289,259	4,377,413
Current liabilities	(6,426,059)	(8,420,911)
Non-current liabilities	(371,951)	(922,411)
Equity	19,534,367	15,560,549
Proportion of Group's ownership	50.0%	50.0%
Group's share in identifiable net assets	9,767,184	7,780,275
Carrying amount of the investment	9,652,505	7,616,202

As at December 31, 2023, net assets attributable to the equity holders of ALI Eton amounted to P19,534.4 million (2022 - P15,560.5 million).

	2023	2022
Revenue	3,617,321	1,974,714
Cost and expenses	(3,077,696)	(1,721,039)
Net income (continuing operations)	539,625	253,675
Group's share in net income for the year	269,813	126,837
Total comprehensive income attributable to equity holders of the Parent Company	539,625	253,675
Group's share in total comprehensive income for the year	269,813	126,837

ECHI

	2023	2022
Current assets	12,240,523	10,551,614
Non-current assets	34,509,206	32,427,265
Current liabilities	(3,305,063)	(2,767,955)
Non-current liabilities	(9,187,034)	(7,723,742)
Equity	34,257,632	32,487,182
Less: Non-controlling interest	25,219,280	23,923,304
Equity attributable to Parent Company	9,038,352	8,563,878
Proportion of Group's ownership	50.0%	50%
Group's share in identifiable net assets	4,519,176	4,281,939
Carrying amount of the investment	4,190,077	3,999,608
Dividends received	220,000	170,750

As at December 31, 2023, net assets attributable to the equity holders of ECHI amounted to P9,038.4 million (2022 - P8,563.8 million).

	2023	2022
Revenue	6,971,791	5,070,254
Cost and expenses	(3,595,568)	(2,883,590)
Net income (continuing operations)	3,376,223	2,186,664
Net loss attributable to non-controlling interest	(2,455,573)	(1,590,007)
Net income attributable to Parent Company	920,650	596,657
Group's share in net income for the year	460,325	298,329
Total comprehensive income attributable to equity holders of the Parent Company	922,112	597,171
Group's share in total comprehensive income for the year	461,056	298,586

Aggregate financial information on joint ventures with immaterial interest (BHI, CDPEI, Alveo-Federal, AyaGold,SIAL Specialty, AKL*, A-Flow and BYMCW) is as follows:

	2023	2022
Carrying amount	4,694,169	8,112,137
Share in net income from continuing operations	132,130	293,772
Share in total comprehensive income	132,130	293,772
Dividends received	447,535	73,185

**The financial information of AKL is only presented in 2022 as investment in joint venture as the Group reclassified the amount from investment in joint venture to investment in subsidiaries beginning 2023 (Note 1).*

The following are the significant transactions affecting the Group's investments in associates and joint ventures:

Investments in BLC, ECHI, and BHI

As at December 31, 2023 and 2022, the Group's effective interest in BLC is 45.1%. The Parent Company's 5.3% direct investment in BLC and 4.8% through Regent Time aggregating 10.1% are accounted for using the equity method because the Parent Company has significant influence over BLC.

On April 17, 2003, the following transactions were consummated pursuant to the terms and conditions of the Assignment Agreement (Agreement), dated February 8, 2003, among the Parent Company, Evergreen Holdings, Inc. (EHI), Greenfield Development Corporation and Larouge, B.V. (Larouge), as amended, and the Agreement, dated November 23, 2002, among the Company, EHI and Neo Oracle Holdings, Inc. [formerly Metro Pacific Corporation (MPC)] as amended:

1. The assignment to the Parent Company and EHI of the rights and obligations of Larouge under the loan agreement between Larouge and Neo Oracle Holdings, Inc., pursuant to which, Larouge extended Neo Oracle Holdings, Inc. 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 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.

2. 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 represents 50.4% of BLC's outstanding capital stock. This assignment was effected by Neo Oracle Holdings, Inc. under a dacion en pago arrangement, and included an assignment of payables of BLC in the principal amount of P655.0 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 or 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 Neo Oracle Holdings, Inc. 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 P689.0 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 P362.6 million. This resulted in an increase in Group's effective interest in BLC to 45.4% and unchanged thereafter.

Investment in Rize-Ayalaland

Rize-Ayalaland (Kingsway) GP, Inc. was incorporated on January 25, 2013 under the laws of British Columbia, Canada. The Company's effective ownership is 49.0% through its Vancouver-based subsidiary, AyalaLand Real Estate Investments, Inc.

Investment in Tianjin Eco-City

Tianjin Eco-City is a registered Sino-foreign equity joint venture between RWIL and Sino-Singapore Tianjin Eco-City Investment & Development Co. (SSTEC) under the laws 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. Its principal activities include property development rental, management property and parking lot management.

Investment in A-Flow Properties I Corp

On October 4, 2022, ALLHC entered into joint venture agreement with Flow Luna I Property Pte. Ltd (FLOW) representing 50% interest in A-FLOW Properties I Corp (FLOW PropCo)., a joint venture that will engage in the business of providing data center, co-location and other related services, including both space and power, to various entities such as hyperscalers and domestic enterprises, and will acquire and/or construct data center.

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 ALI-ETON Property Development Corporation

ALI-ETON Property Development Corporation was incorporated on March 13, 2016. The company is a joint venture between ALI 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 2023, the Parent Company and LT Group, Inc. made additional equity infusions to ALI-Eton to fund the development requirements of Parklinks amounting to P1,920 million each (2022 - P2,405.0 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 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 P217.0 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 AyaGold Retailers, Inc.

AyaGold Retailers, Inc., a joint venture between Entenso Equities Incorporated (EEI, a wholly owned subsidiary of Puregold Price Company, 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). ALI Capital Corp. 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 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.

On March 28, 2023, SEC approved the application to shorten the corporate life of SIAL Specialty up to June 30, 2024.

Investment in AKL Properties Inc.

The Parent Company's investments in AKL is a 50:50 venture between Ayala Land, Inc. and Royal Asia Land, Inc. (RALI), and is organized primarily for future mixed-use development in South Luzon area.

In 2023, the Parent Company, through its 50.0% effective ownership and by virtue of Development Management Agreement, exercises control over the operations and management of AKL. Accordingly, the assets, liabilities, equity, and result of its operations are consolidated into the Group. The Group reclassified the amount from investment in joint venture to investment in subsidiaries beginning 2023 (Note 1).

10 Investment properties, net

The account as at December 31 consists of:

	Notes	Land	Buildings	Construction-in-progress	Total
Cost					
At January 1, 2022		74,543,473	135,599,847	77,270,287	287,413,607
Additions		7,173,643	8,930,029	3,793,406	19,897,078
Disposals		(764,475)	(3,227,683)	-	(3,992,158)
Transfers	6, 11	(11,754,536)	14,197,110	(13,805,554)	(11,362,980)
At December 31, 2022		69,198,105	155,499,303	67,258,139	291,955,547
Additions		6,698,242	5,851,111	3,220,622	15,769,975
Disposals		(738,648)	(831,255)	-	(1,569,903)
Transfers	6, 11	(15,217,749)	8,734,644	(6,328,729)	(12,811,834)
At December 31, 2023		59,939,950	169,253,803	64,150,032	293,343,785
Accumulated depreciation					
At January 1, 2022		-	43,507,379	-	43,507,379
Depreciation	20	-	5,642,851	-	5,642,851
Disposals		-	(3,228,786)	-	(3,228,786)
At December 31, 2022		-	45,921,444	-	45,921,444
Depreciation	20	-	5,669,598	-	5,669,598
Disposals		-	(488,916)	-	(488,916)
Transfers	11	-	671,444	-	671,444
At December 31, 2023		-	51,773,570	-	51,773,570
Accumulated impairment losses					
December 31, 2022	20	160,378	348,218	-	508,596
December 31, 2023		160,378	348,218	-	508,596
Net book value					
December 31, 2022		69,037,727	109,229,641	67,258,139	245,525,507
December 31, 2023		59,779,572	117,132,015	64,150,032	241,061,619

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 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 as at December 31, 2023 amounted to P658,425.3 million (2022 - P483,640.6 million).

The Group capitalized borrowing costs for investment properties under construction. In 2023, interest capitalized amounted to P683.1 million (2022 - P783.22 million). The capitalization rates are 4.5% to 6.0% (2022 - P3.84% to 4.17%) (Note 14).

In 2023, consolidated rental income from investment properties amounted to P32,896.2 million (2022 - P27,196.5 million and 2021 - P 17,797.7 million) (Note 18). For the year ended December 31, 2023, the consolidated direct operating expenses arising from the investment properties amounted to P10,118.96 million (2022 - P8,884.7 million and 2021 - P7,663.1 million) (Note 20).

For the year ended December 31, 2023, depreciation expense pertaining to investment properties amounted to P5,669.60 million (2022 - P5,642.9 million and 2021 - P3,645.3 million) (Note 20).

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancement, other than those already reflected or disclosed in the consolidated financial statements.

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. As at December 31, 2023, net book value of these investment properties amounted to P3,154.5 million (2022 - P2,974.7) (Note 14).

For the capital commitments, please refer to Note 27.

11 Property and equipment, net

The account as at December 31 consists of:

	Notes	Land, Buildings and Improvements	Machinery and Construction Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Hotel Property and Equipment	Total
Cost							
At January 1, 2022		18,417,909	13,824,961	9,390,543	3,495,419	25,218,185	70,347,017
Additions		2,649,776	671,455	853,301	238,811	124,711	4,538,054
Disposals		(1,222,348)	(482,715)	(140,454)	(92,106)	-	(1,937,623)
Transfers	10	(5,597,249)	86,034	(778)	-	-	(5,511,993)
At December 31, 2022		14,248,088	14,099,735	10,102,612	3,642,124	25,342,896	67,435,455
At January 1, 2023							
Additions		856,253	1,519,063	1,212,661	871,384	1,232,393	5,691,754
Disposals		(264,780)	(512,673)	(274,539)	(16,845)	(1,539,616)	(2,608,453)
Transfers	10	3,223,868	-	175,296	10,961	-	3,410,125
At December 31, 2023		18,063,429	15,106,125	11,216,030	4,507,624	25,035,673	73,928,881
Accumulated depreciation and amortization							
At January 1, 2022		7,651,424	10,188,003	5,072,260	1,658,590	3,998,388	28,568,665
Depreciation and amortization	20	790,928	792,055	358,035	443,202	844,904	3,229,124
Disposals		(49,536)	(47,245)	(165,019)	(254,373)	-	(516,173)
At December 31, 2022		8,392,816	10,932,813	5,265,276	1,847,419	4,843,292	31,281,616
At January 1, 2023							
Depreciation and amortization	20	736,456	750,001	559,352	275,238	746,775	3,067,822
Disposals		(115,576)	(436,643)	(311,367)	(14,115)	(132,631)	(1,010,332)
Transfers	10	(713,741)	(12,054)	56,350	(1,999)	-	(671,444)
At December 31, 2023		8,299,955	11,234,117	5,569,611	2,106,543	5,457,436	32,667,662
Net book value							
December 31, 2022		5,855,272	3,166,922	4,837,336	1,794,705	20,499,604	36,153,839
December 31, 2023		9,763,474	3,872,008	5,646,419	2,401,081	19,578,237	41,261,219

For the year ended December 31, 2023, the depreciation and amortization of property and equipment (included under various accounts in the consolidated statement of income) amounted to P3,067.8 million (2022 - P3,229.1 million and 2021 - P4,443.8 million). No interest was capitalized in 2023, 2022 and 2021 (Note 14).

As at December 31, 2023, 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 P923.4 million (2022 - P952.8 million) and are included in property and equipment. In 2023, the total contractual commitments arising from awarded contracts for the acquisition, development and construction of property and equipment amounted to P1,242 million (2022 - P685.78 million).

The Group performed impairment testing on its hotel property and equipment, with a carrying value of P19,578.2 million as at December 31, 2023 (2022 - P20,499.6 million), 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%. Based on the impairment testing, there is no impairment loss on the Group’s hotel property and equipment.

12 Other non-current assets

The account as at December 31 consists of:

	2023	2022
Prepaid expenses	16,744,120	13,478,639
Advances to contractors and suppliers	8,508,364	9,256,936
Leasehold rights	3,226,493	3,293,472
Deposits - others	2,839,321	2,142,815
Deferred input VAT	1,240,951	1,114,468
Net pension assets	352,313	52,529
Development rights	37,678	37,678
Others	461,259	449,817
	33,410,499	29,826,354

Prepaid expenses consist of project costs incurred for unlaunched projects of the Group, advance rental payments and non-current prepaid management fees. This also includes the non-current portion of cost to obtain contracts which includes prepaid commissions and advances to brokers, which amounted to P856.82 million in 2023 (2022 - P766.36 million).

Advances to contractors and suppliers represent prepayments for the construction of investment properties and property and equipment.

Leasehold rights mainly 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 P2,711.86 million as at December 31, 2023 (2022 - P2,750.17 million) (Note 31).
- 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 P40.5 million as at December 31, 2023 (2022 - P46.73 million).
- 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 P471.2 million as at December 31, 2023 (2022 - P491.2 million).

Movements in leasehold rights follow:

	2023	2022
At January 1	3,293,473	3,398,659
Additions	-	1,179
Amortizations	(66,980)	(106,365)
At December 31	3,226,493	3,293,473

Deposits - others pertain to various utility deposits and security deposits for leases.

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 is capitalized as additional cost of the structure once the development commences.

Others pertain to prepayments for expenses that are amortized for more than one year.

13 Accounts and other payables

The account as at December 31 consists of:

	Note	2023	2022
Accounts payable		112,906,119	95,187,175
Taxes payable		22,798,500	20,536,540
Liability for purchased land		7,508,478	8,136,983
Accrued salaries and employee benefits		4,575,640	6,269,161
Retentions payable		4,109,606	4,937,454
Interest payable		2,204,982	2,104,183
Accrued utilities		1,870,260	465,642
Accrued professional and management fees		1,381,895	1,479,837
Accrued advertising and promotions		927,854	925,552
Payable to related parties	23	714,068	630,525
Accrued repairs and maintenance		454,402	689,554
Dividends payable		63,222	81,030
Accrued rentals		9,959	88,639
Other accrued expenses		2,950,457	2,419,852
		162,475,442	143,952,127

Accounts payable and accrued expenses are non-interest bearing and are normally settled within 30 to 60 days.

Taxes payable pertain to the Group’s output VAT, expanded withholding tax, capital gains tax and fringe benefit tax payable.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired. These are normally payable in quarterly or annual installment payments, or upon demand.

Retentions payable pertain to the amount withheld by the Group on contractor’s billings to be released after the guarantee period, usually one year after the completion of the project or upon demand. The retentions payable serve as 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.

The Group entered into and designated interest rate swaps as cashflow hedge instruments from interest-bearing loans at floating rate with notional value of MYR227.6 million as at December 31, 2023 and 2022. 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. As at December 31, 2023, the fair value of the derivative amounted to P55.6 million liability (2022 - P221.0 million liability), which is recognized as part of other accrued expenses.

14 Short-term and long-term debts

As at December 31, 2023, the short-term debt amounting to P16,905.1 million (2022 - P6,547.3 million) represents both Peso and foreign currency-denominated bank loans. Philippine Peso-denominated short-term bank loans have a weighted average cost of 6.00% per annum in 2023 (2022 - 2.58%).

In compliance with Bangko Sentral ng Pilipinas (BSP) rules on directors, officers, stockholders and related interests, certain long-term debt with a carrying value of P2,225.3 million as at December 31, 2023 (2022 - P4,623.2 million) 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 P3,154.5 million as at December 31, 2023 (2022 - P2,974.8 million), which is accounted as part of the "Investment properties" account (Note 10).

Long-term debt consists of:

	2023	2022
Parent Company:		
Bonds:		
Due 2023	-	7,000,000
Due 2024	15,000,000	15,000,000
Due 2025	23,250,000	23,250,000
Due 2026	16,000,000	16,000,000
Due 2027	15,000,000	15,000,000
Due 2028	22,075,000	22,000,000
Due 2029	14,000,000	14,000,000
Due 2031	3,000,000	3,000,000
Due 2033	6,925,000	2,000,000
Philippine Peso - denominated long-term loans	80,148,000	68,244,727
US Dollar - denominated long-term loans	3,045,350	3,066,525
Fixed rate corporate notes (FXCNs)	-	4,500,000
	198,443,350	193,061,252
Subsidiaries:		
Bank loans - Philippine-Peso denominated	42,354,825	34,338,748
Bank loans - Malaysian-Ringgit denominated	1,879,516	442,470
Bonds	-	3,000,000
	44,234,341	37,781,218
	242,677,691	230,842,470
Less: Unamortized transaction costs	1,328,536	1,350,891
	241,349,155	229,491,579
Less: Current portion of long-term debt	18,969,421	19,258,289
Non-current portion of long-term debt	222,379,734	210,233,290

Parent Company

Below is the summary of the outstanding Peso bonds issued by the Parent Company:

Year Issued	Term (Years)	Interest Rate	Principal Amount	Carrying Value 2023	Carrying Value 2022	Features
2013	20	6.00%	2,000,000	1,988,434	1,987,589	Fixed rate bond due 2033
2016	7	3.89%	7,000,000	-	6,976,738	Fixed rate bond due 2023
2016	10	4.85%	8,000,000	7,978,689	7,970,112	Fixed rate bond due 2026
2016	9.5	4.75%	7,000,000	6,984,429	6,990,957	Fixed rate bond due 2025
2017	10	5.26%	7,000,000	6,986,234	6,982,556	Fixed rate bond due 2027
2018	10	5.92%	10,000,000	-	9,927,761	Fixed rate bond due 2028
2019	7	6.37%	8,000,000	7,962,227	7,947,809	Fixed rate bond due 2026
2019	5	4.76%	3,000,000	2,993,838	2,985,944	Fixed rate bond due 2024
2019	7.3	4.99%	1,000,000	976,665	969,971	Fixed rate bond due 2027
2020	5	3.86%	6,250,000	6,222,200	6,207,139	Fixed rate bond due 2025
2021	4	3.63%	10,000,000	9,959,900	9,931,347	Fixed rate bond due 2025
2021	10	4.08%	3,000,000	2,981,600	2,979,655	Fixed rate bond due 2031
2022	6	5.81%	12,000,000	11,931,740	11,918,358	Fixed rate bond due 2028
2022	2	4.40%	12,000,000	11,964,602	11,897,140	Fixed rate bond due 2024
2022	5	6.21%	7,000,000	6,942,199	6,927,960	Fixed rate bond due 2027
2022	7	6.80%	14,000,000	13,870,012	13,851,289	Fixed rate bond due 2029
2023	5	6.03%	10,075,000	9,961,324	-	Fixed rate bond due 2028
2023	10	6.29%	4,925,000	4,866,279	-	Fixed rate bond due 2033
Total				114,570,372	116,452,325	

Philippine Rating Services Corporation (PhilRatings) rated the Parent Company's 2023 and 2022 bond issuances "PRS Aaa" with a stable outlook and maintained the "PRS Aaa" rating with a stable outlook for all other outstanding bonds. PRS Aaa is the highest credit rating possible on PhilRatings' rating scale for long-term issuances, indicating that the obligor's capacity to meet its financial commitment on the obligation is extremely strong and that it has the smallest degree of investment risk. A Stable Outlook indicates that the rating is likely to be maintained or to remain unchanged in the next twelve months.

Bonds

Philippine Peso 20-year Bonds due 2033

In October 2013, the Parent Company issued a P2,000.0 million bond due 2033 at a fixed rate equivalent to 6.0% p.a. The Credit Rating and Investors Services Philippines, Inc. (CRISP) assigned a "AAA" rating on the bonds indicating that it has a minimal credit risk owing to the Parent Company's capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP.

Philippine Peso 7-year and 10-year Bonds due 2026

In March 2016, the Parent Company issued and listed on the PDEx a total of P8,000.0 million bonds due 2026 at a fixed rate equivalent to 4.85% p.a. This is the first tranche of debt securities issued under the Parent Company's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. In May 2019, the Parent Company issued and listed on the PDEx P8,000.0 million fixed rate bonds due 2026 at a rate equivalent to 6.37% p.a. The Bonds, the first tranche of Parent Company's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 9-year and 6-month Bonds due 2025

In April 2016, the Parent Company issued and listed on the PDEx a total of P7,000.0 million bonds due 2025 at a fixed rate equivalent to 4.75% p.a. The Bonds represent the second tranche of debt securities issued under the Parent Company's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 7-year Bonds due 2023

In October 2016, the Parent Company issued and listed on the PDEx a total of P7,000.0 million fixed rate bonds due 2023 at a rate equivalent to 3.89% p.a. The Bonds represent the third tranche of the Parent Company's P50,000.0 million Debt Securities Program registered and rendered effective by the SEC on March 8, 2016 (the "2016 Program"). The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 7-year and 3-month and 10-year Bonds due 2027

In May 2017, the Parent Company issued its P7,000.0 million fixed rate bond due 2027 at a rate equivalent to 5.26% p.a. The Bonds, the fourth tranche of the Parent Company's 2016 Program, were listed on the PDEx and were rated PRS Aaa with a Stable Outlook by PhilRatings. In November 2019, the Parent Company issued a P1,000.0 million fixed rate bond due 2027 at a rate equivalent to 4.99% p.a. The Bonds, the third tranche of bonds issued under the Parent Company's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2028

In April 2018, the Parent Company issued and listed on the PDEx a total of P10,000.0 million fixed rate bonds due 2028 at a rate equivalent to 5.92% p.a. and subject to repricing on April 27, 2023, the fifth anniversary of the Issue Date, at the higher of 5.92% p.a. or the prevailing 5-year benchmark plus 75 bps. The Bonds represent the fifth tranche of the of debt securities issued under the Parent Company's 2016 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2024

In September 2019, the Parent Company issued and listed on the PDEx its P3,000.0 million bonds due 2024 at a fixed rate equivalent to 4.76% p.a. The Bonds represent the second tranche of debt securities issued under the Parent Company's 2019 Program and were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2025

In September 2020, the Parent Company issued and listed on the PDEx its P6,250.0 million fixed rate bonds due 2025 at a rate equivalent to 3.86% p.a. The Bonds represent the fifth tranche of debt securities issued under the Parent Company's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 4-year Bonds due 2025

In May 2021, the Parent Company issued and listed on the PDEx its P10,000.0 million fixed rate bonds due 2025 at a rate equivalent to 3.63% p.a. The Bonds represent the sixth tranche of debt securities issued under the Parent Company's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2031

In October 2021, the Parent Company issued a total of P3,000.0 million bonds due 2031 at a fixed rate equivalent to 4.08% p.a. and subject to repricing on October 26, 2026, the fifth anniversary of the Issue Date, at the higher of 4.08% p.a. or the prevailing 5-year benchmark plus 70 bps. The offering which was listed on the PDEX is composed of P2,750.0 million issued as the first tranche of Parent Company's 2021 Program while P250.0 million representing the seventh tranche of debt securities were issued under the Company's 2019 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. The Parent Company exercised the call option and the bonds were fully redeemed in April 2023.

Philippine Peso 6-year Bonds due 2028

In May 2022, the Parent Company issued a total of P12,000.0 million bonds due 2028 at a fixed rate equivalent to 5.81% p.a. The offering is composed of P9,500.0 million as the second tranche of debt securities issued under the Parent Company's P50,000.0 million Debt Securities Program registered and rendered effective by the SEC on October 11, 2021 (the "2021 Program") while P2,500.0 million represent the eighth and final tranche of debt securities that were issued under the 2019 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 2-Year, 5-Year and 7-year Bonds due 2024, 2027 and 2029

In July 2022, the Parent Company issued a total of P33,000 million fixed rate bonds, broken down into P12,000.0 million bonds due 2024 at a rate equivalent to 4.40% p.a., P7,000.0 million bonds due 2027 at a rate equivalent to 6.21% p.a. and a P14,000.0 million bond due 2029 at a rate equivalent to 6.80% p.a. The offering is the third tranche of debt securities issued under the Parent Company's 2021 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 5-Year and 10-year Bonds due 2028 and 2033

In June 2023, the Parent Company issued a total of P15,000 million fixed rate bonds, broken down into P10,075.0 million bonds due 2028 at a rate equivalent to 6.03% p.a. and P4,925.0 million bond due 2033 at a rate equivalent to 6.29% p.a. The offering is composed of P4,750.0 million issued as the fourth and final tranche of the Parent Company's 2021 Program while P10,250.0 million representing the first tranche of debt securities issued under the Company's 2023 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso - denominated Long-term Loans

In August to September 2015, the Parent Company assumed an aggregate of P15,526.9 million various long-term facilities of some subsidiaries from various banks. The loans bear fixed interest rates ranging from 4.50% to 4.70% p.a. and terms ranging from 4.4 years to 10.5 years. In March 2016, the Company additionally assumed from ALI Makati Hotel Property, Inc. US$30.0 million in long-term loans from the Bank of the Philippine Islands. The loan carried a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR) and is repriceable quarterly. The loan was prepaid in December 2018. In August 2022, coinciding with the repricing date of the Parent Company's P10,000.0 million 10.5-year long-term facility, the Company executed a Deed of Assignment with a domestic bank. The Parent Company assigned the remaining balance of the loan amounting to P7,872.0 million to Avida Land, Corp. (P4,086.0 million), Alveo Land, Corp. (P2,880.0 million) and Accendo Commercial, Corp. (P906.0 million) (collectively the "Assigned Loan"). The Assigned Loan carries a floating rate applicable for the remaining 3.5 years of the long -term facility. As at December 31, 2023, the remaining balance of the assumed long-term facilities amounted to nil (2022 - 1,903.6 million). This was fully paid upon its maturity in the first quarter of 2023.

In March 2017, the Parent Company executed a P10,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn an initial P5,000.0 million. The balance of P5,000.0 million was drawn in April 2017. The loan carries a fixed interest rate of 4.95% p.a. and a term of 10 years. As at December 31, 2023, the remaining balance of long-term facility amounted to P8,875.0 million (2022 - P9,175.0 million).

In March 2018, the Parent Company executed a P5,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn the entire facility amount. As at December 31, 2023, the remaining balance of long-term facility amounted to P4,712.5 million (2022 - P4,762.5 million).

In January 2020, the Parent Company executed and availed a P5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.50% p.a. for the initial 5 years. In December 2020, the Parent Company also executed and availed a P10,000.0 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. As at December 31, 2023, the remaining balance of the loans amount to P4,912.5 million (2022 - P4,962.5 million) and P9,376.0 million (2022 - P9,584.0 million), respectively.

In 2021, the Company originated a total of P37,000 million in long-term financing with various domestic banks. In July 2021, the Company availed a P10,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.88% p.a. for the initial 5 years. In August 2021, the Company executed a P5,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.88% p.a. for the initial 5 years. Another P4,900.0 million 6-year long- term facility was drawn in October 2021 at an interest rate of 3.78% p.a. for the initial 3 years. In October 2021, the Company executed a P5,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.75% p.a. for the initial 5 years. In November 2021, the Company also executed a P5,000.0 million 9-year long-term facility which carries a fixed interest rate of 3.95% p.a. for the initial 5 years. In December 2021, the Company executed a P7,100.0 million 8-year long-term facility which carries a fixed interest rate of 3.87% p.a. for the initial 3 years. As at December 31, 2023 and 2022, the outstanding balance of the loans amount to P37,000 million.

On December 16, 2021, the SEC approved and made effective the merger of Cebu Holdings, Inc. (CHI), Asian-I Office Properties (AiO), Arca South Commercial Ventures Corp. (ASCVC) and Central Bloc Developers, Inc. (CBDI) with and into ALI, with ALI as the surviving entity (the “Merger”). ALI became the surviving entity in the Merger and thus, 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 were taken and deemed transferred to ALI without further act or deed. With that, the Parent Company assumed an aggregate of P914.1 million long-term facilities of AiO from a domestic bank. As at December 31, 2023, the remaining balance of long-term facilities amounted to P272.0 million (2022 - P857.1 million).

In 2023, the Company originated a total of P15,000 million 10-year long-term financing with various domestic banks. The loans carry a floating interest rate and contain a one-time option to shift from a floating rate to a fixed rate available for one or two years from initial availment. In April 2023, the Parent Company executed and availed a P5,000.0 million 10-year long-term facility with a domestic bank which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 45 bps, (ii) BSP Overnight Reverse Repurchase Agreement Rate, and (iii) floor rate of 2.75% p.a., with one time option to convert all or a portion of Fixed to Floating or vice versa. In October 2023, the Company executed a P5,000.0 million 10-year long-term facility which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 70 bps, and (ii) BSP Overnight Reverse Repurchase Agreement Rate, with one time option to convert all or a portion of Fixed to Floating or vice versa. In November 2023, the Company executed another P5,000.0 million 10-year long-term facility which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 45 bps, (ii) BSP Overnight Reverse Repurchase Agreement Rate, and (iii) floor rate of 5.25% p.a., with one time option to convert all or a portion of Fixed to Floating or vice versa. As at December 31, 2023, the remaining balance of the long-term facilities amount to P15,000 million (2022 - nil).

As at December 31, 2023, the remaining aggregate balance of the Philippine Peso-denominated long-term loans amounted to P80,148 million (2022 - P68,244.7 million).

US Dollar-denominated Long-term Loans

In November 2019, the Parent Company executed and had simultaneously drawn a US$125.0 million long-term facility. The loan bears a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR), repriceable quarterly. All proceeds were lent to MCT to refinance its existing loans. The loan will mature on the fifth anniversary of the initial drawdown date. The Parent Company initiated a partial payment of US$70.0 million in November 2022.

The remaining US$55.0 million was repriced in 2022 by transitioning out of the LIBOR-based dollar loan pricing ahead of its cessation on June 30, 2023 by shifting to a two-year US$ fixed rate of 3.95% (net of 10% onshore tax).

As at December 31, 2023, the remaining aggregate balance of US Dollar-denominated long term loans amounted to P3,045.4 million (2022 - P3,066.5 million).

Fixed rate corporate notes (FXCNs)

Philippine Peso 10-year and 3-month Notes due 2023
In December 2012, the Parent Company executed a P5,000.0 million committed Corporate Note facility with a local bank, of which an initial P3,500.0 million was drawn in 2012. The balance of P1,500.0 million was subsequently drawn in January 2013. The notes bear a fixed interest rate of 4.50% p.a. The Corporate Notes will mature on the third month succeeding the tenth anniversary of the initial drawdown date. As at December 31, 2023, the remaining balance of the notes amounted to nil (2022 - P4,500.0 million). The notes were fully paid upon maturity on March 10, 2023.

Subsidiaries

The subsidiaries' loans will mature on various dates up to 2032. Philippine Peso-denominated loans bear various floating interest rates at 45 bps to 90 bps spread over the benchmark 90-day PHP BVAL Reference Rate (previously PDST-R2) and/or fixed interest rates ranging from 3.27% to 4.83% p.a. Certain loans which are subject to floating interest rates are subject to floor floating interest rates equivalent to (i) Overnight Reverse Repurchase Agreement Rate of the Bangko Sentral ng Pilipinas (BSP ORRP) or (ii) 95.0% or par of the BSP ORRP or (ii) the BSP ORRP plus a spread of 10 bps to 75 bps p.a. or (iii) the average of the BSP ORRP and Term Deposit Facility with a term close to the 90-day interest period.

In 2023, the subsidiaries made a total bank loan availment of P9,725.0 million (2022 - P15,455.0 million). As at December 31, 2023, the subsidiaries paid a total bank loan of P4,664.4 million (2022 - P2,835.5 million). The total outstanding balance of the subsidiaries' loans as at December 31, 2023 amounted to P44,234.3 million (2022 - P34,781.2 million).

Philippine Peso 3.0 Billion Fixed Rate Bonds due 2023

In December 2021, AREIT issued a total of P3,000.0 million bonds due 2023 at a fixed rate equivalent to 3.04% p.a. The Bonds represent the first tranche of debt securities issued under its P15,000.0 million Debt Securities Program registered with the SEC and listed on the PDEx. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings, indicating that the obligor's capacity to meet its financial commitment on the obligation is extremely strong. It was fully paid on the maturity date.

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 in 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 at December 31, 2023 and 2022.

In 2023, the interest capitalized amounted to P683.10 million (2022 - P783.22 million and 2021 - P560.14 million). The capitalization rates are 4.5% to 6.0% in 2023 (2022 - 2.04 to 4.50% and 2021 - 2.14% to 3.44%) (Note 6 and 10).

In 2023, transaction costs capitalized amounted to P371.2 million (2022 - P497.5 million and 2021 - P500.0 million). In 2023, amortization amounted to P393.6 million (2022 - P292.35 million and 2021 - P472.07 million) and included under "Interest and other financing charges" (Note 20).

The Group is required to maintain a debt-to-equity ratio not exceeding 3:1. The Group has complied with the debt covenant as at December 31, 2023 and 2022 (Note 27.2).

15 Deposits and other current liabilities

This account as at December 31 consists of:

	2023	2022
Current portion of customers' deposits	29,988,271	26,688,566
Security deposits	3,065,471	3,197,804
Others	1,078,242	1,324,653
	34,131,984	31,211,023

Customers' deposits consist of collections from real estate customers who have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivable based on percentage of completion.

In 2023, the amount of revenue recognized from amounts included in customers' deposits at the beginning of the year amounted to P20,873.4 million (2022 - P16,779.9 million and 2021 - P30,239.3 million).

Security deposits are equivalent to three to six months' rent of tenants with cancellable lease contracts and whose lease term will end in the succeeding year. These 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 mainly pertain to accrued project costs and unearned income.

16 Deposits and other non-current liabilities

This account consists of:

	2023	2022
Deposits	14,745,702	16,970,031
Customers' deposits, net of current portion	9,289,576	9,751,887
Liability for purchased land	7,043,929	10,185,888
Retentions payable	4,905,747	3,331,070
Contractors' payable	4,629,579	5,479,129
Deferred output VAT	768,641	856,698
Subscriptions payable	507,550	728,633
Other liabilities	748,057	216,545
	42,638,781	47,519,881

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 to six months' rent of long-term tenants with non-cancellable leases. These 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 which are also recognized under "Deposits" account 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.

Liability for purchased land pertains to the non-current portion of unpaid unsubdivided land acquired during the year. These are normally payable in quarterly or annual installment payments within three or five years.

Retentions payable pertain to the amount withheld by the Group on contractors' billings to be released after the guarantee period, usually one year after the completion of the project or upon demand. The retentions payable serve as security from the contractors when there are claims for defects in projects requiring rework.

Contractors' payable represent accrued costs incurred for property development that are not yet billed.

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 P10,200.0 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.

A series of petitions and motion for reconsideration were filed by Central Bay. In a Decision dated April 5, 2022, the Supreme Court declared the Compromise Agreement between Central Bay Reclamation and Development Corporation (Central Bay) and the Philippine Reclamation Authority void ab initio for being contrary to the 1987 Constitution, Executive Order No. 292, Administrative Code of 1987, and the Government Auditing Code of the Philippines. Further, the Supreme Court disallowed Central Bay's money claims except for the amount of Seven Hundred Fourteen Million Nine Hundred Thirty-Seven Thousand Seven Hundred Ninety and 29/100 Pesos (Php714,937,790.29) representing advance payment for the reclamation and project development. Central Bay then filed a Motion for Reconsideration dated December 15, 2022.

In a Resolution dated February 7, 2023, the Supreme Court denied with finality Central Bay's Motion for Reconsideration dated December 15, 2022, and affirmed the Commission on Audit's (COA) Decision dated 23 May 2019 in COA CP Case No. 2010-350. In the Notice, it stated that Entry of Judgment will be made immediately.

As at December 31, 2023, the Group has unpaid subscription in Cyber Bay amounting to P481.7 million (2022 - P481.7 million).

Other liabilities include non-trade payables, accrued payables and warranty payables.

17 Equity

The details of the number of shares follow:

	2023			
	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
Authorized	15,000,000	20,000,000	1,500,000	20,000,000
Issued*	13,066,495	15,595,195	1,306,649	15,595,195
Subscribed	-	126,331	-	126,331
	13,066,495	15,721,526	1,306,649	15,721,526

**Out of the total issued shares (in absolute number), 779,349,914 common shares at P1.00 par value and 623,999,728 preferred shares at P0.10 par value or aggregate of P841.75 million pertain to Treasury shares at December 31, 2023*

	2022			
	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
Authorized	15,000,000	20,000,000	1,500,000	20,000,000
Issued*	13,066,495	15,580,699	1,306,649	15,580,699
Subscribed	-	126,248	-	126,248
	13,066,495	15,706,947	1,306,649	15,706,947

**Out of the total issued shares (in absolute number), 642,283,806 common shares at P1.00 par value and 623,970,536 preferred shares at P0.10 par value or aggregate of P704.68 million pertain to Treasury shares, as at December 31, 2022.*

	2021			
	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
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 absolute number), 570,069,282 common shares at P1.00 par value or P570.07 million pertain to Treasury shares as of December 31, 2021.*

The movement in the Parent Company's treasury shares follows:

	2023		2022		2021	
	Shares (in absolute number)	Amount (in millions)	Shares (in absolute number)	Amount (in millions)	Shares (in absolute number)	Amount (in millions)
Common						
At January 1	642,283,806	19,017.81	570,069,282	16,894.40	29,785	1,260.80
Additions	137,066,108	3,695.65	72,214,524	2,123.41	570,039,497	15,633.60
At December 31	779,349,914	22,713.46	642,283,806	19,017.81	570,069,282	16,894.40
Preferred						
At January 1	623,970,536	62.90	-	-	-	-
Additions	29,192	0.03	623,970,536	62.90	-	-
At December 31	623,999,728	62.93	623,970,536	62.90	-	-
	1,403,349,642	22,776.39	1,266,254,342	19,080.71	570,069,282	16,894.40

Preferred Shares (P0.10 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, non-cumulative; (c) non-participating; (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 non-voting 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 P0.10.
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 P1,300.0 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 P1,303.5 million, the aggregate par value of the 13,034.6 million preferred shares which have been redeemed and retired, from P22,803.5 million to P21,500.0 million, and
b. The amendments to Articles of Incorporation reflecting the decrease in capital stock.

On June 24, 2022, 623,392,160 Voting Preferred Shares (VPS) were redeemed. The remaining number of outstanding VPS is 12,443,102,599. All of the redeemed VPS will be retired subject to the final approval of the SEC.

As at December 31, 2023, the Parent Company's authorized and outstanding preferred shares amounted to P1,244 million (2022 - P1,244 million and 2021 - P1,307 million) at P0.10 par value.

Common Shares (P1.00 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 roll forward analysis of the common shares follows:

	Number of Shares		Amount	
	2023	2022	2023	2022
Issued capital stock*				
At beginning of year	15,580,699	15,257,294	15,580,699	15,257,294
Issued shares	14,496	323,405	14,496	323,405
At end of year	15,595,195	15,580,699	15,595,195	15,580,699
Subscribed capital stock				
At beginning of year	126,248	123,901	126,248	123,901
Issued shares	(14,496)	(11,825)	(14,496)	(11,825)
Additional subscriptions	14,579	14,172	14,579	14,172
At end of year	126,331	126,248	126,331	126,248
	15,721,526	15,706,947	15,721,526	15,706,947

**Out of the total issued shares (in absolute number), 779,349,914 shares or P779,350 million as at December 31 2023 and 642,283,806 shares or P642,284 million as at December 31, 2022 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 2023***	Number of holders of securities as of 2022***
Class B shares	800,000,000	Par Value - P1.00/ Issue Price P26.00	April 18, 1991	13,115	13,181
Class B shares	400,000,000	Par Value - P1.00*	July 6, 1992		
Class A shares	900,000,000	Par Value - P1.00**	July 5, 1993		
Class B shares	600,000,000	Par Value - P1.00**	July 5, 1993		

Note: Class A Shares and Class B Shares were declassified into one type of Common Shares on September 12, 1997.
**Increase in authorized capital stock, registered to cover the shares held by the directors and 20% stock dividend amounting to P108,662,000.00*
***Increase in authorized capital stock, registered to cover the 20% stock dividend amounting to P391,240,953.00*
****In absolute number*

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 P33.00 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 P16,000.0 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 P194.0 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 P30.50 per share. The Parent Company completed the top-up placement, raising an aggregate of P12,200.0 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 P162.4 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 P1.00 per share, at a price of P20.00 per share, and the issuance of equal number of new shares of the Parent Company, at the same price of P20.00 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 P13,600 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 P200.0 million.

On April 2, 2008, the Parent Company's stockholders approved the allotment and subsequent issuance of the shares for the below-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 P1,000.0 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 P26.00 per share. The registration statement was approved on July 20, 1992. As at December 31, 2023, the Parent Company has 13,115 existing shareholders (2022 - 13,181 existing shareholders).

Treasury shares

In 2023, ALI purchased a total of 137,066,108 common shares at an average price of P26.96 per share for a total consideration of P3,695.6 million.

Under its buyback program in 2022, ALI purchased a total of 71,214,524 common shares at an average price of P27.95 per share for a total consideration of P2,124.0 million and 623,970,536 preferred shares at an average price of P0.10 per share for a total consideration of P62.9 million which aggregated to P2,186.9 million.

In April and December 2021, ALI purchased a total of 48,976,900 common shares at an average price of P33.90 per share for a total consideration of P1,656.6 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 were acquired by ALI, and in exchange for the net assets of the absorbed entities, a total of 609,626,351 ALI common shares were issued to the stockholders of the absorbed entities. Of these shares, 491,306,375 shares were issued to ALI itself and were treated as treasury shares with a total consideration of P13,977.0 million.

On February 28, March 11, March 12, and March 16, 2020, ALI purchased a total of 4,412,000 common shares at an average price of P35.67 per share for a total consideration of P156.4 million, pursuant to its share buyback program.

On February 21, 2020, the Board of Directors of ALI at its regular meeting approved the increase of an additional P25 billion to the Company’s current share buyback program bringing the available balance to P26.1 billion. The program has been 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 P43.20 per share through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P448.10 million in relation in its share buyback program. On November 26, 2019, the Parent Company also acquired a total of 15million of its common shares at P43.75 per share for a total purchase price of P656.25 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 P30.50 per share resulting in additional paid-in capital of P1,601.6 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 P823.9 million in relation to its share buyback program. These have been reported as treasury shares.

Retained earnings

In 2023, the BOD approved the declaration and payment from unappropriated retained earnings of cash dividends of P0.38 per share (2022 - P0.28 per share and 2021 - P0.28 per share) to all issued and outstanding common and preferred shares.

On February 21, 2023, the Board of Directors during its meeting approved the declaration of cash dividends of P0.1495 per outstanding common share. The cash dividends were paid on March 23, 2023, to stockholders of common shares as of record date of March 7, 2023.

On May 30, 2023, the Board of Directors approved the declaration of cash dividends to all stockholders of unlisted voting preferred shares of P0.006 per share. The dividends were paid on June 27, 2023 to stockholders of voting preferred shares as of record date of June 13, 2023.

On October 25, 2023, the Board of Directors during its meeting approved the declaration of cash dividends of P0.2231 per outstanding common share. The cash dividends were paid on November 24, 2023, to stockholders of common shares as of record date of November 13, 2023.

On February 24, 2022, the BOD during its meeting approved the declaration of cash dividends of P0.1352 per outstanding common share. The cash dividends were paid on March 25, 2022 to stockholders of common shares as of record date of November 11, 2022.

On October 21, 2022, the BOD during its meeting approved the declaration of cash dividends of P0.1355 per outstanding common share. The cash dividends were paid on November 18, 2022 to stockholders of common shares as at record date of March 8, 2022.

On May 31, 2022, the BOD during its meeting approved the declaration of cash dividends of P0.0047 per outstanding common share. The cash dividends were paid on June 24, 2022 to stockholders of common shares as at record date of June 9, 2022.

On February 23, 2021, the BOD during its meeting approved the declaration of cash dividends of P0.14 per outstanding common share. The cash dividends were paid on March 25, 2021 to stockholders of common shares as at record date of March 10, 2021.

On October 19, 2021, the BOD during its meeting approved the declaration of cash dividends of P0.14 per outstanding common share. The cash dividends were paid on November 18, 2021 to stockholders of common shares as at record date of November 3, 2021.

In 2023, total dividends for common shares declared amounted to P5,583.4 million (2022 - P4,000.0 million and 2021 - P4,001.2 million). Total dividends for preferred shares declared for 2023 amounted to P78.7 (2022 and 2021 amounted to P62.0 million each year).

On May 27, 2021, the Board of Directors during its meeting approved the declaration of cash dividends of P0.0047 per outstanding preferred share. The cash dividends were paid on June 25, 2021 to stockholders of preferred shares as of record date of June 10, 2021.

As at December 31, 2023, 2022 and 2021, retained earnings of P25,000.0 million are appropriated for future expansion. The increase of P17,000.0 million, as approved by the BOD on November 25, 2021, represents a continuing appropriation for land banking activities and planned building construction projects. Each year, the Parent Company incurs capital expenditures for property development which include among others land banking and building construction projects. The appropriation is being fully utilized to cover part of the annual expenditure requirement of the Parent Company.

The Parent Company has earmarked additional funds for expansion projects in the residential, shopping centers, office and hotel business segments, as well as various infrastructure projects for the Parent Company's mixed-use developments.

The following are among the major capital expenditures of the Parent Company which were approved by the BOD on November 25, 2021:

a) Arca South, a 74 hectares lifestyle district in the City of Taguig with residential, office, retail, hotel and other commercial component. Phase 1 of the mixed-use development was approved by the Board on November 25, 2014. It consists of a retail project with 20k sqm Gross Leasable Area (GLA), 2 BPO towers with 31k sqm GLA and a 265-room hotel with total estimated cost of P11 billion, for completion phase by 2024-2027.

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, three 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 P5 billion, for completion beyond 2026.

c) Vermosa, which is a700-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 P2.5 billion, for completion in phases by 2022-2024.

d) Continuing payments for various acquisitions within the country amounting to P14.5 billion to be paid until 2024-2026.

Retained earnings also include undistributed net earnings amounting to P121,264.74 million as at December 31, 2023 (2022 - P108,047.70), 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 at December 31, 2023 amounted to P62.24 billion (2022 - P55.36 billion).

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

Cumulative Translation Adjustment

The cumulative translation adjustments represent exchange differences arising from the translation of financial statements of the foreign operations, whose functional currency is other than Philippine Peso.

Equity Reserves

On March 29, 2023, ALI sold 205,000,000 shares of AREIT at a transaction price of P32.10 per share, equivalent to P6.58 billion with an increase to equity reserves amounting to P4,406.5 million, in relation to its P22.5 billion property-for-share swap transaction with AREIT.

The Parent Company acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. for a value of P31.51 million in July 2023. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 84% in 2022 to 88% as of July 2023. The acquisition is accounted as involving entities under control (Note 36). As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. The impact to equity reserves is a decrease of P357.13 million in 2023.

On November 14, 2023, the Parent Company purchased 7,143 common shares and 64,289 preferred shares of SITE Corp. for a total consideration of P203.58 million from the existing investor which is equivalent to a 5% stake in the company. This acquisition is accounted as involving entities under control. As a result, the impact to equity reserves is a decrease of P132.15 million.

The resulting equity reserve from 2023 transactions amounted to P3,917.2 million.

On January 20, 2022, the Board of Directors of ALI approved a property-for-share swap with AC and Mermac, Inc. (Mermac). Under the transaction, AC will subscribe to 309,597,711 primary common shares for assets valued at P17,275.55 million, and Mermac will subscribe to 1,982,289 primary common shares for assets worth P110.61 million, totaling 311,580,000 primary common shares at a value of P55.80 per share, as validated by a third-party fairness opinion.

The primary common shares issued by ALI to AC and Mermac came from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of ALI.

On December 29, 2022, the property-for-share swap has been approved by the SEC. As a result, ALI received 258,023,645 common share of Ayala Hotels Inc. (AHI) representing 50% ownership of the entity. This transaction was regarded as acquisition involving common control with an impact to equity reserves amounting to P9,800.78 million in 2022.

ALI acquired additional 187,985 common shares and 149,007 preferred shares of Vesta Property Holdings, Inc. for a value of P415.62 million in April 2022. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 78% in 2021 to 84% in 2022. The acquisition involved entities under control. As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. Impact to equity reserves as a result of this transaction amounted to P523.36 million.

On April 27, 2022, ALI sold 87,370,000 shares of AREIT at a transaction price of P39.70 per share, equivalent to P3.47 billion (exclusive of fees and taxes). ALI's net equity reserve from the sale of AREIT shares aggregated to a decrease of P2.53 billion out of the P3.40 billion net proceeds. This transaction was executed in relation to the property-for-share swap transaction with AREIT.

On May 19, 2022, ALI and AREIT executed the Deed of Exchange on the property-for-share swap transaction involving the issuance of 252,136,383 primary common shares of AREIT to ALI, at an issue price of P44.65 per share in exchange for identified properties valued at P11,257.89 million. This was approved by the SEC on December 29, 2022.

On December 29, 2022, ALI and AREIT executed the Amendment to the Deed of Exchange to set October 1, 2022 as the effective date of assignment by ALI of the income of the properties and the tenant lease contracts and permits to AREIT.

The resulting equity reserve from 2022 transactions amounted to P7,796.5 million.

On December 16, 2021, the SEC has approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). ALI shall possess all the rights, privileges, and immunities of mentioned entities (the "Absorbed Corporations"), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed. The impact of merger is a decrease to equity reserve amounting to P276.8 million.

On October 8, 2021, ALI and AREIT 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 increased interest in AREIT from 54% to 66%. The impact to equity reserve amounted to P981.1 million.

The resulting equity reserve from 2021 transactions amounted to P704.4 million.

Non-controlling interest

The Parent Company considers a subsidiary as having a material NCI if its net assets exceed 5% of the total consolidated net assets of the Group as at reporting period and considers the relevance of the nature of activities of the subsidiary compared to other operations of the Group. The financial information on the Parent Company's significant subsidiaries with material NCI follows:

AREIT

AREIT was incorporated on September 4, 2006. As at December 31, 2023, it is 43% owned by ALI (2022 - 54.88%), 4% owned by ALO (2022 - 5.47%), 3% owned by GDI, 2% owned by WCVC (2022 - 2.13%), 12% owned by ALMI (2022 - nil), 2% owned by NBCC (2022 - nil) and 34% (2022 - 33.9%) by the 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 years ended December 31 follows:

	2023	2022
Proportion of equity interests held by non-controlling interests	34.0%	34.0%
Accumulated balances of material non-controlling interests	7,039,983	5,563,707
Net income allocated to material non-controlling interests	1,023,641	763,912
Comprehensive income allocated to material non-controlling interests	1,023,641	763,912

The summarized financial information of AREIT as at and for the years ended December 31, 2023 and 2022 are provided below. This information is based on amounts before inter-company eliminations.

	December 31, 2023	December 31, 2022
Statement of financial position		
Current assets	5,357,019	2,137,763
Non-current assets	87,915,273	65,548,226
Current liabilities	(5,926,645)	(5,019,325)
Non-current liabilities	(3,935,810)	(2,593,774)
Total equity	83,409,837	60,072,890
Attributable to:		
Equity holders of AREIT	83,409,837	60,072,890
Non-controlling interests	-	-
Dividends paid to non-controlling interests	-	-

	For the years ended December 31	
	2023	2022
Statement of comprehensive income		
Revenue	7,140,336	5,072,846
Cost and expenses	2,100,959	2,185,159
Income before income tax	5,039,377	2,887,687
Provision for income tax	(1,067)	(124)
Income from operations	5,038,310	2,887,563
Other comprehensive income	-	-
Total comprehensive income	5,038,310	2,887,563
Attributable to:		
Equity holders of AREIT	5,038,310	2,887,563
Non-controlling interests	-	-

	For the years ended December 31	
	2023	2022
Statement of cash flows		
Operating activities	6,545,044	3,833,174
Investing activities	(2,038,849)	(263,046)
Financing activities	(4,527,190)	(3,599,385)
Net decrease in cash and cash equivalents	(20,995)	(29,257)

The fair value of the investment in AREIT amounted to P52,266 million as at December 31, 2023 (2022 - P41,145.1 million).

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.

	2023	2022
Proportion of equity interests held by non-controlling interests	28.5%	28.5%
Accumulated balances of material non-controlling interests	4,199,052	4,008,230
Net income allocated to material non-controlling interests	190,822	261,064
Comprehensive income allocated to material non-controlling interests	190,822	261,064

The summarized financial information of ALLHC is provided below. This information is based on amounts before inter-company eliminations:

	December 31, 2023	December 31, 2022
Statement of financial position		
Current assets	10,624,856	7,538,773
Non-current assets	17,861,463	20,031,125
Current liabilities	(9,028,381)	(7,242,901)
Non-current liabilities	(5,551,520)	(5,874,649)
Total equity	13,906,418	14,452,348
Attributable to:		
Equity holders of ALLHC	13,635,607	14,425,627
Non-controlling interests	270,811	26,721
Dividends paid to non-controlling interests	-	-

	For the years ended December 31	
	2023	2022
Statement of comprehensive income		
Revenue	3,499,326	4,184,753
Cost and expenses	(2,765,088)	(2,979,222)
Income before income tax	734,238	1,205,531
Provision for income tax	(99,144)	(198,285)
Income from operations	635,094	1,007,246
Other comprehensive loss	41,459	(6,222)
Total comprehensive income	676,553	1,001,024
Attributable to:		
Equity holders of ALLHC	624,208	1,009,118
Non-controlling interests	10,885	(8,095)
Statement of cash flows		
Operating activities	(851,219)	750,548
Investing activities	(1,741,259)	(3,198,568)
Financing activities	2,355,668	2,811,365
Net (decrease) increase in cash and cash equivalents	(236,810)	363,345

The fair value of the investment in ALLHC amounted to P7,968.9 million as at December 31, 2023 (2022 - P13,267.3 million).

18 Revenue

This account for the years ended December 31 consists of:

	Notes	2023	2022	2021
Revenue from contracts with customers				
Residential development		92,337,260	81,244,149	75,939,410
Hotels and resorts		8,780,374	6,194,072	2,833,075
Construction		6,595,611	4,235,503	3,909,051
Others		4,891,792	4,181,058	2,466,666
Rental income	10	32,896,212	27,196,530	17,797,660
Equity in net earnings of associates and joint venture		1,575,295	1,429,795	842,565
Total revenue		147,076,544	124,481,107	103,788,427

Others are mainly composed of property management facilities of the Group and third-party projects.

The Group's disaggregation of each source of revenue from contracts with customers for the years ended December 31 are presented below:

Residential development

	2023	2022	2021
Type of product			
Middle income housing	32,204,567	23,539,723	24,101,342
Core-mid	25,990,604	19,831,937	19,789,427
Condominium	24,297,144	25,218,522	23,733,274
Lot only	9,844,945	12,653,967	8,315,367
	92,337,260	81,244,149	75,939,410

All of the Group's real estate sales from residential development are revenue from contracts with customers recognized over time.

Hotels and resorts

	2023	2022	2021
Type of product			
Rooms	5,086,501	3,464,771	1,581,171
Food and beverage	2,727,063	1,933,309	816,326
Others	484,620	453,477	213,465
Other operated department	482,190	342,515	222,113
	8,780,374	6,194,072	2,833,075

The Group's revenue from hotels and resorts is attributed to the operations from the development and management of hotels and resorts or serviced apartments.

During 2022 and 2021, 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.

In 2023, the Group's hotel and resorts properties posted significant improvements in revenues from higher occupancies due to easing of health and travel restrictions, surging leisure demand and increased guests' spending. In addition, a number of restaurants and food outlets have reopened and operated, improving the food and beverage revenues.

Construction

The Group's construction revenue pertains to transactions with related parties such as joint ventures and associates.

Set-out below is the reconciliation of contracts with customers with the amounts disclosed in segment information (in millions) for the years ended December 31:

	2023					
	Residential development	International	Construction	Hotels and resorts	Property management and others	Total
Sales to external customers	79,545	7,433	6,596	8,780	4,892	107,246
Interest	5,360	-	-	-	-	5,360
Total revenue from contracts with customers	84,905	7,433	6,596	8,780	4,892	112,606

	2022					
	Residential development	International	Construction	Hotels and resorts	Property management and others	Total
Sales to external customers	71,792	2,757	4,236	6,194	4,181	89,160
Interest	6,695	-	-	-	-	6,695
Total revenue from contracts with customers	78,487	2,757	4,236	6,194	4,181	95,855

	2021					
	Residential development	International	Construction	Hotels and resorts	Property management and others	Total
Sales to external customers	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

19 Interest and investment income; Other income

Interest and investment income for the years ended December 31 consists of:

	2023	2022	2021
Interest income from short term investments	342,441	58,938	-
Interest income from advances to officers/employees and other companies	152,217	187,668	46,546
Interest income from banks	121,945	85,121	79,765
Gain on sale of equipment and other properties	-	-	106,051
Others	72,945	55,356	20,745
	689,548	387,083	253,107

Other income for the years ended December 31 consists of:

	2023	2022	2021
Marketing and management fees	508,244	693,144	528,345
Others, net	583,073	994,480	1,572,726
	1,091,317	1,687,624	2,101,071

Others, net mainly pertain to reversal of allowance for impairment losses, forfeitures of deposits and penalties.

20 Cost and expenses and other charges

(a) Cost of real estate sales

The account for the years ended December 31 consists of:

	Note	2023	2022	2021
Cost of real estate sales	6	45,296,895	37,610,988	38,883,964
Depreciation and amortization		7,779,126	7,880,751	7,162,971
Hotels and resorts operations		7,106,025	5,399,588	1,907,908
Manpower costs of real estate sales		7,499,364	5,208,820	2,654,700
Marketing and management fees		1,835,940	860,521	95,753
Rental		1,616,214	305,465	260,548
Materials and overhead		1,239,974	258,066	54,636
Direct operating expenses:				
Taxes and licenses		4,247,232	4,109,408	3,663,470
Repairs and maintenance		3,151,083	2,749,054	2,643,460
Commission		2,588,564	2,720,178	2,414,648
Light and water		1,460,553	4,364,283	2,701,440
Insurance		385,258	298,804	232,980
Professional fees		260,963	225,795	280,323
Transportation and travel		221,671	195,121	137,865
Entertainment, amusement and recreation		64,854	42,494	28,166
Others		2,384,955	3,399,375	1,518,687
		87,138,671	75,628,711	64,641,519

(b) General and administrative expenses

The account for the years ended December 31 consists of:

	2023	2022	2021
Manpower costs	4,764,329	3,876,043	3,717,324
Depreciation and amortization	934,691	951,210	770,666
Taxes and licenses	809,481	658,149	561,136
Professional fees	536,652	473,277	484,133
Repairs and maintenance	522,475	406,659	382,734
Utilities	276,177	239,435	64,717
Security and janitorial	162,717	126,827	116,821
Advertising	104,459	70,264	53,271
Rent	90,245	99,951	-
Dues and fees	85,027	62,811	199,639
Transport and travel	74,288	80,573	45,038
Supplies	50,395	57,238	42,937
Training and seminars	43,080	24,207	11,635
Insurance	40,974	85,857	34,998
Entertainment, amusement and recreation	37,087	27,105	12,607
Donations and contribution	17,531	15,212	38,624
Others	360,841	9,521	2,579
	8,910,449	7,264,339	6,538,859

Manpower costs for the years ended December 31 included in the consolidated statement of income follows:

	2023	2022	2021
Real estate costs and expenses			
Cost of real estate sales	7,499,364	5,208,820	2,654,700
Hotels and resorts operations	323,477	222,014	178,732
General and administrative expenses	4,764,329	3,876,043	3,717,324
	12,587,170	9,306,877	6,550,756

Depreciation and amortization expense for the years ended December 31 included in the consolidated statement of income follows:

	2023	2022	2021
Real estate costs and expenses			
Cost of real estate sales	7,779,126	7,880,751	7,162,971
Hotels and resorts operations	791,267	856,768	886,870
General and administrative expenses	934,691	951,210	770,666
	9,505,084	9,688,729	8,820,507

(c) Interest and other financing charges

The account for the years ended December 31 consists of:

	Note	2023	2022	2021
Interest expense on:				
Long-term debt		10,608,421	9,198,060	8,778,056
Lease liabilities	31	1,489,221	1,439,756	1,409,177
Short-term debt		981,613	383,094	391,435
Other financing charges		419,592	425,759	459,104
		13,498,847	11,446,669	11,037,772

(d) Other expenses

The account for the years ended December 31 consists of:

	Notes	2023	2022	2021
Financial expenses and other charges		2,253,588	3,742,306	3,097,223
Net provision for impairment losses on:				
Receivables	5	478,334	253,738	359,129
Other assets		117,312	-	-
Investment properties	10	-	-	180,563
		2,849,234	3,996,044	3,636,915

21 Income tax

(a) Deferred tax assets, net

The account for the years ended December 31 consists of:

	2023	2022
Deferred tax assets on:		
Difference between tax and book basis of accounting for real estate transactions	7,852,007	7,922,784
Lease liabilities	4,469,166	4,088,076
Accrued expenses	3,779,561	1,669,844
Net operating loss carryover (NOLCO)	1,651,180	1,295,590
Allowance for probable losses	668,228	355,047
Retirement benefits	117,925	285,623
Unrealized foreign exchange losses	63,892	521,998
Others	680,433	1,172,398
	19,282,392	17,311,360
Deferred tax liabilities on:		
Right-of-use assets	(2,844,490)	(1,974,313)
Capitalized interest and other expenses	(167,010)	(736,613)
Prepaid expenses	(69,477)	(15,460)
Unrealized foreign exchange gains	(38,284)	(100,216)
Others	(817,998)	(595,471)
	(3,937,259)	(3,422,073)
	15,345,133	13,889,287

(b) Deferred tax liabilities, net

The account for the years ended December 31 consists of:

	2023	2022
Deferred tax assets on:		
Lease liabilities	161,489	13,359
NOLCO	96,128	337,908
Accrued expense	65,457	61,331
Retirement benefits	37,070	45,125
Allowance for probable losses	27,701	11,990
Unrealized foreign exchange loss	294	-
Others	474,206	58,656
	862,345	528,369
Deferred tax liabilities on:		
Difference between tax and book basis of accounting for real estate transactions	(7,230,239)	(1,771,278)
Unrealized foreign exchange gain	(64,187)	(128,854)
Right-of-use assets	(107,645)	(32,785)
Capitalized interest and other expenses	(3,766)	(6,448)
Fair value adjustment arising from business combination	-	(3,445,212)
Others	(780,775)	(993,080)
	(8,186,612)	(6,377,657)
	(7,324,267)	(5,849,288)

As at December 31, 2023 and 2022, 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 P1,671 million (2022 - P2,052 million), and MCIT amounting to P106 million as at December 31, 2023 (2022 - P32.8 million). 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 at December 31, 2023, total unrecognized NOLCO amounted to P646.3 million (2022 - P349.9 million). As at December 31, 2023, total unrecognized MCIT amounted to P20.2 million (2022 - P0.75 million). 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.

The Group has incurred NOLCO in the taxable years 2023 and 2022 which can be claimed as deduction from the regular income tax over a period of three years and NOLCO in the taxable years 2021 and 2020 which can be claimed as deduction from the regular income tax over a period of five years as follows:

Year incurred	Amount	Used/Expired	Balance	Expiry Year
2023	1,671,085	-	1,671,085	2026
2022	2,052,441	140,109	1,912,332	2025
2021	2,039,719	771,544	1,268,175	2026
2020	3,105,402	2,115,757	989,645	2025
	8,868,647	3,027,410	5,841,237	

The carryover MCIT that can be used as deductions against income tax liabilities is as follows:

Year incurred	Amount	Used/Expired	Balance	Expiry Year
2023	106,089	-	106,089	2026
2022	32,844	337	32,507	2025
2021	13,409	9,668	3,741	2024
2020	6,992	6,992	-	2023
	159,334	16,997	142,337	

The reconciliation (in %) between the statutory and the effective income tax rates follows:

	2023	2022
Statutory income tax rate	25.00	25.00
Tax effect of:		
Equity in net earnings of associates and joint ventures	(4.32)	(5.07)
Income under tax holiday and other non-taxable income	(0.56)	0.76
Interest income and capital gains taxed at lower rate	(0.33)	(1.87)
Others, net	0.66	1.36
Effective income tax rate	20.45	20.18

Deferred tax related to remeasurement gain on defined benefit plans recognized in OCI amounted to P196.2 million in 2023 (2022 - P330.7 million).

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
Bonifacio Hotel Ventures, Inc.	January 11, 2012	Seda BGC	June 1, 2018	6 years
Econorth Resort Ventures Inc.	November 21, 2017	Seda Lio	March 1, 2018	5 years
Capitol Central Hotel Ventures, Inc.	September 8, 2017	Seda Capitol Central	January 1, 2018	4 years
Amaia Land Corp	July 18, 2018	Amaia Scapes Bulacan Sector 3B	July 1, 2018	3 years
Bonifacio Hotel Ventures, Inc.	May 22, 2019	Seda BGC Expansion	May 1, 2019	3 years
Makati North Hotel Ventures, Inc.	August 16, 2019	Seda Residences Makati	August 1, 2019	4 years
Central Bloc Hotel Ventures, Inc.	June 16, 2020	Seda Central Bloc Cebu	January 1, 2021	4 years
Amaia Land Corp	October 31, 2019	Amaia Scapes Rizal	October 1, 2019	4 years
MDC Conqrete, Inc.	October 5, 2020	PBU and WallQrete	January 1, 2021	3 years
Ayala Land Inc.	December 2019	Cresendo Industrial Park	January 1, 2020	4 years

22 Acquisition of non-controlling interests

Vesta Property Holdings Inc.

In July 2023, the Parent Company acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. for a value of P31.51 million. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 84% in 2022 to 88% as of July 2023. The acquisition is accounted as involving entities under control (Note 1). As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. Impact to equity reserves, as a result of this transaction, amounted to P351.13 million in 2023.

The Parent Company acquired additional 187,985 common shares and 149,007 preferred shares of Vesta Property Holdings, Inc. for a value of P415.62 million in April 2022. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 78% in 2021 to 84% in 2022.

The acquisition involved entities under common control. As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. Impact to equity reserves as a result of this transaction amounted to P523.36 million.

Sicogon Island Tourism Estate (SITE) Corp.

On November 14, 2023, the Parent Company purchased 7,143 common shares and 64,289 preferred shares of SITE Corp., for a total consideration of P203.58 million from the existing investor and this is equivalent to a 5% stake in the company. This acquisition is accounted as involving entities under common control (Note 1). As a result, the impact to equity reserves amounted to P132.15 million.

Ayala Hotels, Inc. (AHI)

On January 20, 2022, the Board of Directors of ALI approved a property-for-share swap with AC and Mermac. Under the transaction, AC subscribed to 309,597,711 primary common shares for assets valued at P17,275.55 million, and Mermac subscribed to 1,982,289 primary common shares for assets worth P110.61 million, totaling 311,580,000 primary common shares at a value of P55.80 per share, as validated by a third-party fairness opinion. The total assets included 258,023,645 common shares of AHI and 714,116 common shares of DADC representing 50% and 100% stake of the companies, respectively.

The primary common shares issued by ALI to AC and Mermac came from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of ALI.

On December 29, 2022, the SEC approved the transaction which resulted in additional 50% stake in AHI through acquisition involving common control with impact to equity reserves amounting to P9,800.78 million and a 100% holdings in DADC which was regarded as an asset acquisition.

23 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 if otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. The Group does not provide any allowance relating to receivable from related parties. The Group has an active intercompany lending program and intercompany receivables are short-term. Related party borrowers are assessed to have financial capacity based on operational performance and cash flow requirements.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

(a) Transactions with Bank of the Philippine Islands (BPI), an associate of Ayala Corporation (AC)

Cash and cash equivalents earn interest from 1.75% to 6.00% per annum for Philippine Peso-denominated and 2.00% to 4.63% per annum for USD-denominated investments. Investment in FVTPL are UITF which earns interest depending on the duration of time invested in the fund. Interest earned from investments placed with BPI amounted to P72.79 million for the year ended December 31, 2023 (2022 - P30.99 million; 2021 - P12.30 million).

Short-term debts are secured Peso denominated bank loans with interest rate ranging from 5.6% to 7.3% while long-term debts bear fixed rates ranging from 4.5% to 6.9% and floating rates ranging from 6.3% to 6.8% per annum with remaining terms ranging from less than a year to five years. Interest expense incurred on borrowings from BPI amounted to P274.3 million for the year ended December 31, 2023 (2022 - P220.7 million; 2021 - P451.2 million).

As at December 31, the Group maintains current and savings account, money market placements and short-term and long-term debt payable with BPI broken down as follows:

	2023	2022
Cash in bank	4,673,399	6,074,938
Cash equivalents	999,294	357,929
Marketable securities	206,772	66,444
Short-term debt	8,800,000	1,636,000
Long-term debt	2,225,325	4,623,237

As at December 31, the fair value of the Group's financial assets at FVTPL and the Funds' Net Asset Value (NAV) follow (amounts are presented in millions):

2023	Fair Value	Funds' NAV	Duration
BPI Money Market Fund	63	34,804	124 days
BPI USD Short Term Fund	166	31,607	120 days

2022	Fair Value	Funds' NAV	Duration
BPI Money Market Fund	80	38,946	124 days
BPI USD Short Term Fund	5	33,852	120 days

(b) Outstanding balances with Parent Company, associates and other related parties

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, non-interest bearing and settled within one year.

Outstanding balances from/to related parties follow:

As at December 31, 2023

	Receivable from related parties			Payable to related parties		
	Current	Non-current	Total	Current	Non-current	Total
Ayala Corporation	85,127	-	85,127	151,401	-	151,401
Associates	5,010,288	-	5,010,288	376,387	-	376,387
Other related parties:						
Globe Telecom (Globe)	234,460	-	234,460	9,648	-	9,648
Bank of the Philippine Islands	557,321	-	557,321	32,252	-	32,252
Columbus	42,922	-	42,922	-	-	-
Manila Water Philippine Ventures, Inc.	137,942	-	137,942	42,735	-	42,735
Manila Water Company Inc.	231,022	-	231,022	32,189	-	32,189
Others	238,731	-	238,731	69,456	-	69,456
	1,442,398	-	1,442,398	186,280	-	186,280
	6,537,813	-	6,537,813	714,068	-	714,068

As at December 31, 2022

	Receivable from related parties			Payable to related parties		
	Current	Non-current	Total	Current	Non-current	Total
Ayala Corporation	90,805	-	90,805	151,143	-	151,143
Associates	5,444,563	-	5,444,563	321,912	-	321,912
Other related parties:						
Globe Telecom (Globe)	213,324	-	213,324	10,800	-	10,800
Bank of the Philippine Islands	389,057	-	389,057	18,193	-	18,193
Columbus	42,922	-	42,922	-	-	-
Manila Water Philippine Ventures, Inc.	345,760	-	345,760	20,814	-	20,814
Manila Water Company Inc.	223,075	-	223,075	29,861	-	29,861
Others	178,377	-	178,377	77,802	-	77,802
	1,392,515	-	1,392,515	157,470	-	157,470
	6,927,883	-	6,927,883	630,525	-	630,525

(c) Revenues and expenses from related parties

The revenue from Parent Company, associates and other related parties pertains mostly to income from leasing and development projects while expenses composed of management fees and training expenses. These are usually non-interest bearing and are assessed for impairment on an annual basis. There are no impairment needed to be recognized on these related receivables as at December 31, 2023 and 2022. Transactions are settled within one year.

Revenues from related parties as at December 31 follow:

	2023	2022	2021
Ayala Corporation	182,235	7,727	4,208
Associates	3,537,610	2,254,914	2,660,806
Other related parties			
Bank of the Philippine Islands	1,129,467	764,546	493,893
Manila Water Philippine Ventures, Inc.	122,578	170,445	134,767
Globe Telecom, Inc.	104,235	103,011	99,099
Innove Communications	9,953	10,671	7,673
Manila Water Company, Inc. (MWCI)	172,530	722,225	619,288
Laguna AAA Waterworks Corp. (LAWC)	1,500	1,500	1,500
Michigan Holdings, Inc.	1,202	1,203	1,203
Others	232,752	87,685	76,144
	1,774,217	1,861,286	1,433,567
Total	5,494,062	4,123,927	4,098,581

Expenses from related parties for the years ended December 31 follow:

	2023	2022	2021
Ayala Corporation	14,330	9,913	10,432
Associates	198,592	193,082	298,823
Other related parties			
Manila Water Company, Inc.	431,531	261,417	204,324
Bank of the Philippine Islands	261,478	208,570	299,693
Innove Communications, Inc.	105,417	102,283	124,233
AG Counselors Corp.	27,213	58,823	41,247
Globe Telecom, Inc.	82,951	43,812	71,291
Manila Water Philippine Ventures, Inc.	367,350	299,329	187,534
Others	462,232	867,662	1,114,088
	1,738,172	1,841,896	2,042,410
Total	1,951,094	2,044,891	2,351,665

The following describe the nature of the material transactions of the Group with related parties as at December 31, 2023 and 2022:

- 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 2023 amounted to P122.6 million and P367.3 million, respectively (2022 - P170.4 million and P299.3 million, respectively; 2021 - P134.8 million and P187.5 million, 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 1, 2021 and was completed on June 1, 2023.

- Certain credit facilities with BPI with a total carrying value of P2,225.3 million as at December 31, 2023 (2022 - P4,623.2 million) 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. In 2023, there were no land cost recognized in profit or loss (2022 - P117.4 million and 2021 - P210.6 million).

- 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 and Manila Water Phils.

- The Group sold residential receivables on a without recourse basis to Bank of the Philippine Islands, a related party, amounting to P5,423.6 million in 2023 (2022 - nil). Proceeds of receivables sold to BPI amounted to P4,480.4 million in 2023 (2022 - nil). The Group recognized loss on sale (under "Other charges") amounting to P943.2 million in 2023 (2022 - nil and 2021 - P1,648.1 million).

- The Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting to P45.0 million in 2023 (2022 - nil) (Note 5).

- Revenue from Globe pertains to development management fee and for lease of spaces.

(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 P220.0 million in 2023 (2022 - P199.5 million and 2021 - P179.0 million).

Compensation of key management personnel by benefit type for the years ended December 31 follows:

	2023	2022	2021
Short-term employee benefits	201,610	183,969	163,513
Post-employment benefits	18,431	15,497	15,497
	220,041	199,466	179,010

The Related Party Transaction Review Committee approves 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.

24 Retirement plans

The Group has funded, non-contributory 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 funds being maintained by the trustee bank, 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 for the years ended December 31 (included in manpower costs under "General and administrative expenses") in the consolidated statement of income follows:

	2023	2022	2021
Current service cost	421,809	410,726	484,161
Past service cost	16,612	20,192	(27,986)
Settlement gains	(1,334)	(4,431)	(11,213)
Net interest cost on benefit obligation	127,764	107,590	124,910
Total pension expense	564,851	534,077	569,872

The remeasurement effects recognized in other comprehensive income (included in Equity under "Remeasurement (loss) gain on defined benefit plans") in the consolidated statement of financial position follow:

	2023	2022	2021
(Loss) return on plan assets (excluding amount included in net interest)	(71,182)	12,195	(29,028)
Remeasurement (losses) gains due to:			
Liability experience	(107,816)	106,793	709,847
Liability assumption changes - demographic	(5,166)	(108,921)	-
Liability assumption changes - economic	(600,652)	176,894	418,766
Remeasurements in other comprehensive (loss) income	(784,816)	186,961	1,099,585

As at December 31, the funded status and amounts recognized in the consolidated statement of financial position for the retirement plans are as follows:

	2023	2022
Defined benefit obligations	4,254,616	3,581,087
Plan assets	(1,837,381)	(2,068,413)
Defined benefit obligations	2,417,235	1,512,674

As at December 31, 2023, pension assets (included under "Other non-current assets") amounted to P352.1 million (2022 - P52.5 million) and pension liabilities amounted to P2,769.5 million (2022 - P1,871.2 million).

Changes in net defined benefit liability of funded plans in 2023 are as follow:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1	3,581,087	(2,068,413)	1,512,674
Net benefit cost in consolidated statement of income			
Current service cost	421,809	-	421,809
Past service cost, net of settlement gain	15,278	-	15,278
Net interest	127,764	-	127,764
	564,851	-	564,851
Remeasurements in other comprehensive income:			
Remeasurement loss due to liability experience	107,816	-	107,816
Remeasurement loss due to liability assumption changes - demographic	5,166	-	5,166
Remeasurement loss due to liability assumption changes - economic	600,652	-	600,652
Return on plan assets*	-	71,182	71,182
Net remeasurement loss	713,634	71,182	784,816
Benefits paid	(604,956)	704,636	99,680
Contribution by employer	-	(549,651)	(549,651)
Transfer in	-	4,865	4,865
At December 31, 2023	4,254,616	(1,837,381)	2,417,235

*Excluding amount included in net interest

Changes in net defined benefit liability of funded plans in 2022 are as follows:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1	4,280,435	(2,187,661)	2,092,774
Net benefit cost in consolidated statement of income			
Current service cost	410,726	-	410,726
Past service cost, net of settlement gain	15,761	-	15,761
Net interest	179,848	(72,258)	107,590
	606,335	(72,258)	534,077
Remeasurements in other comprehensive income:			
Remeasurement gain due to liability experience	84,657	22,136	106,793
Remeasurement gain due to liability assumption changes - demographic	(100,616)	(8,305)	(108,921)
Remeasurement gain due to liability assumption changes - economic	(152,878)	329,772	176,894
Net remeasurement loss	(168,837)	343,603	174,766
Benefits paid	(416,320)	210,374	(205,946)
Return on plan assets*	(49,034)	61,228	12,194
Contribution by employer	(678,974)	(420,747)	(1,099,721)
Transfer in (out)	7,482	(2,952)	4,530
At December 31, 2022	3,581,087	(2,068,413)	1,512,674

*Excluding amount included in net interest

The movements in the present value of the defined benefit obligations for the years ended December 31 follow:

	2023	2022	2021
At January 1	3,581,087	4,280,435	5,094,096
Current service cost	421,809	410,726	484,161
Past service cost	16,612	20,192	(27,986)
Settlement gain	(1,334)	(4,431)	(11,213)
Net interest cost on benefit obligation	127,764	179,848	124,910
Benefits paid	(604,956)	(416,320)	(159,567)
Contribution by employer	-	(678,974)	-
Transfers	-	7,482	3,313
Return on plan assets		(49,034)	
Remeasurement (gains) losses on obligations arising from:			
Experience adjustments	107,816	84,657	(709,847)
Demographic adjustment	5,166	(100,616)	-
Economic adjustments	600,652	(152,878)	(418,766)
At December 31	4,254,616	3,581,087	4,379,101

The movements in the fair value of plan assets for the years ended December 31 follow:

	2023	2022	2021
At January 1	2,068,413	2,187,661	2,085,519
Net interest	-	72,258	88,282
Benefits paid	(704,636)	(210,374)	(186,948)
Return on plan assets	(71,182)	(61,228)	(29,028)
Contribution by employer	549,651	420,747	229,836
Transfers	(4,865)	2,952	-
Remeasurement (gains) losses on obligations arising from:			
Experience adjustments	-	(22,136)	-
Demographic adjustment	-	8,305	-
Economic adjustments	-	(329,772)	-
At December 31	1,837,381	2,068,413	2,187,661

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.

As at December 31, the fair value of plan assets by each class are as follows:

	2023	2022
Cash and cash equivalents	11,485	55,100
Equity investments		
Property	314,771	284,836
Holding firms	239,516	201,763
Unit Investment Trust Funds	184,743	373,006
Services	9,628	36,704
Financials	7,928	34,272
Industrials	4,525	7,171
Mutual funds	2,266	3,885
	774,862	996,737
Debt investments		
Government securities	540,059	294,914
AAA rated debt securities	152,593	544,674
Unit Investment Trust Funds	60,826	144,204
Mutual funds	-	27,341
Unrated debt securities	309,041	60,543
	1,062,519	1,071,676
	1,837,381	2,068,413

The plan asset's investments are appropriately diversified to control overall risk and 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 P312.1 million to its retirement fund in 2024.

The allocation of the fair value of plan assets as at December 31 follows:

	2023	2022
Investments in debt securities	45.48%	52.17%
Investments in equity securities	38.50%	29.56%
Others	16.02%	18.27%

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 at December 31, 2023 and 2022, the carrying amount of plan assets approximates its fair value.

The plan assets include shares of stock of the Parent Company with fair value amounting to P90.50 million as at December 31, 2023 (2022 - P50.85 million). 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 P72.33 million as at December 31, 2023 (2022 - P11.56 million). As at December 31, 2023, the loss of the fund arising from investment in debt and equity securities of the Parent Company is P5.8 million (2022 - P0.89 million gain).

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 valuation. 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:

	2023	2022
Discount rates	6.06% to 7.71%	4.94 to 7.65%
Future salary increases	5.00% to 10.00%	4.00 to 9.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2023		2022	
	Effect on Defined benefit obligation Increase (decrease)			
Change in basis points	+ 100 basis points	- 100 basis points	+ 100 basis points	- 100 basis points
Discount rate	(381,651)	525,892	(251,501)	325,793
Salary increase rate	490,081	(362,272)	309,550	(245,352)

Shown below is the maturity analysis of the undiscounted benefit payments:

Year ending:	2023	2022
One year and less	149,382	392,219
More than 1 years to 5 years	1,013,566	623,555
More than 5 years to 10 years	3,439,559	2,475,139
More than 10 years to 15 years	27,416,499	17,626,358
More than 15 years to 20 years	3,396,329	2,017,630
More than 20 years	15,844,264	14,661,951

The weighted average duration of the defined benefit obligation is 5 to 29 years in 2023 (2022 - 12 to 22 years).

25 Earnings per share

The following table presents 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:

	2023	2022	2021
Net income attributable to equity holders of Ayala Land, Inc.	24,507,581	18,617,234	12,228,148
Less: Dividends on preferred stock	(78,744)	(62,038)	(62,038)
Net income attributable to equity holders of the Parent Company for basic and diluted earnings per share	24,428,837	18,555,196	12,166,110
Weighted average number of common shares for basic EPS	14,977,735	14,777,782	14,724,716
Add: Dilutive shares arising from stock options	8,031	5,582	2,143
Adjusted weighted average number of common shares for diluted EPS	14,985,766	14,783,364	14,726,859
Basic and diluted EPS	1.63	1.26	0.83

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 anti-dilutive effect on the computation of diluted EPS.

26 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.

Employee Stock Option Plan (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 three (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 2023, 2022 and 2021.

Employee Stock Ownership Plan (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:

	2023	WAEP	2022	WAEP
At January 1	-	-	-	-
Granted	20,741,692	-	17,349,169	-
Subscribed	(14,579,090)	24.68	(14,170,576)	30
Availment	859,789	-	1,067,483	-
Cancelled	(7,022,391)	-	(4,246,076)	-
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:

	March 31 2023	March 31 2022	March 15 2021	August 17 2020	March 21 2019	March 28 2018	March 01 2017	April 05 2016	March 20 2015
Number of unsubscribed shares	-	-	-	-	-	-	-	181,304	-
Fair value of each option (BTM)	-	-	-	-	-	-	8	14	16
Fair value of each option (BSM)	9	13	9	9	17	13	-	18	21
Weighted average share price	29	36	39	33	45	41	40	36	37
Exercise price	25	30	33	28	44	45	36	26	30
Expected volatility	27.50%	24%	27.19%	25.05%	31.48%	34.04%	30.95%	32.03%	31.99%
Dividend yield	1.11%	0.77%	0.38%	0.81%	1.16%	1.22%	1.34%	1.27%	1.02%
Interest rate	5.00%	1.18%	1.03%	1.13%	5.57%	4.14%	4.41%	4.75%	4.11%

Total expense (included under "General and administrative expenses") recognized in 2023 in the consolidated statement of income arising from share-based payments amounted to P149.45 million (2022 - P152.87 million; 2021 - P150.07 million) (Note 20).

ALLHC

ALLHC introduced the Plan wherein grantees (employees within the 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 at 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 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 P1.68 per share which were fully availed as at December 31, 2018. In 2023 and 2022, ALLHC has no ESOWN grant.

27 Financial risk and capital management

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including foreign currency risk, interest rate risk and equity price risk), and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyze these risks and to monitor the risks by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practices.

27.1 Financial risk management

27.1.1. Credit risk management

Credit risk

Credit risk is a risk that a counterparty will not meet its obligation under a 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 risk, the Group maintains defined credit policies and monitors its exposure to credit risk 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 the 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 at liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The Group has an active intercompany lending program and intercompany receivable that are short term. To minimize credit exposures, the Group assesses the financial capacity of the affiliated entities and operating cash flows.

The Group's maximum exposure to credit risk as at December 31, 2023 and 2022 is equal to the carrying values of its financial assets.

The table below shows the credit quality of the Company's financial assets as at December 31:

	2023							
	Neither past due nor impaired					Past due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents (excluding cash on hand)	17,027,631	-	-	-	17,027,631	-	-	17,027,631
Short-term investments	333,610	-	-	-	333,610	-	-	333,610
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	82,463,605	7,317,861	2,777,013	-	92,558,479	19,518,548	108,509	112,185,536
Shopping centers	1,200,732	625,542	493,318	-	2,319,592	1,458,820	1,255,303	5,033,715
Construction contracts	972,084	19,011	-	-	991,095	2,961,239	87,002	4,039,336
Corporate business	1,489,156	21,202	20,500	-	1,530,858	1,311,983	933,000	3,775,841
Management fees	66,568	-	-	-	66,568	113,863	7,135	187,566
Others	3,350,387	-	533,249	-	3,883,636	416,786	202,759	4,503,181
Advances to other companies	10,218,792	35,987	730,554	-	10,985,333	7,184,154	190,008	18,359,495
Accrued receivables	8,882,484	2,914	392,993	-	9,278,391	1,818,358	-	11,096,749
Related parties	6,537,813	-	-	-	6,537,813	-	-	6,537,813
Receivable from employees	709,458	150	846	-	710,454	337,757	-	1,048,211
	133,252,320	8,022,667	4,948,473	-	146,223,460	35,121,508	2,783,716	184,128,684

	2022							
	Neither past due nor impaired					Past due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents								
(excluding cash on hand)	11,818,056	-	-	-	11,818,056	-	-	11,818,056
Short-term investments	330,500	-	-	-	330,500	-	-	330,500
Accounts and notes receivables:								
Trade:								
Residential, commercial and								
office development	72,403,724	5,493,083	3,310,970	-	81,207,777	20,525,589	64,092	101,797,458
Shopping centers	2,092,054	688,530	675,920	-	3,456,504	1,641,629	1,217,417	6,315,550
Construction contracts	841,177	57,881	13,249	-	912,307	1,758,920	155,697	2,826,924
Corporate business	1,369,710	503,095	6,959	-	1,879,764	1,126,149	670,113	3,676,026
Management fees	97,585	-	-	-	97,585	117,295	16,630	231,510
Others	4,639,176	178,530	175,979	-	4,993,685	572,507	225,446	5,791,638
Advances to other companies	6,743,814	40,054	1,364,875	-	8,148,743	7,519,512	190,008	15,858,263
Accrued receivables	6,810,233	1,093	470,278	-	7,281,604	2,088,738	-	9,370,342
Related parties	4,207,106	173,844	2,546,933	-	6,927,883		-	6,927,883
Receivable from employees	724,804	20,925	27,137	-	772,866	154,921	-	927,787
	112,077,939	7,157,035	8,592,300	-	127,827,274	35,505,260	2,539,403	165,871,937

As at December 31, the analysis of past due but not impaired accounts and notes receivables presented per class follow:

2023	Neither past due nor Impaired	Past due but not impaired <30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
Trade:									
Residential, commercial and office development	92,558,479	6,368,761	1,074,654	328,386	5,514,367	6,232,380	19,518,548	108,509	112,185,536
Shopping centers	2,319,592	181,947	156,016	153,425	119,099	848,333	1,458,820	1,255,303	5,033,715
Corporate business	1,530,858	-	112,659	27,031	25,686	1,146,607	1,311,983	933,000	3,775,841
Construction contracts	991,095	1,615,128	231,898	128,277	203,817	782,119	2,961,239	87,002	4,039,336
Management fees	66,568	-	21,850	16,788	30,814	44,411	113,863	7,135	187,566
Others	3,883,636	9,302	1,684	333,635	7,057	65,108	416,786	202,759	4,503,181
Advances to other companies	10,985,333	42,568	16,308	39,189	165,522	6,920,567	7,184,154	190,008	18,359,495
Accrued receivables	9,278,391	249,326	69,384	47,686	87,677	1,364,285	1,818,358	-	11,096,749
Related parties	6,537,813	-	-	-	-	-	-	-	6,537,813
Receivables from employees	710,454	210,524	8,298	7,396	2,406	109,133	337,757	-	1,048,211
Total	128,862,219	8,677,556	1,692,751	1,081,813	6,156,445	17,512,943	35,121,508	2,783,716	166,767,443

2022	Neither past due nor impaired	Past due but not impaired <30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
Trade:									
Residential, commercial and office development	81,207,777	5,045,060	1,734,959	1,697,084	2,825,851	9,222,635	20,525,589	64,092	101,797,458
Shopping centers	3,456,504	214,593	276,044	126,431	376,215	648,346	1,641,629	1,217,417	6,315,550
Construction contracts	912,307	799,310	278,208	225,769	173,619	282,014	1,758,920	155,697	2,826,924
Corporate business	1,879,764	30,810	510,631	14,382	94,852	475,474	1,126,149	670,113	3,676,026
Management fees	97,585	-	41,215	21,708	21,870	32,502	117,295	16,630	231,510
Others	4,993,685	343,315	62,862	9,580	53,855	102,895	572,507	225,446	5,791,638
Advances to other companies	8,148,743	139,602	1,752	17,516	425,156	6,935,486	7,519,512	190,008	15,858,263
Accrued receivables	7,281,604	276,212	-	12,729	46,845	1,752,952	2,088,738	-	9,370,342
Related parties	6,927,883	-	-	-	-	-	-	-	6,927,883
Receivables from employees	772,866	13,223	11,854	12,742	4,088	113,014	154,921	-	927,787
Total	115,678,718	6,862,125	2,917,525	2,137,941	4,022,351	19,565,318	35,505,260	2,539,403	153,723,381

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents and short-term investments - 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.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate is based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. Intercompany receivables are also evaluated for impairment. The security deposits and advance rental from tenants are considered in the calculation of impairment as recoveries.

As at December 31, 2023, the exposure at default amounted to P23,669.3 million (2022 - P23,587.7 million). The average expected credit loss rate (over total receivables) is 1.70% resulting in the ECL of P 2,783.7 million (2022 - 1.67%; P2,539.4 million) (Note 5).

27.1.2. Liquidity risk management

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 makes 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 P119.0 billion with various local banks, of which P60.0 billion remain undrawn as at December 31, 2023 (2022 - P110.8 billion, P70.3 billion undrawn).

The table below summarizes the maturity profile of the Group's financial instruments at December 31 based on contractual undiscounted payments:

2023	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	17,066,330	-	-		17,066,330
Short-term investments	-	-	-	333,610	333,610
Financial assets at FVTPL	-	-	-	419,802	419,802
Accounts and notes receivable	168,112,615	-	-		168,112,615
Total undiscounted financial assets	185,178,945	-	-	753,412	185,932,357
Financial liabilities					
Accounts and other payables*	100,114,121	-	-	-	100,114,121
Short-term debt	16,905,106	-	-	-	16,905,106
Long- term debt	18,969,421	105,341,624	118,366,646	-	242,677,691
Deposits and other current liabilities	34,131,984	-	-	-	34,131,984
Deposits and other non-current liabilities**	-	41,870,140	-	-	41,870,140
Total undiscounted financial liabilities	170,120,632	147,211,764	118,366,646	-	435,699,042
Net liquidity position	15,058,313	(147,211,764)	(118,366,646)	753,412	(249,766,685)

2022	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	11,885,329	-	-	-	11,885,329
Short-term investments	-	-	-	330,500	330,500
Financial assets at FVTPL	-	-	-	291,989	291,989
Accounts and notes receivable	107,181,392	-	-	-	107,181,392
Total undiscounted financial assets	119,066,721	-	-	622,489	119,689,210
Financial liabilities					
Accounts and other payables*	143,952,127	-	-	-	143,952,127
Short-term debt	6,574,272	-	-	-	6,574,272
Long- term debt	19,258,289	95,613,291	114,620,000	-	229,491,580
Deposits and other current liabilities	31,211,023	-	-	-	31,211,023
Deposits and other non-current liabilities**	-	47,519,881	-	-	47,519,881
Total undiscounted financial liabilities	200,995,711	143,133,172	114,620,000	-	458,748,883
Net liquidity position	(81,928,990)	(143,133,172)	(114,620,000)	622,489	(339,059,673)

**Excludes payable to government agencies*
***Excludes deferred output vat*

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 at December 31, 2023 and 2022.

27.1.3. Market risk management

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by lever on its premier credit rating and increasing the fixed interest component of its debt portfolio.

As at December 31, 2023, the Company's ratio of fixed to floating rate debt stood at around 77:23 (2022 - 90:10).

The following table demonstrates the sensitivity of the Group's income before income tax to a reasonably possible change in interest rates as at December 31, with all variables held constant:

	2023	2022
Changes in floating rate borrowings	Increase (decrease) on income before income tax	
+ 100 basis points increase	(591,321)	(243,172)
- 100 basis points increase	591,321	243,172

The assumed change in rate is based on the currently observable market environment.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values as at December 31 are shown in the following table (in thousands):

			2023				
	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	17,027,631	17,027,631	-	-	17,027,631
Short- term investments	Fixed cut-of at the date of investment or revaluation	Various	333,610	333,610	-	-	333,610
Receivables from employees	Fixed at the date of sale	Date of sale	1,048,211	772,292	275,919	-	1,048,211
			18,409,452	18,133,533	275,919	-	18,409,452
Parent Company							
Short-term debt							
Floating-Peso	Variable	Monthly	7,005,000	7,005,000	-	-	7,005,000
Long-term debt							
Fixed							
Peso	Fixed at 6.00%	20 years	2,000,000	-	-	1,988,434	1,988,434
Peso	Fixed at 4.75% to 4.85%	9.5 and 10 years	15,000,000	-	14,963,119	-	14,963,119
Peso	Fixed at 5.2624%	10 years	7,000,000	-	6,986,235	-	6,986,235
US Dollars	Fixed at 4.3889%	5 years	3,045,350	3,045,350	-	-	3,045,350
Peso	Fixed at 4.758% to 6.369%	5, 7 and 7.25 years	12,000,000	2,993,838	8,938,892	-	11,932,730
Peso	Fixed at 3.862%	5 years	6,250,000	-	6,222,200	-	6,222,200
Peso	Fixed at 3.6262% to 4.0776%	4 and 10 years	13,000,000	-	9,959,900	2,981,600	12,941,500
Peso	Fixed at 4.3969% to 6.8045%	2, 5, 6 and 7 years	45,000,000	11,964,602	18,873,939	13,870,013	44,708,554
Peso	Fixed at 6.0253% to 6.2948%	5 and 10 years	15,000,000	-	9,961,324	4,866,279	14,827,603
Peso	Fixed at 3.75% to 6.5312%	6 to 10 years	64,876,000	475,175	20,010,500	44,057,823	64,543,498
Floating-Peso	Variable	3 months	15,272,000	16,836	779,596	14,365,268	15,161,700
Subsidiaries							
Short-term debt							
Peso	Variable	Monthly	9,900,106	9,900,106	-	-	9,900,106
Long-term debt							
Fixed							
Peso	Fixed at 4.0% to 6.7967%	5 to 10 years	17,279,313	170,279	1,950,385	14,820,489	16,941,153
Floating-Peso	Variable	3 months	26,955,028	303,341	10,366,632	16,417,106	27,087,079
			259,582,797	35,874,527	109,012,722	113,367,012	258,254,261

	Interest terms (p.a.)	Rate Fixing Period	2022 Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Group							
Cash and cash equivalents (excluding cash on hand)	Fixed at the date of investment	Various	11,558,329	11,885,329	-	-	11,885,329
Short- term investments	Fixed cut-of at the date of investment or revaluation	Various	330,500	330,500	-	-	330,500
Receivables from employees		Various	927,787	772,866	154,921	-	927,787
			12,816,616	12,988,695	154,921	-	13,143,616
Parent Company							
Short-term debt							
Floating-Peso	Variable	Monthly	688,000	688,000	-	-	688,000
Long-term debt							
Fixed							
Peso	Fixed at 6.00%	10 years	2,000,000	-	-	1,666,347	1,666,347
Peso	Fixed at 6.0%	20 years	22,000,000	6,865,033	13,846,461	-	20,711,494
Peso	Fixed at 4.5000%	7 years	7,000,000	-	6,343,553	-	6,343,553
Peso	Fixed at 3.892 to 4. 85%	7, 9.5 and 10 years	72,455,727	62,494,696	11,313,724	20,214,935	94,023,355
Peso	Fixed at 5.2624%	10 years	10,000,000	-	-	9,162,218	9,162,218
Peso	Fixed at 3.75% to 4.95%	Up to 10.5 years	6,250,000	-	5,680,329	-	5,680,329
Peso	Fixed at 5.920%	10 years	12,000,000	-	11,481,913	-	11,481,913
Peso	Fixed at 3.1764% to 3.187%	5 years	45,000,000	-	24,060,520	13,188,640	37,249,160
Peso	Fixed at 4.76% to 6.37%	5, 7 and 7.25 years	3,000,000	-	9,182,310	2,230,628	11,412,938
Peso	Fixed at 3.00% to 3.86%	2 and 5 years				-	-
Peso	Fixed at 3.63% to 4.08%	4 and 10 years	289,000	25,187	227,844	-	253,031
Floating-Peso	Variable	3 months	5,859,271	5,859,271	-	-	5,859,271
Subsidiaries							
Short-term debt							
Peso	Variable	Monthly	20,300,250	3,937,785	3,527,142	9,047,038	16,511,965
Long-term debt							
Fixed							
Peso	Fixed at 4.0% to 6.7967%	5 to 10 years	17,480,968	1,937,112	9,157,146	3,901,020	14,995,278
Floating-Peso	Variable	3 months					
			224,323,216	81,807,084	94,820,942	59,410,826	236,038,852

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. The financial instruments 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.

	December 31, 2023		December 31, 2022	
	US Dollar	MYR ringgit	US Dollar	MYR ringgit
Foreign currency placements	26.30 million	573.73 million	33.06 million	666.47 million
Foreign currency debt	65.80 million	844.18 million	67.90 million	490.78 million

The following table shows the Group's consolidated foreign currency-denominated monetary assets and liabilities and their Peso equivalents:

	2023			2022		
Net foreign currency denominated	US Dollar	MYR ringgit	Php Equivalent	US Dollar	MYR ringgit	Php Equivalent
Financial assets						
Cash and cash equivalents	6,138	142,927	2,163,601	5,491	405,201	1,010,733
Short-term investments	-	-	-	-	-	-
Accounts and notes receivable, net	16,370	365,066	5,315,288	24,163	175,457	3,587,493
Other current assets	3,410	58,537	890,277	3,027	84,903	1,234,780
Other non-current assets	380	7,195	104,480	380	908	29,191
Total	26,298	573,725	8,473,646	33,061	666,469	5,862,197
Financial liabilities						
Accounts and other payables	5,285	572,731	7,188,381	8,631	422,676	5,791,517
Other current liabilities	1,725	-	87,775	690	-	35,019
Short-term debt	-	129,980	1,567,106	-	31,050	391,521
Long- term debt	55,000	141,473	4,751,021	55,000	35,091	3,508,995
Other non-current liabilities	3,792	-	194,929	3,578	1,961	209,400
Total	65,802	844,184	13,789,212	67,899	490,778	9,936,452
Net foreign currency denominated financial instruments	(39,504)	(270,459)	(5,315,566)	(34,838)	175,691	(4,074,255)

In translating the foreign currency-denominated monetary assets in Peso amounts as at December 31, 2023, the Philippine Peso - US Dollar exchange rates and the Philippine Peso - Malaysian ringgit exchange rate used were P55.37 to US$1 (2022 - P55.76 to US$1.00) and P12.07 to MYR1.00 (2022 - P12.61 to MYR1.00), respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso - US dollar exchange rate and Philippine peso - Malaysian ringgit exchange rate, with all variables held constant, on the Group's income before income tax (due to changes in the fair value of monetary assets and liabilities):

	Effect on income before income tax	
	Increase (decrease)	
Change in exchange rate	2023	2022
USD		
+ 100 basis points	(21,873)	(19,426)
- 100 basis points	21,873	19,426
MYR		
+ 100 basis points	(32,644)	22,155
- 100 basis points	32,644	(22,155)

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, and domestic inflation rates, the changes in price reflect how market participants view the developments.

The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; limits on investment in each country, sector and market.

Quoted financial assets at FVTPL pertain to investment in UITF (Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments.

As at December 31, 2023 and 2022, the impact on net income and equity as a result of 100 basis points decrease (increase) in interest rates is as follows:

	2023		2022	
	Net income and Equity	Duration	Net income and Equity	Duration
BPI UITF Money Market	+/- P0.63 million	0.15 year	+/- P0.20 million	0.34 year
BPI UITF USD Short Term	+/- P2.45 million	0.26 year	+/- P0.02 million	0.33 year

27.1.4 Fair value information

Financial Value Information

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and liabilities recognized:

		2023		2022	
	Note	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at FVTPL	4	419,802	419,802	291,989	291,989
Financial assets at FVOCI	8				
Unquoted equity securities		627,181	627,181	440,811	440,811
Quoted equity securities		372,064	372,064	522,807	522,807
		1,419,047	1,419,047	1,255,607	1,255,607
Financial assets at amortized cost					
Cash and cash equivalents	2	17,066,330	17,066,330	11,885,329	11,885,329
Short-term investments	3	333,610	333,610	330,500	330,500
Non-current trade residential, commercial and office development	5	57,090,311	56,344,737	48,400,251	50,628,112
Receivable from employees	5	1,048,211	1,007,201	927,787	927,787
Accounts and notes receivables	5	105,530,428	105,530,428	102,151,267	102,151,267
Other current assets	7	80,290,824	80,290,824	64,849,846	64,849,846
		261,359,714	260,573,130	228,544,980	230,772,841
Other financial liabilities					
Short-term debt	14	16,905,106	16,905,106	6,547,271	6,547,271
Accounts and other payables	13	162,475,441	162,475,441	144,662,288	144,662,288
Lease liabilities	31	18,522,623	18,522,623	17,992,406	17,992,406
Long-term debt	14	241,349,155	219,856,402	229,491,580	229,141,647
Deposits and other liabilities	15,16	76,002,124	76,002,124	100,362,989	100,362,989
		515,254,449	493,761,696	499,056,534	498,706,601

**Excluding deferred output VAT*

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents, short-term investments and current receivables, accounts and other payables and short-term debt - Carrying amounts approximate their fair values due to the relatively short-term maturities of these financial instruments.

Financial assets at FVTPL - These are investments in funds. Fair value of the funds is based on net asset values as at reporting date.

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 non-current unquoted instruments (long-term debt and deposits) are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates (IBR) for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged 5.1% to 11.5% as at December 31, 2023 (2022 - 2.70% to 7.40). The fair value of non-current unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Non-current 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.

	Discount rates
December 31, 2023	5.1% to 11.5%
December 31, 2022	2.70% to 7.40%

The fair value of non-current unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group categorizes trade receivable, receivable from employees, long-term debt and deposits and other non-current 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.

As at December 31, 2023, the Investment in Arch Capital Fund amounting to P191.1 million (2022 - P207.2 million) was classified under Level 3 (Note 4).

Investments in Unit Investment Trust Fund (UITF) amounting to P228.7 million as at December 31, 2023 were classified under Level 2 (2022 - P84.8 million) (Note 4).

As at December 31, 2023, the quoted FVOCI financial assets amounting to P416.2 million (2022 - P573.0 million) were classified under Level 1 (Note 8).

Unquoted FVOCI financial assets amounting to P660.7 million as at December 31, 2023 were classified under Level 3 (2022 - P440.8 million) (Note 8).

There have been no reclassifications to and from Level 1, Level 2 and Level 3 categories in 2023 and 2022 for financial assets at FVTPL and FVOCI.

Investment properties

The fair values of the investment properties were determined by independent professionally qualified appraisers.

The following tables provide the fair value hierarchy of the Group's investment properties as at December 31:

	2023			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total fair value
Land properties	-	-	364,702,719	364,702,719
Retail properties	-	-	116,522,159	116,522,159
Office properties	-	-	177,200,377	177,200,377
Hospital properties	-	-	-	-
	-	-	658,425,255	658,425,255

	2022			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total fair value
Land properties	-	-	241,486,227	241,486,227
Retail properties	-	-	83,890,525	83,890,525
Office properties	-	-	157,471,235	157,471,235
Hospital properties	-	-	792,637	792,637
	-	-	483,640,624	483,640,624

The values of the land were arrived using the Market Data Approach which provides an indication of value by comparing the subject asset with identical or similar assets for which the 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 square meter (sqm), the higher the fair value.

The values of the buildings (retail, office, hospital) were arrived using the Income Approach which provides an indication of value by converting future cash flow to a single current value. Under this 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 P3,780 to P403,047 per sqm.

A significant increase (decrease) in any of the unobservable input may result in a significantly higher (lower) fair value measurement. The Parent Company considers that it is impracticable to disclose the possible effects of sensitivities surrounding the estimation of the fair value of investment properties as at the reporting date.

There has been no transfer between levels of fair value hierarchy in 2023 and 2022.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, short-term investments, financial assets at FVTPL, FVOCI quoted and unquoted equity securities, bonds payable, 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 2023 and 2022.

The fair value hierarchy of the Group's financial instruments which are measured at fair value as at December 31 is as follows:

	2023			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total Fair Value
Financial assets at FVTPL				
Investment in Unit				
Investment Trust Fund (UITF)	-	228,674	-	228,674
Investment in ARCH				
Capital Fund	-	-	191,128	191,128
	-	228,674	191,128	419,802
Financial assets at FVOCI				
Shares of stock				
Quoted				
Tourism and leisure	421,880	-	-	421,880
Retail	1,457	-	-	1,457
Real estate	14,598	-	-	14,598
Utilities and energy	18,554	-	-	18,554
Financial asset management	539	-	-	539
Telecommunications	3,453	-	-	3,453
Unquoted				
Tourism and leisure	-	2,800	528,616	531,416
Financial asset management	-	-	27,755	27,755
Utilities and energy	-	-	37,497	37,497
Real estate	-	-	7,468	7,468
Retail	-	-	53,042	53,042
Telecommunication	-	-	4,310	4,310
	460,481	2,800	658,687	1,121,969
	460,481	231,474	849,815	1,541,771

	2022			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total Fair Value
Financial assets at FVTPL				
Investment in Unit				
Investment Trust Fund (UITF)	-	84,793	-	84,793
Investment in ARCH				
Capital Fund	-	-	207,196	207,196
	-	84,793	207,196	291,989
Financial assets at FVOCI				
Shares of stock				
Quoted				
Tourism and leisure	325,181	-	-	325,181
Retail	1,993	-	-	1,993
Real estate	29,552	-	-	29,552
Utilities and energy	13,984	-	-	13,984
Financial asset management	55,666	-	-	55,666
Telecommunications	3,556	-	-	3,556
Unquoted				
Tourism and leisure	-	-	483,613	483,613
Financial asset management	-	-	1,676	1,676
Utilities and energy	-	-	42,851	42,851
Real estate	-	-	22,361	22,361
Retail	-	-	55,042	55,042
Telecommunication	-	-	6	6
	429,932	-	605,549	1,035,481
	429,932	84,793	812,745	1,327,470

Reconciliation of fair value measurement of Investment in UITF as at December 31 is shown below:

	Notes	2023	2022
At January 1		84,793	407,025
Redemptions		(3,470,828)	(4,052,417)
Additions		3,604,552	4,179,683
Unrealized gains (loss) included in Other income	19	27,292	(260,209)
Reclassification to escrow account included under Other current assets	7	(17,135)	(189,289)
At December 31		228,674	84,793

Reconciliation of fair value measurement of Investment in ARCH Fund as at December 31 is shown below:

	2023	2022
At January 1	207,196	293,778
Net redemptions	(97,365)	(13,378)
Unrealized gain (loss) included in Other income	81,297	(73,204)
At December 31	191,128	207,196

The fair value of the investment in UITF is based on net asset values as at reporting date.

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 valuation, the value 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.

27.2 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 at December 31, the Group had the following ratios:

	2023	2022
Debt-to-equity	0.81:1	0.80:1
Net debt to equity	0.75:1	0.76:1

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 FVTPL. 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 (Note 14). No changes were made in the objectives, policies or process on capital during the years ended December 31, 2023 and 2022.

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. As at December 31, 2023, the Group's ratio of fixed to floating rate debt stood at 77:23 (2022 - and 90:10). As a result, any adverse movement in interest rates is mitigated.

As at December 31, 2023, the exposure to foreign currency holdings is at MYR270.5 million and US39.5 million (2022 - MYR175.6 million and US$34.8 million).

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.

28 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 Avaland Berhad (formerly Modular Construction Technology (MCT) Bhd. (Malaysia)
- 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 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, 2023, 2022 and 2021, 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 at December 31 and revenue and profit information for each of the three years in the period ended December 31 (in millions):

As at December 31, 2023

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	79,545	7,433	-	-	8,780	6,596	4,892	-	-	107,246
Interest income from real estate sales	5,360	-	-	-	-	-	-	-	-	5,360
Rental revenue	-	-	21,088	11,808	-	-	-	-		32,896
Intersegment sales	-	-	-	-	-	40,606	-	-	(40,606)	-
Earnings of associates and joint ventures	1,570	-	13	-	-	(2)	(6)	-	-	1,575
Total revenue	86,475	7,433	21,101	11,808	8,780	47,200	4,886	-	(40,606)	147,077
Real estate costs and expenses	57,661	5,296	8,437	3,385	7,877	44,162	8,495	362	(39,626)	96,049
Gross margin (loss)	28,814	2,137	12,664	8,423	903	3,038	(3,609)	(362)	(980)	51,028
Interest and investment income										690
Other charges										(2,849)
Interest and other financing charges										(13,499)
Other income										1,091
Provision for income tax										(7,457)
Net income										29,004
Net income attributable to:										
Equity holders of Ayala Land, Inc.										24,508
Non- controlling interests										4,496
										29,004
Other Information										
Segment assets	653,142	21,528	230,133	195,918	56,849	48,080	14,281	95,422	(515,279)	800,074
Investment in associates and joint ventures	30,942	-	50	-	-	59	162	-	-	31,213
	684,084	21,528	230,183	195,918	56,849	48,139	14,443	95,422	(515,279)	831,287
Deferred tax assets	2,269	104	3,076	289	417	194	110	1,168	7,718	15,345
Total assets	686,353	21,632	233,259	196,207	57,266	48,333	14,553	96,590	(507,561)	846,632
Segment liabilities	252,342	10,384	95,794	32,008	22,311	35,784	7,335	210,420	(146,999)	519,379
Deferred tax liabilities	2,920	-	1,274	386	12	-	-	(1,099)	3,831	7,324
Total liabilities	255,262	10,384	97,068	32,394	22,323	35,784	7,335	209,321	(143,168)	526,703
Segment additions to:										
Property and equipment	967	-	1,494	17	2,589	597	317	12	-	5,993
Investment properties	4,302	-	12,876	21,287	2	76	-	-	-	38,543
Depreciation and amortization	621	169	4,417	2,481	852	276	436	254	-	9,506
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Impairment losses	164	1	25	377	30	-	-	-	-	597

As at December 31, 2022

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	71,792	2,757	-	-	6,194	4,236	4,181	-	-	89,160
Interest income from real estate sales	6,695	-	-	-	-	-	-	-	-	6,695
Rental revenue	-	-	16,075	11,121	-	-	-	-	-	27,196
Intersegment sales	-	-	-	-	-	38,257	-	-	(38,257)	-
Earnings of associates and joint ventures	1,419	-	10	-	-	6	(5)	-	-	1,430
Total revenue	79,906	2,757	16,085	11,121	6,194	42,499	4,176	-	(38,257)	124,481
Real estate costs and expenses	55,795	2,074	8,239	2,992	6,029	39,117	6,497	199	(38,049)	82,893
Gross margin (loss)	24,111	683	7,846	8,129	165	3,382	(2,321)	(199)	(208)	41,588
Interest and investment income										387
Other charges										(3,996)
Interest and other financing charges										(11,447)
Other income										1,688
Provision for income tax										(5,696)
Net income										22,524
Net income attributable to:										
Equity holders of Ayala Land, Inc.										18,617
Non- controlling interests										3,907
										22,524
Other Information										
Segment assets	589,589	17,440	215,705	155,712	54,615	44,480	13,557	102,294	(459,543)	733,849
Investment in associates and joint ventures	31,252	-	37	-	-	61	349	218	-	31,917
	620,841	17,440	215,742	155,712	54,615	44,541	13,906	102,512	(459,543)	765,766
Deferred tax assets	2,074	33	1,980	341	423	126	102	1,076	7,734	13,889
Total assets	622,915	17,473	217,722	156,053	55,038	44,667	14,008	103,588	(451,809)	779,655
Segment liabilities	236,536	6,421	94,346	25,122	20,916	33,705	7,724	195,016	(139,645)	480,141
Deferred tax liabilities	1,599	-	255	354	18	-	-	(229)	3,852	5,849
Total liabilities	238,135	6,421	94,601	25,476	20,934	33,705	7,724	194,787	(135,793)	485,990
Segment additions to:										
Property and equipment	141	50	1,484	74	351	440	1,406	478	-	4,424
Investment properties	7,773	655	18,529	3,149	-	26	2	4,543	-	34,677
Depreciation and amortization	542	162	4,420	2,340	920	552	504	249	-	9,689
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Impairment losses	56	-	158	62	1	-	3	1	-	281

As at December 31, 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 earnings of associates and joint ventures	971	-	7	-	-	3	(16)	(122)	–	843
Total revenue	73,032	3,878	7,932	9,872	2,833	40,490	2,451	(122)	(36,578)	103,788
Real estate costs and expenses	49,401	2,896	5,204	2,803	4,095	39,062	2,736	229	(35,246)	71,180
Gross margin (loss)	23,631	982	2,728	7,069	(1,262)	1,428	(285)	(351)	(1,332)	32,608
Interest and investment income										253
Other charges										(3,637)
Interest and other financing charges										(11,038)
Other income										2,101
Provision for income tax										(4,628)
Net income										15,659
Net income attributable to:										
Equity holders of Ayala Land, Inc.										12,228
Non- controlling interests										3,431
										15,659
Other Information										
Segment assets	559,211	20,190	226,343	135,653	59,038	48,601	11,549	94,146	(450,625)	704,106
Investment in associates and joint ventures	28,194	-	45	-	-	55	172	-	-	28,466
	587,405	20,190	226,388	135,653	59,038	48,656	11,721	94,146	(450,625)	732,572
Deferred tax assets	1,901	163	1,732	389	436	114	183	1,299	6,675	12,890
Total assets	589,306	20,353	228,120	136,042	59,474	48,770	11,904	95,445	(443,950)	745,462
Segment liabilities	235,677	979	95,934	29,686	25,986	38,035	6,158	200,436	(164,449)	468,442
Deferred tax liabilities	2,619	0	177	225	4	0	(2)	(196)	3,693	6,520
Total liabilities	238,296	979	96,111	29,911	25,990	38,035	6,156	200,240	(160,756)	474,962
Segment additions to:										
Property and equipment	2,035	–	298	4	285	555	14	24	-	3,215
Investment properties	12,426	508	8,141	1,100	146	103	-	1,757	-	24,181
Depreciation and amortization	733	-	4,438	1,908	887	238	475	221	-	8,900
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Impairment losses	11	-	22	114	-	114	98	181	-	540

29 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) serviced 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 to ten 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 in 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. Revenues from banquets and other special events are recognized when the events take place.

Construction

Revenue from fixed price construction contracts are recognized over time 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) for the years ended December 31 are as follows:

	2023	2022	2021
Within one year	66,739,284	31,674,330	45,005,469
More than one year	59,864,314	29,307,910	55,587,158
	126,603,598	60,982,240	100,592,627

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three to five years from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

30 Registration with Philippine Economic Zone Authority (PEZA)

The following projects/properties were registered with PEZA:

Company	Property/Project	Date of Registration	Particular
Accendo Commercial Corp.	Abreeza Corporate Center	16-Dec-2013	Developer/operator
Ayala Land Inc.	Southpark Corporate Center	13-Dec-2017	Developer/operator
Ayala Land Inc.	Vertis North IT Park	6-Nov-2017	Developer/operator
Ayala Land Inc.	Ayala North Point Technohub	17-Dec-2010	Developer/operator
Ayala Land, Inc.	Asiatown IT Park E-Bloc	18-Dec-2007	Ecozone Facilities Enterprise
Ayala Land, Inc.	South Coast City Information Technology Park	22-Jun-2022	Developer/Operator
Ayala Land, Inc.	CBP IT Park	20-May-2010	Developer/Operator
Ayala Land, Inc.	CCTC IT Park	10-Oct-2001	Developer/Operator
Ayalaland Metro North, Inc.	UP Town Corporate Center	16-Jan-2017	Developer/operator
AyalaLand Offices, Inc.	Building K to P (UP Technohub)	25-May-2012	Ecozone Facilities Enterprise
Cagayan de Oro Gateway Corp.	Centrio Corporate Center	24-Feb-2016	Developer/operator
Ceci Realty, Inc.	Lakeside Evozone	14-Dec-2007	Developer/Operator
Central Block Developers, Inc.	Central Bloc 1 & 2	19-Jun-2017	Ecozone Facilities Enterprise
Ecozone Power Management Inc.	Alogis Artico 1	13-Dec-2021	As Ecozone Facilities Enterprise
Ecozone Power Management Inc.	Alogis Sto Tomas	21-Dec-2021	Domestic Market Enterprise
First Gateway Real Estate Corp.	TP Ayala/People Support Center	25-Sep-2007	Developer/Operator
Hillsford Property Corp.	Baguio Technohub	29-Jan-2009	Ecozone Facilities Enterprise
Laguna Technopark, Inc.	Cavite Technopark	13-Jul-2016	Ecozone Developer/Operator
Laguna Technopark, Inc.	Alviera Industrial Park, Phase 1	17-Nov-2017	Ecozone Facilities Enterprise
Laguna Technopark, Inc.	Laguna Technopark	17-Oct-1991	Ecozone Developer/Operator
North Eastern Commercial Corp.	30th Corporate Center	5-Jul-2017	As developer/operator
Nuevocentro, Inc.	Alviera Industrial Park	19-Jul-2016	Developer/Operator
Pangulasian Island Resort Corporation	Green Tourism Ecozone - Pangulasian	21-Mar-2016	Operator
Subic Bay Town Center Inc	Harbor Point Mall	9-Mar-2010	Developer/ Operator
Sunnyfield E-Office Corp.	Ilo-ilo Technohub	17-Dec-2010	Ecozone Developer/Operator
UP North Property Holdings Inc.	Building A to J (UP Technohub)	25-Sep-2007	Ecozone Facilities Enterprise
Westview Commercial Ventures Corp	BPO Technohub/The District North Point	17-Dec-2010	Information Technology Facilities Enterprise

31 Leases

Operating Leases - Group as Lessor

The Group entered into lease agreements with third parties covering its investment properties 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 non-cancellable operating leases of the Group follows:

	2023	2022	2021
Within one year	14,225,222	3,498,321	5,591,888
After one year but not more than five years	40,592,506	12,422,006	15,982,405
More than five years	21,570,082	55,262,893	56,106,720
	76,387,810	71,183,220	77,681,013

In 2023, there were no rent concessions during the year (2022 - P2.36 billion and 2021 - P7.15 billion). These rent concessions did not qualify as a lease modification, thus, were accounted for as a variable lease payment and reported as reduction of lease income in 2023, 2022 and 2021 (Note 36).

Operating leases - 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 rental payable under non-cancellable operating leases of the Group follows:

	2023	2022	2021
Within one year	1,533,997	3,033,292	3,003,107
After one year but not more than five years	6,940,852	7,790,454	7,973,751
More than five years	56,491,798	49,234,687	53,597,269
	64,966,647	60,058,433	64,574,127

Set out below are the carrying amounts of right-of-use assets recognized and the movements in 2023 and 2022:

As at December 31, 2023

	Land	Building	Aircraft	Others	Total
Cost					
At January 1	16,119,347	777,178	1,701,823	419,119	19,017,467
Additions	34,350	17,977	-	149,419	201,746
Adjustments	(277,478)	80,447	106,209	(76,229)	(167,051)
At December 31	15,876,219	875,602	1,808,032	492,309	19,052,162
Accumulated depreciation and amortization					
At January 1	4,644,277	745,721	885,261	323,367	6,598,626
Depreciation	483,116	36,905	143,635	37,027	700,683
Adjustments	(42,278)	(23,153)	-	(18,337)	(83,768)
Capitalized as investment property	-	-	27,994	86	28,080
At December 31	5,085,115	759,473	1,056,890	342,143	7,243,621
Net book value	10,791,104	116,129	751,142	150,166	11,808,541

As at December 31, 2022

	Land	Building	Aircraft	Others	Total
Cost					
At January 1	14,684,025	731,053	1,701,823	385,169	17,502,070
Additions	1,435,322	46,125	-	33,950	1,515,397
At December 31	16,119,347	777,178	1,701,823	419,119	19,017,467
Accumulated depreciation and amortization					
At January 1	3,843,728	488,648	713,632	299,822	5,345,830
Depreciation	284,283	231,565	171,629	22,902	710,379
Adjustments	517,115	23,302	-	(1,674)	538,743
Capitalized as investment property	(849)	2,206	-	2,317	3,674
At December 31	4,644,277	745,721	885,261	323,367	6,598,626
Net book value	11,475,070	31,457	816,562	95,752	12,418,841

The roll forward analysis of lease liabilities follows:

	Note	2023	2022
At January 1		18,702,566	17,837,354
Additions		418,740	614,921
Accretion of interest expense	20	1,489,221	1,439,756
Capitalized interest		(11,793)	-
Foreign exchange (loss) gain		(10,686)	127,004
Payments		(2,065,425)	(1,316,469)
As at December 31		18,522,623	18,702,566
Less: Current portion of lease liabilities		1,108,553	710,160
Lease liabilities, net of current portion		17,414,070	17,992,406

The following are the amounts recognized in the consolidated statement of income:

	Note	2023	2022	2021
Depreciation expense of right-of-use assets		700,683	710,380	623,272
Accretion of interest expense on lease liabilities	20	1,489,221	1,439,756	1,409,177
Rent expense - short- term leases		1,416	556	9,426
Rent expense - variable lease payments		631,292	256,331	168,963
Foreign exchange (gain) loss		(10,686)	127,004	210
Total amounts recognized in the consolidated statement of income		2,811,926	2,534,027	2,211,048

The Group has lease contracts for land that contains variable payments based on a certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management’s objective is to align the lease expense with the revenue earned. The following provides information on the Group’s variable lease payments, including the magnitude in relation to fixed payments:

	2023		
	Fixed Payments	Variable Payments	Total
Fixed	1,420,958	-	1,420,958
Variable rent with minimum payment	29,028	9,820,596	9,849,624
Variable rent only	-	1,345,824	1,345,824
At December 31	1,449,986	11,166,420	12,616,406

	2022		
	Fixed Payments	Variable Payments	Total
Fixed	971,072,555	-	971,072,555
Variable rent with minimum payment	11,987,292	69,014,261	81,001,553
Variable rent only	-	2,851,096,952	2,851,096,952
At December 31	983,059,847	2,920,111,213	3,903,171,060

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 P100.00 million. Commencing on the sixty fourth month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to fifty percent (50%) of the Gross Income of the Lessee.

In September 2018, the Parent Company signed a Lease Agreement with Manila Seedling Bank Foundation, Inc. (MSBFI) for the lease of a 4.5-hectare portion of land located at the corner of EDSA and Quezon Avenue, Diliman, Quezon City. The term of the lease shall be coterminous with the Lessor's usufruct over the Leased Premises, or until September 20, 2027. The lessee shall pay lessor P50.53 million or 40% of lease upon execution of the contract and turnover of the premise while the remaining 60% amounting to P75.79 million shall be payable upon securing all necessary permits from Local Government of Quezon City but not later than six months from payment of preceding lease payment.

Bay City

On September 2, 2014, Parent Company signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City with an aggregate area of 92,317 sqm. Parent Company signed a 45-year lease contract with an option to renew for another 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and the Parent Company. The Parent Company assigned the parcels of land to Bay City in December 2017.

On September 2, 2014, Parent Company signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City, with an aggregate area of 92,317sqm. Parent Company signed a 45-year lease contract with an option to renew the lease for another term of 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and the Parent Company. The rent due to the Lessor shall be either the Minimum Guaranteed Rent or Percentage Rent (7% of Gross Rental Income), whichever is higher.

ALI also assigned the Air Rights and Basement Rights over the leased property with an aggregate area of 1,686.48 sqm and 8,294 sqm, respectively, subject to the same terms and conditions as the contract of lease dated September 2, 2014. The lessee shall pay the lessor (a) P100/sq meters subjects to annual escalation starting year 2020 ranging from P100/sq meter for the first 3 years, and subject to 25% escalation on the 4th year then 5% escalation from the 5th year to 17th year and finally 6% escalation from 18th to 45th year per square meter, or (b) rent equal to seven percent (7%) of the Gross Rental Income, whichever is higher. The lessee shall pay P100/sq meters for the Basement Right.

AMNI

On January 28, 2011, the Board of Regents of the University of the Philippines awarded to the Parent Company the P4.0 billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. The Parent Company signed a 25-year lease contract for the property last June 22, 2011, with an option to renew for another 25 years subject to mutual agreement of the parties. The lease payments shall commence as soon as sales are registered by the merchants. The rights were subsequently assigned by ALI to AMNI in 2015.

A retail establishment with about 63,000 sqm of gross leasable area and an office/BPO building about 8,000 sqm of gross leasable area have been constructed on the property.

Monthly rent is equal to the higher of either: (i) P215.65/sqm of the Gross Useable Area, subject to annual escalation at the rate of 5% (Minimum Guaranteed Rent); or (ii) Seventeen percent of the Gross Rental Income.

NTDCC

The Company entered into an assignment agreement with MRTDC wherein the latter has assigned its development rights to the Company in exchange for the Company's assumption of DRP obligation beginning January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration with escalation rate of 3% annually starting inception.

In consideration of the lease, the Group will be charged an annual rent related to the original DRP obligation on the MRTDC and 5% of the rental income from the Group's commercial center business. Of the 5% variable amount due, 2.42% shall be directly paid by the Group to the minority shareholders of Monumento Rail Transit Corporation, 28.47% shall be paid directly to Metro Global Holdings Corporation and the remaining 69.11% shall be applied against receivables.

On January 13, 2006, the deed of assignment between MRTDC and NTDCC was acknowledged by DOTC making MRTDC and NTDCC jointly and severally liable for the DRP and all other obligations attached thereto. NTDCC has been paying rent to DOTC in behalf of MRTDC since January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration. As at December 31, 2023, the DRP obligation amounted to P3,684.5 million (2022 - P3,722.9 million). Additionally, the total DRP obligation paid amounted to nil (2022 - P289.2 million)

On October 29, 2015, the Company entered into a non-cancellable land lease agreement with Global-Estate Resort Inc (GERI) for the lease of an aggregate of 10,994.86 square meters undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development's rights period. Advanced rent amounting P294.4 million was paid at the beginning of the contract. Commencing on the 3rd year and until the 10th year of the contract, annual rent is P62.5 million.

During 2016, the Company entered into a non-cancellable land lease agreement with Anglo Philippine Holdings, DBH Inc. and Allante Realty & Development Corporation for the lease of an aggregate of 1,964.20 square meters, 687.47 square meters and 687.47 square meters, respectively, undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development's rights period. Advanced rent amounting P120.5 million, P18.4 million and P18.4 million was paid to Anglo, DBH and Allante, respectively, at the beginning of the contract. Commencing on the 3rd year and until the 10th year of the contract, annual rent payable for both DBH and Allante is P3.9 million.

ALICAP

In December 2017, the Company entered into 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1440 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with MSN 1440 was delivered to the Company in February 2018 and has started flight operations in March 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term for US$14.16 million.

In June 2018, the Company entered into another 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1492 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with MSN 1492 was delivered to the Company on the same month and has started flight operations in August 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term amounting to US$14.16 million.

AHRC

On January 30, 2018, the Company signed a Lease Agreement with Dunes & Eagle Land Development Corporation for the lease of ten parcels of land located at Barangay Mactan, Lapu-Lapu City, Mactan Island, Cebu with an aggregate area of 144,087 sqm. The term of the lease shall be for a period of fifty (50) years commencing from the date of execution of the agreement. Rent payment should be as follows: (a) P70 million per annum for the first 5 years (b) 5% of Gross Revenues or P70 million per annum whichever is higher for the 6th year to the 30th year, and (c) 5.5% of Gross Revenues or P70 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 P73.00 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.

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 P350 per square meter for the 1st year, P375 per square meter for the 2nd year and P400 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 P575 per square meter for the 1st year, P616.06 per square meter for the 2nd year and P657.15 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period.

ALLHC

On August 28, 1990, the Company, through a Deed of Assignment, acquired all the rights, titles, interests and obligations of Gotesco Investment, Inc. in a contract of lease of the land owned by PNR for the Tutuban Terminal. The contract provided for a payment of a guaranteed minimum annual rental plus a certain percentage of gross sales. The lease covers a period of 25 years until 2014 and is automatically renewable for another 25 years, subject to compliance with the terms and conditions of the lease agreement. On December 22, 2009, ALLHC entered into an agreement with PNR for the renewal of its lease contract for another 25 years beginning September 5, 2014 until 2039. The fixed rent from 2014 to 2039 is P3.8 billion and variable rent is 2% of gross revenue.

SSECC

The Company has an existing contract with Bases Conversion and Development Authority (BCDA) to develop, under a lease agreement signed on July 2000, a mall with an estimated gross leasable area of 152,000 sqm on a 9.8-hectare lot inside Fort Bonifacio. Subsequently, the Company transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounted to P106.5 million while the variable rent ranges from 5% to 20% of gross revenues.

Capitol

On April 26, 2012 Parent Company signed a Lease Agreement with the Province of Negros Occidental for the lease of a parcel of land with an aggregate area of 40,481 sq. m. located along Gatuslao cor. North and South Capitol Roads, Bacolod City, registered in the name of the Province of Negros Occidental. The Parent Company signed a 50-year lease contract with an option to renew as may be mutually agreed upon by the lessor and the Company. The Parent Company assigned the parcels of land to Capitol in December 2017. Lease payment is P2.47 million per month and shall be escalated every five years by ten percent (10%) of the then current rate of rent.

Arvo

On October 15, 2014, Arvo entered into a property lease agreement with Rotonda Development Corporation for the construction, development and operation of a commercial and mall center. The terms of the lease shall be 42 years, with an option to renew for another 40 years subject to mutual agreement of the parties. The lease agreement provided rent-free period of two years and lease payments shall commence thereafter. Lease payments shall be paid annually at P60.00 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 P1,365.5 million as at December 31, 2023 (2022 - P1,431.0 million), 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 as at December 31, 2023 and 2022 (Note 35).

32 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 P277.9 million during the 35-year concession period, subject to meeting benchmarks set for certain key performance indicators enumerated in the CA.

As at December 31, 2023, construction of the Project has not yet commenced.

33 Notes to consolidated statement of cash flows

Disclosed below is the roll forward of liabilities under financing activities:

2023

	Notes	January 1, 2023	Cash flows	Other changes	Foreign exchange movement	December 31, 2023
Short- term debt	14	6,547,272	10,357,835	-	-	16,905,107
Current portion of long-term debt	14	19,228,289	(288,868)	-	-	18,939,421
Long-term debt, net of current portion (a)	14	210,233,290	12,145,265	22,354	(21,175)	222,379,734
Dividends payable (b)	13	81,030	(5,679,961)	5,662,153	-	63,222
Lease liabilities (a)	31	18,702,566	(2,065,425)	1,885,482	-	18,522,623
Deposits and other non-current liabilities	16	47,519,881	(4,881,100)	-	-	42,638,781
Total liabilities from financing activities		302,312,328	9,587,746	7,569,989	(21,175)	319,448,888

Other changes pertain to:
(a) Interest expense
(b) Dividend declaration

2022

	Note	January 1, 2022	Cash flows	Other changes	Foreign exchange movement	December 31, 2022
Short- term debt	14	16,782,500	(10,235,228)	-	-	6,547,272
Current portion of long-term debt (a)	14	26,173,997	(26,173,997)	19,228,289	-	19,228,289
Long-term debt, net of current portion (a)	14	180,140,242	49,327,017	(19,433,435)	229,466	210,263,290
Dividends payable (b)	13	686,982	(4,667,960)	4,062,008	-	81,030
Lease liabilities (a)	31	17,837,354	(1,316,469)	2,891,842	-	19,412,727
Deposits and other non-current liabilities	16	60,735,602	(13,299,983)	-	-	47,435,619
Total liabilities from financing activities		302,356,677	(6,366,620)	6,748,704	229,466	302,968,227

Other changes pertain to:
(a) Interest expense
(b) Dividend declaration

2021

	Note	January 1, 2021	Cash flows	Other changes	Foreign exchange movement	December 31, 2021
Short- term debt	14	9,131,325	7,651,175	-	-	16,782,500
Current portion of long-term debt (a)	14	18,732,401	(18,732,401)	26,173,997	-	26,173,997
Long-term debt, net of current portion (a)	14	184,087,192	21,483,082	(25,829,931)	399,899	180,140,242
Dividends payable (b)	13	241,606	(5,375,409)	5,820,785	-	686,982
Lease liabilities (a)	31	17,755,843	(1,432,361)	1,513,872	-	17,837,354
Deposits and other non-current liabilities	16	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

Other changes pertain to:
(a) Interest expense
(b) Dividend declaration

The non-cash activities of the Group pertain to the following:

2023
- Transfer from investment properties to inventories amounting to P9,411 million
- Transfer from investment properties to property and equipment amounting to P4,072 million
- Transfer from inventory to property and equipment amounting to P9 million
- Capitalized interest amounted to P683.10million

2022
- Transfer from investment properties to inventories amounting to P16,875 million
- Transfer from property and equipment to investment properties amounting to P5,597.3 million
- Property for share swap transaction with AC and Mermac that resulted in acquisition of investment properties amounting to P4,785.39 million and inventories amounting to P78.06 million, in exchange for the issuance of capital stock and recognition of additional paid-in capital amounting P311.58 million and P17,074.58 million, respectively. This also involved the recognition of non-cash transactions such as equity reserves amounting to P9,800.78 million and non-controlling interest amounting to P3,397.84 million.
- Capitalized interest amounted to P783.22 million

2021
- Transfer from investment properties to inventories amounting to P4,062.9 million
- Transfer from property and equipment to investment properties amounting to P1.2 million
- Transfer from inventories to investment properties amounting to P4,106.9 million
- Transfer from inventories to property and equipment amounting P2.6 million
- Capitalized interest amounted to P574.1 million

34 Events after the reporting date

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.

On January 17, 2024, AREIT completed the acquisition of the 153-room Seda Lio in Palawan from Ayala Land's wholly-owned subsidiary, Econorth Resort Ventures, Inc. for P1,192,000,000.

On January 19, 2024, the SEC approved the merger of Northeastern Commercial Corp. (NECC) and Bay City Commercial Ventures Corp. (Bay City) with Bay City as the surviving entity.

On January 26, 2024, Ayala Land, and its wholly-owned subsidiaries, AyalaLand Offices, Inc. and Glensworth Development, Inc. sold an aggregate of 181,000,000 common shares of AREIT at a transaction price of P31.10/share, equivalent to P5,629,100,000 (exclusive of fees and taxes), in relation to its property-for-share swap transaction with AREIT, with BPI Capital Corporation, UBS AG Singapore Branch, and CLSA Limited as Placement Agents. The transaction has been upsized by over 40%, anchored on high-quality long-only institutional investors. The proceeds from the block sale were settled on January 30, 2024, under the Placement Agreement.

On January 31, 2024, the SEC approved the merger of BGWest Properties, Inc. (BGW), BGNorth Properties, Inc. (BGN) and BGSouth Properties, Inc. (BGS) with BGW as the surviving entity.

On February 12, 2024, the shareholders of AREIT owning a majority of the outstanding capital stock, approved the issuance of 841,259,412 primary common shares to ALI and its subsidiaries, and Buendia Christiana Holdings Corp., a wholly-owned subsidiary of ACEN Corporation, at an issue price of P34.00/share, in exchange for four prime commercial buildings of ALI and a 276-hectare industrial land, with an aggregate value of P28,602,820,008.

On February 20, 2024, the Board of Directors of ALI approved the following:

a. The raising of up to Php50 billion in debt capital to partially finance general corporate requirements and refinance maturing debt 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 declaration of a cash dividend of P0.2050 per outstanding common share payable on March 21, 2024 to stockholders of common shares as at record date of March 5, 2024. This reflects a 37% increase from the cash dividends declared in the first half of 2022 amounting to P0.1495.

c. The 2024 stock option program pursuant to our Employee Stock Ownership Plan (the "Plan") which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 18,542,878 common shares at a subscription price of P28.82 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 30-day trading as of February 13, 2024, less a prescribed discount.

35 Critical accounting judgments and estimates

The preparation of the consolidated financial statements in conformity with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief 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. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

35.1 Critical accounting judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Existence of a contract

The Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other duly executed and signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition, is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Revenue recognition method and measure of progress

The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

The Group has determined that the output method used in measuring the progress of the performance obligation (i.e., percentage of completion) faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Distinction of land between real estate inventories, property and equipment and investment properties

The Group determines whether a property will be classified as real estate inventories, property and equipment 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. The Group also considers whether the property is held for administrative purposes and classifies the property under property and equipment. All other properties that are not yet determined to be sold in the normal operating cycle nor held for administrative purposes are classified as investment properties.

Consolidation of entities in which the Group holds only 50% or less than majority of voting rights

The Group considers that it controls the following entities even though it owns 50% or less than majority of the voting rights. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

ACC
For ACC, ALI holds 50% of the voting rights, and is also the single largest shareholder and the remaining 50% of the equity shares are held by several shareholders. The second largest stockholder of ACC holds 8.3% share while the other shareholders' equity interest ranges from 2.1% to 8.3%. In addition, ALI has an existing management services agreement with ACC which gives ALI the exclusive control and decision over the relevant activities of ACC.

BG Entities (BGWest, BGNorth and BGSouth)
For the BG entities, wherein ALI and the other shareholder each own 50% of the voting rights, ALI controls the investee through exercise of its exclusive project development and marketing agreement as well as the ability to decide on the financing, operating and strategic policies of the investees. This enabled ALI to conclude that it has control.

RLC, ALI-CII, AKL and LAIP
ALI has an existing management development and/or services agreement with RLC, ALI-CII, AKL and LAIP which gives ALI the exclusive control and decision over the relevant activities of RLC, ALI-CII, AKL 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 (Note 32). 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 (Note 31).

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.

There are no rent concessions granted by the Group for the year ended December 31, 2023 (2022 - P2.36 billion).

Judgements made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraph 122 of PAS 1, Presentation of Financial Statements. Upon adoption of the Interpretation, the Group has assessed whether it has any uncertain tax position. The Group applies significant judgement in identifying uncertainties over its income tax treatments. The Group determined, based on its assessment, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

35.2 Critical accounting estimates and assumptions

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 percentage of completion is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Following the pattern of real estate revenue recognition, the cost to sell and cost to obtain a contract (e.g., commission), is determined using the percentage of completion. To determine the cost of sales, the percentage of completion is applied to the standard cost which is regularly reviewed and adjusted to actual cost. In view of the community quarantines and restricted mobility in 2022 and 2021, the progress of the Group's performance obligation was adversely affected which resulted in lower percentage of completion as compared to previous years. In 2023, the Group’s percentage of completion posted improvement due to easing of health and travel restrictions.

Evaluation of NRV of real estate inventories

The Group adjusts the cost of its real estate inventories to NRV 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.

In evaluating NRV, recent market conditions and current market prices have been considered. See Note 6 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 (Note 26).

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 24 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 (Note 24).

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 (Note 27).

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 information about the ECLs on the Group's trade receivables is disclosed in Notes 5 and 27.

Estimating the Incremental Borrowing Rate (IBR) for leases

The Group uses its 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).

As at December 31, 2023, the Group's lease liabilities amounted to P18,522.6 million (2022 - P18,702.6 million) (Note 31).

Evaluation of impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (i.e., property and equipment, investment properties, right-of-use assets and other current assets) at each financial reporting date. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In view of the improving economy that was severely impacted by the pandemic and the government's easing travel and mobility restrictions (both domestic and international), the Group's hotels and resorts segment has registered positive growth in its revenues during the year. The hotel and resorts properties continue to post significant improvements in revenues and net income from higher occupancies due to easing of health and travel restrictions, surging leisure demand and increased guests spending. In addition, many restaurants and food outlets have reopened and operated, improving the food and beverage revenues of the segment. With a better economic outlook and market forecast, the segment is expected to continue its recovery in the future. Accordingly, there are no impairment indicators in 2023 and 2022 requiring the assessment of the recoverable amount of the property and equipment and right-of-use assets.

As at December 31, 2023, the carrying value of the property and equipment and right-of-use assets of the hotels and resorts segment amounted to P19,578 million (2022 - P20,499.6 million) and P1,365.5 million (2022 - P1431.3 million). There is no impairment of investment properties in 2023 and 2022.

Useful lives of property and equipment and investment properties

The useful life of each item of the Group's property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimate is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded operating expenses and decrease non-current assets.

In 2023 and 2022, there were no changes in the estimated useful lives of property and equipment.

36 Summary of material accounting policies

36.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with PFRSs, as modified by the application of the financial reporting relief on the accounting for significant financing component as issued and approved by the SEC in response to the COVID-19 pandemic. The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

The Group has availed 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), 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 relief are discussed in Note 36.3 - Adoption of amended accounting standards and interpretation.

Basis of measurement

The financial statements have been prepared using the historical cost basis, except for financial assets FVTPL and financial assets at FVOCI and plan assets of retirement benefit obligation that have been measured at fair value.

The preparation of financial statements in conformity with PFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 35.

Functional and presentation currency

The consolidated financial statements of the Group are presented in Philippine Peso. All amounts are shown in thousands of Philippine Peso unless otherwise stated.

36.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2023 (with comparative figures as at December 31, 2022) and for the year ended December 31, 2023 (with comparative figures for the years ended December 31, 2022 and 2021).

The financial statements of the subsidiaries are prepared using the same reporting date and reporting period as those of the Parent Company, using consistent accounting policies.

Investees are fully consolidated from the date when control is transferred to the Group. 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; and
- 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 in the consolidated financial statements.

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 (Notes 1 and 17). 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 Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

36.3 Adoption of amended accounting standards and interpretation

(a) Amendments to existing standards adopted by the Group effective January 1, 2023

The following amendments to existing standards have been adopted by the Group effective January 1, 2023:

- Amendments to PAS 1, '*Presentation of Financial Statements', and PFRS Practice Statement 2*

  The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, PFRS Practice Statement 2, *Making Materiality Judgements*, was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The adoption of these amendments resulted in changes in the accounting policies disclosed by the Group.

- Amendments to PAS 8, '*Definition of Accounting Estimates'*

  The amendment to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

- Amendments to PAS 12*, 'Income Taxes'*

  The amendments require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with (a) right-of-use assets and lease liabilities, and (b) decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2023 that are considered to be relevant or have a material impact on the Group's consolidated financial statements.

(b) Amendments to existing standards not yet effective and not early adopted by the Group

The following amendments to existing standards are not mandatory for December 31, 2023 reporting period and have not been early adopted by the Group:

- PAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)*

  Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

  The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

  - the carrying amount of the liability
  - information about the covenants, and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The amendments must be applied retrospectively in accordance with the normal requirements in PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

- Amendments to PFRS 16*, 'Lease Liability in a Sale and Leaseback'*

  The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right-of-use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

- 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 the PIC Q&A until December 31, 2023. The PIC Q&A provisions covered by the SEC deferral that the Group availed pertain to '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)' with allowed deferral period until December 31, 2023.

  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 the SEC relief on the accounting for significant financing component in its 2023 consolidated financial statements. Had this provision been adopted, the Group would follow the allowed modified retrospective approach allowing it to only adjust the beginning balance of Retained earnings in 2023. The net income for the current period is not expected to materially change as it would only require allocation of transaction price from one revenue line item to another.

  The Group assessed that the overall impact of the adoption of the requirement of PIC Q&A No. 2018-12 pertaining to significant financing component is not material to the 2023 consolidated financial statements. Upon the adoption in 2024, the adjustment on the beginning balance of Retained earnings approximates an increase of P393.0 million.

- PFRS 17, '*Insurance Contracts'*

  PFRS 17 was issued in May 2017 as replacement for PFRS 4, *Insurance Contracts*. PFRS 17 represents a fundamental change in the accounting framework for insurance contracts requiring liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of (1) discounted probability-weighted cash flows, (2) an explicit risk adjustment, and (3) a contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period. The standard allows a choice between recognizing changes in discount rates either in the statement of income or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under PFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

  The IC, in coordination with Philippine Insurers and Reinsurers Association, is currently reviewing the impact of PFRS 17 across the entire industry and has established a project team to manage the implementation approach. The IC, considering the extension of IFRS 17 and the challenges of the COVID-19 pandemic to the insurance industry, has deferred the implementation of PFRS 17 to January 1, 2025, granting an additional two-year period from the date of effectivity proposed by the IASB.

  The new standard is not applicable to the Group since none of the entities within the Group has activities that are predominantly connected with insurance or issue insurance contracts.

The adoption of the above amendments is not expected to have a material impact on the consolidated financial statements of the Group.

36.4 Current and non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current 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 twelve (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 non-current.

A liability is current when:

a. it is expected to be settled in the normal operating cycle;
b. it is held primarily for the purpose of trading;
c. it is due to be settled within 12 months after reporting date; or
d. 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 non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

36.5 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:

a. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
b. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
c. 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 reassessing 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 Group’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.

36.6 Cash and cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

36.7 Financial instruments

Date of recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. 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. Derivatives are recognised on a trade date basis. Financial liabilities are recognized when cash is received by the Group.

(a) Financial assets

i. Initial recognition, classification and measurement

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 instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. All financial instruments are initially recognised at fair value plus or less, except for financial instruments at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, respectively. 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*.

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.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, 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 classification requirements for financial assets are described below:

a. Financial assets at amortized cost (debt instruments);
b. Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
c. Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
d. Financial assets at fair value through profit or loss

ii. Subsequent measurement

(a) 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.

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments and accounts and notes receivables.

The Group accounts for regular way amortized cost financial instruments using trade date accounting. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. If the initial fair value is lower than the cash amount advanced, the difference is deferred and recognised over the life of the financial assets through the recognition of interest income.

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 income. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

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 (Note 5).

(b) Financial assets at FVOCI (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.

The Group's debt financial assets at FVOCI includes investment in bonds classified as financial assets at FVOCI.

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.

(c) Financial assets designated at FVOCI (equity instruments)

The equity securities for which fair value movements are shown in other comprehensive income are investments where the Group holds the financial assets other than to generate a capital return. Gains or losses on derecognition of these equity securities are not transferred to profit or loss. Otherwise, equity securities are measured at fair value through profit or loss (except for dividend income which is recognised in profit or loss).

The Group's equity financial assets at FVOCI includes investments in quoted and unquoted equity instruments.

(d) Financial assets at FVTPL

Financial instruments, other than those held for trading, are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- a group of financial assets and liabilities or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; and
- the financial liability contains one or more non-closely related embedded derivatives.

Designated financial assets are recognised when the Group enter into contracts with counterparties, which is generally on trade date, and are normally derecognised when the rights to the cash flows expire or are transferred. Designated financial liabilities are recognised when the Group enters into contracts with counterparties, which is generally on settlement date, and are normally derecognised when extinguished. Subsequent changes in fair values are recognised in profit or loss.

The Group's financial assets at FVTPL includes investments in UITF and ARCH Capital Fund.

iii. Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVTPL. ECL is 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 allowance for impairment loss based on lifetime ECL 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, ECL are recognized in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECL is 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 where 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.

iv. 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 30 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.

v. *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:

a. the rights to receive cash flows from the asset have expired, or
b. 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.

vi. *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 effective interest rate (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.

(b) **Financial liabilities**

i. *Initial recognition, classification and measurement*

Financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities. The category depends on the purpose for which the liabilities were incurred and whether they are quoted in an active market. Management determines the category of its financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

All financial liabilities are recognized initially at fair value and, in the case of those measured at amortized cost, 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 (except for taxes payable), short-term and long-term debts, deposits and other liabilities, and lease liabilities. The Group has no financial liabilities at FVTPL.

ii. Subsequent measurement

Financial liabilities at amortized cost 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 income.

iii. 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.

iv. *Offsetting*

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.

There is no offsetting of financial instruments as at December 31, 2023 and 2022.

36.8 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.

36.9 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 Non-current 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.

36.10 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). 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 estimated costs to sell.

Cost of inventories represents accumulated costs of the unsold units of the completed projects. Cost includes those directly attributable to the construction of the projects and includes:

- Land cost;
- Land improvement cost;
- Amounts paid to contractors for construction and development; and
- 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.

Inventories are derecognized when they are sold or there are no future benefits to the Group. The carrying amount of those properties held for sale is recognized as an expense, reported as cost and expenses in the period in which the related revenue is recognized.

36.11 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.

36.12 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.

36.13 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.

36.14 Investment properties

Investment properties comprise completed property and property under construction or under re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the companies in the Group.

The Group uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Assets that are under construction are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation or under the condition as intended by the Group.

Depreciation of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful lives of investment properties which comprised of buildings, range from 20-40 years.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statement of income in the year of retirement or disposal.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

As at December 31, 2023 and 2022, the Group engages independent valuation specialist to assess the fair value. 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.

36.15 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.

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.

36.16 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 at December 31, 2023 and 2022, intangible asset pertaining to leasehold right is included under "Other non-current assets" (Note 12).

36.17 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.

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.

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 in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

36.18 Combinations of entities under common control

Business combinations of entities under common control are accounted for using the pooling of interest method.

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.

36.19 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 (Note 17). 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.

36.20 Impairment of non-financial 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.

36.21 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.

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.

36.22 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 P631.2 million.

b. 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 Parent Company and CHI (together with the Parent 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 Parent Company has fully paid P4.56 billion, excluding taxes. The SM-ALI Group has finished with the joint masterplan and has secured the development permit last November 2019 from the Cebu City Council.

   On January 29, 2020, SM-ALI Group broke ground the 263,384sqm development and the construction of road networks and underground utilities commenced on February 18, 2020.

   As of December 2023, actual completion of the land development works for the launched lots of ALI in the South Road Properties project is at 100%.

   The development is positioned to be "The Gateway and Epicenter of Growth in Central Visayas".

   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.

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 of the former Food Terminal Inc. property on which the future transport terminal will be built. The site of the ITS South Project is right next to ARCA South, where the Company is developing an integrated mixed-use estate.

d. On August 8, 1997, an "Assignment Agreement" was executed between Department of Transportation and Communications (DOTC), Metro Rail and MRTDC whereby MRTDC agreed to be bound by all obligations in respect of the Development Rights and make payments to DOTC.

e. On June 4, 2014, AHRC, a wholly owned subsidiary of the Parent Company has signed a long-term management agreement with the Mandarin Oriental Hotel Group to develop and operate luxury hotel in Makati City. Set to open its doors by 2027, the new Mandarin Oriental Manila will be featuring 276 spacious rooms complemented by an extensive range of modern amenities including premium selection of restaurants and a signature spa. AHRC is committed to pay US$5 million (P223.6 million) to Manila Mandarin Hotel, Inc. upon the opening of the New Hotel or on June 30, 2017, whichever is earlier. In 2017, the Group fully paid the said amount.

f. On February 26, 2021, The Group entered into agreements to restructure the long-outstanding receivables from Mercado General Hospital, Inc., Panay Medical Ventures, Inc., Mercado General Hospital Sta. Rosa, Inc. and Mercado General Hospital San Jose Del Monte, Inc. amounting to P209.0 million, P79.0 million, P5.0 million and P129.1 million, respectively, to a 5-year loan with interest rate of 4% per annum.

g. 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 ALI 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 2026. Alveo's first residential development, The Lattice, was also launched in 2019, together with ALP's second tower, Parklinks South tower.

On November 28, 2022, Parklinks Bridge was inaugurated. The Parklinks Bridge connects Quezon City and Pasig City over the Marikina River and is considered an iconic feature of the 35-hectare Parklinks Estate.

h. 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 Parent Company's projects nationwide. The Memorandum of Agreement (MOA) was subsequently amended on May 31, 2021 to amend certain provisions. The original MOA and its amendments were signed by the Parent Company and its subsidiaries and affiliates including Cebu Holdings, Inc. and Cebu Property Ventures and Development Corp. Total expenses amounted to P0.2 million. As a result of the merger of CHI into CPVDC and later on CHI to the Parent Company, the Parent Company assumes the rights and obligations of CHI and CPVDC.

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 nor 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.

36.23 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 26.

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 at 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 (Note 25).

ESOWN

The Parent Company has an 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.

36.24 Equity

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.

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 (Note 17).

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.

36.25 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 35.

Residential development revenue (part of real estate sales in the consolidated statement of income)

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 until December 31, 2023.

Hotel and resorts revenue (part of real estate sales in the consolidated statement of income)

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. 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 (part of real estate sales in the consolidated statement of income)

Revenue from fixed price construction contracts is 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.

Rental income (part of real estate sales in the consolidated statement of income)

Rental income under non-cancellable 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 (Note 4).

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 Common use service area (CUSA) charges such as 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.

Other services

Revenue from other services is recognized at a point in time when services are rendered.

Interest income is recognized as it accrues using the effective interest method.

Investment income is recognized when the Group's right to receive the payment is established.

36.26 Cost recognition

The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance which are determined based on standard cost method. The standard cost method is revisited regularly and adjusted to approximate actual cost. Contract cost also includes warranties, provisions and post construction works. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

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 costs (part of cost of real estate sales in the consolidated statement of income)

Contract costs, which is determined using the standard cost method, include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, warranties, post constructions works and final contract settlements which may result in revisions to estimated costs (e.g., standard cost to actual cost) and gross margins are recognized in the year in which the changes are determined.

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.

36.27 Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Real estate costs and expenses" account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, de-recognition and impairment of capitalized costs to obtain a contract

Following the pattern of real estate revenue recognition, the Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

36.28 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.

The Group capitalizes borrowing costs relating to its investment properties and property and equipment under construction. The 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.

36.29 Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
b. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c. There is a change in the determination of whether fulfilment is dependent on a specified asset; or
d. There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

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 depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Useful Life
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 non-financial assets section.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its IBR at the lease commencement date because the interest rate implicit in the lease is not readily determinable. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

36.30 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.

36.31 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.

36.32 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.

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.

36.33 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.

36.34 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 28 to the consolidated financial statements.

36.35 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.

36.36 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.

Ayala Land, Inc. and Subsidiaries

Index to Consolidated Financial Statements and Supplementary Schedules
As at December 31, 2023

Supplementary Schedules Required by Annex 68-J

Other Supporting Schedules

Ayala Land, Inc. and Subsidiaries

Schedule A - Financial Assets

As at December 31, 2023

Name of Issuing entity and association of each issue	Number of share or principal amount of bonds and notes (in '000)	Amount in the statement of financial position (in '000)	Income received and accrued (in '000)
Loans and Receivables			
A. Cash in bank	**-**	**10,615,507**	**121,945**
BPI	-		
Peso	-	4,495,816	12,228
Foreign Currency	-	177,583	20
Other Banks	-		
Peso	-	3,990,580	84,546
Foreign Currency	-	1,951,528	25,151
B. Cash Equivalents 1/		**6,412,124**	**331,059**
BPI			
Special Savings Account	-	-	-
Time Deposits	-	999,294	51,495
Others	-	-	-
Other Banks	-	-	-
Special Savings Account	-	-	-
Time Deposits	-	5,412,830	279,564
Others	-	-	-
C. Loans and receivable		**163,983,727**	**5,648,259**
Trade	-	127,131,467	5,496,042
Advances to other companies	-	18,169,487	152,217
Accrued receivables	-	11,096,749	-
Related parties	-	6,537,813	-
Receivable from employees	-	1,048,211	-
D. Financial Assets at FVPL	**-**	**419,802**	**19,825**
Investment in UITF	-	228,674	11,382
Investment in Funds	-	191,128	8,443
E. Financial Assets at FVOCI	**-**	**1,121,969**	**-**
Quoted	2,744	461,211	**-**
Unquoted	343,831	660,758	**-**
TOTAL	**346,575**	**182,553,129**	**6,118,088**

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.

Ayala Land, Inc. and Subsidiaries

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders

(Other than Related Parties)

As at December 31, 2023

NAME AND DESIGNATION OF DEBTOR	BALANCE AT BEGINNING OF PERIOD	ADDITIONS	AMOUNTS COLLECTED	AMOUNTS WRITTEN OFF	CURRENT	NON-CURRENT	BALANCE AT END OF PERIOD
Employees							
Notes Receivable	927,787,350	4,756,637,751	4,636,214,385	-	772,291,681	275,919,035	1,048,210,716

Ayala Land, Inc. and subsidiaries

Schedule C - Accounts receivable from related parties which are eliminated during the consolidation period

As of December 31, 2023

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by ALI Parent from related parties							
Accendo Commercial Corp	472,433,673	62,336,509	(385,264,819)	-	149,505,363	-	149,505,363
Adauge Commercial Corp.	4,436,505	7,784,548	(8,218,414)	-	4,002,639	-	4,002,639
AKL Properties Inc.	-	318,658,109	(319,013,619)	-	(355,510)	-	(355,510)
Alabang Commercial Corporation (Conso)	22,904,492	52,803,452	(51,154,529)	-	24,553,415	-	24,553,415
ALI Capital Corp. (Conso)	384,595,703	18,796,527	(256,865,170)	-	146,527,061	-	146,527,061
ALI Commercial Center, Inc. (Conso)	1,213,485,300	-	(1,213,485,300)	-	-	-	-
ALI-CII Development Corporation	7,856,285	10,105,277	(11,063,141)	-	6,898,422	-	6,898,422
ALO Prime Realty Corporation	5,891,378	1,648,810	-	-	7,540,188	-	7,540,188
Altaraza Development Corporation	801,159,387	8,600,703	(102,128,167)	-	707,631,922	-	707,631,922
Alveo Land Corporation (Conso)	4,490,192,856	1,612,077,495	-	-	6,102,270,351	-	6,102,270,351
Amaia Land Corporation (Conso)	1,933,728,418	72,058,740	(862,705,727)	-	1,143,081,430	-	1,143,081,430
Amorsedia Development Corporation (Conso)	528,101,073	10,067,850	(57,586,394)	-	480,582,529	-	480,582,529
Anvaya Cove Beach and Nature Club Inc	625	-	(625)	-	-	-	-
Anvaya Cove Golf and Sports Club Inc.	78,316,634	997,638	-	-	79,314,272	-	79,314,272
APRISA Business Process Solutions, Inc	1,085,699	252,986	-	-	1,338,685	-	1,338,685
Arca South Integrated Terminal, Inc	13,895,676	-	(20,317)	-	13,875,359	-	13,875,359
AREIT Fund Manager, Inc.	39,992,456	-	(23,672,028)	-	16,320,428	-	16,320,428
AREIT Property Managers, Inc.	362,294	67,200	-	-	429,494	-	429,494
AREIT, Inc.	983,654,342	557,407,374	-	-	1,541,061,716	-	1,541,061,716
Arvo Commercial Corporation	420,872,112	227,040,264	(518,549,282)	-	129,363,095	-	129,363,095
Aurora Properties, Inc.	71,820,403	122,570	-	-	71,942,973	-	71,942,973
Aviana Development Corporation	154,404,367	69,009,938	-	-	223,414,305	-	223,414,305
Avida Land Corporation (Conso)	3,976,979,036	338,671,645	-	-	4,315,650,681	-	4,315,650,681
Ayala Hotels Inc.	923,247,465	179,915,666	(539,410,912)	-	563,752,220	-	563,752,220
Ayala Land International Sales, Inc.(Conso)	157,412,291	7,395,717	-	-	164,808,009	-	164,808,009
Ayala Land Sales Inc.	68,100,842	-	(68,100,842)	-	-	-	-
Ayala Land-Tagle Property Inc.	-	-	-	-	-	-	-
Ayala Malls Zing Inc.	-	283,607	-	-	283,607	-	283,607
Ayala Property Management Corporation (Conso)	180,707,438	114,922,713	(172,433,774)	-	123,196,376	-	123,196,376
Ayala Theaters Management, Inc.	726,447	-	(11,112)	-	715,335	-	715,335
AyalaLand Club Management, Inc.	25,342,356	-	(25,342,356)	-	-	-	-
AyalaLand Estates Inc. (Conso)	4,649,947,076	277,290,933	(2,263,064,404)	-	2,664,173,605	-	2,664,173,605
AyalaLand Hotels and Resorts Corp. (Conso)	1,474,775,101	593,871,434	(1,376,535,029)	-	692,111,506	-	692,111,506
Ayalaland Logistics Holdings Corp. (Conso)	1,507,488,086	312,054,116	(771,557,591)	-	1,047,984,611	-	1,047,984,611
Ayalaland Malls Synergies, Inc.	43,642,251	333,734	-	-	43,975,986	-	43,975,986
AyalaLand Malls, Inc. (Conso)	31,425,456	-	(31,425,456)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	925,781,087	(88,387,626)	-	837,393,461	-	837,393,461
Ayalaland Medical Facilities Leasing Inc.	14,366,123	-	-	-	14,366,123	-	14,366,123
Ayalaland Metro North, Inc.	5,160,837	188,252	-	-	5,349,089	-	5,349,089
AyalaLand Offices, Inc. (Conso)	266,642,863	297,912,693	(240,503,700)	-	324,051,856	-	324,051,856
Ayalaland Premier, Inc.	21,596	91,815,018	-	-	91,836,614	-	91,836,614
Bay City Commercial Ventures Corp.	7,668,732,201	292,250,133	(529,876,078)	-	7,431,106,255	-	7,431,106,255
BellaVita Land Corp.	1,266,893,706	13,648,268	-	-	1,280,541,973	-	1,280,541,973
BG North Properties Inc.	-	13,222,672	-	-	13,222,672	-	13,222,672
BG South Properties, Inc.	-	28,464,743	-	-	28,464,743	-	28,464,743
BG West Properties, Inc	1,280,214,835	63,982,826	-	-	1,344,197,661	-	1,344,197,661
Buendia Landholdings, Inc.	-	67,200	-	-	67,200	-	67,200
Cagayan De Oro Gateway Corporation	166,871,933	31,596,715	(146,906,876)	-	51,561,771	-	51,561,771
Capitol Central Commercial Ventures Corp.	1,586,438,845	171,852,991	(202,399,064)	-	1,555,892,772	-	1,555,892,772
Cavite Commercial Towncenter Inc.	229,103,769	42,373,959	(130,685,531)	-	140,792,197	-	140,792,197
Cebu Leisure Co. Inc.	29,844,212	40,354,700	(23,805,279)	-	46,393,633	-	46,393,633

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
CECI Realty Corp.	262,656,962	(8,968,795)	(62,348,870)	-	191,339,298	-	191,339,298
Central Bloc Hotel Ventures	3,813,386	3,196,039	-	-	7,009,425	-	7,009,425
Crans Montana Property Holdings Corporation	72,618,198	283,175	(70,323,786)	-	2,577,588	-	2,577,588
Crimson Field Enterprises, Inc.	185,736,063	39,644	-	-	185,775,707	-	185,775,707
Direct Power Services Inc.	2,786,621	10,003,656	(12,002,745)	-	787,531	-	787,531
Ecoholdings Company, Inc.	702,706	-	-	-	702,706	-	702,706
First Longfield Investments Ltd.	64,753	-	-	-	64,753	-	64,753
FIVE STAR Cinema Inc.	65,093	1,528,054	(1,528,053)	-	65,094	-	65,094
Hillsford Property Corporation	139,237	-	(307,623)	-	(168,386)	-	(168,386)
Integrated Eco-Resort Inc.	179,862	67,200	-	-	247,062	-	247,062
Lagdigan Land Corporation	699,526	693,945	-	-	1,393,471	-	1,393,471
Leisure and Allied Industries Phils. Inc.	944,985	7,079,078	(2,941,156)	-	5,082,906	-	5,082,906
Makati Cornerstone Leasing Corp.	4,359,482,911	1,047,839,828	-	-	5,407,322,740	-	5,407,322,740
Makati Development Corporation (Conso)	221,569,951	472,037,129	(435,998,355)	-	257,608,724	-	257,608,724
North Eastern Commercial Corp.	641,358,566	315,891	-	-	641,674,458	-	641,674,458
North Triangle Depot Commercial Corp	94,176,380	260,871,107	(278,689,510)	-	76,357,976	-	76,357,976
North Ventures Commercial Corp.	74,127,546	12,546,825	-	-	86,674,371	-	86,674,371
NorthBeacon Commercial Corporation	16,845,515	-	(2,393,756)	-	14,451,759	-	14,451,759
Nuevocentro, Inc. (Conso)	2,357,658,780	9,959,480	(16,692,462)	-	2,350,925,797	-	2,350,925,797
Philippine Integrated Energy Solutions, Inc.	9,449,896	7,301,206	-	-	16,751,102	-	16,751,102
Primavera Towncentre, Inc.	137,321,727	11,135,225	(94,448,738)	-	54,008,214	-	54,008,214
Red Creek Properties, Inc.	171,594,697	20,063,019	(17,378,167)	-	174,279,549	-	174,279,549
Regent Time International Ltd.	148,839	-	(148,839)	-	-	-	-
Regent Time International, Limited	98,453,320	304,104	-	-	98,757,424	-	98,757,424
Regent Wise Investments Limited(Conso)	3,197,389,354	196,388,577	(185,813,527)	-	3,207,964,404	-	3,207,964,404
Roxas Land Corp.	10,427,727	3,224,292	(6,390,783)	-	7,261,236	-	7,261,236
Serendra Inc.	166,780,343	9,941,438	(551,785)	-	176,169,996	-	176,169,996
Soltea Commercial Corp.	137,320,474	29,576,974	(85,405,482)	-	81,491,966	-	81,491,966
Southportal Properties, Inc.	97,089,019	21,959,803	-	-	119,048,822	-	119,048,822
Station Square East Commercial Corp	48,127,737	81,155,518	(81,168,000)	-	48,115,255	-	48,115,255
Subic Bay Town Center Inc.	12,649,606	1,761,571	-	-	14,411,177	-	14,411,177
Summerhill Commercial Ventures Corp.	53,268,087	8,351,440	-	-	61,619,526	-	61,619,526
Sunnyfield E-Office Corp	13,387,712	84,756	-	-	13,472,468	-	13,472,468
Taft Punta Engaño Property, Inc.	181,499,670	5,509,275	(42,102,506)	-	144,906,439	-	144,906,439
Ten Knots Development Corporation(Conso)	22,834,742	12,088,610	(10,684,975)	-	24,238,377	-	24,238,377
Ten Knots Philippines, Inc.(Conso)	237,643,680	278,435,493	(429,779,335)	-	86,299,838	-	86,299,838
Verde Golf Development Corporation	94,614,092	-	-	-	94,614,092	-	94,614,092
Vesta Property Holdings Inc.	31,372,285	2,896,798	-	-	34,269,083	-	34,269,083
Westview Commercial Ventures Corp.	23,156,195	2,107,769	(2,488,133)	-	22,775,831	-	22,775,831
Whiteknight Holdings, Inc.	33,219,162	-	-	-	33,219,162	-	33,219,162
Subtotal	50,256,649,848	9,377,864,936	(12,259,759,748)	-	47,374,755,034	-	47,374,755,035
Amount Receivable by Makati Development Corporation from related parties							
Accendo Commercial Corp	428,828,161	379,601,611	(500,724,647)	-	307,705,125	-	307,705,125
Adauge Commercial Corp.	-	2,665,484	-	-	2,665,484	-	2,665,484
AKL Properties Inc.	-	219,256,777	-	-	219,256,777	-	219,256,777
ALI Capital Corp. (Conso)	115,374,897	134,502,900	(235,470,530)	-	14,407,267	-	14,407,267
ALI Commercial Center, Inc. (Conso)	185,845,434	-	(185,845,434)	-	-	-	-
Altaraza Development Corporation	8,468,017	41,952,008	-	-	50,420,025	-	50,420,025
Alveo Land Corporation (Conso)	4,182,355,609	1,207,454,045	(3,546,434,747)	-	1,843,374,907	-	1,843,374,907
Amaia Land Corporation (Conso)	988,262,764	557,804,208	(724,913,091)	-	821,153,881	-	821,153,881
Amorsedia Development Corporation (Conso)	154,218,829	44,266,958	(125,907,802)	-	72,577,985	-	72,577,985
Anvaya Cove Beach and Nature Club Inc	-	-	-	-	-	-	-
Anvaya Cove Golf and Sports Club Inc.	4,184,402	-	(2,199,863)	-	1,984,539	-	1,984,539
Arca South Integrated Terminal, Inc	-	-	-	-	-	-	-
AREIT, Inc.	2,019,459	-	-	-	2,019,459	-	2,019,459

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Arvo Commercial Corporation	319,012,367	262,085,758	(524,564,347)	-	56,533,777	-	56,533,777
Aurora Properties, Inc.	21,796,819	11,506,225	-	-	33,303,044	-	33,303,044
Aviana Development Corporation	535,711,009	-	(252,756,623)	-	282,954,386	-	282,954,386
Avida Land Corporation (Conso)	3,462,254,711	384,194,461	(2,378,262,644)	-	1,468,186,527	-	1,468,186,527
Ayala Hotels Inc.	867,630,170	(3)	(147,703,433)	-	719,926,733	-	719,926,733
Ayala Land Inc.	4,027,863,047	5,677,907,804	(6,134,288,234)	-	3,571,482,618	-	3,571,482,618
Ayala Land International Sales, Inc.(Conso)	2,713	-	(2,713)	-	-	-	-
Ayala Land-Tagle Property Inc.	22,608,010	-	(15,759,692)	-	6,848,318	-	6,848,318
Ayala Malls Zing Inc.	-	42,000,000	(41,719,955)	-	280,045	-	280,045
Ayala Property Management Corporation (Conso)	2,034,597	102,248	-	-	2,136,845	-	2,136,845
AyalaLand Estates Inc. (Conso)	318,719,554	246,493,270	(155,620,405)	-	409,592,419	-	409,592,419
AyalaLand Hotels and Resorts Corp. (Conso)	395,580,767	1,208,625,477	(1,364,508,826)	-	239,697,419	-	239,697,419
Ayalaland Logistics Holdings Corp. (Conso)	448,548,353	1,554,535,957	(1,457,903,504)	-	545,180,807	-	545,180,807
Ayalaland Malls Synergies, Inc.	1,469,109	-	-	-	1,469,109	-	1,469,109
AyalaLand Malls, Inc. (Conso)	-	332,836,045	(220,983,868)	-	111,852,177	-	111,852,177
Ayalaland Medical Facilities Leasing Inc.	2,455,101	-	-	-	2,455,101	-	2,455,101
Bay City Commercial Ventures Corp.	485,534,664	1,494,923,677	(1,971,657,500)	-	8,800,842	-	8,800,842
BellaVita Land Corp.	50,184,860	-	(5,184,113)	-	45,000,747	-	45,000,747
BG North Properties Inc.	-	11,624,350	-	-	11,624,350	-	11,624,350
BG South Properties, Inc.	-	533,043,635	-	-	533,043,635	-	533,043,635
BG West Properties, Inc	652,081,534	-	(293,806,966)	-	358,274,569	-	358,274,569
Cagayan De Oro Gateway Corporation	193,188,476	129,604,985	(253,386,104)	-	69,407,357	-	69,407,357
Capitol Central Commercial Ventures Corp.	43,996,591	384,235,071	(368,518,470)	-	59,713,192	-	59,713,192
Cavite Commercial Towncenter Inc.	397,876,447	101,038,066	(374,146,539)	-	124,767,974	-	124,767,974
CECI Realty Corp.	137,040,775	-	(37,763,424)	-	99,277,352	-	99,277,352
Central Bloc Hotel Ventures	-	-	-	-	-	-	-
Crans Montana Property Holdings Corporation	68,401,691	188,870,119	(254,628,218)	-	2,643,591	-	2,643,591
Direct Power Services Inc.	357,482	-	-	-	357,482	-	357,482
Lagdigan Land Corporation	17,677,723	7,044,985	(18,760,055)	-	5,962,653	-	5,962,653
Leisure and Allied Industries Phils. Inc.	-	100,332,806	(100,332,806)	-	-	-	-
Makati Cornerstone Leasing Corp.	1,247,133	2,211,821	-	-	3,458,954	-	3,458,954
Makati Development Corporation (Conso)	-	4,315,400,000	(4,315,349,600)	-	50,400	-	50,400
North Eastern Commercial Corp.	255,445	-	-	-	255,445	-	255,445
North Triangle Depot Commercial Corp	152,399,736	252,107,626	(321,452,719)	-	83,054,644	-	83,054,644
Nuevocentro, Inc. (Conso)	387,948,700	329,873,184	-	-	717,821,884	-	717,821,884
Philippine Integrated Energy Solutions, Inc.	297,959	-	-	-	297,959	-	297,959
Primavera Towncentre, Inc.	69,867,193	15,589,028	(75,533,702)	-	9,922,518	-	9,922,518
Red Creek Properties, Inc.	-	20,000,000	(20,000,000)	-	-	-	-
Roxas Land Corp.	12,045,049	-	(10,517,711)	-	1,527,338	-	1,527,338
Serendra Inc.	84,702,053	941,960	-	-	85,644,013	-	85,644,013
Soltea Commercial Corp.	32,080,272	105,475,801	(118,500,019)	-	19,056,054	-	19,056,054
Southportal Properties, Inc.	59,452,299	-	(40,562,661)	-	18,889,638	-	18,889,638
Station Square East Commercial Corp	-	-	-	-	-	-	-
Summerhill Commercial Ventures Corp.	6,533,257	-	(6,381,913)	-	151,344	-	151,344
Sunnyfield E-Office Corp	2,261,577	-	(2,034,158)	-	227,419	-	227,419
Taft Punta Engaño Property, Inc.	18,522,686	-	(2,019,060)	-	16,503,626	-	16,503,626
Ten Knots Development Corporation(Conso)	12,785,727	66,565,847	(66,183,197)	-	13,168,378	-	13,168,378
Ten Knots Philippines, Inc.(Conso)	40,002,872	249,211,903	(153,004,250)	-	136,210,524	-	136,210,524
Vesta Property Holdings Inc.	25,254,851	-	(18,437,749)	-	6,817,103	-	6,817,103
Westview Commercial Ventures Corp.	4,735	-	-	-	4,735	-	4,735
Subtotal	19,447,245,685	20,615,886,096	(26,843,731,288)	-	13,219,400,493	-	13,219,400,493
Conso Adjustments - Migrated Companies to ALI/ Old CoCodes							
Subtotal	73,462,388	-	(73,462,388)	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Accendo Commercial Corp from related parties							
Accendo Commercial Corp	-	-	-	-	-	-	-
Adauge Commercial Corp.	20,788	-	-	-	20,788	-	20,788
Alabang Commercial Corporation (Conso)	6,865	-	-	-	6,865	-	6,865
ALI Capital Corp. (Conso)	31,397	-	-	-	31,397	-	31,397
ALI Commercial Center, Inc. (Conso)	98,160	-	(98,160)	-	-	-	-
Alveo Land Corporation (Conso)	1,606,109	2,144,723	(1,725,299)	-	2,025,533	-	2,025,533
Amaia Land Corporation (Conso)	19,556	-	-	-	19,556	-	19,556
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
Aviana Development Corporation	2,129,949	752,547	-	-	2,882,496	-	2,882,496
Avida Land Corporation (Conso)	5,540,051	1,937,497	(356,116)	-	7,121,433	-	7,121,433
Ayala Land Inc.	14,275,587	701,384	(437,312)	-	14,539,659	-	14,539,659
Ayala Malls Zing Inc.	-	88,868	-	-	88,868	-	88,868
Ayala Property Management Corporation (Conso)	414,813	-	-	-	414,813	-	414,813
AyalaLand Estates Inc. (Conso)	19,556	4,887	-	-	24,443	-	24,443
AyalaLand Hotels and Resorts Corp. (Conso)	1,267,387	3,055,411	(3,091,691)	-	1,231,107	-	1,231,107
Ayalaland Logistics Holdings Corp. (Conso)	19,556	-	-	-	19,556	-	19,556
AyalaLand Malls, Inc. (Conso)	473,329	-	(473,329)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	7,343,088	(2,923,055)	-	4,420,033	-	4,420,033
Ayalaland Metro North, Inc.	800	-	-	-	800	-	800
AyalaLand Offices, Inc. (Conso)	19,556	-	-	-	19,556	-	19,556
Bay City Commercial Ventures Corp.	337,901	-	-	-	337,901	-	337,901
Cagayan De Oro Gateway Corporation	177,493	259,750	(231,932)	-	205,311	-	205,311
Capitol Central Commercial Ventures Corp.	44,191	-	(11,400)	-	32,791	-	32,791
Cebu Leisure Co. Inc.	5,080	224	(24)	-	5,280	-	5,280
Leisure and Allied Industries Phils. Inc.	165,226	2,431,159	(2,431,159)	-	165,226	-	165,226
Makati Development Corporation (Conso)	199,410	-	-	-	199,410	-	199,410
North Eastern Commercial Corp.	300	-	-	-	300	-	300
North Triangle Depot Commercial Corp	37,985	66,341	(65,741)	-	38,585	-	38,585
North Ventures Commercial Corp.	300	-	-	-	300	-	300
Philippine Integrated Energy Solutions, Inc.	361	-	-	-	361	-	361
Station Square East Commercial Corp	6,050	-	-	-	6,050	-	6,050
Ten Knots Development Corporation(Conso)	21,376	-	-	-	21,376	-	21,376
Ten Knots Philippines, Inc.(Conso)	2,818	-	-	-	2,818	-	2,818
Westview Commercial Ventures Corp.	22,002	-	-	-	22,002	-	22,002
Subtotal	26,963,952	18,785,879	(11,845,218)	-	33,904,614	-	33,904,614
Amount Receivable by Adauge Commercial Corp. from related parties							
Accendo Commercial Corp	-	2,509,564	-	-	2,509,564	-	2,509,564
ALI Capital Corp. (Conso)	11,058,331	2,698,493	-	-	13,756,824	-	13,756,824
ALI Commercial Center, Inc. (Conso)	6,206,143	-	(6,206,143)	-	-	-	-
Alveo Land Corporation (Conso)	-	1,448,503	-	-	1,448,503	-	1,448,503
Amaia Land Corporation (Conso)	8,656,265	54,787	(8,008,057)	-	702,995	-	702,995
Arvo Commercial Corporation	387,394	-	-	-	387,394	-	387,394
Avida Land Corporation (Conso)	2,025,990	4,744,754	(5,695,037)	-	1,075,707	-	1,075,707
Ayala Land Inc.	-	10,067,570	(8,562,659)	-	1,504,911	-	1,504,911
Ayala Property Management Corporation (Conso)	4,966	-	(4,966)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	29,482,122	11,829,335	(8,178,310)	-	33,133,147	-	33,133,147
Ayalaland Logistics Holdings Corp. (Conso)	31,287,480	2,086,963	(15,281,934)	-	18,092,510	-	18,092,510
AyalaLand Malls, Inc. (Conso)	21,194	-	(21,194)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	387,524	-	-	387,524	-	387,524
Ayalaland Metro North, Inc.	1,305	-	-	-	1,305	-	1,305
Bay City Commercial Ventures Corp.	5,521,670	8,732,292	-	-	14,253,962	-	14,253,962
Capitol Central Commercial Ventures Corp.	1,581	-	-	-	1,581	-	1,581
Direct Power Services Inc.	2,307	-	-	-	2,307	-	2,307
Soltea Commercial Corp.	4,165,589	8,116,180	(11,269,934)	-	1,011,835	-	1,011,835

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Sunnyfield E-Office Corp	533,392	-	-	-	533,392	-	533,392
Ten Knots Philippines, Inc.(Conso)	25,190	4,965,765	-	-	4,990,955	-	4,990,955
Subtotal	99,380,919	57,641,730	(63,228,234)	-	93,794,416	-	93,794,416
Amount Receivable by AKL Properties Inc. from related parties							
Subtotal	-	-	-	-	-	-	-
Amount Receivable by Alabang Commercial Corporation from related parties							
Accendo Commercial Corp	26,329,838	48,647,369	(74,956,798)	-	20,409	-	20,409
Alabang Commercial Corporation (Conso)	11,352,159	-	(1,648,299)	-	9,703,859	-	9,703,859
ALI Capital Corp. (Conso)	587,936	60,289,757	(29,923,790)	-	30,953,904	-	30,953,904
ALI Commercial Center, Inc. (Conso)	24,073,793	-	(24,073,793)	-	-	-	-
Alveo Land Corporation (Conso)	2,426,100	103,761,145	(35,011,815)	-	71,175,430	-	71,175,430
Amaia Land Corporation (Conso)	7,135,364	143,131,620	(149,533,226)	-	733,758	-	733,758
Amorsedia Development Corporation (Conso)	106,394	-	-	-	106,394	-	106,394
Arvo Commercial Corporation	37,047,522	15,931,402	-	-	52,978,924	-	52,978,924
Avida Land Corporation (Conso)	5,658,591	44,631,679	(49,660,085)	-	630,186	-	630,186
Ayala Land Inc.	33,442,760	600,277,181	(610,230,185)	-	23,489,756	-	23,489,756
Ayala Land Sales Inc.	159,239	-	(159,239)	-	-	-	-
Ayala Malls Zing Inc.	-	65,014	-	-	65,014	-	65,014
AyalaLand Estates Inc. (Conso)	-	4,632,367	(2,632,367)	-	2,000,000	-	2,000,000
AyalaLand Hotels and Resorts Corp. (Conso)	27,628,876	45,058,570	(21,321,331)	-	51,366,116	-	51,366,116
Ayalaland Logistics Holdings Corp. (Conso)	23,831,134	102,615,674	(88,584,051)	-	37,862,757	-	37,862,757
AyalaLand Malls, Inc. (Conso)	-	124,913,785	(103,637,891)	-	21,275,894	-	21,275,894
AyalaLand Offices, Inc. (Conso)	5,854,396	3,817,130	(1,413,052)	-	8,258,473	-	8,258,473
Ayalaland Premier, Inc.	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	70,517,899	356,021,558	(308,943,380)	-	117,596,078	-	117,596,078
Cagayan De Oro Gateway Corporation	10,906	-	(10,006)	-	900	-	900
Capitol Central Commercial Ventures Corp.	18,178,722	7,553,158	(25,693,838)	-	38,042	-	38,042
Cavite Commercial Towncenter Inc.	1,167,604	71,692,849	-	-	72,860,453	-	72,860,453
Cebu Leisure Co. Inc.	23,705	-	-	-	23,705	-	23,705
Crans Montana Property Holdings Corporation	-	17,505,198	(17,505,198)	-	-	-	-
Direct Power Services Inc.	-	-	-	-	-	-	-
FIVE STAR Cinema Inc.	4,791,113	1,262,985	-	-	6,054,097	-	6,054,097
Leisure and Allied Industries Phils. Inc.	(435,709)	6,311,079	(7,721,104)	-	(1,845,733)	-	(1,845,733)
North Eastern Commercial Corp.	6,600	-	-	-	6,600	-	6,600
North Triangle Depot Commercial Corp	12,504,424	29,185,205	(44,957,315)	-	(3,267,686)	-	(3,267,686)
North Ventures Commercial Corp.	1,600	600	-	-	2,200	-	2,200
NorthBeacon Commercial Corporation	42,019	-	-	-	42,019	-	42,019
Philippine Integrated Energy Solutions, Inc.	-	-	-	-	-	-	-
Primavera Towncentre, Inc.	2,035,113	8,359,389	(2,086,402)	-	8,308,100	-	8,308,100
Red Creek Properties, Inc.	20,050,476	234,433	(20,284,910)	-	-	-	-
Serendra Inc.	136,338	-	(134,561)	-	1,777	-	1,777
Soltea Commercial Corp.	78,153	7,662,000	(2,687,256)	-	5,052,897	-	5,052,897
Station Square East Commercial Corp	93,720	280	-	-	94,000	-	94,000
Summerhill Commercial Ventures Corp.	900	-	-	-	900	-	900
Ten Knots Development Corporation(Conso)	-	2,156,369	-	-	2,156,369	-	2,156,369
Ten Knots Philippines, Inc.(Conso)	3,184,892	104,063,790	(104,767,089)	-	2,481,593	-	2,481,593
Subtotal	338,022,577	1,909,781,586	(1,727,576,981)	-	520,227,185	-	520,227,185
Amount Receivable by ALI Capital Corp. from related parties							
ALI Capital Corp. (Conso)	45,756,419	-	(44,125,923)	-	1,630,497	-	1,630,497
ALI Commercial Center, Inc. (Conso)	169,943	-	(169,943)	-	-	-	-
Alveo Land Corporation (Conso)	-	17,777,690	(17,777,690)	-	-	-	-
Amaia Land Corporation (Conso)	17,197,628	115,744	(17,165,741)	-	147,631	-	147,631
Amorsedia Development Corporation (Conso)	-	6,058,900	(6,058,900)	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Arvo Commercial Corporation	11,244,883	182,789	(10,238,153)	-	1,189,519	-	1,189,519
Avida Land Corporation (Conso)	-	1,001,520	(12,832)	-	988,688	-	988,688
Ayala Land Inc.	67,073	26,606,212	(26,536,826)	-	136,459	-	136,459
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Malls Zing Inc.	-	-	-	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	136,061,995	12,115,080	(11,766,565)	-	136,410,511	-	136,410,511
Ayalaland Logistics Holdings Corp. (Conso)	-	7,159,429	(4,000,000)	-	3,159,429	-	3,159,429
AyalaLand Malls, Inc. (Conso)	-	169,943	-	-	169,943	-	169,943
Ayalaland Medical Facilities Leasing Inc.	225,225	-	-	-	225,225	-	225,225
Bay City Commercial Ventures Corp.	75,085,744	67,213,680	(43,065,000)	-	99,234,424	-	99,234,424
Direct Power Services Inc.	885,000	4,361	-	-	889,361	-	889,361
Makati Development Corporation (Conso)	25,893	13,849	-	-	39,742	-	39,742
North Triangle Depot Commercial Corp	-	21,602,070	(21,393,000)	-	209,070	-	209,070
Soltea Commercial Corp.	-	1,431,440	(1,431,440)	-	-	-	-
Subic Bay Town Center Inc.	-	-	-	-	-	-	-
Ten Knots Development Corporation(Conso)	1,813,783	604,677	-	-	2,418,460	-	2,418,460
Ten Knots Philippines, Inc.(Conso)	35,342,112	20,730,769	-	-	56,072,880	-	56,072,880
Whiteknight Holdings, Inc.	(708,680)	-	(1,144,717)	-	(1,853,397)	-	(1,853,397)
Subtotal	323,167,018	182,788,153	(204,886,730)	-	301,068,442	-	301,068,442
Amount Receivable by Subsidiaries to ALMI/ACCI from related parties							
Accendo Commercial Corp	2,658,018	60,969,145	(53,526,698)	-	10,100,465	-	10,100,465
Adauge Commercial Corp.	5,378	394,359	-	-	399,737	-	399,737
Alabang Commercial Corporation (Conso)	3,799,008	4,399,415	-	-	8,198,423	-	8,198,423
ALI Capital Corp. (Conso)	1,443,083	2,457,662	(2,929,003)	-	971,741	-	971,741
ALI Commercial Center, Inc. (Conso)	10,138,957	-	(10,138,957)	-	-	-	-
ALI-CII Development Corporation	94,147	16,841,839	-	-	16,935,986	-	16,935,986
Alveo Land Corporation (Conso)	10,761,766	85,203,053	(87,610,653)	-	8,354,166	-	8,354,166
Amaia Land Corporation (Conso)	489,215	-	-	-	489,215	-	489,215
Amorsedia Development Corporation (Conso)	-	5,051,462	(5,006,892)	-	44,570	-	44,570
Arca South Integrated Terminal, Inc	50,400	-	(50,400)	-	-	-	-
AREIT Fund Manager, Inc.	50,400	-	-	-	50,400	-	50,400
AREIT, Inc.	96,702	3,659,113,406	(3,559,757,971)	-	99,452,137	-	99,452,137
Arvo Commercial Corporation	3,340,136	35,435,382	(6,783,325)	-	31,992,193	-	31,992,193
Aviana Development Corporation	-	15,089,833	(10,012,031)	-	5,077,802	-	5,077,802
Avida Land Corporation (Conso)	6,943,340	41,570,814	(43,783,832)	-	4,730,323	-	4,730,323
Ayala Hotels Inc.	4,050	-	-	-	4,050	-	4,050
Ayala Land Inc.	34,038,619	779,045,627	(742,527,644)	-	70,556,602	-	70,556,602
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Land Sales Inc.	1,141	-	(1,141)	-	-	-	-
Ayala Malls Zing Inc.	-	1,264,932	-	-	1,264,932	-	1,264,932
Ayala Property Management Corporation (Conso)	29,912,674	1,983,763	(2,662,264)	-	29,234,173	-	29,234,173
Ayala Theaters Management, Inc.	2,973,607	1,778	-	-	2,975,385	-	2,975,385
AyalaLand Estates Inc. (Conso)	-	523,700	-	-	523,700	-	523,700
AyalaLand Hotels and Resorts Corp. (Conso)	3,111,039	40,234,467	(40,229,843)	-	3,115,662	-	3,115,662
Ayalaland Logistics Holdings Corp. (Conso)	441,793	97,033,491	(94,707,763)	-	2,767,521	-	2,767,521
Ayalaland Malls Synergies, Inc.	2,879,250	228,653	-	-	3,107,903	-	3,107,903
AyalaLand Malls, Inc. (Conso)	6,141,102	-	(6,141,102)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	13,883,628	-	-	13,883,628	-	13,883,628
Ayalaland Medical Facilities Leasing Inc.	4,082	-	-	-	4,082	-	4,082
Ayalaland Metro North, Inc.	183,626	23,853,102	(4,793,477)	-	19,243,251	-	19,243,251
AyalaLand Offices, Inc. (Conso)	-	33,195	-	-	33,195	-	33,195
Ayalaland Premier, Inc.	-	13,037,936	-	-	13,037,936	-	13,037,936
Bay City Commercial Ventures Corp.	126,725,258	234,591,140	(313,399,257)	-	47,917,141	-	47,917,141
BellaVita Land Corp.	24,600	-	-	-	24,600	-	24,600
BG West Properties, Inc	-	-	-	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Cagayan De Oro Gateway Corporation	2,864,021	7,390,656	(107,079)	-	10,147,599	-	10,147,599
Capitol Central Commercial Ventures Corp.	1,375,602	39,517,062	(15,955,683)	-	24,936,981	-	24,936,981
Cavite Commercial Towncenter Inc.	612,724	118,645,142	(82,286,797)	-	36,971,068	-	36,971,068
Cebu Leisure Co. Inc.	319,465	49,354	-	-	368,819	-	368,819
CECI Realty Corp.	-	12	-	-	12	-	12
Crans Montana Property Holdings Corporation	682,469	17,056,610	(17,007,582)	-	731,497	-	731,497
Direct Power Services Inc.	12,672	-	-	-	12,672	-	12,672
FIVE STAR Cinema Inc.	18,669	4,705	-	-	23,374	-	23,374
Leisure and Allied Industries Phils. Inc.	6,893,130	15,457,076	(21,063,443)	-	1,286,762	-	1,286,762
Makati Cornerstone Leasing Corp.	1,088,181	25,956,896	(116,347)	-	26,928,730	-	26,928,730
Makati Development Corporation (Conso)	13,290,491	10,762,703	-	-	24,053,195	-	24,053,195
North Eastern Commercial Corp.	2,973,148	50,560,455	(7,273,911)	-	46,259,692	-	46,259,692
North Triangle Depot Commercial Corp	7,754,078	33,577,832	-	-	41,331,910	-	41,331,910
North Ventures Commercial Corp.	1,404,603	35,760,308	-	-	37,164,910	-	37,164,910
NorthBeacon Commercial Corporation	688,076	24,443,607	-	-	25,131,682	-	25,131,682
Primavera Towncentre, Inc.	191,058	1,003,700	(716,408)	-	478,350	-	478,350
Serendra Inc.	83,604	36,555	-	-	120,160	-	120,160
Soltea Commercial Corp.	1,248,874	41,106,062	(17,633,321)	-	24,721,615	-	24,721,615
Station Square East Commercial Corp	3,536,654	29,370,266	(493,939)	-	32,412,980	-	32,412,980
Subic Bay Town Center Inc.	820,340	18,683,317	(2,554,899)	-	16,948,758	-	16,948,758
Summerhill Commercial Ventures Corp.	1,372,739	18,081,081	(1,278,654)	-	18,175,166	-	18,175,166
Ten Knots Philippines, Inc.(Conso)	1,327,851	20,697,643	(20,613,077)	-	1,412,417	-	1,412,417
Westview Commercial Ventures Corp.	195,059	1,600,880	(174,819)	-	1,621,121	-	1,621,121
Subtotal	295,064,899	5,642,003,704	(5,171,338,212)	-	765,730,389	-	765,730,389
Amount Receivable by ALI-CII Development Corporation from related parties							
Accendo Commercial Corp	4,580,820	9,353,482	(9,343,567)	-	4,590,735	-	4,590,735
ALI Capital Corp. (Conso)	-	4,562,062	-	-	4,562,062	-	4,562,062
ALI Commercial Center, Inc. (Conso)	15,821,238	-	(15,821,238)	-	-	-	-
Alveo Land Corporation (Conso)	-	6,467,598	-	-	6,467,598	-	6,467,598
Amaia Land Corporation (Conso)	14,813,319	30,146,625	(46,329,027)	-	(1,369,083)	-	(1,369,083)
Arca South Integrated Terminal, Inc	33,634	-	(33,634)	-	-	-	-
Arvo Commercial Corporation	6,328,400	13,352,016	-	-	19,680,416	-	19,680,416
Avida Land Corporation (Conso)	2,896,843	1,016,378	(2,427,330)	-	1,485,891	-	1,485,891
Ayala Land Inc.	-	33,830,605	(33,830,605)	-	-	-	-
AyalaLand Estates Inc. (Conso)	-	7,153,877	(7,153,877)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	3,129,436	5,344,479	(3,291,816)	-	5,182,099	-	5,182,099
Ayalaland Logistics Holdings Corp. (Conso)	20,616,794	5,903,182	(8,051,694)	-	18,468,282	-	18,468,282
AyalaLand Malls, Inc. (Conso)	-	25,632,130	-	-	25,632,130	-	25,632,130
Ayalaland Medical Facilities Leasing Inc.	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	82,937,744	56,081,379	(47,244,799)	-	91,774,324	-	91,774,324
Cagayan De Oro Gateway Corporation	29,389	-	-	-	29,389	-	29,389
Capitol Central Commercial Ventures Corp.	2,033,659	2,083,119	(4,104,060)	-	12,718	-	12,718
Cavite Commercial Towncenter Inc.	-	7,823,752	-	-	7,823,752	-	7,823,752
Direct Power Services Inc.	1,500,000	-	(134,586)	-	1,365,414	-	1,365,414
Leisure and Allied Industries Phils. Inc.	(29,485)	894,136	(913,578)	-	(48,927)	-	(48,927)
North Triangle Depot Commercial Corp	100	24,900,891	(24,120,655)	-	780,335	-	780,335
Soltea Commercial Corp.	24,570,150	2,545,041	(7,873,002)	-	19,242,190	-	19,242,190
Ten Knots Philippines, Inc.(Conso)	2,043,948	28,986,981	-	-	31,030,929	-	31,030,929
Subtotal	181,305,989	266,077,733	(210,673,468)	-	236,710,254	-	236,710,254
Amount Receivable by ALO Prime Realty Corporation from related parties							
Alveo Land Corporation (Conso)	-	4,045,853	(4,045,853)	-	-	-	-
AREIT, Inc.	915,424	5,993,504	-	-	6,908,928	-	6,908,928
Ayala Land Inc.	-	14,004,354	-	-	14,004,354	-	14,004,354

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Ayalaland Logistics Holdings Corp. (Conso)	471,547,455	32,432,577	(280,658,979)	-	223,321,053	-	223,321,053
Bay City Commercial Ventures Corp.	3,011,458	7,285,236	-	-	10,296,694	-	10,296,694
Subtotal	475,474,337	63,761,524	(284,704,832)	-	254,531,029	-	254,531,029
Amount Receivable by Altaraza Development Corporation from related parties							
Ayala Land Inc.	-	-	(3,716)	-	(3,716)	-	(3,716)
Subtotal	-	-	(3,716)	-	(3,716)	-	(3,716)
Amount Receivable by Altaraza Prime Realty Corporation from related parties							
Amaia Land Corporation (Conso)	2,509,549	19,703	(2,529,252)	-	-	-	-
Bay City Commercial Ventures Corp.	-	5,086,751	(5,011,618)	-	75,132	-	75,132
Crans Montana Property Holdings Corporation	-	2,515,279	-	-	2,515,279	-	2,515,279
Subtotal	2,509,549	7,621,733	(7,540,870)	-	2,590,411	-	2,590,411
Amount Receivable by Alveo Land Corporation from related parties							
Accendo Commercial Corp	184,856,456	86,581,503	(58,110,063)	-	213,327,897	-	213,327,897
Adauge Commercial Corp.	28,238	-	-	-	28,238	-	28,238
ALI Capital Corp. (Conso)	6,645,462	30,044,060	(27,575,662)	-	9,113,859	-	9,113,859
ALI Commercial Center, Inc. (Conso)	52,298,370	-	(52,298,370)	-	-	-	-
Alveo Land Corporation (Conso)	3,882,935,001	84,000,000	(3,966,932,669)	-	2,332	-	2,332
Amaia Land Corporation (Conso)	22,089,440	60,030,342	(61,654,593)	-	20,465,188	-	20,465,188
Amorsedia Development Corporation (Conso)	2,886,241	2,838,185	-	-	5,724,426	-	5,724,426
AREIT, Inc.	22,177	-	-	-	22,177	-	22,177
Arvo Commercial Corporation	9,552,981	73,538,173	(67,564,111)	-	15,527,044	-	15,527,044
Aurora Properties, Inc.	11,416,835	-	-	-	11,416,835	-	11,416,835
Aviana Development Corporation	-	5,016,369	-	-	5,016,369	-	5,016,369
Avida Land Corporation (Conso)	6,056,068	134,344,130	-	-	140,400,199	-	140,400,199
Ayala Hotels Inc.	-	502,822	-	-	502,822	-	502,822
Ayala Land Inc.	2,247,565,734	727,998,139	(665,844,558)	-	2,309,719,315	-	2,309,719,315
Ayala Land International Sales, Inc.(Conso)	1,007,391	-	(900)	-	1,006,491	-	1,006,491
Ayala Property Management Corporation (Conso)	3,056,541	-	(233,705)	-	2,822,836	-	2,822,836
AyalaLand Estates Inc. (Conso)	-	34,049,253	(34,006,596)	-	42,656	-	42,656
AyalaLand Hotels and Resorts Corp. (Conso)	88,337,304	53,595,127	(106,155,408)	-	35,777,023	-	35,777,023
Ayalaland Logistics Holdings Corp. (Conso)	9,598,082	282,545,899	-	-	292,143,982	-	292,143,982
Ayalaland Malls Synergies, Inc.	454,086	-	-	-	454,086	-	454,086
AyalaLand Malls, Inc. (Conso)	54,613	-	(54,613)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	25,418,230	(9,996,388)	-	15,421,841	-	15,421,841
Ayalaland Medical Facilities Leasing Inc.	273,487	-	-	-	273,487	-	273,487
Bay City Commercial Ventures Corp.	53,069,574	20,728,558	(10,995,416)	-	62,802,715	-	62,802,715
BellaVita Land Corp.	931,897,593	-	(27,437,280)	-	904,460,313	-	904,460,313
BG South Properties, Inc.	-	1,952,820,884	-	-	1,952,820,884	-	1,952,820,884
BG West Properties, Inc	684,020	-	(684,020)	-	-	-	-
Cagayan De Oro Gateway Corporation	26,297	25,270	-	-	51,567	-	51,567
Cavite Commercial Towncenter Inc.	-	28,102,798	-	-	28,102,798	-	28,102,798
Crans Montana Property Holdings Corporation	2,158,509	61,477,159	-	-	63,635,667	-	63,635,667
Direct Power Services Inc.	-	-	-	-	-	-	-
Makati Development Corporation (Conso)	39,666,759	-	(25,857,896)	-	13,808,863	-	13,808,863
North Eastern Commercial Corp.	4,987	-	-	-	4,987	-	4,987
North Triangle Depot Commercial Corp	-	301,512,096	-	-	301,512,096	-	301,512,096
Nuevocentro, Inc. (Conso)	276,507,449	302,948,050	(94,565,510)	-	484,889,989	-	484,889,989
Primavera Towncentre, Inc.	349,997	1,003,274	-	-	1,353,271	-	1,353,271
Serendra Inc.	(1,558,304)	4,094,934	-	-	2,536,629	-	2,536,629
Soltea Commercial Corp.	30,431,345	74,121	(23,414,697)	-	7,090,769	-	7,090,769
Summerhill Commercial Ventures Corp.	12,436,524	-	-	-	12,436,524	-	12,436,524
Ten Knots Philippines, Inc.(Conso)	28,462,447	167,594	(8,727,530)	-	19,902,511	-	19,902,511

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Vesta Property Holdings Inc.	302,666,668	-	-	-	302,666,668	-	302,666,668
Westview Commercial Ventures Corp.	43,833	-	-	-	43,833	-	43,833
Subtotal	8,205,982,205	4,273,456,970	(5,242,109,985)	-	7,237,329,187	-	7,237,329,187
Amount Receivable by Amaia Land Corporation from related parties							
ALI Capital Corp. (Conso)	-	1,491,280	-	-	1,491,280	-	1,491,280
Alveo Land Corporation (Conso)	150,000	4,013,071	(4,001,751)	-	161,321	-	161,321
Amaia Land Corporation (Conso)	1,100,783	-	(631,885)	-	468,898	-	468,898
Arvo Commercial Corporation	-	134,943,071	(77,528,753)	-	57,414,318	-	57,414,318
Avida Land Corporation (Conso)	14,248,681	15,757,245	-	-	30,005,926	-	30,005,926
Ayala Land Inc.	2,611,255	8,168,733	(8,168,733)	-	2,611,255	-	2,611,255
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Property Management Corporation (Conso)	(37,946)	481,071	-	-	443,125	-	443,125
AyalaLand Estates Inc. (Conso)	-	223,954	-	-	223,954	-	223,954
AyalaLand Offices, Inc. (Conso)	(1,591)	-	-	-	(1,591)	-	(1,591)
Bay City Commercial Ventures Corp.	-	19,009,228	-	-	19,009,228	-	19,009,228
BellaVita Land Corp.	96,465,764	659,143	-	-	97,124,907	-	97,124,907
Makati Development Corporation (Conso)	3,322,901	1,442,819	-	-	4,765,719	-	4,765,719
Subtotal	117,859,847	186,189,615	(90,331,122)	-	213,718,340	-	213,718,340
Amount Receivable by Amorsedia Development Corporation from related parties							
Accendo Commercial Corp	-	25,065,476	-	-	25,065,476	-	25,065,476
ALI Commercial Center, Inc. (Conso)	30,289,781	-	(30,289,781)	-	-	-	-
Alveo Land Corporation (Conso)	184,216,316	-	(184,216,316)	-	-	-	-
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
AREIT, Inc.	25,868,733	98,793,678	(101,083,274)	-	23,579,137	-	23,579,137
Avida Land Corporation (Conso)	(74,323)	-	-	-	(74,323)	-	(74,323)
Ayala Land Inc.	120,706,662	329,913,591	(329,162,718)	-	121,457,534	-	121,457,534
Ayala Land Sales Inc.	1	-	(1)	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	-	10,230,839	(5,003,788)	-	5,227,051	-	5,227,051
AyalaLand Malls, Inc. (Conso)	-	35,298,921	(33,966,442)	-	1,332,479	-	1,332,479
Bay City Commercial Ventures Corp.	86,081,933	259,121,765	(162,339,931)	-	182,863,767	-	182,863,767
BellaVita Land Corp.	17,836,000	-	-	-	17,836,000	-	17,836,000
BG South Properties, Inc.	-	367,784,696	-	-	367,784,696	-	367,784,696
BG West Properties, Inc	781,913,037	834,698,635	(1,376,771,551)	-	239,840,121	-	239,840,121
Cagayan De Oro Gateway Corporation	52,289	-	(52,289)	-	-	-	-
Ten Knots Development Corporation(Conso)	5,205	-	-	-	5,205	-	5,205
Ten Knots Philippines, Inc.(Conso)	-	36,127,726	(15,389,329)	-	20,738,397	-	20,738,397
Subtotal	1,246,895,634	1,997,035,327	(2,238,275,420)	-	1,005,655,540	-	1,005,655,540
Amount Receivable by Anvaya Cove Beach and Nature Club Inc from related parties							
ALI Commercial Center, Inc. (Conso)	42,887,264	-	(42,887,264)	-	-	-	-
Amaia Land Corporation (Conso)	88,075,364	73,737,600	(161,812,964)	-	-	-	-
Anvaya Cove Golf and Sports Club Inc.	18,984,835	-	(12,639,742)	-	6,345,093	-	6,345,093
Avida Land Corporation (Conso)	-	15,013,979	(15,013,979)	-	-	-	-
Ayala Land Inc.	222,143	68,271,106	(68,660,012)	-	(166,763)	-	(166,763)
AyalaLand Club Management, Inc.	5,855	-	(5,855)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	-	10,284,251	(5,198,078)	-	5,086,173	-	5,086,173
AyalaLand Malls, Inc. (Conso)	-	100,929,840	(100,929,840)	-	-	-	-
Bay City Commercial Ventures Corp.	-	180,354,660	(88,198,236)	-	92,156,424	-	92,156,424
Makati Development Corporation (Conso)	9,911	-	-	-	9,911	-	9,911
Soltea Commercial Corp.	-	30,596,392	(30,377,261)	-	219,131	-	219,131
Subtotal	150,185,372	479,187,828	(525,723,231)	-	103,649,969	-	103,649,969

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Anvaya Cove Golf and Sports Club Inc. from related parties							
ALI Capital Corp. (Conso)	-	92,754,863	(45,359,232)	-	47,395,631	-	47,395,631
Amaia Land Corporation (Conso)	45,410,045	50,364,315	(95,774,360)	-	-	-	-
Anvaya Cove Beach and Nature Club Inc	6,420,351	-	(5,513,375)	-	906,976	-	906,976
Avida Land Corporation (Conso)	-	3,002,796	(3,002,796)	-	-	-	-
Ayala Land Inc.	7,368	25,234,375	(25,175,743)	-	66,000	-	66,000
Ayala Property Management Corporation (Conso)	6,488	-	(402)	-	6,087	-	6,087
AyalaLand Estates Inc. (Conso)	-	8,101,847	(8,101,847)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	-	10,284,251	(5,198,078)	-	5,086,173	-	5,086,173
Ayalaland Logistics Holdings Corp. (Conso)	-	2,006,220	-	-	2,006,220	-	2,006,220
AyalaLand Malls, Inc. (Conso)	-	30,101,600	(30,101,600)	-	-	-	-
Makati Development Corporation (Conso)	4,502	6,680,244	-	-	6,684,746	-	6,684,746
Soltea Commercial Corp.	-	6,162,832	(3,124,861)	-	3,037,971	-	3,037,971
Subtotal	51,848,754	234,693,343	(221,352,294)	-	65,189,804	-	65,189,804
Amount Receivable by APRISA Business Process Solutions, Inc from related parties							
Accendo Commercial Corp	43,582,731	3,141,762	(32,766,494)	-	13,957,999	-	13,957,999
Adauge Commercial Corp.	19,107	239,467	(241,595)	-	16,979	-	16,979
Alabang Commercial Corporation (Conso)	422,388	2,575,888	(2,727,135)	-	271,141	-	271,141
ALI Capital Corp. (Conso)	12,223,536	12,318,507	-	-	24,542,042	-	24,542,042
ALI Commercial Center, Inc. (Conso)	12,586,636	-	(12,586,636)	-	-	-	-
ALI-CII Development Corporation	651,269	1,074,864	(1,594,006)	-	132,126	-	132,126
ALO Prime Realty Corporation	131,432	339,371	(287,235)	-	183,568	-	183,568
Alveo Land Corporation (Conso)	-	29,953,706	(29,518,441)	-	435,265	-	435,265
Amaia Land Corporation (Conso)	11,568,267	10,381,971	(20,156,278)	-	1,793,960	-	1,793,960
AREIT Fund Manager, Inc.	208,544	407,456	(584,584)	-	31,416	-	31,416
AREIT, Inc.	415,408	4,694,592	(2,192,434)	-	2,917,566	-	2,917,566
Arvo Commercial Corporation	3,254,643	1,780,027	(1,642,270)	-	3,392,401	-	3,392,401
Aurora Properties, Inc.	165,357	850,298	(452,626)	-	563,030	-	563,030
Aviana Development Corporation	26,466	235,917	(239,490)	-	22,893	-	22,893
Avida Land Corporation (Conso)	2,932,603	42,809,127	(42,020,754)	-	3,720,976	-	3,720,976
Ayala Land Inc.	2,282,902	108,053,499	(103,590,766)	-	6,745,636	-	6,745,636
Ayala Malls Zing Inc.	-	23,744	-	-	23,744	-	23,744
Ayala Property Management Corporation (Conso)	434,594	8,003,890	(7,708,757)	-	729,727	-	729,727
AyalaLand Estates Inc. (Conso)	3,823,765	12,381,844	(16,187,521)	-	18,088	-	18,088
AyalaLand Hotels and Resorts Corp. (Conso)	17,452,231	13,603,553	(20,451,716)	-	10,604,067	-	10,604,067
Ayalaland Logistics Holdings Corp. (Conso)	413,995	24,923,371	-	-	25,337,367	-	25,337,367
AyalaLand Malls, Inc. (Conso)	-	18,930,389	(15,412,215)	-	3,518,174	-	3,518,174
Ayalaland Metro North, Inc.	-	1,954,344	(1,674,501)	-	279,843	-	279,843
AyalaLand Offices, Inc. (Conso)	-	11,039,557	(7,652,570)	-	3,386,987	-	3,386,987
Bay City Commercial Ventures Corp.	22,440,047	16,077,204	-	-	38,517,251	-	38,517,251
BellaVita Land Corp.	-	1,655,965	(515,984)	-	1,139,981	-	1,139,981
Cagayan De Oro Gateway Corporation	524,958	1,327,850	(1,662,864)	-	189,943	-	189,943
Capitol Central Commercial Ventures Corp.	-	1,380,299	(1,284,293)	-	96,006	-	96,006
Cavite Commercial Towncenter Inc.	376,182	3,291,436	(3,380,785)	-	286,833	-	286,833
Cebu Leisure Co. Inc.	67,749	521,573	(545,966)	-	43,355	-	43,355
CECI Realty Corp.	223,138	1,023,406	(731,091)	-	515,452	-	515,452
Crans Montana Property Holdings Corporation	-	-	-	-	-	-	-
Lagdigan Land Corporation	-	17,248	(15,893)	-	1,355	-	1,355
Makati Cornerstone Leasing Corp.	1,215,265	2,278,080	(2,384,306)	-	1,109,039	-	1,109,039
Makati Development Corporation (Conso)	1,881,612	40,356,600	(39,363,121)	-	2,875,091	-	2,875,091
North Eastern Commercial Corp.	323,448	4,633,361	(4,053,481)	-	903,328	-	903,328
North Triangle Depot Commercial Corp	54,183	8,539,246	(8,109,227)	-	484,201	-	484,201
North Ventures Commercial Corp.	523,746	1,699,242	(1,524,690)	-	698,298	-	698,298
NorthBeacon Commercial Corporation	-	1,921,528	(1,595,933)	-	325,595	-	325,595
Nuevocentro, Inc. (Conso)	158,054	474,163	(355,622)	-	276,595	-	276,595

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Roxas Land Corp.	-	697,430	(697,430)	-	-	-	-
Serendra Inc.	105,813	1,334,893	(417,559)	-	1,023,146	-	1,023,146
Soltea Commercial Corp.	9,323,243	3,373,299	(12,394,758)	-	301,784	-	301,784
Station Square East Commercial Corp	418,318	5,195,533	(5,270,683)	-	343,168	-	343,168
Subic Bay Town Center Inc.	178,711	979,126	(1,003,631)	-	154,207	-	154,207
Summerhill Commercial Ventures Corp.	1,487,221	1,657,286	(1,678,555)	-	1,465,952	-	1,465,952
Taft Punta Engaño Property, Inc.	83,966	-	(83,966)	-	-	-	-
Ten Knots Development Corporation(Conso)	70,821	443,520	(402,226)	-	112,115	-	112,115
Ten Knots Philippines, Inc.(Conso)	4,569,910	497,414	(3,418,684)	-	1,648,640	-	1,648,640
Vesta Property Holdings Inc.	-	745,332	(264,477)	-	480,855	-	480,855
Westview Commercial Ventures Corp.	29,579	579,914	(585,357)	-	24,136	-	24,136
Whiteknight Holdings, Inc.	-	-	-	-	-	-	-
Subtotal	156,651,838	410,418,092	(411,428,606)	-	155,641,321	-	155,641,321
Amount Receivable by Arca South Integrated Terminal, Inc from related parties							
Subtotal	-	-	-	-	-	-	-
Amount Receivable by AREIT Fund Manager, Inc. from related parties							
Accendo Commercial Corp	(7,446,883)	7,446,883	-	-	-	-	-
ALI Capital Corp. (Conso)	7,470,000	4,158,677	-	-	11,628,677	-	11,628,677
ALI Commercial Center, Inc. (Conso)	122,543,673	-	(122,543,673)	-	-	-	-
Amaia Land Corporation (Conso)	(58,776,177)	59,233,942	-	-	457,765	-	457,765
Amorsedia Development Corporation (Conso)	(24,885,351)	24,885,351	-	-	-	-	-
AREIT, Inc.	78,392,713	252,968,388	(230,616,407)	-	100,744,694	-	100,744,694
Arvo Commercial Corporation	10,000,000	10,691,558	(10,619,535)	-	10,072,024	-	10,072,024
Avida Land Corporation (Conso)	-	372,199	-	-	372,199	-	372,199
Ayala Land Inc.	(6,850,291)	207,085,683	-	-	200,235,392	-	200,235,392
Ayala Property Management Corporation (Conso)	9,670,292	-	(9,670,292)	-	-	-	-
AyalaLand Estates Inc. (Conso)	-	54,598,459	(54,598,459)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	53,670,000	16,770,008	(10,919,041)	-	59,520,967	-	59,520,967
Ayalaland Logistics Holdings Corp. (Conso)	(34,979,097)	81,732,880	-	-	46,753,782	-	46,753,782
AyalaLand Malls, Inc. (Conso)	-	46,923,361	(46,923,361)	-	-	-	-
Ayalaland Metro North, Inc.	16,300,000	-	(16,300,000)	-	-	-	-
Bay City Commercial Ventures Corp.	280,796,496	74,633,297	(127,237,114)	-	228,192,680	-	228,192,680
Cagayan De Oro Gateway Corporation	103,293	2,008,446	(1,968,180)	-	143,559	-	143,559
Capitol Central Commercial Ventures Corp.	2,026,567	111,107	(141,177)	-	1,996,497	-	1,996,497
Cavite Commercial Towncenter Inc.	-	15,858,284	-	-	15,858,284	-	15,858,284
Crans Montana Property Holdings Corporation	(32,508,760)	45,697,545	-	-	13,188,786	-	13,188,786
Direct Power Services Inc.	36,516	-	(36,516)	-	-	-	-
North Triangle Depot Commercial Corp	-	916,242	-	-	916,242	-	916,242
Nuevocentro, Inc. (Conso)	-	64,711	-	-	64,711	-	64,711
Primavera Towncentre, Inc.	-	17,720,370	-	-	17,720,370	-	17,720,370
Soltea Commercial Corp.	35,482,937	2,190,033	(14,844,678)	-	22,828,291	-	22,828,291
Summerhill Commercial Ventures Corp.	-	559,194	-	-	559,194	-	559,194
Ten Knots Development Corporation(Conso)	-	9	-	-	9	-	9
Ten Knots Philippines, Inc.(Conso)	30,453,656	72,353,503	-	-	102,807,159	-	102,807,159
Subtotal	481,499,584	998,980,130	(646,418,433)	-	834,061,282	-	834,061,282
Amount Receivable by AREIT Property Managers, Inc. from related parties							
AREIT, Inc.	271,308,298	215,681,175	(23,108,697)	-	463,880,775	-	463,880,775
Subtotal	271,308,298	215,681,175	(23,108,697)	-	463,880,775	-	463,880,775
Amount Receivable by Subsidiaries to AREIT, Inc. from related parties							
Accendo Commercial Corp	575,250	153,162,591	(27,571,305)	-	126,166,536	-	126,166,536
ALI Capital Corp. (Conso)	19,043,664	178,914,077	(179,451,805)	-	18,505,935	-	18,505,935
ALI Commercial Center, Inc. (Conso)	28,938,564	-	(28,938,564)	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Alveo Land Corporation (Conso)	45,959,821	506,068,498	(225,331,642)	-	326,696,677	-	326,696,677
Amaia Land Corporation (Conso)	3,102,340	310,273,123	(198,305,790)	-	115,069,673	-	115,069,673
Amorsedia Development Corporation (Conso)	18,073,745	35,764,881	(24,568,239)	-	29,270,387	-	29,270,387
AREIT, Inc.	-	742,492	-	-	742,492	-	742,492
Arvo Commercial Corporation	39,203,390	115,277,881	(31,349,587)	-	123,131,684	-	123,131,684
Avida Land Corporation (Conso)	1,045,181	317,373,019	(316,848,851)	-	1,569,349	-	1,569,349
Ayala Land Inc.	74,301,299	2,878,907,977	(2,585,082,920)	-	368,126,356	-	368,126,356
Ayala Malls Zing Inc.	-	31,449,075	-	-	31,449,075	-	31,449,075
Ayala Property Management Corporation (Conso)	2,512,284	1,992,645	(2,745,689)	-	1,759,240	-	1,759,240
AyalaLand Estates Inc. (Conso)	65,694,479	372,737,104	(437,770,593)	-	660,991	-	660,991
AyalaLand Hotels and Resorts Corp. (Conso)	2,296,194,865	564,353,023	(124,281,096)	-	2,736,266,792	-	2,736,266,792
Ayalaland Logistics Holdings Corp. (Conso)	93,720,083	612,863,227	(243,860,912)	-	462,722,398	-	462,722,398
Ayalaland Malls Synergies, Inc.	2,464,491	-	(253,666)	-	2,210,825	-	2,210,825
AyalaLand Malls, Inc. (Conso)	-	3,958,687,028	-	-	3,958,687,028	-	3,958,687,028
AyalaLand Offices, Inc. (Conso)	(776)	13,341,309	(13,341,309)	-	(776)	-	(776)
Ayalaland Premier, Inc.	-	5,889,111	-	-	5,889,111	-	5,889,111
Bay City Commercial Ventures Corp.	349,519,716	769,002,298	(1,080,368,703)	-	38,153,312	-	38,153,312
BellaVita Land Corp.	39,830	-	-	-	39,830	-	39,830
Cagayan De Oro Gateway Corporation	537,083	97,443,767	(97,443,767)	-	537,083	-	537,083
Capitol Central Commercial Ventures Corp.	209,193,922	235,672,672	(326,362,025)	-	118,504,569	-	118,504,569
Cavite Commercial Towncenter Inc.	40,088,362	194,329,616	-	-	234,417,978	-	234,417,978
Crans Montana Property Holdings Corporation	1,246,956	24,253,235	-	-	25,500,191	-	25,500,191
Crimson Field Enterprises, Inc.	-	23,250,125	-	-	23,250,125	-	23,250,125
Direct Power Services Inc.	6,351	-	(6,351)	-	-	-	-
Leisure and Allied Industries Phils. Inc.	-	15,499,531	-	-	15,499,531	-	15,499,531
Makati Cornerstone Leasing Corp.	4,921	25,669,494	(25,609,307)	-	65,108	-	65,108
North Eastern Commercial Corp.	975,303,986	80,382,456	-	-	1,055,686,442	-	1,055,686,442
North Triangle Depot Commercial Corp	1,218,944	134,310,795	-	-	135,529,739	-	135,529,739
NorthBeacon Commercial Corporation	-	2,056,607,567	-	-	2,056,607,567	-	2,056,607,567
Nuevocentro, Inc. (Conso)	-	439,048,046	(435,472,863)	-	3,575,183	-	3,575,183
Primavera Towncentre, Inc.	-	73,246,527	(47,030,860)	-	26,215,667	-	26,215,667
Soltea Commercial Corp.	307,665	42,793,711	(37,897,947)	-	5,203,430	-	5,203,430
Sunnyfield E-Office Corp	150	-	-	-	150	-	150
Ten Knots Development Corporation(Conso)	-	19,358,775	-	-	19,358,775	-	19,358,775
Ten Knots Philippines, Inc.(Conso)	1,163,932	372,432,281	(171,702,242)	-	201,893,971	-	201,893,971
Westview Commercial Ventures Corp.	1,958,066	122,326	-	-	2,080,392	-	2,080,392
Subtotal	4,271,418,564	14,661,220,283	(6,661,596,033)	-	12,271,042,816	-	12,271,042,816
Amount Receivable by Arvo Commercial Corporation from related parties							
Accendo Commercial Corp	-	50,198	(48,698)	-	1,500	-	1,500
Alabang Commercial Corporation (Conso)	1,860	-	-	-	1,860	-	1,860
ALI Commercial Center, Inc. (Conso)	37,330	-	(37,330)	-	-	-	-
AREIT, Inc.	2,914	-	-	-	2,914	-	2,914
Arvo Commercial Corporation	-	316,878	(314,198)	-	2,680	-	2,680
Avida Land Corporation (Conso)	-	-	-	-	-	-	-
Ayala Land Inc.	978,410,844	377,063	(377,063)	-	978,410,844	-	978,410,844
Ayala Malls Zing Inc.	-	18,590	-	-	18,590	-	18,590
AyalaLand Malls, Inc. (Conso)	20,307	-	(20,307)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	298,018	-	-	298,018	-	298,018
Cagayan De Oro Gateway Corporation	-	44,270	(43,870)	-	400	-	400
Cavite Commercial Towncenter Inc.	807,934	257,995	-	-	1,065,929	-	1,065,929
Leisure and Allied Industries Phils. Inc.	2,908,822	2,858,138	(3,560,262)	-	2,206,697	-	2,206,697
North Triangle Depot Commercial Corp	6,520	58,406	(57,206)	-	7,720	-	7,720
North Ventures Commercial Corp.	4,158	-	-	-	4,158	-	4,158
Primavera Towncentre, Inc.	308,275	-	-	-	308,275	-	308,275
Soltea Commercial Corp.	13,450	-	-	-	13,450	-	13,450

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Southportal Properties, Inc.	-	-	-	-	-	-	-
Station Square East Commercial Corp	1,670	-	-	-	1,670	-	1,670
Summerhill Commercial Ventures Corp.	-	39,545	(39,445)	-	100	-	100
Subtotal	982,524,084	4,319,101	(4,498,379)	-	982,344,805	-	982,344,805
Amount Receivable by Aurora Properties, Inc. from related parties							
Accendo Commercial Corp	-	15,180,256	-	-	15,180,256	-	15,180,256
ALI Capital Corp. (Conso)	559,161	14,794,754	-	-	15,353,915	-	15,353,915
ALI Commercial Center, Inc. (Conso)	99,903,340	-	(99,903,340)	-	-	-	-
Alveo Land Corporation (Conso)	28,443,107	28,918,548	(22,415,244)	-	34,946,411	-	34,946,411
Amaia Land Corporation (Conso)	161,039,467	15,539,222	(176,060,808)	-	517,881	-	517,881
Amorsedia Development Corporation (Conso)	185,504,918	63,616,410	-	-	249,121,328	-	249,121,328
Arca South Integrated Terminal, Inc	3,007,928	2,004,545	-	-	5,012,473	-	5,012,473
Arvo Commercial Corporation	2,113,967	25,754,063	-	-	27,868,030	-	27,868,030
Avida Land Corporation (Conso)	192,927,707	-	(184,004,539)	-	8,923,169	-	8,923,169
Ayala Land Inc.	1,258,848,707	198,431,913	(475,097,111)	-	982,183,510	-	982,183,510
AyalaLand Estates Inc. (Conso)	-	397,936,987	(397,936,987)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	65,309,355	1,067,849,269	-	-	1,133,158,624	-	1,133,158,624
Ayalaland Logistics Holdings Corp. (Conso)	-	90,770,236	(23,579,259)	-	67,190,977	-	67,190,977
AyalaLand Malls, Inc. (Conso)	-	106,302,737	(103,914,032)	-	2,388,705	-	2,388,705
Ayalaland Metro North, Inc.	871	-	-	-	871	-	871
Bay City Commercial Ventures Corp.	114,661,462	282,594,535	(378,780,477)	-	18,475,519	-	18,475,519
Cagayan De Oro Gateway Corporation	631,906	-	(14,691)	-	617,215	-	617,215
Capitol Central Commercial Ventures Corp.	-	30,978,763	(15,682,672)	-	15,296,091	-	15,296,091
Cavite Commercial Towncenter Inc.	637,669	-	-	-	637,669	-	637,669
CECI Realty Corp.	167,851	-	-	-	167,851	-	167,851
Crans Montana Property Holdings Corporation	114,571,126	193,311,782	-	-	307,882,907	-	307,882,907
Crimson Field Enterprises, Inc.	5,046,986	5,424,515	(443,674)	-	10,027,827	-	10,027,827
Makati Development Corporation (Conso)	8,180	-	-	-	8,180	-	8,180
Nuevocentro, Inc. (Conso)	-	24,367,622	(24,367,622)	-	-	-	-
Red Creek Properties, Inc.	9,524,333	8,026,304	-	-	17,550,637	-	17,550,637
Ten Knots Development Corporation(Conso)	726	-	-	-	726	-	726
Ten Knots Philippines, Inc.(Conso)	8,621	20,418,339	(20,343,414)	-	83,546	-	83,546
Vesta Property Holdings Inc.	27,739	-	-	-	27,739	-	27,739
Subtotal	2,242,945,127	2,592,220,800	(1,922,543,870)	-	2,912,622,057	-	2,912,622,057
Amount Receivable by Aviana Development Corporation from related parties							
Accendo Commercial Corp	-	37,204	-	-	37,204	-	37,204
Alveo Land Corporation (Conso)	-	-	-	-	-	-	-
Ayala Land Inc.	306,198,354	-	(46,741,002)	-	259,457,352	-	259,457,352
Lagdigan Land Corporation	-	2,750	-	-	2,750	-	2,750
Makati Development Corporation (Conso)	546,293	906,914	-	-	1,453,207	-	1,453,207
Subtotal	306,744,647	946,868	(46,741,002)	-	260,950,513	-	260,950,513
Amount Receivable by Avida Land Corporation from related parties							
Accendo Commercial Corp	192,322,280	51,816,106	(43,146,367)	-	200,992,019	-	200,992,019
ALI Capital Corp. (Conso)	-	16,470,073	(16,379,953)	-	90,120	-	90,120
ALI Commercial Center, Inc. (Conso)	20,243,539	-	(20,243,539)	-	-	-	-
ALI-CII Development Corporation	75,000	-	-	-	75,000	-	75,000
Altaraza Development Corporation	-	3,472,000	(420,980)	-	3,051,020	-	3,051,020
Alveo Land Corporation (Conso)	627,356,846	474,433,747	(1,100,956,584)	-	834,009	-	834,009
Amaia Land Corporation (Conso)	20,097,652	490,979,805	(491,142,729)	-	19,934,727	-	19,934,727
Amorsedia Development Corporation (Conso)	1,439,905	1,117,595	-	-	2,557,499	-	2,557,499
APRISA Business Process Solutions, Inc	-	147,840	(147,840)	-	-	-	-
AREIT, Inc.	-	546,336	(546,336)	-	-	-	-
Arvo Commercial Corporation	28,168,158	1,338,079	(12,344,110)	-	17,162,127	-	17,162,127

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Aurora Properties, Inc.	39,622,567	728,000	(545,437)	-	39,805,130	-	39,805,130
Aviana Development Corporation	-	112,000	(112,000)	-	-	-	-
Avida Land Corporation (Conso)	(32,990,438)	31,049,144	-	-	(1,941,294)	-	(1,941,294)
Ayala Hotels Inc.	25,702	-	-	-	25,702	-	25,702
Ayala Land Inc.	2,313,340,414	390,251,050	(632,825,280)	-	2,070,766,184	-	2,070,766,184
Ayala Land International Sales, Inc.(Conso)	12,748,830	1,630,267	-	-	14,379,097	-	14,379,097
Ayala Property Management Corporation (Conso)	10,460,476	279,552	(1,117,369)	-	9,622,660	-	9,622,660
Ayala Theaters Management, Inc.	69,503	-	-	-	69,503	-	69,503
AyalaLand Estates Inc. (Conso)	226,407,445	125,084,797	(81,668,662)	-	269,823,579	-	269,823,579
AyalaLand Hotels and Resorts Corp. (Conso)	484,767	80,037,410	(78,621,170)	-	1,901,007	-	1,901,007
Ayalaland Logistics Holdings Corp. (Conso)	834,269	4,035,647	(4,291,552)	-	578,363	-	578,363
Ayalaland Malls Synergies, Inc.	242,413	-	-	-	242,413	-	242,413
AyalaLand Malls, Inc. (Conso)	-	268,524	-	-	268,524	-	268,524
AyalaLand Offices, Inc. (Conso)	-	327,264	(135,291)	-	191,973	-	191,973
Ayalaland Premier, Inc.	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	1,811,515	22,114,180	(19,886,360)	-	4,039,334	-	4,039,334
BellaVita Land Corp.	439,129,363	44,773,387	(36,566,736)	-	447,336,014	-	447,336,014
BG North Properties Inc.	-	637,064,725	-	-	637,064,725	-	637,064,725
BG South Properties, Inc.	-	3,618,771	-	-	3,618,771	-	3,618,771
BG West Properties, Inc	1,468,416,572	-	(1,468,346,052)	-	70,519	-	70,519
Cagayan De Oro Gateway Corporation	455,032,278	4,675,312	-	-	459,707,591	-	459,707,591
Capitol Central Commercial Ventures Corp.	-	8,417,775	-	-	8,417,775	-	8,417,775
CECI Realty Corp.	140,000	252,000	(250,000)	-	142,000	-	142,000
Central Bloc Hotel Ventures	-	147,840	(36,960)	-	110,880	-	110,880
Crans Montana Property Holdings Corporation	16,175	-	-	-	16,175	-	16,175
Integrated Eco-Resort Inc.	-	147,840	(12,320)	-	135,520	-	135,520
Makati Development Corporation (Conso)	18,494,808	2,861,797	(6,362,409)	-	14,994,196	-	14,994,196
North Triangle Depot Commercial Corp	12,460	-	-	-	12,460	-	12,460
Nuevocentro, Inc. (Conso)	286,132,257	382,042,160	(178,241,896)	-	489,932,521	-	489,932,521
Roxas Land Corp.	535,461	796,249	(653,153)	-	678,557	-	678,557
Serendra Inc.	131,274	-	-	-	131,274	-	131,274
Soltea Commercial Corp.	45,029,554	109,414	(45,015,540)	-	123,427	-	123,427
Station Square East Commercial Corp	420,337	-	-	-	420,337	-	420,337
Summerhill Commercial Ventures Corp.	10,180	-	-	-	10,180	-	10,180
Taft Punta Engaño Property, Inc.	-	140,000	-	-	140,000	-	140,000
Ten Knots Development Corporation(Conso)	-	591,360	(591,360)	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	1,689,369	23,347,309	(21,868,781)	-	3,167,897	-	3,167,897
Vesta Property Holdings Inc.	1,966	-	-	-	1,966	-	1,966
Subtotal	6,177,952,897	2,805,225,355	(4,262,476,766)	-	4,720,701,481	-	4,720,701,481
Amount Receivable by Ayala Hotels Inc. from related parties							
Accendo Commercial Corp	182,671,404	362,817,372	(181,946,394)	-	363,542,381	-	363,542,381
ALI Capital Corp. (Conso)	247,460,872	331,196,691	(317,933,852)	-	260,723,711	-	260,723,711
ALI Commercial Center, Inc. (Conso)	36,359,757	-	(36,359,757)	-	-	-	-
Alveo Land Corporation (Conso)	31,505,711	356,024,799	(258,090,126)	-	129,440,383	-	129,440,383
Amaia Land Corporation (Conso)	122,160,133	372,316,446	(478,103,587)	-	16,372,992	-	16,372,992
Amorsedia Development Corporation (Conso)	16,648,522	26,194,880	-	-	42,843,402	-	42,843,402
AREIT, Inc.	3,772	-	-	-	3,772	-	3,772
Arvo Commercial Corporation	105,068,249	77,310,710	(86,839,759)	-	95,539,200	-	95,539,200
Aviana Development Corporation	-	86,403,172	-	-	86,403,172	-	86,403,172
Avida Land Corporation (Conso)	2,464,484	47,697,644	(48,767,494)	-	1,394,634	-	1,394,634
Ayala Land Inc.	1,893,652,102	2,490,549,925	(3,270,163,363)	-	1,114,038,664	-	1,114,038,664
Ayala Land International Sales, Inc.(Conso)	4,500,000	-	-	-	4,500,000	-	4,500,000
Ayala Malls Zing Inc.	-	45,399,008	(30,052,039)	-	15,346,969	-	15,346,969
AyalaLand Estates Inc. (Conso)	-	247,472,119	(247,472,119)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	1,033,746,661	683,268,266	(1,000,900,839)	-	716,114,089	-	716,114,089

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Ayalaland Logistics Holdings Corp. (Conso)	57,808,154	627,425,870	-	-	685,234,024	-	685,234,024
AyalaLand Malls, Inc. (Conso)	-	115,036,002	(112,171,786)	-	2,864,217	-	2,864,217
Ayalaland Medical Facilities Leasing Inc.	-	-	-	-	-	-	-
Ayalaland Metro North, Inc.	198,822	-	-	-	198,822	-	198,822
Bay City Commercial Ventures Corp.	821,785,612	986,372,172	(1,451,495,591)	-	356,662,194	-	356,662,194
BG West Properties, Inc	140,252,227	151,337,569	(291,589,796)	-	-	-	-
Cagayan De Oro Gateway Corporation	2,753,681	2,875,521	(2,875,521)	-	2,753,681	-	2,753,681
Capitol Central Commercial Ventures Corp.	132,413,408	85,618,485	(194,844,664)	-	23,187,229	-	23,187,229
Cavite Commercial Towncenter Inc.	198,907,803	80,851,745	-	-	279,759,548	-	279,759,548
Crans Montana Property Holdings Corporation	147,870	75,721,699	-	-	75,869,569	-	75,869,569
Lagdigan Land Corporation	-	7,099,745	-	-	7,099,745	-	7,099,745
Leisure and Allied Industries Phils. Inc.	-	125,188,740	-	-	125,188,740	-	125,188,740
North Triangle Depot Commercial Corp	-	33,528,569	-	-	33,528,569	-	33,528,569
Primavera Towncentre, Inc.	49,744,661	50,919,769	(32,005,959)	-	68,658,471	-	68,658,471
Roxas Land Corp.	-	-	-	-	-	-	-
Soltea Commercial Corp.	11,610,500	21,031,828	(22,757,856)	-	9,884,472	-	9,884,472
Summerhill Commercial Ventures Corp.	695,683	-	-	-	695,683	-	695,683
Ten Knots Development Corporation(Conso)	3,046,778	45,546,395	-	-	48,593,173	-	48,593,173
Ten Knots Philippines, Inc.(Conso)	254,430,356	459,215,151	(687,529,148)	-	26,116,359	-	26,116,359
Westview Commercial Ventures Corp.	-	-	-	-	-	-	-
Subtotal	5,350,037,222	7,994,420,292	(8,751,899,650)	-	4,592,557,865	-	4,592,557,865
Amount Receivable by Ayala Land International Sales, Inc. from related parties							
ALI Capital Corp. (Conso)	3,614,760	244,134	(32,404)	-	3,826,491	-	3,826,491
Alveo Land Corporation (Conso)	67,076,949	-	(8,746,170)	-	58,330,779	-	58,330,779
Amaia Land Corporation (Conso)	102,204,688	17,959,294	-	-	120,163,982	-	120,163,982
Amorsedia Development Corporation (Conso)	(70,115)	2,635,315	-	-	2,565,200	-	2,565,200
Arvo Commercial Corporation	-	1,979,928	-	-	1,979,928	-	1,979,928
Avida Land Corporation (Conso)	127,180,611	8,036,641	(16,146,377)	-	119,070,875	-	119,070,875
Ayala Hotels Inc.	-	-	-	-	-	-	-
Ayala Land Inc.	24,549,838	33,074,237	(36,751,889)	-	20,872,186	-	20,872,186
AyalaLand Estates Inc. (Conso)	-	3,067,169	(3,915,243)	-	(848,074)	-	(848,074)
AyalaLand Hotels and Resorts Corp. (Conso)	172,666	24,196,334	-	-	24,369,000	-	24,369,000
Ayalaland Logistics Holdings Corp. (Conso)	-	13,436,954	(1,427,614)	-	12,009,339	-	12,009,339
AyalaLand Malls, Inc. (Conso)	-	10,126,189	(10,016,900)	-	109,289	-	109,289
Bay City Commercial Ventures Corp.	7,094,190	27,009,272	(10,267,890)	-	23,835,572	-	23,835,572
BellaVita Land Corp.	1,708,007	-	(157,463)	-	1,550,544	-	1,550,544
BG West Properties, Inc	-	-	-	-	-	-	-
Capitol Central Commercial Ventures Corp.	15,142,943	30,978,854	(35,835,459)	-	10,286,338	-	10,286,338
Crans Montana Property Holdings Corporation	15,200	40,018,661	-	-	40,033,860	-	40,033,860
North Triangle Depot Commercial Corp	10,408,190	125,417	(10,288,021)	-	245,586	-	245,586
Nuevocentro, Inc. (Conso)	6,551,233	331,106	-	-	6,882,339	-	6,882,339
Primavera Towncentre, Inc.	1,018,268	3,572,461	(2,020,573)	-	2,570,155	-	2,570,155
Serendra Inc.	-	-	-	-	-	-	-
Ten Knots Development Corporation(Conso)	-	2,004,256	-	-	2,004,256	-	2,004,256
Ten Knots Philippines, Inc.(Conso)	28,329,224	12,656,062	(13,874,596)	-	27,110,690	-	27,110,690
Subtotal	394,996,652	231,452,284	(149,480,599)	-	476,968,335	-	476,968,335
Amount Receivable by Ayala Land Sales Inc. from related parties							
Accendo Commercial Corp	8,560,810	-	(8,560,810)	-	-	-	-
Alveo Land Corporation (Conso)	501,850	-	(501,850)	-	-	-	-
Amaia Land Corporation (Conso)	439,291	-	(439,291)	-	-	-	-
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
AREIT, Inc.	465	-	(465)	-	-	-	-
Arvo Commercial Corporation	2,267,349	-	(2,267,349)	-	-	-	-
Avida Land Corporation (Conso)	1,131,287	-	(1,131,287)	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Ayala Land Inc.	(2,975,703)	2,975,703	-	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	50,722,796	-	(50,722,796)	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	5,200,076	-	(5,200,076)	-	-	-	-
Ayalaland Premier, Inc.	6,322	-	(6,322)	-	-	-	-
Bay City Commercial Ventures Corp.	28,533,808	-	(28,533,808)	-	-	-	-
BellaVita Land Corp.	52,832	-	(52,832)	-	-	-	-
Cavite Commercial Towncenter Inc.	10,233,439	-	(10,233,439)	-	-	-	-
North Triangle Depot Commercial Corp	5,143,201	-	(5,143,201)	-	-	-	-
Soltea Commercial Corp.	29,788,079	-	(29,788,079)	-	-	-	-
Summerhill Commercial Ventures Corp.	214,743	-	(214,743)	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	12,958,473	-	(12,958,473)	-	-	-	-
Subtotal	152,779,118	2,975,703	(155,754,821)	-	-	-	-
Amount Receivable by Ayala Land-Tagle Property Inc. from related parties							
Subtotal	-	-	-	-	-	-	-
Amount Receivable by Ayala Malls Zing Inc. from related parties							
AyalaLand Malls, Inc. (Conso)	-	22,162,574	-	-	22,162,574	-	22,162,574
North Eastern Commercial Corp.	-	-	-	-	-	-	-
Subtotal	-	22,162,574	-	-	22,162,574	-	22,162,574
Amount Receivable by Ayala Property Management Corporation from related parties							
Accendo Commercial Corp	24,557,404	20,095,256	(8,217,916)	-	36,434,744	-	36,434,744
Adauge Commercial Corp.	150,091	315,191	(150,091)	-	315,190	-	315,190
Alabang Commercial Corporation (Conso)	591,385	473,977	(914,863)	-	150,500	-	150,500
ALI Capital Corp. (Conso)	86,492	12,992,667	-	-	13,079,159	-	13,079,159
ALI Commercial Center, Inc. (Conso)	91,464,345	-	(91,464,345)	-	-	-	-
ALI-CII Development Corporation	54,233	226,596	(264,029)	-	16,800	-	16,800
Alveo Land Corporation (Conso)	38,670,436	380,841,294	(379,472,811)	-	40,038,919	-	40,038,919
Amaia Land Corporation (Conso)	51,296,731	69,663,754	(104,053,984)	-	16,906,501	-	16,906,501
Amorsedia Development Corporation (Conso)	11,199,714	7,292,756	(3,343,069)	-	15,149,401	-	15,149,401
APRISA Business Process Solutions, Inc	2,961,607	2,533,000	(5,494,607)	-	-	-	-
AREIT, Inc.	2,992,177	72,366,209	(61,636,761)	-	13,721,625	-	13,721,625
Arvo Commercial Corporation	195,006	1,302,098	(1,185,263)	-	311,840	-	311,840
Aurora Properties, Inc.	356,081	4,670,177	(4,650,018)	-	376,240	-	376,240
Aviana Development Corporation	5,109,311	16,722,630	(15,914,964)	-	5,916,977	-	5,916,977
Avida Land Corporation (Conso)	41,665,017	288,248,922	(288,506,760)	-	41,407,179	-	41,407,179
Ayala Hotels Inc.	-	2,540,413	(2,540,413)	-	-	-	-
Ayala Land Inc.	40,596,675	775,451,878	(674,557,239)	-	141,491,314	-	141,491,314
Ayala Land Sales Inc.	300	-	(300)	-	-	-	-
Ayala Property Management Corporation (Conso)	61,255	-	-	-	61,255	-	61,255
AyalaLand Estates Inc. (Conso)	3,362,550	39,646,347	(42,117,871)	-	891,025	-	891,025
AyalaLand Hotels and Resorts Corp. (Conso)	380,608,040	133,276,086	(406,349,682)	-	107,534,445	-	107,534,445
Ayalaland Logistics Holdings Corp. (Conso)	100,540,677	166,042,853	(141,911,234)	-	124,672,296	-	124,672,296
AyalaLand Malls, Inc. (Conso)	3,792,539	-	(3,792,539)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	106,363,162	(40,311,523)	-	66,051,639	-	66,051,639
Ayalaland Metro North, Inc.	-	1,099,816	(1,015,816)	-	84,000	-	84,000
AyalaLand Offices, Inc. (Conso)	4,844,380	30,326,877	(32,578,064)	-	2,593,193	-	2,593,193
Ayalaland Premier, Inc.	193,498	-	(193,198)	-	300	-	300
Bay City Commercial Ventures Corp.	84,675,932	293,550,576	(141,566,457)	-	236,660,050	-	236,660,050
BG North Properties Inc.	-	2,130,245	(279,045)	-	1,851,200	-	1,851,200
BG South Properties, Inc.	-	3,562,741	-	-	3,562,741	-	3,562,741
BG West Properties, Inc	1,669,356	12,133,898	(9,622,476)	-	4,180,778	-	4,180,778
Cagayan De Oro Gateway Corporation	574,409	4,203,015	(1,224,019)	-	3,553,404	-	3,553,404
Capitol Central Commercial Ventures Corp.	-	590,106	(590,106)	-	-	-	-
Cavite Commercial Towncenter Inc.	38,381,031	81,564,725	-	-	119,945,756	-	119,945,756

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
CECI Realty Corp.	622,511	8,119,477	(7,317,847)	-	1,424,141	-	1,424,141
Crans Montana Property Holdings Corporation	276,864	20,152,322	-	-	20,429,186	-	20,429,186
Hillsford Property Corporation	827,317	93,341	(827,317)	-	93,341	-	93,341
Makati Cornerstone Leasing Corp.	122,265	11,956,939	(10,506,695)	-	1,572,509	-	1,572,509
Makati Development Corporation (Conso)	2,576,283	8,388,496	(10,129,750)	-	835,030	-	835,030
North Eastern Commercial Corp.	971,259	2,578,274	(2,741,664)	-	807,869	-	807,869
North Triangle Depot Commercial Corp	9,860,924	11,353,269	(21,059,891)	-	154,302	-	154,302
North Ventures Commercial Corp.	12,490,965	1,099,898	(548,315)	-	13,042,548	-	13,042,548
NorthBeacon Commercial Corporation	-	841,103	(379,915)	-	461,188	-	461,188
Nuevocentro, Inc. (Conso)	12,934,266	38,666,644	(26,745,625)	-	24,855,284	-	24,855,284
Philippine Integrated Energy Solutions, Inc.	111,023,189	-	-	-	111,023,189	-	111,023,189
Roxas Land Corp.	765,610	-	-	-	765,610	-	765,610
Serendra Inc.	24,418,418	9,089,420	-	-	33,507,838	-	33,507,838
Soltea Commercial Corp.	65,954,363	5,430,935	(6,882,847)	-	64,502,451	-	64,502,451
Southportal Properties, Inc.	(1,259,430)	420,000	-	-	(839,430)	-	(839,430)
Station Square East Commercial Corp	-	1,099,816	(1,043,816)	-	56,000	-	56,000
Subic Bay Town Center Inc.	-	1,275,403	(681,434)	-	593,970	-	593,970
Summerhill Commercial Ventures Corp.	-	1,047,765	(991,765)	-	56,000	-	56,000
Sunnyfield E-Office Corp	-	1,848,330	(1,710,805)	-	137,525	-	137,525
Taft Punta Engaño Property, Inc.	-	1,142,400	(1,142,400)	-	-	-	-
Ten Knots Development Corporation(Conso)	220,590	10,292,638	-	-	10,513,228	-	10,513,228
Ten Knots Philippines, Inc.(Conso)	25,423,614	31,179,665	(32,003,256)	-	24,600,022	-	24,600,022
Vesta Property Holdings Inc.	473,704	5,959,884	(5,897,478)	-	536,110	-	536,110
Westview Commercial Ventures Corp.	175,711	236,393	(236,393)	-	175,711	-	175,711
Subtotal	1,198,529,095	2,702,499,677	(2,594,766,676)	-	1,306,262,093	-	1,306,262,093
Amount Receivable by Ayala Theaters Management, Inc. from related parties							
ALI Commercial Center, Inc. (Conso)	3,996	-	(3,996)	-	-	-	-
Arvo Commercial Corporation	46,592	93,184	(139,776)	-	-	-	-
Ayala Land Inc.	-	19,902,204	(19,902,204)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	6,993	-	(6,993)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	845,407	(739,019)	-	106,388	-	106,388
Ayalaland Metro North, Inc.	45,640	91,280	(136,920)	-	-	-	-
Bay City Commercial Ventures Corp.	-	221,088	(221,088)	-	-	-	-
Capitol Central Commercial Ventures Corp.	104,720	104,720	(209,440)	-	-	-	-
FIVE STAR Cinema Inc.	-	48,272	(48,272)	-	-	-	-
Makati Cornerstone Leasing Corp.	115,480	116,480	(232,960)	-	(1,000)	-	(1,000)
North Eastern Commercial Corp.	36,064	299,936	(336,000)	-	-	-	-
North Triangle Depot Commercial Corp	-	14,598,664	(14,598,664)	-	-	-	-
North Ventures Commercial Corp.	179,984	179,984	(359,968)	-	-	-	-
NorthBeacon Commercial Corporation	-	88,928	(88,928)	-	-	-	-
Subic Bay Town Center Inc.	-	103,376	(103,376)	-	-	-	-
Summerhill Commercial Ventures Corp.	-	89,600	(89,600)	-	-	-	-
Subtotal	539,469	36,783,123	(37,217,204)	-	105,388	-	105,388
Amount Receivable by AyalaLand Club Management, Inc. from related parties							
Anvaya Cove Beach and Nature Club Inc	3,040,897	-	(3,040,897)	-	-	-	-
Anvaya Cove Golf and Sports Club Inc.	1,548,093	-	(1,548,093)	-	-	-	-
APRISA Business Process Solutions, Inc	4,500	-	(4,500)	-	-	-	-
Ayala Land Inc.	231,823	-	(231,823)	-	-	-	-
Ayala Land Sales Inc.	84,000	-	(84,000)	-	-	-	-
AyalaLand Estates Inc. (Conso)	73,500	-	(73,500)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	500	-	(500)	-	-	-	-
AyalaLand Offices, Inc. (Conso)	1,500	-	(1,500)	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Ayalaland Premier, Inc.	319,500	-	(319,500)	-	-	-	-
Verde Golf Development Corporation	-	-	-	-	-	-	-
Subtotal	5,304,313	-	(5,304,313)	-	-	-	-
Amount Receivable by AyalaLand Estates Inc. from related parties							
Accendo Commercial Corp	7,237	58,270	-	-	65,507	-	65,507
Adauge Commercial Corp.	-	1,400	-	-	1,400	-	1,400
ALI Capital Corp. (Conso)	175,615	-	-	-	175,615	-	175,615
ALI Commercial Center, Inc. (Conso)	311,433	-	(311,433)	-	-	-	-
Altaraza Development Corporation	8,414	-	-	-	8,414	-	8,414
Altaraza Prime Realty Corporation	10	-	(10)	-	-	-	-
Alveo Land Corporation (Conso)	-	280,000	-	-	280,000	-	280,000
Amaia Land Corporation (Conso)	21,812	-	-	-	21,812	-	21,812
Amorsedia Development Corporation (Conso)	5,902,947	570,719	-	-	6,473,666	-	6,473,666
Arca South Integrated Terminal, Inc	2,242,825	7,264	-	-	2,250,089	-	2,250,089
Arvo Commercial Corporation	1,901,922	-	-	-	1,901,922	-	1,901,922
Aurora Properties, Inc.	10	-	-	-	10	-	10
Aviana Development Corporation	3,726	82,238	-	-	85,964	-	85,964
Avida Land Corporation (Conso)	15,032	300,000	-	-	315,032	-	315,032
Ayala Land Inc.	4,858,330	44,500,838	(43,367,899)	-	5,991,269	-	5,991,269
Ayala Property Management Corporation (Conso)	-	-	-	-	-	-	-
AyalaLand Estates Inc. (Conso)	2,028,943	-	-	-	2,028,943	-	2,028,943
AyalaLand Hotels and Resorts Corp. (Conso)	817,730	20,703	-	-	838,433	-	838,433
Ayalaland Logistics Holdings Corp. (Conso)	40,891	12,288	-	-	53,179	-	53,179
AyalaLand Malls, Inc. (Conso)	-	311,433	-	-	311,433	-	311,433
Bay City Commercial Ventures Corp.	467,009	-	-	-	467,009	-	467,009
Cagayan De Oro Gateway Corporation	276,823	-	-	-	276,823	-	276,823
CECI Realty Corp.	92,668	4,060,903	-	-	4,153,571	-	4,153,571
Crans Montana Property Holdings Corporation	158,633	26,966,676	(26,966,676)	-	158,633	-	158,633
Lagdigan Land Corporation	10,852	14,368	-	-	25,220	-	25,220
Makati Development Corporation (Conso)	507,285	570,481	-	-	1,077,766	-	1,077,766
North Eastern Commercial Corp.	51,507,486	16,926,806	(46,879,506)	-	21,554,786	-	21,554,786
Nuevocentro, Inc. (Conso)	8,485	4,310,458	-	-	4,318,943	-	4,318,943
Vesta Property Holdings Inc.	10	-	-	-	10	-	10
Subtotal	**71,366,128**	**98,994,845**	**(117,525,524)**	**-**	**52,835,449**	**-**	**52,835,449**
Amount Receivable by AyalaLand Hotels and Resorts Corp. from related parties							
Accendo Commercial Corp	7,000,000	-	(7,000,000)	-	-	-	-
ALI Capital Corp. (Conso)	423,195	10,105,125	(9,966,373)	-	561,946	-	561,946
ALI Commercial Center, Inc. (Conso)	-	-	-	-	-	-	-
ALI-CII Development Corporation	-	-	-	-	-	-	-
Alveo Land Corporation (Conso)	-	5,991,437	-	-	5,991,437	-	5,991,437
Amaia Land Corporation (Conso)	(2,811)	35,006,304	-	-	35,003,493	-	35,003,493
AREIT, Inc.	-	-	-	-	-	-	-
Arvo Commercial Corporation	-	2,508,052	(2,501,078)	-	6,974	-	6,974
Aviana Development Corporation	-	-	-	-	-	-	-
Avida Land Corporation (Conso)	53,771	81,196	-	-	134,967	-	134,967
Ayala Hotels Inc.	362	2,300	-	-	2,662	-	2,662
Ayala Land Inc.	25,180,321	167,784,251	-	-	192,964,572	-	192,964,572
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Property Management Corporation (Conso)	370,404	-	-	-	370,404	-	370,404
AyalaLand Estates Inc. (Conso)	-	-	-	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	32,915,148	5,000,000	(482,529,943)	-	(444,614,795)	-	(444,614,795)
Ayalaland Logistics Holdings Corp. (Conso)	423,195	24,223,000	-	-	24,646,195	-	24,646,195
Ayalaland Malls Synergies, Inc.	-	-	-	-	-	-	-
AyalaLand Malls, Inc. (Conso)	419,040	-	(419,040)	-	-	-	-

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AyalaLand Malls, Inc. (Conso)	-	419,040	-	-	419,040	-	419,040
AyalaLand Offices, Inc. (Conso)	422,070	-	-	-	422,070	-	422,070
Ayalaland Premier, Inc.	-	125,736	(125,736)	-	-	-	-
Bay City Commercial Ventures Corp.	(973,563)	10,000,000	(8,984,238)	-	42,199	-	42,199
BellaVita Land Corp.	427	-	-	-	427	-	427
BG West Properties, Inc	-	-	-	-	-	-	-
Cagayan De Oro Gateway Corporation	-	-	-	-	-	-	-
Capitol Central Commercial Ventures Corp.	-	-	-	-	-	-	-
Central Bloc Hotel Ventures	18,518,430	33,819,787	(5,538,708)	-	46,799,509	-	46,799,509
Crans Montana Property Holdings Corporation	-	10,627,000	-	-	10,627,000	-	10,627,000
Direct Power Services Inc.	-	-	-	-	-	-	-
Integrated Eco-Resort Inc.	29,568	-	-	-	29,568	-	29,568
Lagdigan Land Corporation	-	-	-	-	-	-	-
Makati Development Corporation (Conso)	4,553	2,468,434	-	-	2,472,986	-	2,472,986
North Triangle Depot Commercial Corp	(5,370,696)	11,000,000	-	-	5,629,304	-	5,629,304
Southportal Properties, Inc.	-	-	-	-	-	-	-
Ten Knots Development Corporation(Conso)	2,114,695	10,431,885	(3,117,803)	-	9,428,777	-	9,428,777
Ten Knots Philippines, Inc.(Conso)	50,620	29,781,388	(29,750,041)	-	81,966	-	81,966
Vesta Property Holdings Inc.	-	11,536	-	-	11,536	-	11,536
Subtotal	81,578,729	359,386,471	(549,932,960)	-	(108,967,763)	-	(108,967,763)
Amount Receivable by Ayalaland Logistics Holdings Corp. from related parties							
Accendo Commercial Corp	16,047,952	10,102,601	-	-	26,150,554	-	26,150,554
Alabang Commercial Corporation (Conso)	35,390	-	(35,390)	-	-	-	-
ALI Capital Corp. (Conso)	37,695,007	468,910	(25,078,874)	-	13,085,043	-	13,085,043
ALI Commercial Center, Inc. (Conso)	87,635,776	-	(87,635,776)	-	-	-	-
Alveo Land Corporation (Conso)	14,160	76,068,792	-	-	76,082,953	-	76,082,953
Amaia Land Corporation (Conso)	53,453,656	18,137,724	(71,333,035)	-	258,345	-	258,345
Amorsedia Development Corporation (Conso)	84,263	38,764,663	-	-	38,848,926	-	38,848,926
APRISA Business Process Solutions, Inc	-	111,220	-	-	111,220	-	111,220
Arvo Commercial Corporation	28,265,720	41,002,642	(48,741,953)	-	20,526,410	-	20,526,410
Avida Land Corporation (Conso)	3,232,493	21,533,177	(18,423,520)	-	6,342,150	-	6,342,150
Ayala Land Inc.	130,474,050	400,977,788	(400,981,000)	-	130,470,838	-	130,470,838
Ayala Property Management Corporation (Conso)	1,233	-	-	-	1,233	-	1,233
AyalaLand Estates Inc. (Conso)	-	18,763,779	(18,448,940)	-	314,839	-	314,839
AyalaLand Hotels and Resorts Corp. (Conso)	9,080,814	202,004,864	(114,128,602)	-	96,957,076	-	96,957,076
Ayalaland Logistics Holdings Corp. (Conso)	-	581,060,000	(790,870,859)	-	(209,810,859)	-	(209,810,859)
Ayalaland Malls Synergies, Inc.	269,522	2	-	-	269,524	-	269,524
AyalaLand Malls, Inc. (Conso)	-	18,972,348	(13,219,353)	-	5,752,995	-	5,752,995
Ayalaland Metro North, Inc.	3,408,394	3,360	-	-	3,411,754	-	3,411,754
Bay City Commercial Ventures Corp.	111,716,072	93,920,097	-	-	205,636,168	-	205,636,168
BellaVita Land Corp.	-	-	-	-	-	-	-
Cagayan De Oro Gateway Corporation	134,953	-	(28,376)	-	106,576	-	106,576
Capitol Central Commercial Ventures Corp.	3,753,774	20,124,187	(6,366,723)	-	17,511,238	-	17,511,238
Cavite Commercial Towncenter Inc.	17,141,204	81,714,044	(97,523,653)	-	1,331,595	-	1,331,595
Crans Montana Property Holdings Corporation	4,608	-	-	-	4,608	-	4,608
Leisure and Allied Industries Phils. Inc.	(50,600)	-	-	-	(50,600)	-	(50,600)
Makati Cornerstone Leasing Corp.	-	1,003,310	(1,000,443)	-	2,867	-	2,867
Makati Development Corporation (Conso)	4,699,310	-	(1,654,405)	-	3,044,904	-	3,044,904
North Eastern Commercial Corp.	90,580	-	-	-	90,580	-	90,580
North Triangle Depot Commercial Corp	601,164	60,431,601	(60,634,054)	-	398,711	-	398,711
North Ventures Commercial Corp.	274,320	-	-	-	274,320	-	274,320
Nuevocentro, Inc. (Conso)	4,139,057	8,540,578	(8,505,435)	-	4,174,200	-	4,174,200
Primavera Towncentre, Inc.	50,502,605	151,151,061	(143,538,763)	-	58,114,903	-	58,114,903
Soltea Commercial Corp.	3,799,105	32,567	(3,088,544)	-	743,129	-	743,129
Station Square East Commercial Corp	1,687,120	10,150	-	-	1,697,270	-	1,697,270

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Summerhill Commercial Ventures Corp.	51,726	-	-	-	51,726	-	51,726
Ten Knots Development Corporation(Conso)	8,092,258	5,188,912	-	-	13,281,170	-	13,281,170
Ten Knots Philippines, Inc.(Conso)	(219,942)	49,937,577	(38,909,710)	-	10,807,925	-	10,807,925
Subtotal	576,115,744	1,900,025,954	(1,950,147,408)	-	525,994,291	-	525,994,291
Amount Receivable by Ayalaland Malls Synergies, Inc. from related parties							
ALI Commercial Center, Inc. (Conso)	19,252,657	-	(19,252,657)	-	-	-	-
Alveo Land Corporation (Conso)	-	24,257,334	(24,257,334)	-	-	-	-
AREIT Fund Manager, Inc.	345	-	-	-	345	-	345
Ayala Land Inc.	-	22,091,056	(22,091,056)	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	6,262,805	-	(9,240)	-	6,253,565	-	6,253,565
AyalaLand Malls, Inc. (Conso)	-	656,766	-	-	656,766	-	656,766
Bay City Commercial Ventures Corp.	5,355,795	24,895,328	-	-	30,251,123	-	30,251,123
North Eastern Commercial Corp.	29,864	-	-	-	29,864	-	29,864
Soltea Commercial Corp.	4,155,583	4,099,892	(8,143,085)	-	112,390	-	112,390
Ten Knots Philippines, Inc.(Conso)	8,263,041	556,160	(464,939)	-	8,354,262	-	8,354,262
Subtotal	43,320,090	76,556,536	(74,218,311)	-	45,658,315	-	45,658,315
Amount Receivable by AyalaLand Malls, Inc. from related parties							
Accendo Commercial Corp	582,168	-	(582,168)	-	-	-	-
Adauge Commercial Corp.	391,583	-	(391,583)	-	-	-	-
Alabang Commercial Corporation (Conso)	1,804,159	-	(1,804,159)	-	-	-	-
ALI Capital Corp. (Conso)	947,784	-	(947,784)	-	-	-	-
ALI Commercial Center, Inc. (Conso)	16,101,571	-	(16,101,571)	-	-	-	-
Amaia Land Corporation (Conso)	(29,000,000)	29,000,000	-	-	-	-	-
AREIT, Inc.	1,822,698	-	(1,822,698)	-	-	-	-
Arvo Commercial Corporation	6,692,431	-	(6,692,431)	-	-	-	-
Avida Land Corporation (Conso)	(6,000,000)	6,000,000	-	-	-	-	-
Ayala Land Inc.	12,250,119	-	(12,250,119)	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	1,448,491	-	(1,448,491)	-	-	-	-
Ayalaland Malls Synergies, Inc.	239,473	-	(239,473)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	6,936,644	-	(6,936,644)	-	-	-	-
Ayalaland Metro North, Inc.	1,701,679	-	(1,701,679)	-	-	-	-
Bay City Commercial Ventures Corp.	10,547,432	-	(10,547,432)	-	-	-	-
Cagayan De Oro Gateway Corporation	1,249,181	-	(1,249,181)	-	-	-	-
Capitol Central Commercial Ventures Corp.	1,914,348	-	(1,914,348)	-	-	-	-
Cavite Commercial Towncenter Inc.	3,001,719	-	(3,001,719)	-	-	-	-
Makati Cornerstone Leasing Corp.	5,213,932	-	(5,213,932)	-	-	-	-
North Eastern Commercial Corp.	6,668,708	-	(6,668,708)	-	-	-	-
North Triangle Depot Commercial Corp	2,272,041	-	(2,272,041)	-	-	-	-
North Ventures Commercial Corp.	9,808,566	-	(9,808,566)	-	-	-	-
NorthBeacon Commercial Corporation	24,273	-	(24,273)	-	-	-	-
Nuevocentro, Inc. (Conso)	2,415	-	(2,415)	-	-	-	-
Primavera Towncentre, Inc.	282,887	-	(282,887)	-	-	-	-
Soltea Commercial Corp.	1,574,090	-	(1,574,090)	-	-	-	-
Station Square East Commercial Corp	3,431,098	-	(3,431,098)	-	-	-	-
Subic Bay Town Center Inc.	1,352,199	-	(1,352,199)	-	-	-	-
Summerhill Commercial Ventures Corp.	2,741,866	-	(2,741,866)	-	-	-	-
Westview Commercial Ventures Corp.	108,762	-	(108,762)	-	-	-	-
Subtotal	66,112,317	35,000,000	(101,112,317)	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Ayalaland Medical Facilities Leasing Inc. from related parties							
Avida Land Corporation (Conso)	15,958	3,019,279	(3,019,279)	-	15,958	-	15,958
Ayala Land Inc.	(478,272)	3,011,786	-	-	2,533,514	-	2,533,514
Bay City Commercial Ventures Corp.	1,227,692	-	-	-	1,227,692	-	1,227,692
Whiteknight Holdings, Inc.	291	-	-	-	291	-	291
Subtotal	765,669	6,031,065	(3,019,279)	-	3,777,455	-	3,777,455
Amount Receivable by Ayalaland Metro North, Inc. from related parties							
Accendo Commercial Corp	12,092,148	16,884,001	-	-	28,976,149	-	28,976,149
Alabang Commercial Corporation (Conso)	-	1,814	(194)	-	1,620	-	1,620
ALI Capital Corp. (Conso)	12,501	74,781,824	(72,432,716)	-	2,361,610	-	2,361,610
ALI Commercial Center, Inc. (Conso)	13,176,573	-	(13,176,573)	-	-	-	-
Alveo Land Corporation (Conso)	(51,825,108)	116,406,033	(121,405,952)	-	(56,825,027)	-	(56,825,027)
Amaia Land Corporation (Conso)	79,258	60,312,139	(60,041,804)	-	349,592	-	349,592
Amorsedia Development Corporation (Conso)	4,823	44,793,854	(5,233,093)	-	39,565,584	-	39,565,584
AREIT, Inc.	808	-	-	-	808	-	808
Arvo Commercial Corporation	3,670,877	6,106,058	(7,013,652)	-	2,763,283	-	2,763,283
Avida Land Corporation (Conso)	-	10,040,700	(10,005,451)	-	35,249	-	35,249
Ayala Land Inc.	1,499,082	399,173,964	(398,585,439)	-	2,087,607	-	2,087,607
Ayala Malls Zing Inc.	-	73,630	-	-	73,630	-	73,630
AyalaLand Estates Inc. (Conso)	75,714	33,235,108	(33,031,488)	-	279,335	-	279,335
AyalaLand Hotels and Resorts Corp. (Conso)	32,031,264	34,190,574	(61,785,196)	-	4,436,642	-	4,436,642
Ayalaland Logistics Holdings Corp. (Conso)	15,225,661	67,362,231	-	-	82,587,892	-	82,587,892
AyalaLand Malls, Inc. (Conso)	-	21,439,842	(20,080,808)	-	1,359,034	-	1,359,034
Bay City Commercial Ventures Corp.	177,995,003	110,732,307	(156,761,512)	-	131,965,797	-	131,965,797
Cagayan De Oro Gateway Corporation	47,954	504	-	-	48,458	-	48,458
Capitol Central Commercial Ventures Corp.	15,266,173	916,546	(8,643,664)	-	7,539,056	-	7,539,056
Cavite Commercial Towncenter Inc.	34,585,169	723,265	(14,382,168)	-	20,926,266	-	20,926,266
Crans Montana Property Holdings Corporation	-	117,028,590	(116,917,222)	-	111,368	-	111,368
Leisure and Allied Industries Phils. Inc.	-	24,797	(24,797)	-	-	-	-
Makati Cornerstone Leasing Corp.	-	560	(60)	-	500	-	500
North Eastern Commercial Corp.	56,946	3,097	-	-	60,043	-	60,043
North Triangle Depot Commercial Corp	1,586	11,480	(1,230)	-	11,836	-	11,836
North Ventures Commercial Corp.	1,250	1,120	(120)	-	2,250	-	2,250
NorthBeacon Commercial Corporation	1,581	-	-	-	1,581	-	1,581
Primavera Towncentre, Inc.	-	6,133,104	-	-	6,133,104	-	6,133,104
Soltea Commercial Corp.	10,078,200	4,483,418	(10,065,559)	-	4,496,059	-	4,496,059
Station Square East Commercial Corp	34,256	14,137	-	-	48,393	-	48,393
Subic Bay Town Center Inc.	220	-	(220)	-	-	-	-
Summerhill Commercial Ventures Corp.	5,136	6,413	-	-	11,548	-	11,548
Ten Knots Development Corporation(Conso)	-	7,127,294	-	-	7,127,294	-	7,127,294
Ten Knots Philippines, Inc.(Conso)	32,199,439	851,182	(9,467,222)	-	23,583,400	-	23,583,400
Subtotal	296,316,514	1,132,859,586	(1,119,056,140)	-	310,119,961	-	310,119,961
Amount Receivable by AyalaLand Offices, Inc. from related parties							
Accendo Commercial Corp	132,963,556	86,631,900	-	-	219,595,456	-	219,595,456
Alabang Commercial Corporation (Conso)	332,837	-	-	-	332,837	-	332,837
ALI Capital Corp. (Conso)	189,543,921	125,914,942	-	-	315,458,863	-	315,458,863
ALI Commercial Center, Inc. (Conso)	205,873,053	-	(205,873,053)	-	-	-	-
ALO Prime Realty Corporation	3,021,761	850	-	-	3,022,611	-	3,022,611
Alveo Land Corporation (Conso)	94,633,463	319,923,348	(111,181,805)	-	303,375,006	-	303,375,006
Amaia Land Corporation (Conso)	139,705,362	229,339,283	(364,438,955)	-	4,605,691	-	4,605,691
Amorsedia Development Corporation (Conso)	1,758	76,479,526	-	-	76,481,284	-	76,481,284
AREIT, Inc.	7,495,152	3,947,272	-	-	11,442,424	-	11,442,424
Arvo Commercial Corporation	315,117,182	386,803,022	(428,986,408)	-	272,933,796	-	272,933,796

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Aviana Development Corporation	-	22,356,953	(21,107,351)	-	1,249,603	-	1,249,603
Avida Land Corporation (Conso)	8,911,805	241,246,363	(226,243,834)	-	23,914,334	-	23,914,334
Ayala Land Inc.	21,552,995	1,768,569,627	(1,685,939,928)	-	104,182,694	-	104,182,694
Ayala Land International Sales, Inc.(Conso)	40,320	-	-	-	40,320	-	40,320
Ayala Land Sales Inc.	11,330	-	(11,330)	-	-	-	-
Ayala Property Management Corporation (Conso)	120,156	10,731,195	-	-	10,851,351	-	10,851,351
AyalaLand Estates Inc. (Conso)	5,632,960	160,100,590	(160,608,873)	-	5,124,677	-	5,124,677
AyalaLand Hotels and Resorts Corp. (Conso)	1,016,147,063	246,770,866	(51,287,448)	-	1,211,630,482	-	1,211,630,482
Ayalaland Logistics Holdings Corp. (Conso)	408,651,406	1,137,934,478	-	-	1,546,585,885	-	1,546,585,885
AyalaLand Malls, Inc. (Conso)	-	170,877,857	(163,514,953)	-	7,362,904	-	7,362,904
Ayalaland Medical Facilities Leasing Inc.	-	-	-	-	-	-	-
Ayalaland Metro North, Inc.	320,731	1,627	-	-	322,358	-	322,358
AyalaLand Offices, Inc. (Conso)	169,951,387	214,800,074	-	-	384,751,460	-	384,751,460
Ayalaland Premier, Inc.	-	11,330	-	-	11,330	-	11,330
Bay City Commercial Ventures Corp.	1,855,092,774	1,159,926,691	(1,022,457,258)	-	1,992,562,206	-	1,992,562,206
BellaVita Land Corp.	92,091	-	-	-	92,091	-	92,091
Cagayan De Oro Gateway Corporation	31,352,136	971,950	(32,235,774)	-	88,312	-	88,312
Capitol Central Commercial Ventures Corp.	458,328,573	38,474,380	(110,221,099)	-	386,581,854	-	386,581,854
Cavite Commercial Towncenter Inc.	109,118,970	315,309,797	-	-	424,428,767	-	424,428,767
CECI Realty Corp.	4,905,774	-	-	-	4,905,774	-	4,905,774
Crans Montana Property Holdings Corporation	39,740,699	196,962,561	-	-	236,703,260	-	236,703,260
Direct Power Services Inc.	28,234	145,417	-	-	173,651	-	173,651
Hillsford Property Corporation	95,996	162,082	-	-	258,078	-	258,078
Leisure and Allied Industries Phils. Inc.	-	11,084,920	(11,011,373)	-	73,547	-	73,547
Makati Cornerstone Leasing Corp.	3,604,136	-	(61,247)	-	3,542,890	-	3,542,890
Makati Development Corporation (Conso)	560,464	-	-	-	560,464	-	560,464
North Eastern Commercial Corp.	3,628,823	365,764	-	-	3,994,586	-	3,994,586
North Triangle Depot Commercial Corp	148,332,044	65,401,538	(206,487,203)	-	7,246,379	-	7,246,379
North Ventures Commercial Corp.	343,672	178,391	-	-	522,063	-	522,063
Nuevocentro, Inc. (Conso)	527,126	896,490	-	-	1,423,617	-	1,423,617
Primavera Towncentre, Inc.	10,297,360	26,800,176	-	-	37,097,535	-	37,097,535
Red Creek Properties, Inc.	-	20,125,536	-	-	20,125,536	-	20,125,536
Soltea Commercial Corp.	103,658,132	16,908,695	(48,845,306)	-	71,721,521	-	71,721,521
Sunnyfield E-Office Corp	3,877,369	-	(354,081)	-	3,523,288	-	3,523,288
Ten Knots Development Corporation(Conso)	76,757,896	3,738,567	(34,361,505)	-	46,134,958	-	46,134,958
Ten Knots Philippines, Inc.(Conso)	401,822,297	382,670,868	(601,357,369)	-	183,135,796	-	183,135,796
Westview Commercial Ventures Corp.	336,073,299	151,528,405	(187,433,106)	-	300,168,597	-	300,168,597
Subtotal	6,308,266,063	7,594,093,331	(5,674,019,259)	-	8,228,340,136	-	8,228,340,136
Amount Receivable by Ayalaland Premier, Inc. from related parties							
Accendo Commercial Corp	3,053,210	12,728,502	(12,247,544)	-	3,534,168	-	3,534,168
AKL Properties Inc.	-	4,717,534	-	-	4,717,534	-	4,717,534
ALI Capital Corp. (Conso)	-	10,137,823	-	-	10,137,823	-	10,137,823
ALI Commercial Center, Inc. (Conso)	5,063,069	-	(5,063,069)	-	-	-	-
Alveo Land Corporation (Conso)	-	344,970	-	-	344,970	-	344,970
Amaia Land Corporation (Conso)	6,592	30,030,322	(29,702,600)	-	334,314	-	334,314
Amorsedia Development Corporation (Conso)	13,882,456	18,779,678	(1,815,729)	-	30,846,405	-	30,846,405
Anvaya Cove Beach and Nature Club Inc	-	5,295,396	-	-	5,295,396	-	5,295,396
Anvaya Cove Golf and Sports Club Inc.	-	7,887,591	-	-	7,887,591	-	7,887,591
APRISA Business Process Solutions, Inc	-	4,500	-	-	4,500	-	4,500
AREIT, Inc.	-	1,055,737	-	-	1,055,737	-	1,055,737
Arvo Commercial Corporation	-	3,075,548	(631,718)	-	2,443,830	-	2,443,830
Aviana Development Corporation	-	5,009,194	(4,985,305)	-	23,889	-	23,889
Avida Land Corporation (Conso)	-	18,579,249	(3,962,668)	-	14,616,580	-	14,616,580
Ayala Land Inc.	29,370,026	421,416,235	(323,243,217)	-	127,543,045	-	127,543,045
Ayala Land-Tagle Property Inc.	-	92,763,814	-	-	92,763,814	-	92,763,814

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Ayala Property Management Corporation (Conso)	176,551	-	-	-	176,551	-	176,551
AyalaLand Estates Inc. (Conso)	-	73,500	-	-	73,500	-	73,500
AyalaLand Hotels and Resorts Corp. (Conso)	3,023,221	55,815,878	(37,644,300)	-	21,194,799	-	21,194,799
Ayalaland Logistics Holdings Corp. (Conso)	-	51,787,348	(34,697,840)	-	17,089,508	-	17,089,508
AyalaLand Malls, Inc. (Conso)	-	81,225	-	-	81,225	-	81,225
AyalaLand Offices, Inc. (Conso)	-	1,500	-	-	1,500	-	1,500
Ayalaland Premier, Inc.	-	6,322	-	-	6,322	-	6,322
Bay City Commercial Ventures Corp.	15,037,857	28,740,621	(9,149,676)	-	34,628,802	-	34,628,802
BellaVita Land Corp.	-	52,832	-	-	52,832	-	52,832
Capitol Central Commercial Ventures Corp.	-	20,182,764	(20,083,315)	-	99,449	-	99,449
Cavite Commercial Towncenter Inc.	-	26,216,488	(5,253,831)	-	20,962,658	-	20,962,658
North Triangle Depot Commercial Corp	-	151,932	-	-	151,932	-	151,932
Nuevocentro, Inc. (Conso)	-	2,469,500	-	-	2,469,500	-	2,469,500
Soltea Commercial Corp.	-	164,758	-	-	164,758	-	164,758
Summerhill Commercial Ventures Corp.	-	214,743	-	-	214,743	-	214,743
Ten Knots Philippines, Inc.(Conso)	-	43,019,416	(19,762,322)	-	23,257,094	-	23,257,094
Verde Golf Development Corporation	-	3,891,832	-	-	3,891,832	-	3,891,832
Subtotal	69,612,982	864,696,752	(508,243,134)	-	426,066,601	-	426,066,601
Amount Receivable by Bay City Commercial Ventures Corp. from related parties							
Accendo Commercial Corp	241,471	184,163	(183,363)	-	242,271	-	242,271
Alabang Commercial Corporation (Conso)	73,900	422,049	(413,849)	-	82,100	-	82,100
ALI Capital Corp. (Conso)	-	2,265,887	-	-	2,265,887	-	2,265,887
ALI Commercial Center, Inc. (Conso)	258,280	-	(258,280)	-	-	-	-
Arca South Integrated Terminal, Inc	9,181	-	-	-	9,181	-	9,181
Arvo Commercial Corporation	146,469	-	-	-	146,469	-	146,469
Avida Land Corporation (Conso)	548,874	4,132,789	(3,514,992)	-	1,166,671	-	1,166,671
Ayala Land Inc.	378,798	6,490,853	(5,035,398)	-	1,834,253	-	1,834,253
Ayala Malls Zing Inc.	-	4,650	-	-	4,650	-	4,650
AyalaLand Hotels and Resorts Corp. (Conso)	-	20,151,045	-	-	20,151,045	-	20,151,045
Ayalaland Malls Synergies, Inc.	-	-	-	-	-	-	-
AyalaLand Malls, Inc. (Conso)	16,124	-	(16,124)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	41,760,976	(39,264,459)	-	2,496,517	-	2,496,517
Ayalaland Metro North, Inc.	100,189	-	-	-	100,189	-	100,189
Cagayan De Oro Gateway Corporation	221,030	-	-	-	221,030	-	221,030
Capitol Central Commercial Ventures Corp.	218,133	-	(218,133)	-	-	-	-
Direct Power Services Inc.	-	6,384	(6,384)	-	-	-	-
Leisure and Allied Industries Phils. Inc.	-	2,240	(2,240)	-	-	-	-
Makati Cornerstone Leasing Corp.	10,133,967	-	-	-	10,133,967	-	10,133,967
Makati Development Corporation (Conso)	16,393,615	-	(4,079,305)	-	12,314,310	-	12,314,310
North Eastern Commercial Corp.	631,831	-	(193,222)	-	438,608	-	438,608
North Triangle Depot Commercial Corp	79,000	1,214,264	(1,274,584)	-	18,680	-	18,680
North Ventures Commercial Corp.	203,581	-	-	-	203,581	-	203,581
NorthBeacon Commercial Corporation	226,214	-	(226,214)	-	-	-	-
Soltea Commercial Corp.	172,900	-	(102,062)	-	70,838	-	70,838
Station Square East Commercial Corp	28,730	139,765	(135,485)	-	33,010	-	33,010
Subic Bay Town Center Inc.	145,368	-	-	-	145,368	-	145,368
Summerhill Commercial Ventures Corp.	115,411	-	-	-	115,411	-	115,411
Subtotal	30,343,066	76,775,065	(54,924,094)	-	52,194,036	-	52,194,036
Amount Receivable by BellaVita Land Corp. from related parties							
Accendo Commercial Corp	-	10,064,420	-	-	10,064,420	-	10,064,420
ALI Capital Corp. (Conso)	-	41,215,117	(40,162,739)	-	1,052,378	-	1,052,378
Alveo Land Corporation (Conso)	-	96,611,239	(95,935,660)	-	675,579	-	675,579
Amaia Land Corporation (Conso)	85,351	10,039,900	(9,984,396)	-	140,854	-	140,854
Arvo Commercial Corporation	128,800	-	-	-	128,800	-	128,800

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Aviana Development Corporation	-	21,035,744	(15,372,349)	-	5,663,396	-	5,663,396
Avida Land Corporation (Conso)	846,530	124,806	-	-	971,336	-	971,336
Ayala Land Inc.	1,730,970	121,868,668	(93,452,906)	-	30,146,732	-	30,146,732
Ayala Land Sales Inc.	21,375	-	(21,375)	-	-	-	-
Ayala Property Management Corporation (Conso)	-	21,375	-	-	21,375	-	21,375
AyalaLand Estates Inc. (Conso)	-	20,047,739	(20,006,394)	-	41,345	-	41,345
AyalaLand Hotels and Resorts Corp. (Conso)	-	8,133,130	-	-	8,133,130	-	8,133,130
Ayalaland Logistics Holdings Corp. (Conso)	78,740	-	-	-	78,740	-	78,740
AyalaLand Malls, Inc. (Conso)	-	10,005,508	(10,000,738)	-	4,771	-	4,771
Ayalaland Premier, Inc.	-	21,375	-	-	21,375	-	21,375
Bay City Commercial Ventures Corp.	153,540	27,345,371	(18,678,697)	-	8,820,214	-	8,820,214
Capitol Central Commercial Ventures Corp.	-	-	-	-	-	-	-
Cavite Commercial Towncenter Inc.	-	12,852,388	(12,547,195)	-	305,193	-	305,193
Makati Development Corporation (Conso)	1,438,318	84,281	-	-	1,522,599	-	1,522,599
Primavera Towncentre, Inc.	1,486,693	-	-	-	1,486,693	-	1,486,693
Ten Knots Philippines, Inc.(Conso)	-	15,444,797	(5,285,075)	-	10,159,722	-	10,159,722
Subtotal	5,970,317	394,915,858	(321,447,524)	-	79,438,652	-	79,438,652
Amount Receivable by BG North Properties Inc. from related parties							
Accendo Commercial Corp	-	-	-	-	-	-	-
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
Avida Land Corporation (Conso)	-	1,172,664,349	(1,172,526,443)	-	137,906	-	137,906
Ayala Land Inc.	-	1,685,823	-	-	1,685,823	-	1,685,823
Ayala Land International Sales, Inc.(Conso)	-	50,850	-	-	50,850	-	50,850
Ayala Property Management Corporation (Conso)	-	1,896,304	-	-	1,896,304	-	1,896,304
AyalaLand Estates Inc. (Conso)	-	-	-	-	-	-	-
Ayalaland Premier, Inc.	-	-	-	-	-	-	-
BG North Properties Inc.	-	-	-	-	-	-	-
BG South Properties, Inc.	-	570,206,512	-	-	570,206,512	-	570,206,512
BG West Properties, Inc	-	2,040,442,500	-	-	2,040,442,500	-	2,040,442,500
Cagayan De Oro Gateway Corporation	-	-	-	-	-	-	-
Makati Development Corporation (Conso)	-	5,800,475	-	-	5,800,475	-	5,800,475
Nuevocentro, Inc. (Conso)	-	-	-	-	-	-	-
Subtotal	-	3,792,746,813	(1,172,526,443)	-	2,620,220,370	-	2,620,220,370
Amount Receivable by BG South Properties, Inc. from related parties							
Accendo Commercial Corp	-	-	-	-	-	-	-
Alveo Land Corporation (Conso)	-	116,850,290	-	-	116,850,290	-	116,850,290
Amorsedia Development Corporation (Conso)	-	2,033,184	-	-	2,033,184	-	2,033,184
Avida Land Corporation (Conso)	-	1,645,700	-	-	1,645,700	-	1,645,700
Ayala Land Inc.	-	1,216,447	-	-	1,216,447	-	1,216,447
Ayala Property Management Corporation (Conso)	-	180,000	-	-	180,000	-	180,000
AyalaLand Estates Inc. (Conso)	-	-	-	-	-	-	-
BG West Properties, Inc	-	684,020	-	-	684,020	-	684,020
Crans Montana Property Holdings Corporation	-	-	-	-	-	-	-
Makati Development Corporation (Conso)	-	30,126,222	-	-	30,126,222	-	30,126,222
Nuevocentro, Inc. (Conso)	-	-	-	-	-	-	-
Serendra Inc.	-	-	-	-	-	-	-
Subtotal	-	152,735,863	-	-	152,735,863	-	152,735,863
Amount Receivable by BG West Properties, Inc. from related parties							
Amorsedia Development Corporation (Conso)	8,342	-	-	-	8,342	-	8,342
Ayala Land Inc.	7,253,737	-	-	-	7,253,737	-	7,253,737
Ayala Property Management Corporation (Conso)	60,000	3,000,000	-	-	3,060,000	-	3,060,000

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BG West Properties, Inc	194,500	-	-	-	194,500	-	194,500
Makati Development Corporation (Conso)	41,584,461	24,448,085	-	-	66,032,546	-	66,032,546
Subtotal	49,101,040	27,448,085	-	-	76,549,125	-	76,549,125
Amount Receivable by Buendia Landholdings, Inc. from related parties							
AyalaLand Estates Inc. (Conso)	-	2,115,721	(2,115,721)	-	-	-	-
Crans Montana Property Holdings Corporation	-	2,000,000	-	-	2,000,000	-	2,000,000
Subtotal	-	4,115,721	(2,115,721)	-	2,000,000	-	2,000,000
Amount Receivable by Cagayan De Oro Gateway Corporation from related parties							
Accendo Commercial Corp	48,112	-	-	-	48,112	-	48,112
ALI Commercial Center, Inc. (Conso)	41,505	-	(41,505)	-	-	-	-
Alveo Land Corporation (Conso)	350,432	16,474,736	(5,916,125)	-	10,909,044	-	10,909,044
Amaia Land Corporation (Conso)	22,000	-	-	-	22,000	-	22,000
Arvo Commercial Corporation	180	-	-	-	180	-	180
Aviana Development Corporation	-	5,027,583	(5,003,694)	-	23,889	-	23,889
Avida Land Corporation (Conso)	860,859	2,888,656	(2,539,555)	-	1,209,960	-	1,209,960
Ayala Land Inc.	5,211,326	25,289,281	(25,265,953)	-	5,234,654	-	5,234,654
Ayala Property Management Corporation (Conso)	6,000	-	-	-	6,000	-	6,000
AyalaLand Hotels and Resorts Corp. (Conso)	7,582,597	2,390,398	(2,196,828)	-	7,776,167	-	7,776,167
AyalaLand Malls, Inc. (Conso)	18,142	-	(18,142)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	59,647	-	-	59,647	-	59,647
Ayalaland Metro North, Inc.	200	-	-	-	200	-	200
Bay City Commercial Ventures Corp.	-	5,036,667	(4,911)	-	5,031,756	-	5,031,756
BellaVita Land Corp.	20,000	-	-	-	20,000	-	20,000
Cagayan De Oro Gateway Corporation	78,345	100,353	-	-	178,698	-	178,698
Lagdigan Land Corporation	1,361,437	672,758	-	-	2,034,194	-	2,034,194
Leisure and Allied Industries Phils. Inc.	59,794	2,832,795	(2,784,164)	-	108,425	-	108,425
Makati Development Corporation (Conso)	24,000	-	-	-	24,000	-	24,000
North Eastern Commercial Corp.	600	-	-	-	600	-	600
North Triangle Depot Commercial Corp	11,520	-	-	-	11,520	-	11,520
North Ventures Commercial Corp.	50	-	-	-	50	-	50
Philippine Integrated Energy Solutions, Inc.	2,611,178	-	(247,868)	-	2,363,310	-	2,363,310
Soltea Commercial Corp.	200	-	-	-	200	-	200
Subtotal	18,308,477	60,772,874	(44,018,745)	-	35,062,606	-	35,062,606
Amount Receivable by Capitol Central Commercial Ventures Corp. from related parties							
Accendo Commercial Corp	6,573	12,040	-	-	18,613	-	18,613
Adauge Commercial Corp.	8,800	-	(4,099)	-	4,701	-	4,701
Alabang Commercial Corporation (Conso)	540	-	-	-	540	-	540
ALI Commercial Center, Inc. (Conso)	8,240	-	(8,240)	-	-	-	-
Amaia Land Corporation (Conso)	-	445,199	(445,199)	-	-	-	-
Arvo Commercial Corporation	22,489	-	-	-	22,489	-	22,489
Ayala Land Inc.	-	8,468,480	-	-	8,468,480	-	8,468,480
AyalaLand Hotels and Resorts Corp. (Conso)	-	-	-	-	-	-	-
AyalaLand Malls, Inc. (Conso)	3,500	-	(3,500)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	1,707,833	(1,543,468)	-	164,365	-	164,365
Ayalaland Metro North, Inc.	460	-	-	-	460	-	460
Cagayan De Oro Gateway Corporation	6,573	1,090,977	(1,079,304)	-	18,246	-	18,246
Capitol Central Commercial Ventures Corp.	-	18,500	(18,500)	-	-	-	-
Cebu Leisure Co. Inc.	2,520	364,613	(363,673)	-	3,460	-	3,460
Leisure and Allied Industries Phils. Inc.	-	1,997,544	(1,997,544)	-	-	-	-
Makati Development Corporation (Conso)	30,000	30,000	-	-	60,000	-	60,000
North Eastern Commercial Corp.	520	-	-	-	520	-	520
North Triangle Depot Commercial Corp	7,320	166,118	(165,898)	-	7,540	-	7,540

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Station Square East Commercial Corp	870	-	-	-	870	-	870
Westview Commercial Ventures Corp.	17,506	-	-	-	17,506	-	17,506
Subtotal	115,911	14,301,304	(5,629,425)	-	8,787,790	-	8,787,790
Amount Receivable by Cavite Commercial Towncenter Inc. from related parties							
Alveo Land Corporation (Conso)	(45,967)	-	-	-	(45,967)	-	(45,967)
Amaia Land Corporation (Conso)	465,635	1,213,117	(961,658)	-	717,094	-	717,094
Arvo Commercial Corporation	-	3,248	-	-	3,248	-	3,248
Avida Land Corporation (Conso)	156,132	-	-	-	156,132	-	156,132
Ayala Land Inc.	23,926	-	-	-	23,926	-	23,926
Ayala Malls Zing Inc.	-	58,197	-	-	58,197	-	58,197
Ayala Property Management Corporation (Conso)	589,158	-	-	-	589,158	-	589,158
AyalaLand Estates Inc. (Conso)	24,638	-	-	-	24,638	-	24,638
Ayalaland Logistics Holdings Corp. (Conso)	24,638	-	-	-	24,638	-	24,638
Ayalaland Malls Synergies, Inc.	(17,350)	-	(172,129)	-	(189,479)	-	(189,479)
AyalaLand Malls, Inc. (Conso)	4,000	-	(4,000)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	54,120	-	-	54,120	-	54,120
AyalaLand Offices, Inc. (Conso)	24,638	-	-	-	24,638	-	24,638
Bay City Commercial Ventures Corp.	1,199	-	-	-	1,199	-	1,199
Capitol Central Commercial Ventures Corp.	28,644	-	-	-	28,644	-	28,644
Cavite Commercial Towncenter Inc.	-	1,109	-	-	1,109	-	1,109
Leisure and Allied Industries Phils. Inc.	522,555	801,325	(702,128)	-	621,752	-	621,752
Makati Cornerstone Leasing Corp.	6,116	-	-	-	6,116	-	6,116
Makati Development Corporation (Conso)	63,918	-	-	-	63,918	-	63,918
North Ventures Commercial Corp.	4,690	-	-	-	4,690	-	4,690
Soltea Commercial Corp.	46,750	3,327	-	-	50,077	-	50,077
Station Square East Commercial Corp	-	1,109	-	-	1,109	-	1,109
Summerhill Commercial Ventures Corp.	137,276	-	-	-	137,276	-	137,276
Ten Knots Development Corporation(Conso)	24,638	-	(13,804)	-	10,833	-	10,833
Subtotal	2,085,234	2,135,552	(1,853,719)	-	2,367,066	-	2,367,066
Amount Receivable by Cebu Leisure Co. Inc. from related parties							
Accendo Commercial Corp	34,029	3,974,682	-	-	4,008,711	-	4,008,711
Alabang Commercial Corporation (Conso)	38,864	-	-	-	38,864	-	38,864
ALI Capital Corp. (Conso)	2,811,507	7,993,103	(3,608,017)	-	7,196,593	-	7,196,593
ALI Commercial Center, Inc. (Conso)	9,485,755	-	(9,485,755)	-	-	-	-
Alveo Land Corporation (Conso)	106,118	-	(106,118)	-	-	-	-
Amaia Land Corporation (Conso)	38,559,933	8,172,291	(46,725,873)	-	6,351	-	6,351
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
APRISA Business Process Solutions, Inc	638	-	-	-	638	-	638
Arvo Commercial Corporation	48,857	-	-	-	48,857	-	48,857
Avida Land Corporation (Conso)	127,263	-	(127,263)	-	-	-	-
Ayala Land Inc.	74,620,732	11,589,639	(62,089,639)	-	24,120,732	-	24,120,732
Ayala Land International Sales, Inc.(Conso)	29,587	-	-	-	29,587	-	29,587
Ayala Malls Zing Inc.	-	11,570	-	-	11,570	-	11,570
AyalaLand Hotels and Resorts Corp. (Conso)	-	15,024,788	(15,003,320)	-	21,468	-	21,468
Ayalaland Logistics Holdings Corp. (Conso)	-	19,181,882	-	-	19,181,882	-	19,181,882
AyalaLand Malls, Inc. (Conso)	-	35,127,524	(33,538,618)	-	1,588,906	-	1,588,906
Ayalaland Medical Facilities Leasing Inc.	162,600	-	-	-	162,600	-	162,600
Ayalaland Metro North, Inc.	460	-	(460)	-	-	-	-
Bay City Commercial Ventures Corp.	77,620,041	20,537,336	(24,576,669)	-	73,580,707	-	73,580,707
Cagayan De Oro Gateway Corporation	(1,143)	68,835	-	-	67,692	-	67,692
Capitol Central Commercial Ventures Corp.	400	600	-	-	1,000	-	1,000
Cebu Leisure Co. Inc.	1,786	352,311	(352,311)	-	1,786	-	1,786
Leisure and Allied Industries Phils. Inc.	142,835	-	(142,835)	-	-	-	-
North Eastern Commercial Corp.	-	1,100	-	-	1,100	-	1,100

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
North Triangle Depot Commercial Corp	862,069	9,717,150	(9,630,485)	-	948,734	-	948,734
North Ventures Commercial Corp.	200	-	-	-	200	-	200
Primavera Towncentre, Inc.	-	9,888,592	(105,593)	-	9,782,999	-	9,782,999
Soltea Commercial Corp.	3,229	1,280	-	-	4,509	-	4,509
Station Square East Commercial Corp	-	990	-	-	990	-	990
Summerhill Commercial Ventures Corp.	600	-	(600)	-	-	-	-
Ten Knots Development Corporation(Conso)	-	7,055,000	-	-	7,055,000	-	7,055,000
Ten Knots Philippines, Inc.(Conso)	29,572,045	44,674,932	-	-	74,246,976	-	74,246,976
Subtotal	234,228,405	193,373,605	(205,493,556)	-	222,108,452	-	222,108,452
Amount Receivable by CECI Realty Corp. from related parties							
Accendo Commercial Corp	-	14,067,203	(14,067,203)	-	-	-	-
ALI Capital Corp. (Conso)	5,868,971	-	-	-	5,868,971	-	5,868,971
ALI Commercial Center, Inc. (Conso)	1,641,682	-	(1,641,682)	-	-	-	-
Alveo Land Corporation (Conso)	165,763	-	(164,798)	-	965	-	965
Amaia Land Corporation (Conso)	11,662,193	10,047,216	(19,156,891)	-	2,552,519	-	2,552,519
Amorsedia Development Corporation (Conso)	918,934,052	176,210,360	(346,018,336)	-	749,126,076	-	749,126,076
Arca South Integrated Terminal, Inc	55,584,671	3,912,575	(671,775)	-	58,825,471	-	58,825,471
AREIT, Inc.	36,948,490	12,438,997	(17,399,828)	-	31,987,659	-	31,987,659
Arvo Commercial Corporation	27,118,453	30,739,085	(31,599,170)	-	26,258,368	-	26,258,368
Aurora Properties, Inc.	14,882,016	-	-	-	14,882,016	-	14,882,016
Avida Land Corporation (Conso)	5,517,946	1,135,497	-	-	6,653,443	-	6,653,443
Ayala Land Inc.	9,277,671	138,730,629	(125,645,906)	-	22,362,394	-	22,362,394
Ayala Property Management Corporation (Conso)	-	-	-	-	-	-	-
AyalaLand Estates Inc. (Conso)	31,103,970	350,125,205	(381,202,096)	-	27,079	-	27,079
AyalaLand Hotels and Resorts Corp. (Conso)	11,727,236	19,680,610	(14,897,503)	-	16,510,342	-	16,510,342
Ayalaland Logistics Holdings Corp. (Conso)	10,809,094	18,176,436	(28,563,266)	-	422,264	-	422,264
Ayalaland Malls Synergies, Inc.	55,211	-	-	-	55,211	-	55,211
AyalaLand Malls, Inc. (Conso)	-	1,641,682	-	-	1,641,682	-	1,641,682
AyalaLand Offices, Inc. (Conso)	12,262,722	-	-	-	12,262,722	-	12,262,722
Bay City Commercial Ventures Corp.	6,976,307	125,377,512	-	-	132,353,819	-	132,353,819
Cagayan De Oro Gateway Corporation	8,697	-	(8,697)	-	-	-	-
Capitol Central Commercial Ventures Corp.	7,768	-	-	-	7,768	-	7,768
Cavite Commercial Towncenter Inc.	4,407,457	-	-	-	4,407,457	-	4,407,457
Crans Montana Property Holdings Corporation	910,630,520	132,995,213	(370,066,474)	-	673,559,258	-	673,559,258
Crimson Field Enterprises, Inc.	17,045,278	3,151,617	-	-	20,196,894	-	20,196,894
Direct Power Services Inc.	15,459	-	-	-	15,459	-	15,459
Leisure and Allied Industries Phils. Inc.	108,300	-	-	-	108,300	-	108,300
Makati Development Corporation (Conso)	4,634,938	4,977,517	-	-	9,612,455	-	9,612,455
North Triangle Depot Commercial Corp	108,627	10,268,181	(10,376,808)	-	-	-	-
Nuevocentro, Inc. (Conso)	9,094	-	(2,161)	-	6,932	-	6,932
Red Creek Properties, Inc.	-	12,065,372	-	-	12,065,372	-	12,065,372
Soltea Commercial Corp.	3,108,198	38,384,253	(5,360,346)	-	36,132,105	-	36,132,105
Ten Knots Philippines, Inc.(Conso)	20,794,980	91,944	(20,183,199)	-	703,725	-	703,725
Vesta Property Holdings Inc.	17,991,937	40,673	-	-	18,032,609	-	18,032,609
Subtotal	2,139,407,701	1,104,257,777	(1,387,026,139)	-	1,856,639,335	-	1,856,639,335
Amount Receivable by Central Bloc Hotel Ventures from related parties							
Accendo Commercial Corp	-	7,000,000	(7,000,000)	-	-	-	-
ALI Commercial Center, Inc. (Conso)	-	-	-	-	-	-	-
Alveo Land Corporation (Conso)	-	-	-	-	-	-	-
Amaia Land Corporation (Conso)	-	19,500,000	(19,500,000)	-	-	-	-
Avida Land Corporation (Conso)	7,509,203	-	(7,509,203)	-	-	-	-
Ayala Land Inc.	-	8,005,408	-	-	8,005,408	-	8,005,408
AyalaLand Hotels and Resorts Corp. (Conso)	27,301,000	108,916,152	-	-	136,217,152	-	136,217,152
AyalaLand Malls, Inc. (Conso)	-	-	-	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Central Bloc Hotel Ventures	(21,732,292)	21,732,292	-	-	-	-	-
Makati Development Corporation (Conso)	-	-	-	-	-	-	-
Ten Knots Development Corporation(Conso)	-	20,173,842	-	-	20,173,842	-	20,173,842
Subtotal	13,077,911	185,327,694	(34,009,203)	-	164,396,402	-	164,396,402
Amount Receivable by CMPI Holdings, Inc from related parties	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Amount Receivable by Crans Montana Property Holdings Corporation from related parties							
Accendo Commercial Corp	-	8,100	-	-	8,100	-	8,100
Alveo Land Corporation (Conso)	143,100	(8,100)	(126,900)	-	8,100	-	8,100
Ayala Land Inc.	(5,290)	-	-	-	(5,290)	-	(5,290)
Ayala Property Management Corporation (Conso)	68,750	6,160	-	-	74,910	-	74,910
AyalaLand Estates Inc. (Conso)	63,686	3,920	(67,606)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	-	6,048	-	-	6,048	-	6,048
Ayalaland Medical Facilities Leasing Inc.	627,421	-	(627,421)	-	-	-	-
Subtotal	897,667	16,128	(821,927)	-	91,868	-	91,868
Amount Receivable by Crimson Field Enterprises, Inc. from related parties							
Ayala Land Inc.	10,050,000	-	-	-	10,050,000	-	10,050,000
Subtotal	10,050,000	-	-	-	10,050,000	-	10,050,000
Amount Receivable by Darong Agricultural and Development Corporation from related parties							
Subtotal	-	-	-	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Direct Power Services Inc. from related parties							
Accendo Commercial Corp	11,042	67,228,835	(67,228,835)	-	11,042	-	11,042
Adauge Commercial Corp.	-	-	-	-	-	-	-
Alabang Commercial Corporation (Conso)	11,083,597	192,773,442	(187,901,027)	-	15,956,011	-	15,956,011
ALI Capital Corp. (Conso)	-	43,617,467	(18,081,510)	-	25,535,957	-	25,535,957
ALI Commercial Center, Inc. (Conso)	38,905,913	-	(38,905,913)	-	-	-	-
ALI-CII Development Corporation	1,753,235	33,298,556	(32,051,045)	-	3,000,746	-	3,000,746
Alveo Land Corporation (Conso)	7,867	443,430,876	(431,129,556)	-	12,309,187	-	12,309,187
Amaia Land Corporation (Conso)	30,056,553	248,565,825	(278,454,778)	-	167,599	-	167,599
Amorsedia Development Corporation (Conso)	-	10,057,867	(10,057,867)	-	-	-	-
AREIT, Inc.	25,324,403	280,713,276	(217,477,119)	-	88,560,559	-	88,560,559
Arvo Commercial Corporation	4,698,468	169,409,567	(152,972,760)	-	21,135,275	-	21,135,275
Aviana Development Corporation	-	27,729,776	(27,703,988)	-	25,788	-	25,788
Avida Land Corporation (Conso)	9,492	133,000,433	(132,796,012)	-	213,914	-	213,914
Ayala Land Inc.	66,300,889	1,921,235,275	(1,899,234,902)	-	88,301,263	-	88,301,263
AyalaLand Estates Inc. (Conso)	-	39,622,901	(39,622,901)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	14,401,348	396,242,112	(384,154,226)	-	26,489,234	-	26,489,234
Ayalaland Logistics Holdings Corp. (Conso)	10,036,034	247,386,013	(133,726,763)	-	123,695,284	-	123,695,284
AyalaLand Malls, Inc. (Conso)	-	562,580,087	(516,424,080)	-	46,156,007	-	46,156,007
Ayalaland Metro North, Inc.	(39,290)	155,022,058	(141,164,715)	-	13,818,053	-	13,818,053
AyalaLand Offices, Inc. (Conso)	26,092,156	298,258,775	(297,928,680)	-	26,422,251	-	26,422,251
Bay City Commercial Ventures Corp.	15,659,322	603,401,133	(595,104,911)	-	23,955,545	-	23,955,545
Cagayan De Oro Gateway Corporation	30,070	8,676,746	(8,649,252)	-	57,565	-	57,565
Capitol Central Commercial Ventures Corp.	5,234,228	110,503,374	(96,117,272)	-	19,620,330	-	19,620,330
Cavite Commercial Towncenter Inc.	3,364,190	200,599,748	(199,178,280)	-	4,785,659	-	4,785,659
Central Bloc Hotel Ventures	-	22,711,053	(20,775,440)	-	1,935,613	-	1,935,613
Crans Montana Property Holdings Corporation	(3,342)	3,342	-	-	-	-	-
Hillsford Property Corporation	-	7,941,691	(4,103,405)	-	3,838,287	-	3,838,287
Lagdigan Land Corporation	-	8,617,558	-	-	8,617,558	-	8,617,558
Makati Cornerstone Leasing Corp.	219,958	104,371,223	(94,499,732)	-	10,091,449	-	10,091,449
Makati Development Corporation (Conso)	954,603	14,704,092	(14,448,105)	-	1,210,589	-	1,210,589
North Eastern Commercial Corp.	10,129,452	135,783,522	(134,171,869)	-	11,741,105	-	11,741,105
North Triangle Depot Commercial Corp	14,058,263	309,966,242	(303,908,465)	-	20,116,040	-	20,116,040
North Ventures Commercial Corp.	6,487,862	92,820,719	(90,746,860)	-	8,561,721	-	8,561,721
NorthBeacon Commercial Corporation	5,796,458	83,087,206	(81,357,558)	-	7,526,106	-	7,526,106
Philippine Integrated Energy Solutions, Inc.	19,212,983	293,032,496	(281,855,442)	-	30,390,037	-	30,390,037
Primavera Towncentre, Inc.	4,109,339	2,019,266	(6,002,984)	-	125,621	-	125,621
Serendra Inc.	3,219,627	31,193,450	(29,393,410)	-	5,019,666	-	5,019,666
Soltea Commercial Corp.	4,120,361	78,939,714	(76,447,105)	-	6,612,970	-	6,612,970
Station Square East Commercial Corp	15,023,801	268,107,284	(259,679,787)	-	23,451,298	-	23,451,298
Subic Bay Town Center Inc.	2,924,929	41,498,430	(40,412,748)	-	4,010,611	-	4,010,611
Summerhill Commercial Ventures Corp.	7,716,238	110,142,686	(107,936,936)	-	9,921,987	-	9,921,987
Ten Knots Development Corporation(Conso)	-	10,131,146	(8,217,272)	-	1,913,873	-	1,913,873
Ten Knots Philippines, Inc.(Conso)	5,440,706	214,230,135	(219,000,686)	-	670,156	-	670,156
Westview Commercial Ventures Corp.	327,121	4,347,975	(3,894,664)	-	780,433	-	780,433
Subtotal	352,667,876	8,027,003,372	(7,682,918,860)	-	696,752,389	-	696,752,389
Amount Receivable by Ecoholdings Company, Inc. from related parties							
AyalaLand Hotels and Resorts Corp. (Conso)	-	347,428	(46,531)	-	300,898	-	300,898
Ten Knots Development Corporation(Conso)	5,040,142	18,820,770	-	-	23,860,911	-	23,860,911
Ten Knots Philippines, Inc.(Conso)	119,376,471	101,855,924	-	-	221,232,395	-	221,232,395
Subtotal	124,416,613	121,024,122	(46,531)	-	245,394,204	-	245,394,204

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by First Longfield Investments Ltd. from related parties							
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
Ayala Land Inc.	192,282,680	1,799,621	(2,791,978)	-	191,290,324	-	191,290,324
Ayalaland Malls Synergies, Inc.	2,210,503	-	-	-	2,210,503	-	2,210,503
Subtotal	287,172,988	1,799,621	(2,791,978)	-	286,180,632	-	286,180,632
Amount Receivable by FIVE STAR Cinema Inc. from related parties							
Accendo Commercial Corp	-	1,040	-	-	1,040	-	1,040
Alabang Commercial Corporation (Conso)	583,109	800	-	-	583,909	-	583,909
ALI Commercial Center, Inc. (Conso)	11,996,624	-	(11,996,624)	-	-	-	-
Arvo Commercial Corporation	-	1,200	-	-	1,200	-	1,200
Ayala Land Inc.	-	11,896,554	-	-	11,896,554	-	11,896,554
AyalaLand Malls, Inc. (Conso)	-	569,939	(445,289)	-	124,650	-	124,650
Bay City Commercial Ventures Corp.	3,179,703	218,569	(194,644)	-	3,203,628	-	3,203,628
Cebu Leisure Co. Inc.	400	3,060	-	-	3,460	-	3,460
Makati Cornerstone Leasing Corp.	800	-	-	-	800	-	800
North Eastern Commercial Corp.	4,750	-	-	-	4,750	-	4,750
North Triangle Depot Commercial Corp	2,280	7,450	-	-	9,730	-	9,730
North Ventures Commercial Corp.	-	900	-	-	900	-	900
NorthBeacon Commercial Corporation	-	2,320	-	-	2,320	-	2,320
Soltea Commercial Corp.	3,390	1,500	-	-	4,890	-	4,890
Station Square East Commercial Corp	2,000	3,710	-	-	5,710	-	5,710
Summerhill Commercial Ventures Corp.	(49,420)	-	-	-	(49,420)	-	(49,420)
Subtotal	15,723,636	12,707,042	(12,636,557)	-	15,794,121	-	15,794,121
Amount Receivable by Hillsford Property Corporation from related parties							
Accendo Commercial Corp	-	13,585,914	-	-	13,585,914	-	13,585,914
ALI Commercial Center, Inc. (Conso)	14,172,667	-	(14,172,667)	-	-	-	-
Alveo Land Corporation (Conso)	-	10,601,627	(4,139,269)	-	6,462,358	-	6,462,358
Amaia Land Corporation (Conso)	-	26,126,725	(26,016,972)	-	109,753	-	109,753
Amorsedia Development Corporation (Conso)	14,199,698	11,036,192	-	-	25,235,890	-	25,235,890
Avida Land Corporation (Conso)	19	13,021,482	(13,002,896)	-	18,605	-	18,605
Ayala Land Inc.	-	54,748,347	(54,748,347)	-	-	-	-
AyalaLand Estates Inc. (Conso)	-	9,608,142	(9,514,483)	-	93,658	-	93,658
AyalaLand Hotels and Resorts Corp. (Conso)	4,109,148	35,008,232	(17,340,275)	-	21,777,105	-	21,777,105
Ayalaland Logistics Holdings Corp. (Conso)	-	41,377,272	-	-	41,377,272	-	41,377,272
AyalaLand Malls, Inc. (Conso)	-	509,341	-	-	509,341	-	509,341
Bay City Commercial Ventures Corp.	74,510,438	27,294,196	(46,605,600)	-	55,199,034	-	55,199,034
Cavite Commercial Towncenter Inc.	35,075,430	2,399,161	(321,732)	-	37,152,860	-	37,152,860
North Eastern Commercial Corp.	1,550	-	-	-	1,550	-	1,550
NorthBeacon Commercial Corporation	1,391	-	-	-	1,391	-	1,391
Nuevocentro, Inc. (Conso)	-	5,997,629	-	-	5,997,629	-	5,997,629
Soltea Commercial Corp.	-	9,599,960	(476,181)	-	9,123,779	-	9,123,779
Ten Knots Philippines, Inc.(Conso)	9,840	13,226,676	-	-	13,236,516	-	13,236,516
Subtotal	142,080,181	274,140,896	(186,338,422)	-	229,882,655	-	229,882,655
Amount Receivable by Integrated Eco-Resort Inc. from related parties							
Ayala Land Inc.	-	-	-	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	15,186,467	110,746,496	(125,373,899)	-	559,064	-	559,064
Bay City Commercial Ventures Corp.	112,341	-	-	-	112,341	-	112,341
Ten Knots Development Corporation(Conso)	22,680,637	175,449,653	(159,120,605)	-	39,009,685	-	39,009,685
Ten Knots Philippines, Inc.(Conso)	517,179,699	450,304,161	(437,030,076)	-	530,453,783	-	530,453,783
Subtotal	555,159,144	736,500,310	(721,524,580)	-	570,134,873	-	570,134,873

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Lagdigan Land Corporation from related parties							
Bay City Commercial Ventures Corp.	15,474,545	36,608	(14,508,445)	-	1,002,708	-	1,002,708
Cagayan De Oro Gateway Corporation	1,044,854	-	-	-	1,044,854	-	1,044,854
Summerhill Commercial Ventures Corp.	128,037	-	-	-	128,037	-	128,037
Subtotal	16,647,436	36,608	(14,508,445)	-	2,175,599	-	2,175,599
Amount Receivable by Leisure and Allied Industries Phils. Inc. from related parties							
Accendo Commercial Corp	30,000	-	(30,000)	-	-	-	-
Alabang Commercial Corporation (Conso)	60,000	1,740,318	-	-	1,800,318	-	1,800,318
ALI Commercial Center, Inc. (Conso)	51,000	-	(51,000)	-	-	-	-
Alveo Land Corporation (Conso)	-	5,000	(5,000)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	32,000	(32,000)	-	-	-	-
Bay City Commercial Ventures Corp.	105,000	-	(105,000)	-	-	-	-
Capitol Central Commercial Ventures Corp.	-	1,000	(1,000)	-	-	-	-
Cavite Commercial Towncenter Inc.	30,000	-	(30,000)	-	-	-	-
North Eastern Commercial Corp.	6,000	15,000	(21,000)	-	-	-	-
North Triangle Depot Commercial Corp	-	72,400	(72,400)	-	-	-	-
NorthBeacon Commercial Corporation	15,000	-	(15,000)	-	-	-	-
Soltea Commercial Corp.	90,000	-	(90,000)	-	-	-	-
Subtotal	387,000	1,865,718	(452,400)	-	1,800,318	-	1,800,318

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Makati Cornerstone Leasing Corp. from related parties							
Accendo Commercial Corp	24,509	72,981,534	-	-	73,006,043	-	73,006,043
Alabang Commercial Corporation (Conso)	5,715	-	-	-	5,715	-	5,715
ALI Capital Corp. (Conso)	2,467,846	10,166,072	-	-	12,633,919	-	12,633,919
ALI Commercial Center, Inc. (Conso)	37,236,789	-	(37,236,789)	-	-	-	-
Alveo Land Corporation (Conso)	40,470	25,580,653	(38,893,808)	-	(13,272,686)	-	(13,272,686)
Amaia Land Corporation (Conso)	155,066	-	(6,496)	-	148,571	-	148,571
Amorsedia Development Corporation (Conso)	-	44,626,732	-	-	44,626,732	-	44,626,732
Arvo Commercial Corporation	258,968	2,360,182	-	-	2,619,150	-	2,619,150
Avida Land Corporation (Conso)	595,276	81,030,630	(109,623,458)	-	(27,997,552)	-	(27,997,552)
Ayala Land Inc.	307,633,331	134,750,397	(202,736,137)	-	239,647,590	-	239,647,590
Ayala Property Management Corporation (Conso)	-	10,450	-	-	10,450	-	10,450
Ayala Theaters Management, Inc.	2,250	-	(2,250)	-	-	-	-
AyalaLand Estates Inc. (Conso)	-	11,251,633	(11,141,960)	-	109,674	-	109,674
AyalaLand Hotels and Resorts Corp. (Conso)	5,071,290	13,593,182	(31,969,905)	-	(13,305,433)	-	(13,305,433)
Ayalaland Logistics Holdings Corp. (Conso)	354,802	30,647,451	-	-	31,002,253	-	31,002,253
Ayalaland Malls Synergies, Inc.	-	70,954	-	-	70,954	-	70,954
AyalaLand Malls, Inc. (Conso)	-	8,702,515	(7,399,260)	-	1,303,255	-	1,303,255
Ayalaland Metro North, Inc.	(2,530)	2,530	-	-	-	-	-
Bay City Commercial Ventures Corp.	5,594,540	65,988,652	-	-	71,583,192	-	71,583,192
BellaVita Land Corp.	192,665	8,300,928	(8,137,017)	-	356,576	-	356,576
Cagayan De Oro Gateway Corporation	3,415	-	-	-	3,415	-	3,415
Capitol Central Commercial Ventures Corp.	26,375	-	-	-	26,375	-	26,375
Cavite Commercial Towncenter Inc.	6,830	-	-	-	6,830	-	6,830
Cebu Leisure Co. Inc.	4,800	-	-	-	4,800	-	4,800
Crans Montana Property Holdings Corporation	-	11,159,600	-	-	11,159,600	-	11,159,600
Leisure and Allied Industries Phils. Inc.	-	4,742,496	(4,742,496)	-	-	-	-
Makati Cornerstone Leasing Corp.	-	-	-	-	-	-	-
Makati Development Corporation (Conso)	9,154,918	1,323,940	-	-	10,478,857	-	10,478,857
North Eastern Commercial Corp.	4,415	541,129	(545,544)	-	-	-	-
North Triangle Depot Commercial Corp	4,144,304	83,477	(4,120,345)	-	107,436	-	107,436
North Ventures Commercial Corp.	27,195	-	-	-	27,195	-	27,195
NorthBeacon Commercial Corporation	3,415	-	(3,415)	-	-	-	-
Nuevocentro, Inc. (Conso)	-	13,519,233	(13,463,603)	-	55,630	-	55,630
Soltea Commercial Corp.	201,053	3,521,850	(3,521,850)	-	201,053	-	201,053
Station Square East Commercial Corp	14,730	100	-	-	14,830	-	14,830
Summerhill Commercial Ventures Corp.	-	151,206	-	-	151,206	-	151,206
Ten Knots Development Corporation(Conso)	-	-	-	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	9,068,986	196,734	(2,805,858)	-	6,459,863	-	6,459,863
Subtotal	382,291,423	545,304,260	(476,350,191)	-	451,245,493	-	451,245,493

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by North Eastern Commercial Corp. from related parties							
Accendo Commercial Corp	12,221,682	62,610,304	-	-	74,831,986	-	74,831,986
Alabang Commercial Corporation (Conso)	13,027	3,838	-	-	16,865	-	16,865
ALI Capital Corp. (Conso)	65,543,278	44,415,850	(14,585,427)	-	95,373,701	-	95,373,701
ALI Commercial Center, Inc. (Conso)	178,563,418	-	(178,563,418)	-	-	-	-
ALI-CII Development Corporation	470	-	-	-	470	-	470
Alveo Land Corporation (Conso)	699,583	62,249,677	-	-	62,949,260	-	62,949,260
Amaia Land Corporation (Conso)	109,149,329	233,771,678	(134,389,051)	-	208,531,956	-	208,531,956
Amorsedia Development Corporation (Conso)	329,999	-	-	-	329,999	-	329,999
AREIT, Inc.	106,832,507	108,639	-	-	106,941,146	-	106,941,146
Arvo Commercial Corporation	77,731,389	30,890,519	(5,328,711)	-	103,293,197	-	103,293,197
Aviana Development Corporation	-	10,152,435	-	-	10,152,435	-	10,152,435
Avida Land Corporation (Conso)	2,790,045	41,422,529	(37,689,181)	-	6,523,393	-	6,523,393
Ayala Land Inc.	86,255,172	322,652,337	(309,668,246)	-	99,239,263	-	99,239,263
Ayala Malls Zing Inc.	-	559,734	-	-	559,734	-	559,734
Ayala Property Management Corporation (Conso)	-	-	-	-	-	-	-
AyalaLand Estates Inc. (Conso)	2,818,158	82,473,963	(54,972,044)	-	30,320,076	-	30,320,076
AyalaLand Hotels and Resorts Corp. (Conso)	268,060,291	63,367,049	(14,197,683)	-	317,229,658	-	317,229,658
Ayalaland Logistics Holdings Corp. (Conso)	16,882,686	156,040,125	-	-	172,922,811	-	172,922,811
Ayalaland Malls Synergies, Inc.	747,004	-	(743,473)	-	3,530	-	3,530
AyalaLand Malls, Inc. (Conso)	41,899	-	(41,899)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	186,018,435	(125,330,741)	-	60,687,694	-	60,687,694
Ayalaland Metro North, Inc.	6,516	169,165	(168,265)	-	7,416	-	7,416
Bay City Commercial Ventures Corp.	282,620,833	369,408,151	-	-	652,028,984	-	652,028,984
Cagayan De Oro Gateway Corporation	2,970,533	-	(89,215)	-	2,881,317	-	2,881,317
Capitol Central Commercial Ventures Corp.	39,203,417	12,750,689	-	-	51,954,106	-	51,954,106
Cavite Commercial Towncenter Inc.	16,156	44,618,154	-	-	44,634,310	-	44,634,310
Cebu Leisure Co. Inc.	3,593	-	-	-	3,593	-	3,593
CECI Realty Corp.	1,067	-	(1,067)	-	-	-	-
Crans Montana Property Holdings Corporation	21,828	-	-	-	21,828	-	21,828
Direct Power Services Inc.	23,047	3,654,336	(3,654,336)	-	23,047	-	23,047
Hillsford Property Corporation	3,778	-	-	-	3,778	-	3,778
Leisure and Allied Industries Phils. Inc.	396,792	8,455,982	(8,210,824)	-	641,950	-	641,950
Makati Cornerstone Leasing Corp.	1,067	3,238	-	-	4,305	-	4,305
Makati Development Corporation (Conso)	50,205,970	888,798	-	-	51,094,768	-	51,094,768
North Eastern Commercial Corp.	3,260	162,425	(154,187)	-	11,498	-	11,498
North Triangle Depot Commercial Corp	10,515,687	43,442,582	(31,215,675)	-	22,742,593	-	22,742,593
North Ventures Commercial Corp.	13,378	106,136	(90,627)	-	28,888	-	28,888
NorthBeacon Commercial Corporation	8,617	181,175	(160,073)	-	29,719	-	29,719
Nuevocentro, Inc. (Conso)	-	20,472,268	(20,388,027)	-	84,241	-	84,241
Primavera Towncentre, Inc.	-	11,192,734	-	-	11,192,734	-	11,192,734
Serendra Inc.	1,207	-	-	-	1,207	-	1,207
Soltea Commercial Corp.	106,926,519	34,879,204	(54,020,758)	-	87,784,965	-	87,784,965
Station Square East Commercial Corp	16,683	7,118	-	-	23,802	-	23,802
Subic Bay Town Center Inc.	15,243	16,983	-	-	32,227	-	32,227
Summerhill Commercial Ventures Corp.	1,639,901	1,598	-	-	1,641,499	-	1,641,499
Ten Knots Philippines, Inc.(Conso)	66,593,504	40,295,175	(33,408,947)	-	73,479,733	-	73,479,733
Westview Commercial Ventures Corp.	819	1,526,265	(3,518)	-	1,523,567	-	1,523,567
Subtotal	1,489,889,352	1,888,969,288	(1,027,075,393)	-	2,351,783,249	-	2,351,783,249

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by North Triangle Depot Commercial Corp from related parties							
Accendo Commercial Corp	8,067	-	-	-	8,067	-	8,067
Alabang Commercial Corporation (Conso)	118,960	-	-	-	118,960	-	118,960
ALI Capital Corp. (Conso)	875,769	-	-	-	875,769	-	875,769
ALI Commercial Center, Inc. (Conso)	3,477,560	-	(3,477,560)	-	-	-	-
Alveo Land Corporation (Conso)	(30,281)	3,810,907	(3,693,334)	-	87,292	-	87,292
Amaia Land Corporation (Conso)	223,794	548,800	(201,460)	-	571,134	-	571,134
Amorsedia Development Corporation (Conso)	33,689	-	-	-	33,689	-	33,689
Arvo Commercial Corporation	1,862,992	9,649	-	-	1,872,641	-	1,872,641
Avida Land Corporation (Conso)	709,674	2,123,072	(2,116,128)	-	716,618	-	716,618
Ayala Land Inc.	39,095,871	64,635,173	(63,439,870)	-	40,291,174	-	40,291,174
Ayala Malls Zing Inc.	-	119,016	-	-	119,016	-	119,016
AyalaLand Estates Inc. (Conso)	-	39,089,370	(39,011,969)	-	77,401	-	77,401
AyalaLand Hotels and Resorts Corp. (Conso)	115,415	10,025,667	(10,132,442)	-	8,640	-	8,640
Ayalaland Logistics Holdings Corp. (Conso)	865,280	12,586,180	(12,572,167)	-	879,293	-	879,293
Ayalaland Malls Synergies, Inc.	-	-	-	-	-	-	-
AyalaLand Malls, Inc. (Conso)	29,770	-	(29,770)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	4,008,580	-	-	4,008,580	-	4,008,580
Ayalaland Medical Facilities Leasing Inc.	119,340	-	-	-	119,340	-	119,340
Ayalaland Metro North, Inc.	19,099	11,609	-	-	30,708	-	30,708
Bay City Commercial Ventures Corp.	314,016	31,541	-	-	345,557	-	345,557
BG South Properties, Inc.	-	10,000	-	-	10,000	-	10,000
Cagayan De Oro Gateway Corporation	105,344	-	-	-	105,344	-	105,344
Capitol Central Commercial Ventures Corp.	1,400	27,465,309	(27,434,729)	-	31,980	-	31,980
Cavite Commercial Towncenter Inc.	-	15,038,500	(15,005,156)	-	33,344	-	33,344
Cebu Leisure Co. Inc.	29,881	-	-	-	29,881	-	29,881
Crans Montana Property Holdings Corporation	145,428	-	-	-	145,428	-	145,428
Direct Power Services Inc.	-	-	-	-	-	-	-
Leisure and Allied Industries Phils. Inc.	567,580	17,355,264	(14,570,494)	-	3,352,350	-	3,352,350
Makati Development Corporation (Conso)	4,662,145	-	-	-	4,662,145	-	4,662,145
North Eastern Commercial Corp.	552,343	139,363	-	-	691,706	-	691,706
North Ventures Commercial Corp.	147,706	-	-	-	147,706	-	147,706
NorthBeacon Commercial Corporation	3,381	-	-	-	3,381	-	3,381
Nuevocentro, Inc. (Conso)	115,145	-	-	-	115,145	-	115,145
Serendra Inc.	-	-	-	-	-	-	-
Soltea Commercial Corp.	417,555	1,002,567	(1,000,344)	-	419,778	-	419,778
Station Square East Commercial Corp	113,202	-	-	-	113,202	-	113,202
Subic Bay Town Center Inc.	1,942	-	-	-	1,942	-	1,942
Summerhill Commercial Ventures Corp.	684,724	19,129	-	-	703,854	-	703,854
Ten Knots Development Corporation(Conso)	19,019	-	-	-	19,019	-	19,019
Ten Knots Philippines, Inc.(Conso)	160,214	-	-	-	160,214	-	160,214
Subtotal	55,566,024	198,029,696	(192,685,423)	-	60,910,298	-	60,910,298

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Amount Receivable by North Ventures Commercial Corp. from related parties							
Accendo Commercial Corp	21,635,866	13,885,269	-	-	35,521,135	-	35,521,135
Alabang Commercial Corporation (Conso)	14,690	3,840	-	-	18,530	-	18,530
ALI Capital Corp. (Conso)	75,284,587	19,401,077	-	-	94,685,664	-	94,685,664
ALI Commercial Center, Inc. (Conso)	55,544,368	-	(55,544,368)	-	-	-	-
Alveo Land Corporation (Conso)	160,479	41,910,820	(31,200,457)	-	10,870,841	-	10,870,841
Amaia Land Corporation (Conso)	48,966,855	3,607,892	(21,606,728)	-	30,968,019	-	30,968,019
Amorsedia Development Corporation (Conso)	98,944	5,187,831	-	-	5,286,775	-	5,286,775
Arca South Integrated Terminal, Inc	187,211	-	-	-	187,211	-	187,211
Arvo Commercial Corporation	129,551,171	32,126,235	-	-	161,677,406	-	161,677,406
Avida Land Corporation (Conso)	832,955	5,019,279	(5,002,582)	-	849,652	-	849,652
Ayala Land Inc.	21,823,255	158,417,571	(175,065,019)	-	5,175,807	-	5,175,807
Ayala Malls Zing Inc.	-	367,048	-	-	367,048	-	367,048
Ayala Property Management Corporation (Conso)	1,790,801	-	-	-	1,790,801	-	1,790,801
AyalaLand Estates Inc. (Conso)	-	25,059,583	(25,007,980)	-	51,603	-	51,603
AyalaLand Hotels and Resorts Corp. (Conso)	105,767,801	45,323,044	(92,358,591)	-	58,732,254	-	58,732,254
Ayalaland Logistics Holdings Corp. (Conso)	668,490	45,185,566	-	-	45,854,056	-	45,854,056
Ayalaland Malls Synergies, Inc.	845	-	-	-	845	-	845
AyalaLand Malls, Inc. (Conso)	10,160	-	(10,160)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	26,686,746	(22,197,300)	-	4,489,445	-	4,489,445
Ayalaland Medical Facilities Leasing Inc.	193,932	-	-	-	193,932	-	193,932
Ayalaland Metro North, Inc.	2,642	600	-	-	3,242	-	3,242
Bay City Commercial Ventures Corp.	374,112,372	130,073,796	-	-	504,186,168	-	504,186,168
Cagayan De Oro Gateway Corporation	5,800	-	-	-	5,800	-	5,800
Capitol Central Commercial Ventures Corp.	107,729,382	88,408,312	(135,133,855)	-	61,003,839	-	61,003,839
Cavite Commercial Towncenter Inc.	40,438,725	54,759,816	(11,053,095)	-	84,145,446	-	84,145,446
Crans Montana Property Holdings Corporation	228,867	10,640	-	-	239,507	-	239,507
Leisure and Allied Industries Phils. Inc.	804,063	15,598,656	(16,105,338)	-	297,380	-	297,380
Makati Development Corporation (Conso)	2,742,315	-	-	-	2,742,315	-	2,742,315
North Eastern Commercial Corp.	137,572	10,235	-	-	147,807	-	147,807
North Triangle Depot Commercial Corp	308,881	25,045,979	-	-	25,354,859	-	25,354,859
NorthBeacon Commercial Corporation	1,600	308,230	(296,292)	-	13,539	-	13,539
Nuevocentro, Inc. (Conso)	-	26,224,598	(52,216,687)	-	(25,992,089)	-	(25,992,089)
Soltea Commercial Corp.	18,907,644	20,954,539	(36,615,070)	-	3,247,113	-	3,247,113
Station Square East Commercial Corp	20,130	2,700	-	-	22,830	-	22,830
Subic Bay Town Center Inc.	-	2,144	-	-	2,144	-	2,144
Summerhill Commercial Ventures Corp.	282,084	-	-	-	282,084	-	282,084
Ten Knots Development Corporation(Conso)	2,294	8,847,536	-	-	8,849,830	-	8,849,830
Ten Knots Philippines, Inc.(Conso)	3,424	44,424,646	(38,123,350)	-	6,304,719	-	6,304,719
Subtotal	1,008,260,205	836,854,228	(717,536,872)	-	1,127,577,557	-	1,127,577,557

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by NorthBeacon Commercial Corporation from related parties							
Accendo Commercial Corp	123,379,886	54,921,533	(176,801,675)	-	1,499,743	-	1,499,743
Alabang Commercial Corporation (Conso)	13,272	3,190	-	-	16,462	-	16,462
ALI Capital Corp. (Conso)	49,450,284	36,546,977	-	-	85,997,261	-	85,997,261
ALI Commercial Center, Inc. (Conso)	818,960	-	(818,960)	-	-	-	-
Alveo Land Corporation (Conso)	1,586,622	31,060,625	(23,506,884)	-	9,140,363	-	9,140,363
Amaia Land Corporation (Conso)	297,499	32,041,764	(32,030,315)	-	308,948	-	308,948
Amorsedia Development Corporation (Conso)	-	16,960,378	-	-	16,960,378	-	16,960,378
APRISA Business Process Solutions, Inc	1,200	1,710	-	-	2,910	-	2,910
AREIT, Inc.	-	5,000	-	-	5,000	-	5,000
Arvo Commercial Corporation	26,107,019	1,510,981	(9,863,169)	-	17,754,831	-	17,754,831
Aviana Development Corporation	-	23,876,664	(17,414,144)	-	6,462,519	-	6,462,519
Avida Land Corporation (Conso)	414,243	32,226,171	(31,100,744)	-	1,539,670	-	1,539,670
Ayala Land Inc.	6,751,133	131,157,014	(131,108,864)	-	6,799,283	-	6,799,283
Ayala Malls Zing Inc.	-	31,083	-	-	31,083	-	31,083
AyalaLand Estates Inc. (Conso)	-	30,071,608	(30,071,608)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	15,286,173	48,268,220	-	-	63,554,393	-	63,554,393
Ayalaland Logistics Holdings Corp. (Conso)	16,459,627	14,698,706	-	-	31,158,333	-	31,158,333
AyalaLand Malls, Inc. (Conso)	18,256	-	(18,256)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	48,033,832	(45,134,383)	-	2,899,449	-	2,899,449
Ayalaland Metro North, Inc.	9,622	-	-	-	9,622	-	9,622
Bay City Commercial Ventures Corp.	243,372,103	72,617,075	-	-	315,989,178	-	315,989,178
Cagayan De Oro Gateway Corporation	27,852	-	(16,600)	-	11,252	-	11,252
Capitol Central Commercial Ventures Corp.	7,078,486	10,532,646	(10,502,323)	-	7,108,809	-	7,108,809
Cavite Commercial Towncenter Inc.	84,536,394	69,131,554	(30,834,045)	-	122,833,903	-	122,833,903
Crans Montana Property Holdings Corporation	-	8,004,976	-	-	8,004,976	-	8,004,976
Direct Power Services Inc.	-	-	-	-	-	-	-
Hillsford Property Corporation	5,898	-	-	-	5,898	-	5,898
Leisure and Allied Industries Phils. Inc.	75,154	2,792,018	(2,869,445)	-	(2,273)	-	(2,273)
Makati Cornerstone Leasing Corp.	106,486	-	-	-	106,486	-	106,486
Makati Development Corporation (Conso)	-	3,460	-	-	3,460	-	3,460
North Eastern Commercial Corp.	99,735	14,690	-	-	114,426	-	114,426
North Triangle Depot Commercial Corp	107,185	75,158,545	(75,158,545)	-	107,185	-	107,185
North Ventures Commercial Corp.	44,716	14,318	-	-	59,034	-	59,034
Nuevocentro, Inc. (Conso)	4,993,431	6,460,409	(5,597,465)	-	5,856,375	-	5,856,375
Primavera Towncentre, Inc.	-	9,499,260	-	-	9,499,260	-	9,499,260
Soltea Commercial Corp.	36,941,552	13,642,753	(642,113)	-	49,942,191	-	49,942,191
Station Square East Commercial Corp	17,048	3,500	-	-	20,548	-	20,548
Subic Bay Town Center Inc.	16,200	24,144	-	-	40,344	-	40,344
Summerhill Commercial Ventures Corp.	3,900	114,630	-	-	118,530	-	118,530
Ten Knots Philippines, Inc.(Conso)	-	12,061,220	-	-	12,061,220	-	12,061,220
Subtotal	618,019,936	781,490,654	(623,489,538)	-	776,021,050	-	776,021,050

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Nuevocentro, Inc. from related parties							
Accendo Commercial Corp	-	13,335,592	(13,335,592)	-	-	-	-
ALI Commercial Center, Inc. (Conso)	102,461	-	(102,461)	-	-	-	-
Alveo Land Corporation (Conso)	25,930	15,002,975	(15,019,905)	-	9,000	-	9,000
Amaia Land Corporation (Conso)	82,099	7,007,898	(7,007,898)	-	82,099	-	82,099
Amorsedia Development Corporation (Conso)	-	40,397,541	(40,397,541)	-	-	-	-
Arvo Commercial Corporation	158,428	-	-	-	158,428	-	158,428
Avida Land Corporation (Conso)	517,412	133,819	-	-	651,231	-	651,231
Ayala Land Inc.	(5,376,792)	34,246,789	(28,107,625)	-	762,372	-	762,372
AyalaLand Estates Inc. (Conso)	67,189	175,380,068	(175,238,758)	-	208,499	-	208,499
AyalaLand Hotels and Resorts Corp. (Conso)	496,136	-	(435,321)	-	60,814	-	60,814
Ayalaland Logistics Holdings Corp. (Conso)	196,258	7,322,379	(5,491,785)	-	2,026,852	-	2,026,852
AyalaLand Malls, Inc. (Conso)	-	15,138,683	(14,916,113)	-	222,571	-	222,571
Bay City Commercial Ventures Corp.	381,944	-	-	-	381,944	-	381,944
CECI Realty Corp.	154,209	-	(83,337)	-	70,872	-	70,872
Crans Montana Property Holdings Corporation	151,580	52,508,316	(52,508,316)	-	151,580	-	151,580
Nuevocentro, Inc. (Conso)	4,141,799	-	(4,141,799)	-	-	-	-
Primavera Towncentre, Inc.	-	40,797,789	(40,106,847)	-	690,942	-	690,942
Prow Holdings, Inc.	199,255,639	-	-	-	199,255,639	-	199,255,639
Red Creek Properties, Inc.	-	10,118,081	(10,118,081)	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	-	5,116,492	(5,116,492)	-	-	-	-
Vesta Property Holdings Inc.	26,154	-	-	-	26,154	-	26,154
Subtotal	200,380,446	416,506,422	(412,127,871)	-	204,758,997	-	204,758,997
Amount Receivable by Philippine Integrated Energy Solutions, Inc. from related parties							
Accendo Commercial Corp	13,418,284	116,381,118	(114,888,789)	-	14,910,613	-	14,910,613
Alabang Commercial Corporation (Conso)	(199,312)	157,023,182	(145,333,642)	-	11,490,229	-	11,490,229
ALI Capital Corp. (Conso)	667,140	13,427,438	(61,738)	-	14,032,840	-	14,032,840
ALI Commercial Center, Inc. (Conso)	90,290,901	-	(90,290,901)	-	-	-	-
Alveo Land Corporation (Conso)	56,149,784	93,702,879	(97,842,425)	-	52,010,238	-	52,010,238
Amaia Land Corporation (Conso)	6,244,459	15,481,104	(34,469,327)	-	(12,743,763)	-	(12,743,763)
Amorsedia Development Corporation (Conso)	-	6,218,828	-	-	6,218,828	-	6,218,828
AREIT, Inc.	-	83,199,568	(68,556,487)	-	14,643,081	-	14,643,081
Arvo Commercial Corporation	648	6,113,344	(2,020,888)	-	4,093,104	-	4,093,104
Avida Land Corporation (Conso)	(50,120,000)	104,205,148	-	-	54,085,148	-	54,085,148
Ayala Land Inc.	2,737,400	274,338,194	(229,884,479)	-	47,191,115	-	47,191,115
AyalaLand Estates Inc. (Conso)	-	43,518,199	(56,584,724)	-	(13,066,525)	-	(13,066,525)
AyalaLand Hotels and Resorts Corp. (Conso)	6,528,820	76,285,247	-	-	82,814,067	-	82,814,067
Ayalaland Logistics Holdings Corp. (Conso)	3,273,372	71,870,225	(42,503,026)	-	32,640,572	-	32,640,572
AyalaLand Malls, Inc. (Conso)	-	343,697,839	(195,729,129)	-	147,968,710	-	147,968,710
Bay City Commercial Ventures Corp.	29,410,363	178,639,324	(199,750,659)	-	8,299,027	-	8,299,027
Cagayan De Oro Gateway Corporation	17,787,736	129,490,241	(129,054,597)	-	18,223,380	-	18,223,380
Capitol Central Commercial Ventures Corp.	122,149	-	-	-	122,149	-	122,149
Cavite Commercial Towncenter Inc.	61,590,128	87,179,593	(112,534,550)	-	36,235,171	-	36,235,171
Crans Montana Property Holdings Corporation	-	45,020,993	-	-	45,020,993	-	45,020,993
Direct Power Services Inc.	-	-	-	-	-	-	-
Makati Cornerstone Leasing Corp.	-	3,401,918	(3,400,257)	-	1,661	-	1,661
North Eastern Commercial Corp.	-	-	-	-	-	-	-
North Triangle Depot Commercial Corp	5,829,331	60,613,753	(59,072,415)	-	7,370,670	-	7,370,670
Nuevocentro, Inc. (Conso)	-	10,124,958	(10,124,958)	-	-	-	-
Primavera Towncentre, Inc.	-	3,200,147	(26,526)	-	3,173,622	-	3,173,622
Soltea Commercial Corp.	-	10,162,363	(10,162,363)	-	-	-	-
Ten Knots Development Corporation(Conso)	-	10,167,483	-	-	10,167,483	-	10,167,483
Ten Knots Philippines, Inc.(Conso)	-	-	-	-	-	-	-
Westview Commercial Ventures Corp.	2,650,250	-	-	-	2,650,250	-	2,650,250
Subtotal	246,381,453	1,943,463,086	(1,602,291,880)	-	587,552,663	-	587,552,663

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Primavera Towncentre, Inc. from related parties							
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
Ayala Land Inc.	1,407,328	-	-	-	1,407,328	-	1,407,328
AyalaLand Malls, Inc. (Conso)	5,705	-	(5,705)	-	-	-	-
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
Subtotal	7,430,817	5,705	(5,705)	-	7,430,817	-	7,430,817
Amount Receivable by Prow Holdings, Inc. from related parties							
Subtotal	-	-	-	-	-	-	-
Amount Receivable by Red Creek Properties, Inc. from related parties							
Ayala Land Inc.	18,000,592	-	-	-	18,000,592	-	18,000,592
Crimson Field Enterprises, Inc.	250,000	-	(250,000)	-	-	-	-
Subtotal	18,250,592	-	(250,000)	-	18,000,592	-	18,000,592
Amount Receivable by Regent Time International, Limited from related parties							
Ayala Land Inc.	602,164,160	39,369,907	-	-	641,534,067	-	641,534,067
Subtotal	602,164,160	39,369,907	-	-	641,534,067	-	641,534,067
Amount Receivable by Regent Wise Investments Limited from related parties							
Ayala Land Inc.	326,489,761	2,395,532,428	-	-	2,722,022,189	-	2,722,022,189
Regent Wise Investments Limited(Conso)	(140,551,818)	-	-	-	(140,551,818)	-	(140,551,818)
Subtotal	185,937,943	2,395,532,428	-	-	2,581,470,371	-	2,581,470,371
Amount Receivable by Roxas Land Corp. from related parties							
Ayala Property Management Corporation (Conso)	60,000	1,000,000	-	-	1,060,000	-	1,060,000
Subtotal	60,000	1,000,000	-	-	1,060,000	-	1,060,000

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Serendra Inc. from related parties							
Accendo Commercial Corp	-	15,264,835	(15,266,310)	-	(1,475)	-	(1,475)
ALI Capital Corp. (Conso)	-	2,816,316	(2,784,864)	-	31,452	-	31,452
Alveo Land Corporation (Conso)	4,792,162	20,050,467	(5,521,729)	-	19,320,899	-	19,320,899
Amaia Land Corporation (Conso)	1,852,783	30,064,985	(27,620,845)	-	4,296,923	-	4,296,923
Amorsedia Development Corporation (Conso)	2,106	-	-	-	2,106	-	2,106
Arvo Commercial Corporation	-	15,414,288	(55,485)	-	15,358,803	-	15,358,803
Aviana Development Corporation	-	10,086,250	(10,087,725)	-	(1,475)	-	(1,475)
Avida Land Corporation (Conso)	3,591,329	18,065,017	(18,008,708)	-	3,647,639	-	3,647,639
Ayala Land Inc.	150,561,890	26,612,706	(49,173,395)	-	128,001,201	-	128,001,201
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Property Management Corporation (Conso)	15,171,401	2,647,138	-	-	17,818,539	-	17,818,539
AyalaLand Estates Inc. (Conso)	-	15,035,804	(4,795)	-	15,031,009	-	15,031,009
AyalaLand Hotels and Resorts Corp. (Conso)	5,176,745	5,190,336	(10,242,511)	-	124,570	-	124,570
Bay City Commercial Ventures Corp.	67,099	-	-	-	67,099	-	67,099
BellaVita Land Corp.	958	-	-	-	958	-	958
BG North Properties Inc.	-	-	-	-	-	-	-
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	3,557,679	-	-	3,558,659	-	3,558,659
Leisure and Allied Industries Phils. Inc.	355,950	11,080,386	(11,010,766)	-	425,569	-	425,569
Makati Development Corporation (Conso)	183,195	-	-	-	183,195	-	183,195
Nuevocentro, Inc. (Conso)	-	5,188,219	(7,797)	-	5,180,422	-	5,180,422
Soltea Commercial Corp.	-	4,173,831	(4,127,278)	-	46,553	-	46,553
Ten Knots Philippines, Inc.(Conso)	3,375,839	196,923	(3,523,906)	-	48,855	-	48,855
Subtotal	202,171,917	185,445,180	(157,436,114)	-	230,180,981	-	230,180,981

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Soltea Commercial Corp. from related parties							
Accendo Commercial Corp	15,294	-	-	-	15,294	-	15,294
Alabang Commercial Corporation (Conso)	28,624	4,092,359	(4,082,979)	-	38,004	-	38,004
ALI Commercial Center, Inc. (Conso)	1,075,554	-	(1,075,554)	-	-	-	-
Alveo Land Corporation (Conso)	2,064,306	6,122,929	(5,386,902)	-	2,800,333	-	2,800,333
Amaia Land Corporation (Conso)	107,736	1,406,029	(1,406,029)	-	107,736	-	107,736
Arvo Commercial Corporation	36,154	600	-	-	36,754	-	36,754
Avida Land Corporation (Conso)	2,189,428	5,130,242	(4,277,046)	-	3,042,623	-	3,042,623
Ayala Hotels Inc.	-	-	-	-	-	-	-
Ayala Land Inc.	1,736,013	227,638	(227,638)	-	1,736,013	-	1,736,013
Ayala Malls Zing Inc.	-	63,136	-	-	63,136	-	63,136
Ayalaland Logistics Holdings Corp. (Conso)	-	-	-	-	-	-	-
Ayalaland Malls Synergies, Inc.	151,065	-	-	-	151,065	-	151,065
AyalaLand Malls, Inc. (Conso)	410	-	(410)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	20,783,743	(19,304,019)	-	1,479,724	-	1,479,724
Ayalaland Metro North, Inc.	-	200	-	-	200	-	200
Bay City Commercial Ventures Corp.	15,294	-	-	-	15,294	-	15,294
Cagayan De Oro Gateway Corporation	15,294	250	-	-	15,544	-	15,544
Cavite Commercial Towncenter Inc.	88,030	6,000	-	-	94,030	-	94,030
Cebu Leisure Co. Inc.	19,300	440,914	(440,614)	-	19,600	-	19,600
Leisure and Allied Industries Phils. Inc.	-	1,737,294	(1,737,294)	-	-	-	-
Makati Cornerstone Leasing Corp.	15,294	-	-	-	15,294	-	15,294
North Eastern Commercial Corp.	52,382	1,100	-	-	53,482	-	53,482
North Triangle Depot Commercial Corp	93,854	2,650	-	-	96,504	-	96,504
North Ventures Commercial Corp.	16,794	800	-	-	17,594	-	17,594
NorthBeacon Commercial Corporation	16,164	-	-	-	16,164	-	16,164
Serendra Inc.	15,294	-	-	-	15,294	-	15,294
Station Square East Commercial Corp	61,640	-	-	-	61,640	-	61,640
Summerhill Commercial Ventures Corp.	21,044	2,740	-	-	23,784	-	23,784
Subtotal	7,834,968	40,018,624	(37,938,485)	-	9,915,106	-	9,915,106
Amount Receivable by Southportal Properties, Inc. from related parties							
Accendo Commercial Corp	151,769,466	10,594,789	(9,296,189)	-	153,068,066	-	153,068,066
ALI Capital Corp. (Conso)	16,260,606	20,158,982	-	-	36,419,588	-	36,419,588
ALI Commercial Center, Inc. (Conso)	118,715	-	(118,715)	-	-	-	-
Alveo Land Corporation (Conso)	58,370	-	-	-	58,370	-	58,370
Amaia Land Corporation (Conso)	2,114,944	3,026,880	(4,831,991)	-	309,833	-	309,833
Amorsedia Development Corporation (Conso)	266	-	-	-	266	-	266
Arvo Commercial Corporation	10,203,426	10,548,422	(17,074,222)	-	3,677,626	-	3,677,626
Avida Land Corporation (Conso)	525,904	-	(444,491)	-	81,413	-	81,413
Ayala Land Inc.	159,244,878	68,251,072	(65,434,761)	-	162,061,189	-	162,061,189
AyalaLand Estates Inc. (Conso)	10,048,810	2,353,979	(12,402,789)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	52,699,681	38,327,269	(34,979,194)	-	56,047,755	-	56,047,755
Ayalaland Logistics Holdings Corp. (Conso)	22,019,712	18,758,415	(17,971,777)	-	22,806,350	-	22,806,350
AyalaLand Malls, Inc. (Conso)	-	118,715	-	-	118,715	-	118,715
Ayalaland Metro North, Inc.	3,452	-	-	-	3,452	-	3,452
Bay City Commercial Ventures Corp.	295,140,041	85,276,344	(279,952,751)	-	100,463,634	-	100,463,634
Cagayan De Oro Gateway Corporation	150,538	-	-	-	150,538	-	150,538
Capitol Central Commercial Ventures Corp.	10,434,850	10,529,020	(17,059,122)	-	3,904,748	-	3,904,748
Cavite Commercial Towncenter Inc.	5,087,018	6,442,681	-	-	11,529,699	-	11,529,699
Nuevocentro, Inc. (Conso)	-	14,174,942	(14,174,942)	-	-	-	-
Soltea Commercial Corp.	25,271,040	13,546,446	(38,295,557)	-	521,928	-	521,928
Summerhill Commercial Ventures Corp.	543,740	-	-	-	543,740	-	543,740
Ten Knots Development Corporation(Conso)	90,346	-	-	-	90,346	-	90,346
Ten Knots Philippines, Inc.(Conso)	2,015,349	10,180,620	-	-	12,195,970	-	12,195,970
Subtotal	763,801,152	312,288,576	(512,036,501)	-	564,053,226	-	564,053,226

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Station Square East Commercial Corp from related parties							
Accendo Commercial Corp	7,013	30,379,081	-	-	30,386,093	-	30,386,093
Alabang Commercial Corporation (Conso)	7,630	-	-	-	7,630	-	7,630
ALI Capital Corp. (Conso)	2,029,670	56,994,134	-	-	59,023,804	-	59,023,804
ALI Commercial Center, Inc. (Conso)	138,240,351	-	(138,240,351)	-	-	-	-
Alveo Land Corporation (Conso)	1,234,655	222,428,098	(163,870,511)	-	59,792,241	-	59,792,241
Amaia Land Corporation (Conso)	2,629,247	149,468,908	(150,202,541)	-	1,895,614	-	1,895,614
Amorsedia Development Corporation (Conso)	176,788	12,274,005	-	-	12,450,793	-	12,450,793
APRISA Business Process Solutions, Inc	365,416	17,514,441	(17,727,388)	-	152,469	-	152,469
Arca South Integrated Terminal, Inc	37,398	-	(35,941)	-	1,457	-	1,457
Arvo Commercial Corporation	5,228,123	58,622,048	-	-	63,850,171	-	63,850,171
Aviana Development Corporation	-	11,312,449	(11,301,667)	-	10,782	-	10,782
Avida Land Corporation (Conso)	3,170,696	54,513,946	(55,838,368)	-	1,846,274	-	1,846,274
Ayala Land Inc.	6,482,354	591,091,282	(587,847,139)	-	9,726,498	-	9,726,498
Ayala Malls Zing Inc.	-	328,554	-	-	328,554	-	328,554
AyalaLand Estates Inc. (Conso)	-	23,078,282	(11,074,074)	-	12,004,208	-	12,004,208
AyalaLand Hotels and Resorts Corp. (Conso)	86,705,317	259,496,380	(219,457,738)	-	126,743,960	-	126,743,960
Ayalaland Logistics Holdings Corp. (Conso)	21,686,243	100,294,020	-	-	121,980,263	-	121,980,263
AyalaLand Malls, Inc. (Conso)	19,118	-	(19,118)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	41,111,849	(21,388,976)	-	19,722,873	-	19,722,873
Ayalaland Metro North, Inc.	-	67,922	-	-	67,922	-	67,922
Bay City Commercial Ventures Corp.	126,902,044	249,497,467	(211,637,429)	-	164,762,082	-	164,762,082
BellaVita Land Corp.	323,323	(88,978)	(218,253)	-	16,092	-	16,092
BG North Properties Inc.	-	1,521,855	-	-	1,521,855	-	1,521,855
BG South Properties, Inc.	-	716,435	-	-	716,435	-	716,435
Cagayan De Oro Gateway Corporation	39,595,523	29,685,571	(68,613,750)	-	667,344	-	667,344
Capitol Central Commercial Ventures Corp.	6,465,151	55,422,455	-	-	61,887,607	-	61,887,607
Cavite Commercial Towncenter Inc.	113,158,779	65,643,957	(74,494,449)	-	104,308,287	-	104,308,287
Cebu Leisure Co. Inc.	18,375	-	-	-	18,375	-	18,375
Crans Montana Property Holdings Corporation	2,025,453	-	-	-	2,025,453	-	2,025,453
Lagdigan Land Corporation	-	5,510,443	-	-	5,510,443	-	5,510,443
Leisure and Allied Industries Phils. Inc.	3,018,873	3,390,618	(4,207,512)	-	2,201,979	-	2,201,979
Makati Development Corporation (Conso)	983,593	-	-	-	983,593	-	983,593
North Eastern Commercial Corp.	2,053,858	-	(2,000,904)	-	52,954	-	52,954
North Triangle Depot Commercial Corp	5,336,160	32,383,131	(37,065,082)	-	654,209	-	654,209
North Ventures Commercial Corp.	8,279	-	-	-	8,279	-	8,279
NorthBeacon Commercial Corporation	14,396	-	-	-	14,396	-	14,396
Nuevocentro, Inc. (Conso)	-	10,620,460	(10,576,758)	-	43,702	-	43,702
Primavera Towncentre, Inc.	89,298	10,608,419	(79,602)	-	10,618,115	-	10,618,115
Red Creek Properties, Inc.	55,235,769	58,689,461	(58,004,075)	-	55,921,155	-	55,921,155
Serendra Inc.	955,432	67,010	(338,255)	-	684,187	-	684,187
Soltea Commercial Corp.	9,456,724	70,922,588	-	-	80,379,312	-	80,379,312
Subic Bay Town Center Inc.	1,500	-	-	-	1,500	-	1,500
Ten Knots Development Corporation(Conso)	-	39,807,145	(11,087,018)	-	28,720,127	-	28,720,127
Ten Knots Philippines, Inc.(Conso)	3,695,640	24,110,412	(4,924,979)	-	22,881,073	-	22,881,073
Subtotal	637,358,189	2,287,483,848	(1,860,251,878)	-	1,064,590,160	-	1,064,590,160

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Subic Bay Town Center Inc. from related parties							
Accendo Commercial Corp	47,548	-	-	-	47,548	-	47,548
Alabang Commercial Corporation (Conso)	1,740	-	-	-	1,740	-	1,740
ALI Commercial Center, Inc. (Conso)	35,911,601	-	(35,911,601)	-	-	-	-
Amaia Land Corporation (Conso)	225,222	24,029,613	(24,442,455)	-	(187,621)	-	(187,621)
Amorsedia Development Corporation (Conso)	-	5,216,354	-	-	5,216,354	-	5,216,354
Arvo Commercial Corporation	14,598,937	808,633	(14,048,873)	-	1,358,696	-	1,358,696
Avida Land Corporation (Conso)	-	10,069,919	(10,069,919)	-	-	-	-
Ayala Land Inc.	3,081,732	56,824,957	(56,824,957)	-	3,081,732	-	3,081,732
Ayala Malls Zing Inc.	-	16,570	-	-	16,570	-	16,570
AyalaLand Hotels and Resorts Corp. (Conso)	53,201,728	59,404,511	(81,758,110)	-	30,848,129	-	30,848,129
Ayalaland Logistics Holdings Corp. (Conso)	868,966	36,882,323	-	-	37,751,289	-	37,751,289
AyalaLand Malls, Inc. (Conso)	-	39,702,540	(36,916,666)	-	2,785,874	-	2,785,874
Ayalaland Metro North, Inc.	-	1,243	-	-	1,243	-	1,243
Bay City Commercial Ventures Corp.	709,131	83,765,563	-	-	84,474,694	-	84,474,694
Capitol Central Commercial Ventures Corp.	41,725	-	-	-	41,725	-	41,725
Cavite Commercial Towncenter Inc.	16,957,197	1,301,791	(139,478)	-	18,119,510	-	18,119,510
Leisure and Allied Industries Phils. Inc.	(331,506)	32,256	(88,552)	-	(387,803)	-	(387,803)
North Eastern Commercial Corp.	1,400	1,243	-	-	2,643	-	2,643
North Triangle Depot Commercial Corp	24,403,808	1,300,584	(25,683,867)	-	20,525	-	20,525
North Ventures Commercial Corp.	1,500	1,243	-	-	2,743	-	2,743
NorthBeacon Commercial Corporation	1,050	5,715	-	-	6,765	-	6,765
Nuevocentro, Inc. (Conso)	-	32,665,004	-	-	32,665,004	-	32,665,004
Primavera Towncentre, Inc.	160,234	-	-	-	160,234	-	160,234
Soltea Commercial Corp.	1,205,053	-	(1,750,654)	-	(545,601)	-	(545,601)
Station Square East Commercial Corp	1,000	-	-	-	1,000	-	1,000
Summerhill Commercial Ventures Corp.	-	-	-	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	13,304	27,657,896	-	-	27,671,199	-	27,671,199
Subtotal	151,101,370	379,687,958	(287,635,132)	-	243,154,192	-	243,154,192
Amount Receivable by Summerhill Commercial Ventures Corp. from related parties							
Accendo Commercial Corp	37,634,319	13,079,419	(18,484,977)	-	32,228,761	-	32,228,761
Alabang Commercial Corporation (Conso)	13,850	900	-	-	14,750	-	14,750

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
ALI Capital Corp. (Conso)	31,981,030	1,791,628	(30,049,997)	-	3,722,661	-	3,722,661
ALI Commercial Center, Inc. (Conso)	281,633,476	-	(281,633,476)	-	-	-	-
Alveo Land Corporation (Conso)	15,263,332	90,156,759	(70,203,238)	-	35,216,853	-	35,216,853
Amaia Land Corporation (Conso)	35,346,822	133,346,907	(166,744,776)	-	1,948,953	-	1,948,953
Amorsedia Development Corporation (Conso)	-	5,187,831	-	-	5,187,831	-	5,187,831
Arvo Commercial Corporation	173,783,594	360,137,778	-	-	533,921,371	-	533,921,371
Avida Land Corporation (Conso)	397,694,888	43,165,250	(48,047,575)	-	392,812,563	-	392,812,563
Ayala Land Inc.	51,161	185,602,321	(165,596,101)	-	20,057,381	-	20,057,381
Ayala Malls Zing Inc.	-	188,562	-	-	188,562	-	188,562
AyalaLand Estates Inc. (Conso)	-	5,080,890	(5,080,890)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	16,117,281	147,842,425	(106,862,838)	-	57,096,868	-	57,096,868
Ayalaland Logistics Holdings Corp. (Conso)	4,491,921	104,265,013	(34,738,849)	-	74,018,085	-	74,018,085
Ayalaland Malls Synergies, Inc.	420,527	-	(420,527)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	103,617,618	(99,641,525)	-	3,976,092	-	3,976,092
Ayalaland Metro North, Inc.	1,200	6,070	-	-	7,270	-	7,270
AyalaLand Offices, Inc. (Conso)	1,394	-	-	-	1,394	-	1,394
Bay City Commercial Ventures Corp.	270,678,092	1,337,183,815	(894,794,360)	-	713,067,547	-	713,067,547
BellaVita Land Corp.	535,618	-	-	-	535,618	-	535,618
Cagayan De Oro Gateway Corporation	11,435	-	(11,435)	-	-	-	-
Cavite Commercial Towncenter Inc.	67,645,733	120,289,093	(183,352,833)	-	4,581,993	-	4,581,993
Direct Power Services Inc.	162,011	-	-	-	162,011	-	162,011
Leisure and Allied Industries Phils. Inc.	402,093	6,312,286	(8,951,117)	-	(2,236,737)	-	(2,236,737)
Makati Development Corporation (Conso)	843,050	-	-	-	843,050	-	843,050
North Eastern Commercial Corp.	38,859	6,950	-	-	45,809	-	45,809
North Triangle Depot Commercial Corp	81,696,163	48,994,408	(125,369,717)	-	5,320,855	-	5,320,855
North Ventures Commercial Corp.	10,490	3,440	-	-	13,930	-	13,930
NorthBeacon Commercial Corporation	5,160	13,600	-	-	18,760	-	18,760
Nuevocentro, Inc. (Conso)	-	16,273,457	-	-	16,273,457	-	16,273,457
Primavera Towncentre, Inc.	-	10,860,998	-	-	10,860,998	-	10,860,998
Soltea Commercial Corp.	18,755,636	831,740	(16,873,785)	-	2,713,591	-	2,713,591
Station Square East Commercial Corp	37,290	8,270	-	-	45,560	-	45,560
Subic Bay Town Center Inc.	1,380	-	-	-	1,380	-	1,380
Ten Knots Philippines, Inc.(Conso)	64,821,932	133,027,593	(194,617,318)	-	3,232,207	-	3,232,207
Subtotal	1,500,079,737	2,867,275,021	(2,451,475,334)	-	1,915,879,424	-	1,915,879,424

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Sunnyfield E-Office Corp from related parties							
ALI Capital Corp. (Conso)	-	16,642,640	-	-	16,642,640	-	16,642,640
Alveo Land Corporation (Conso)	5,019,739	-	(5,019,739)	-	-	-	-
Amaia Land Corporation (Conso)	18,698,147	2,152,923	(20,851,070)	-	-	-	-
Avida Land Corporation (Conso)	301,277	3,751,025	(3,254,764)	-	797,538	-	797,538
Ayala Land Inc.	-	23,345,305	(23,345,305)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	-	3,084,169	(3,084,169)	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	-	21,048,728	(3,137,219)	-	17,911,509	-	17,911,509
Bay City Commercial Ventures Corp.	-	2,005,876	(2,000,787)	-	5,089	-	5,089
Crans Montana Property Holdings Corporation	-	20,167,095	-	-	20,167,095	-	20,167,095
Makati Cornerstone Leasing Corp.	-	2,003,744	(2,000,501)	-	3,243	-	3,243
Nuevocentro, Inc. (Conso)	-	20,110,333	(20,014,777)	-	95,557	-	95,557
Ten Knots Development Corporation(Conso)	-	6,096,723	-	-	6,096,723	-	6,096,723
Ten Knots Philippines, Inc.(Conso)	28,255,139	11,354,131	-	-	39,609,270	-	39,609,270
Subtotal	52,274,302	131,762,692	(82,708,331)	-	101,328,664	-	101,328,664
Amount Receivable by Taft Punta Engaño Property, Inc. from related parties							
Accendo Commercial Corp	63,520,510	4,448,107	(3,888,149)	-	64,080,469	-	64,080,469
ALI Capital Corp. (Conso)	7,145,941	1,917,267	(6,582,330)	-	2,480,878	-	2,480,878
ALI Commercial Center, Inc. (Conso)	9,959,865	-	(9,959,865)	-	-	-	-
Alveo Land Corporation (Conso)	-	7,805,289	-	-	7,805,289	-	7,805,289
Amaia Land Corporation (Conso)	70,007	1,408,119	(1,478,127)	-	-	-	-
Arvo Commercial Corporation	12,312,587	537,552	(11,265,564)	-	1,584,575	-	1,584,575
Avida Land Corporation (Conso)	188,174	46,331,862	(46,520,037)	-	-	-	-
Ayala Land Inc.	53,532	36,962,434	(36,427,856)	-	588,109	-	588,109
AyalaLand Hotels and Resorts Corp. (Conso)	5,039,552	14,290,645	-	-	19,330,197	-	19,330,197
Ayalaland Logistics Holdings Corp. (Conso)	1,230,923	28,649,332	-	-	29,880,255	-	29,880,255
AyalaLand Malls, Inc. (Conso)	-	52,172,982	(51,266,881)	-	906,101	-	906,101
Ayalaland Metro North, Inc.	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	139,258,582	10,717,069	(3,730,955)	-	146,244,697	-	146,244,697
Capitol Central Commercial Ventures Corp.	4,480,831	287,191	(535,644)	-	4,232,378	-	4,232,378
Cavite Commercial Towncenter Inc.	67,816,755	37,152,496	-	-	104,969,251	-	104,969,251
Soltea Commercial Corp.	2,017	-	-	-	2,017	-	2,017
Ten Knots Philippines, Inc.(Conso)	25,163,104	23,041,160	(2,363,354)	-	45,840,910	-	45,840,910
Subtotal	336,242,380	265,721,505	(174,018,762)	-	427,945,126	-	427,945,126
Amount Receivable by Ten Knots Development Corporation from related parties							
ALI Capital Corp. (Conso)	-	-	-	-	-	-	-
ALI Commercial Center, Inc. (Conso)	10,382	-	(10,382)	-	-	-	-
Avida Land Corporation (Conso)	551,544	-	(551,544)	-	-	-	-
Ayala Land Inc.	204,600	(464)	(204,136)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	359,520,362	1,744,522,075	(2,089,590,389)	-	14,452,047	-	14,452,047
AyalaLand Malls, Inc. (Conso)	-	10,382	-	-	10,382	-	10,382
Ayalaland Medical Facilities Leasing Inc.	-	-	-	-	-	-	-
Direct Power Services Inc.	9,458	-	-	-	9,458	-	9,458
Ecoholdings Company, Inc.	500	-	-	-	500	-	500
Integrated Eco-Resort Inc.	55,293	-	-	-	55,293	-	55,293
Makati Development Corporation (Conso)	103,021	-	-	-	103,021	-	103,021
Soltea Commercial Corp.	94,511	-	-	-	94,511	-	94,511
Ten Knots Development Corporation(Conso)	-	363,600,000	(363,599,954)	-	46	-	46
Ten Knots Philippines, Inc.(Conso)	247,324,355	1,538,109,192	(1,210,825,361)	-	574,608,186	-	574,608,186
Subtotal	607,874,026	3,646,241,185	(3,664,781,766)	-	589,333,444	-	589,333,444

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Ten Knots Philippines, Inc. from related parties							
Accendo Commercial Corp	-	3,026,631	(3,003,567)	-	23,064	-	23,064
Adauge Commercial Corp.	9,105	3,000	-	-	12,105	-	12,105
ALI Capital Corp. (Conso)	13,356,734	26,937,764	-	-	40,294,498	-	40,294,498
ALI Commercial Center, Inc. (Conso)	-	-	-	-	-	-	-
Amaia Land Corporation (Conso)	-	3,005,792	(3,000,776)	-	5,016	-	5,016
Ayala Land Inc.	1,313,287	322,098	-	-	1,635,385	-	1,635,385
Ayala Land Sales Inc.	11,085	-	(11,085)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	2,387,503	3,690,705	-	-	6,078,207	-	6,078,207
AyalaLand Malls, Inc. (Conso)	3,000	-	(3,000)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	-	-	-	-	-	-
Ayalaland Premier, Inc.	-	11,085	-	-	11,085	-	11,085
Cagayan De Oro Gateway Corporation	-	-	-	-	-	-	-
Ecoholdings Company, Inc.	645,491	49,383	-	-	694,874	-	694,874
Integrated Eco-Resort Inc.	4,174,551	-	(4,095,451)	-	79,100	-	79,100
Integrated Eco-Resort Inc.	60,215	-	(60,215)	-	-	-	-
Philippine Integrated Energy Solutions, Inc.	2,350	-	-	-	2,350	-	2,350
Ten Knots Development Corporation(Conso)	11,298,471	24,416,506	(26,088,252)	-	9,626,725	-	9,626,725
Ten Knots Philippines, Inc.(Conso)	363,309	183,000,000	(183,363,309)	-	-	-	-
Subtotal	33,625,101	244,462,964	(219,625,655)	-	58,462,409	-	58,462,409
Amount Receivable by Verde Golf Development Corporation from related parties							
Ayala Land Inc.	142,445	79,522	-	-	221,967	-	221,967
Subtotal	142,445	79,522	-	-	221,967	-	221,967
Amount Receivable by Vesta Property Holdings Inc. from related parties							
ALI Capital Corp. (Conso)	74,565,391	63,987,884	(127,917,918)	-	10,635,358	-	10,635,358
ALI Commercial Center, Inc. (Conso)	47,302,268	-	(47,302,268)	-	-	-	-
Alveo Land Corporation (Conso)	81,049,911	-	(140,195)	-	80,909,716	-	80,909,716
Amaia Land Corporation (Conso)	62,921,995	3,313,035	(66,235,029)	-	-	-	-
Amorsedia Development Corporation (Conso)	456,049,258	33,078,910	(13,074,618)	-	476,053,549	-	476,053,549
Arvo Commercial Corporation	119,737,197	113,848,333	(154,541,644)	-	79,043,887	-	79,043,887
Avida Land Corporation (Conso)	12,441,854	3,004,509	(3,000,604)	-	12,445,760	-	12,445,760
Ayala Land Inc.	5,903,188	42,594,512	(11,584,871)	-	36,912,830	-	36,912,830
Ayala Land International Sales, Inc.(Conso)	188,476	-	-	-	188,476	-	188,476
AyalaLand Estates Inc. (Conso)	-	13,181,307	(13,181,307)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	67,314,744	33,811,847	-	-	101,126,590	-	101,126,590
Ayalaland Logistics Holdings Corp. (Conso)	13,591,744	47,918,342	(47,480,674)	-	14,029,413	-	14,029,413
AyalaLand Malls, Inc. (Conso)	-	1,248,335	-	-	1,248,335	-	1,248,335
Ayalaland Medical Facilities Leasing Inc.	2,795,983	-	-	-	2,795,983	-	2,795,983
Bay City Commercial Ventures Corp.	169,451,784	329,676,669	(463,459,847)	-	35,668,606	-	35,668,606
Cagayan De Oro Gateway Corporation	10,639	-	(7,827)	-	2,811	-	2,811
Cavite Commercial Towncenter Inc.	39,794,733	1,474,362	(35,683,674)	-	5,585,420	-	5,585,420
Crans Montana Property Holdings Corporation	123,355,929	173,216,048	(224,593,571)	-	71,978,406	-	71,978,406
Makati Development Corporation (Conso)	18,000	16,200	-	-	34,200	-	34,200
North Eastern Commercial Corp.	35,150	-	-	-	35,150	-	35,150
North Triangle Depot Commercial Corp	18,342,320	1,847,728	-	-	20,190,048	-	20,190,048
Nuevocentro, Inc. (Conso)	-	176,723,620	-	-	176,723,620	-	176,723,620
Red Creek Properties, Inc.	211,532,524	15,558,330	(14,686,440)	-	212,404,414	-	212,404,414
Soltea Commercial Corp.	3,309,060	3,068,654	(6,101,685)	-	276,029	-	276,029
Summerhill Commercial Ventures Corp.	21,690,714	-	-	-	21,690,714	-	21,690,714
Ten Knots Development Corporation(Conso)	3,018,902	207,413	(174,120)	-	3,052,195	-	3,052,195
Ten Knots Philippines, Inc.(Conso)	122,505,424	8,937,403	(31,022,265)	-	100,420,562	-	100,420,562
Subtotal	1,656,927,188	1,066,713,441	(1,260,188,557)	-	1,463,452,072	-	1,463,452,072

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Westview Commercial Ventures Corp. from related parties							
Adauge Commercial Corp.	2,900	-	(5,800)	-	(2,900)	-	(2,900)
Amaia Land Corporation (Conso)	577,624	-	-	-	577,624	-	577,624
AREIT, Inc.	6,424,401	-	-	-	6,424,401	-	6,424,401
Avida Land Corporation (Conso)	326,282	-	-	-	326,282	-	326,282
Ayala Land Inc.	121,144	-	-	-	121,144	-	121,144
Capitol Central Commercial Ventures Corp.	154,518	-	(100,558)	-	53,960	-	53,960
North Triangle Depot Commercial Corp	5,210	-	-	-	5,210	-	5,210
Subic Bay Town Center Inc.	9,983	-	-	-	9,983	-	9,983
Subtotal	7,622,062	-	(106,358)	-	7,515,704	-	7,515,704
Amount Receivable by Whiteknight Holdings, Inc. from related parties							
ALI Commercial Center, Inc. (Conso)	32,335,052	-	(32,335,052)	-	-	-	-
Amaia Land Corporation (Conso)	-	6,701,500	(6,701,500)	-	-	-	-
Ayala Land Inc.	-	3,009,821	-	-	3,009,821	-	3,009,821
AyalaLand Hotels and Resorts Corp. (Conso)	-	14,621,026	-	-	14,621,026	-	14,621,026
Ayalaland Logistics Holdings Corp. (Conso)	-	3,089,540	-	-	3,089,540	-	3,089,540
AyalaLand Malls, Inc. (Conso)	-	1,400,487	-	-	1,400,487	-	1,400,487
Ayalaland Medical Facilities Leasing Inc.	2,928,214	-	-	-	2,928,214	-	2,928,214
Bay City Commercial Ventures Corp.	10,814,555	8,618,557	-	-	19,433,112	-	19,433,112
Soltea Commercial Corp.	3,032,961	104,495	(3,137,456)	-	-	-	-
Summerhill Commercial Ventures Corp.	556,880	-	-	-	556,880	-	556,880
Ten Knots Philippines, Inc.(Conso)	-	14,198,994	-	-	14,198,994	-	14,198,994
Subtotal	49,667,662	51,744,420	(42,174,008)	-	59,238,074	-	59,238,074
Grand Total	125,617,899,570	125,769,176,792	(118,600,327,141)	-	132,786,749,200	-	132,786,749,201

Ayala Land, Inc. and Subsidiaries

Schedule D - Long-Term Debt

As at December 31, 2023

Title of Issue and type of obligation	Amount authorized by indenture (in '000)	Amount shown under caption "Current portion of long-term debt" in related balance sheet (in '000)	Amount shown under caption "Long-Term Debt" in related balance sheet (in '000)	Interest Rate	No. of Periodic Installments	Maturity Date
Ayala Land, Inc.:						
Bonds						
Philippine Peso	12,000,000	11,964,602	-	4.397%	N/A, Bullet	July 4, 2024
Philippine Peso	3,000,000	2,993,838	-	4.758%	N/A, Bullet	September 30, 2024
Philippine Peso	10,000,000	-	9,959,900	3.626%	N/A, Bullet	May 4, 2025
Philippine Peso	6,250,000	-	6,222,200	3.862%	N/A, Bullet	September 29, 2025
Philippine Peso	7,000,000	-	6,984,429	4.750%	N/A, Bullet	October 25, 2025
Philippine Peso	8,000,000	-	7,978,689	4.850%	N/A, Bullet	March 23, 2026
Philippine Peso	8,000,000	-	7,962,227	6.369%	N/A, Bullet	May 6, 2026
Philippine Peso	1,000,000	-	976,665	4.990%	N/A, Bullet	February 6, 2027
Philippine Peso	7,000,000	-	6,986,235	5.262%	N/A, Bullet	May 2, 2027
Philippine Peso	7,000,000	-	6,942,199	6.211%	N/A, Bullet	July 4, 2027
Philippine Peso	12,000,000	-	11,931,740	5.809%	N/A, Bullet	May 5, 2028
Philippine Peso	10,075,000	-	9,961,324	6.025%	N/A, Bullet	June 26, 2028
Philippine Peso	14,000,000	-	13,870,012	6.805%	N/A, Bullet	July 4, 2029
Philippine Peso	3,000,000	-	2,981,600	4.078%	N/A, Bullet	October 26, 2031
Philippine Peso	4,925,000	-	4,866,279	6.295%	N/A, Bullet	June 26, 2033
Philippine Peso	2,000,000	-	1,988,434	6.000%	N/A, Bullet	October 10, 2033
Bank loan - US Dollar						
Bank Loan *(MBTC)*	2,641,265	3,045,350	-	4.389%	N/A, Bullet	November 6, 2024
Bank loan - Peso						
Bank Loan *(BDO)*	9,900,000	-	9,845,939	Various fixed rates	Various	Various from 2026 to 2031
Bank Loan *(BPI)*	306,000	17,000	254,431	Various fixed/floating rates	Various	Various from 2023 to 2027
Bank Loan (CBC)	17,100,000	-	16,999,493	Various fixed rates	Various	Various from 2029 to 2031
Bank Loan *(LBP)*	25,000,000	116,050	24,362,376	Various fixed rates	Various	Various from 2028 to 2033
Bank Loan *(MBTC)*	20,000,000	270,782	18,518,488	Various fixed rates	Various	Various from 2027 to 2033
Bank Loan *(PNB)*	10,000,000	160,922	9,159,717	4.000%	39	December 18, 2030

(forward)

Title of Issue and type of obligation	Amount authorized by indenture (in '000)	Amount shown under caption "Current portion of long-term debt" in related balance sheet (in '000)	Amount shown under caption "Long-Term Debt" in related balance sheet (in '000)	Interest Rate	No. of Periodic Installment	Maturity Date
Subsidiaries:						
Bank loan - Peso						
Bank Loan *(BDO)*	23,955,000	63,440	23,632,597	Various fixed rates	Various	Various from 2025 to 2032
Bank Loan *(BPI)*	3,552,182	152,225	1,801,100	Various fixed and floating rates	Various	Various from 2023 to 2028
Bank Loan *(LBP)*	6,930,000	50,714	6,795,469	Various fixed rates	Various	Various from 2030 to 2032
Bank Loan *(MBTC)*	9,725,000	-	9,653,171	Various floating rates	Various	October 26, 2032
Bank loan - MYR	Various	134,497	1,745,019	Various	Various	Various
Total		**18,969,421**	**222,379,734**			

Ayala Land, Inc. and Subsidiaries

Schedule E - Indebtedness to Related Parties (Long-term Loans from Related Companies)

As at December 31, 2023

Name of related party	Balance at beginning of period (in '000)	Balance at end of period (in '000)
Bank of the Philippine Islands	4,623,237	2,225,325

Ayala Land, Inc. and Subsidiaries

Schedule F - Guarantees of Securities of Other Issuers

As at December 31, 2023

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
Not applicable.				

Ayala Land, Inc. and Subsidiaries

Schedule G - Capital Stock

As at December 31, 2023

		Number of shares issued and outstanding at shown under related Statement of Financial Position caption							
Title of Issue	Number of Shares Authorized	Issued	Subscribed	Treasury stocks	Total	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common Stock	20,000,000,000	15,595,195,060	126,330,567	(779,349,914)	14,942,175,713	-	7,624,318,976	152,682,385	-
Preferred Stock	15,000,000,000	13,066,494,760	-	(623,999,728)	12,442,495,032	-	12,163,180,640	2,157,932	-

Ayala Land, Inc.

Reconciliation of Retained Earnings Available for Dividend Declaration

For the year ended December 31, 2023

Unappropriated Retained Earnings, beginning of the year/period		**53,000,568,937**
Add: Category A: Items that are directly credited to Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Less: Category B: Items that are directly debited to Unappropriated retained earnings		
Dividend declaration during the reporting period	(5,662,154,745)	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	(5,662,154,745)
Unappropriated Retained Earnings, as adjusted		**47,338,414,192**
Add/Less: Net Income (loss) for the current year/period		18,578,320,220
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	844,331,912	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	2,686,740	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	847,018,652
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	-	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	(326,348,835)	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	(326,348,835)
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to- market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	-
Adjusted net income/loss		**19,098,990,037**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	(3,695,647,069)	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(2,234,626)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	6,353,946	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others (describe nature)	-	(3,691,527,749)
Total Retained Earnings, end of the year/period available for dividend declaration		**62,745,876,480**

Ayala Land, Inc. and Subsidiaries

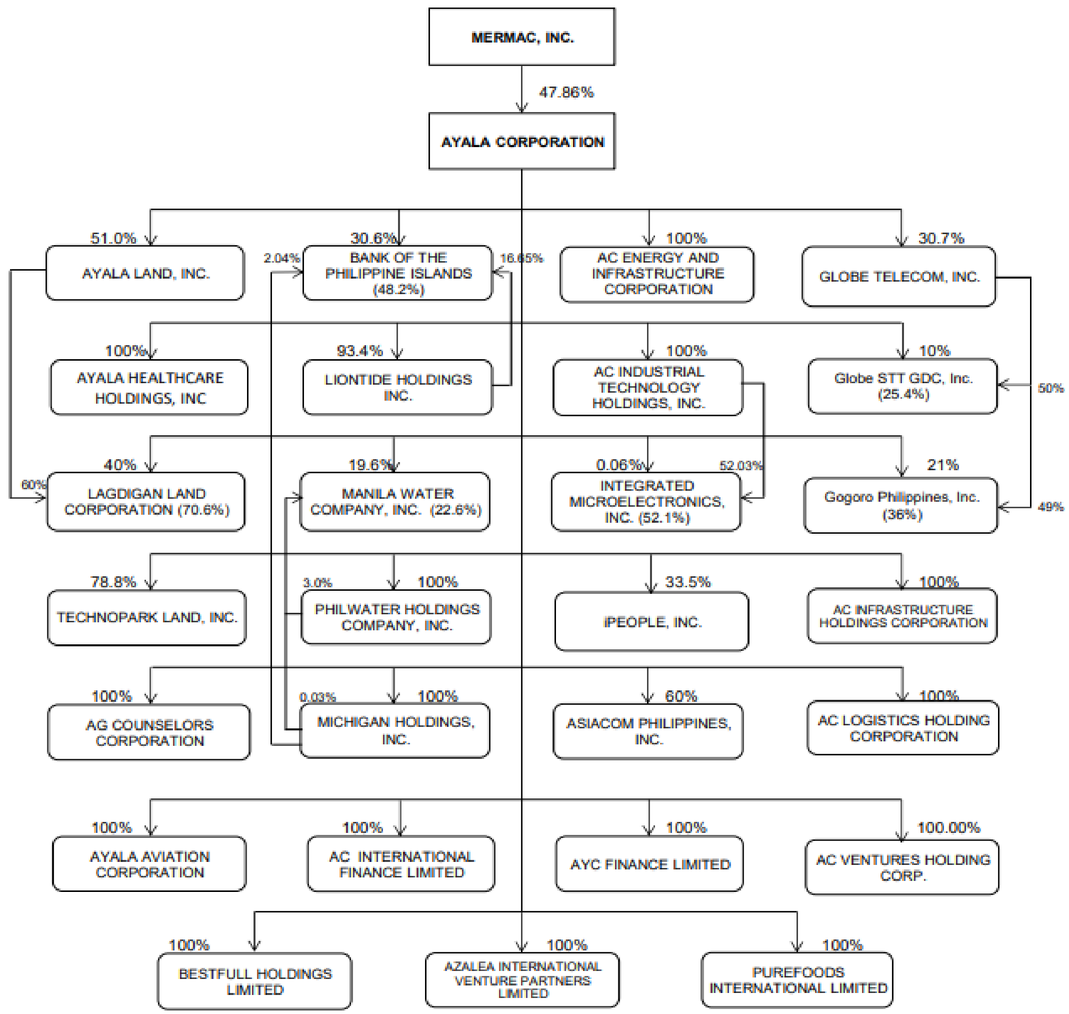
Financial Soundness Indicators
As at December 31, 2023

Ratio	Formula	2023	2022	2021
Current ratio	Current assets / Current liabilities	1.76	1.77	1.58
Acid test ratio	Quick assets (Total current assets excluding inventory)/ Current liabilities	0.87	0.88	0.87
Solvency ratio	EBITDA / Total debt (Total debt includes short-term debt, long-term debt and current portion of long-term debt)	0.23	0.2	0.16
Debt-to-equity ratio	Total debt / Consolidated stockholders' equity	0.81	0.8	0.82
Asset-to-equity ratio	Total assets / Consolidated stockholders' equity	2.65	2.66	2.76
Interest rate coverage ratio	EBITDA / Interest expense	5.19	4.82	4.01
Return on equity	Net income attributable to equity holders of the company / Average total stockholders' equity	0.08	0.07	0.05
Return on assets	Net income after tax / Average total assets	0.04	0.03	0.02
Net profit margin	Net income attributable to equity holders of the company / Total consolidated revenue	0.16	0.15	0.12

Ayala Land, Inc. and Subsidiaries

Map of the Group of Companies within which the Parent Company belongs

As at December 31, 2023

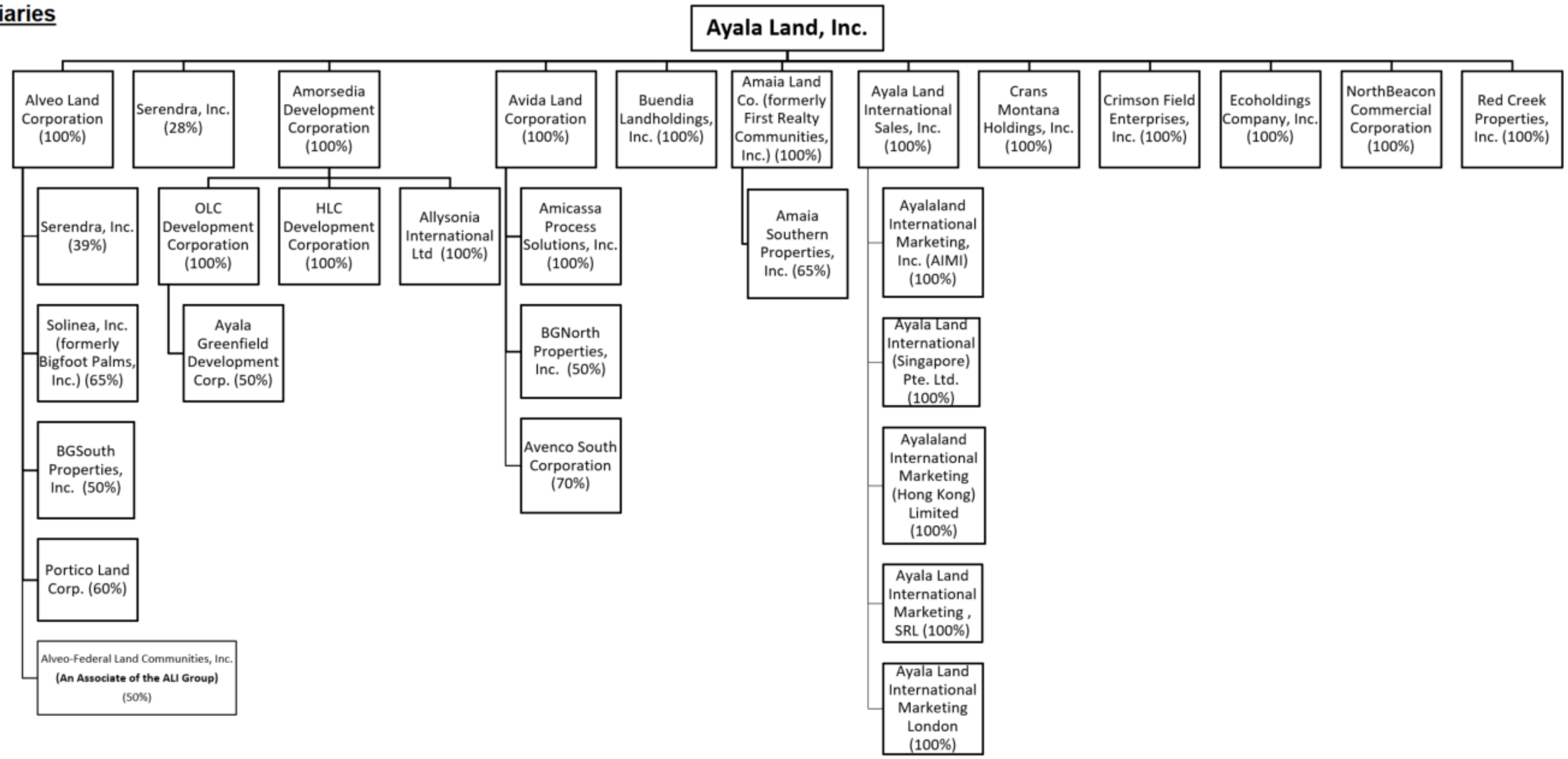


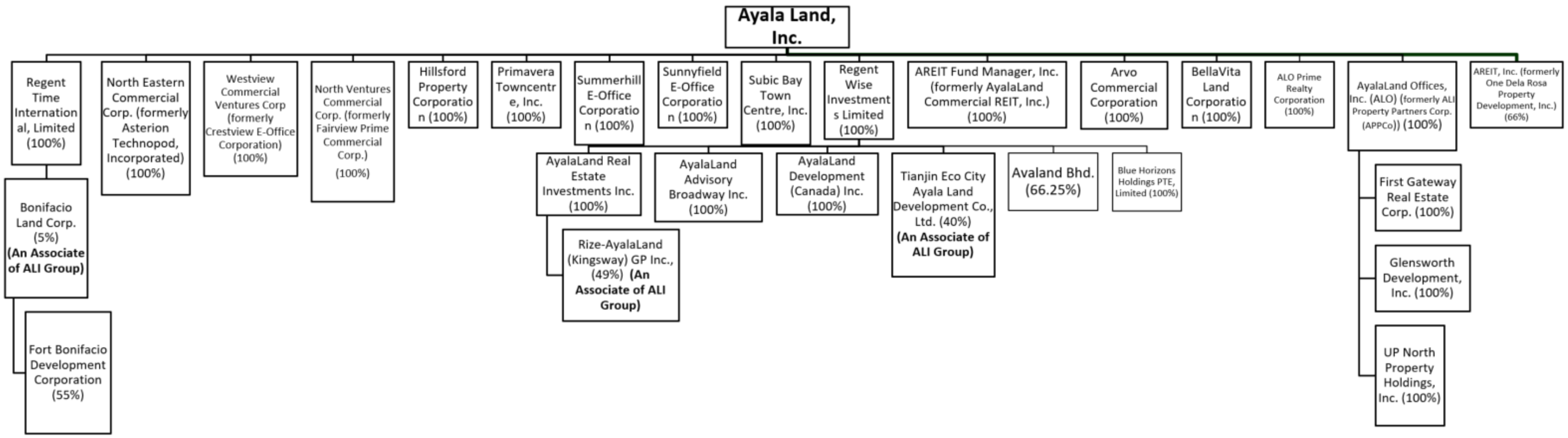
Legend:

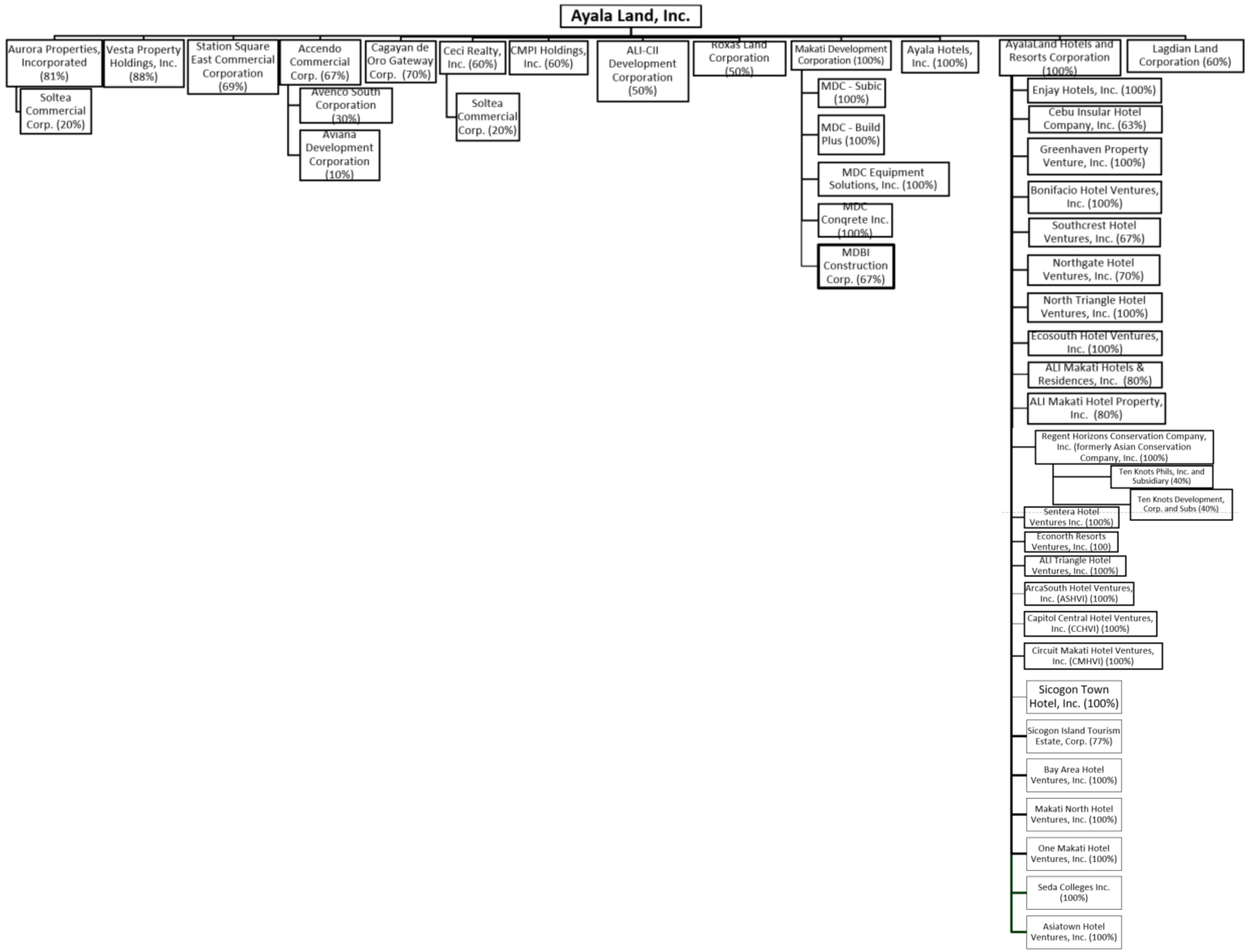
% of ownership appearing outside the box - direct % of economic ownership

% of ownership appearing inside the box - effective % of economic ownership

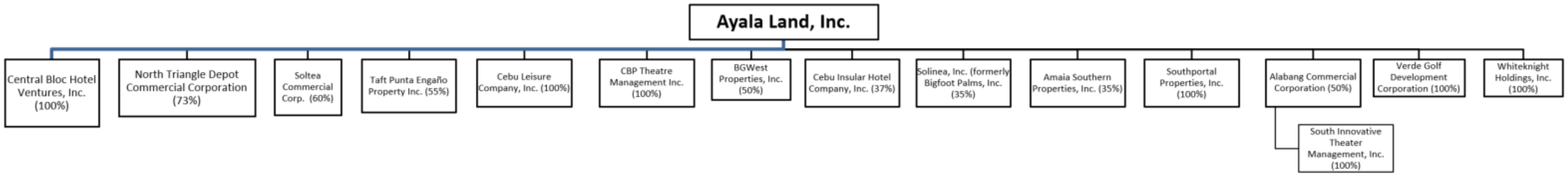
Subsidiaries



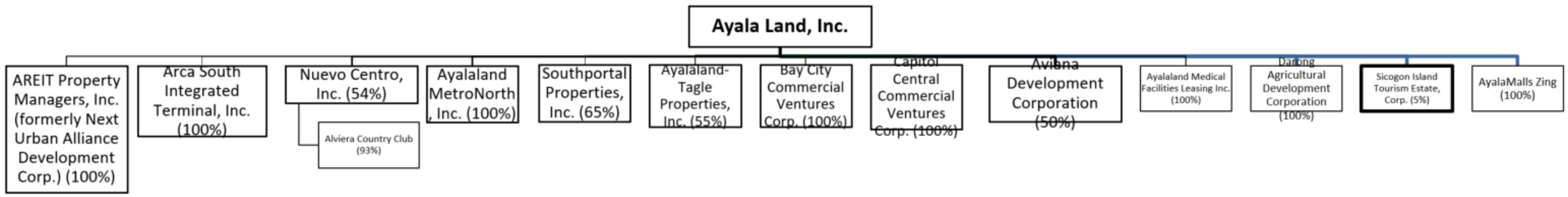

Ayala Land, Inc.
Regent Time International, Limited (100%)
Bonifacio Land Corp. (5%) (An Associate of ALI Group)
Fort Bonifacio Development Corporation (55%)
North Eastern Commercial Corp. (formerly Asterion Technopod, Incorporated) (100%)
Westview Commercial Ventures Corp (formerly Crestview E-Office Corporation) (100%)
North Ventures Commercial Corp. (formerly Fairview Prime Commercial Corp.) (100%)
Hillsford Property Corporation (100%)
Primavera Towncentre, Inc. (100%)
Summerhill E-Office Corporation (100%)
Sunnyfield E-Office Corporation (100%)
Subic Bay Town Centre, Inc. (100%)
Regent Wise Investments Limited (100%)
AyalaLand Real Estate Investments Inc. (100%)
Rize-AyalaLand (Kingsway) GP Inc., (49%) (An Associate of ALI Group)
AyalaLand Advisory Broadway Inc. (100%)
AyalaLand Development (Canada) Inc. (100%)
Tianjin Eco City Ayala Land Development Co., Ltd. (40%) (An Associate of ALI Group)
Avaland Bhd. (66.25%)
Blue Horizons Holdings PTE, 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%)
First Gateway Real Estate Corp. (100%)
Glensworth Development, Inc. (100%)
UP North Property Holdings, Inc. (100%)
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.) (66%)

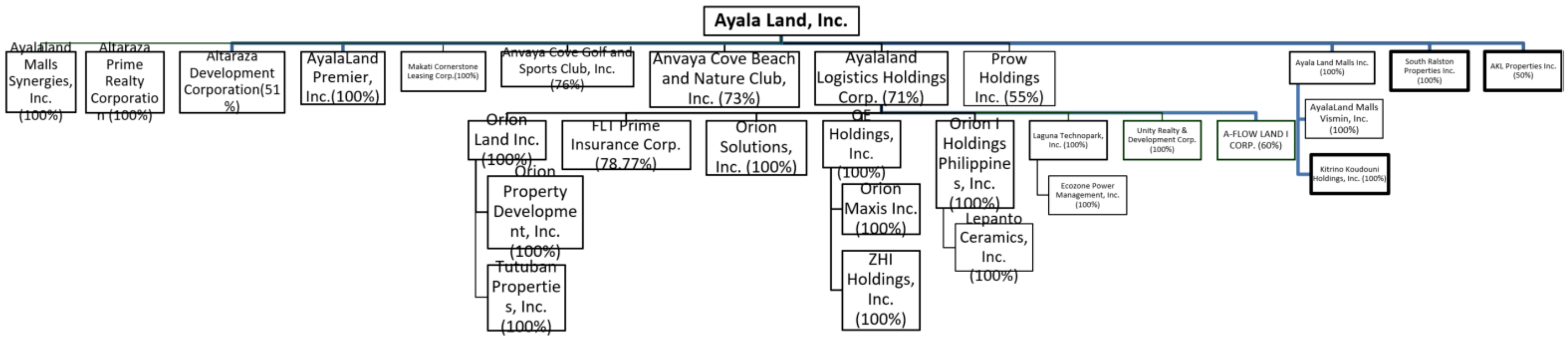


Ayala Land, Inc.
Aurora Properties, Incorporated (81%)
Soltea Commercial Corp. (20%)
Vesta Property Holdings, Inc. (88%)
Station Square East Commercial Corporation (69%)
Accendo Commercial Corp. (67%)
Avenco South Corporation (30%)
Aviana Development Corporation (10%)
Cagayan de Oro Gateway Corp. (70%)
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. (100%)
AyalaLand Hotels and Resorts Corporation (100%)
Enjay Hotels, Inc. (100%)
Cebu Insular Hotel Company, Inc. (63%)
Greenhaven Property Venture, Inc. (100%)
Bonifacio Hotel Ventures, Inc. (100%)
Southcrest Hotel Ventures, Inc. (67%)
Northgate Hotel Ventures, Inc. (70%)
North Triangle Hotel Ventures, Inc. (100%)
Ecosouth Hotel Ventures, Inc. (100%)
ALI Makati Hotels & Residences, Inc. (80%)
ALI Makati Hotel Property, Inc. (80%)
Regent Horizons Conservation Company, Inc. (formerly Asian Conservation Company, Inc. (100%)
Ten Knots Phils, Inc. and Subsidiary (40%)
Ten Knots Development, Corp. and Subs (40%)
Sentera Hotel Ventures Inc. (100%)
Econorth Resorts Ventures, Inc. (100)
ALI Triangle Hotel Ventures, Inc. (100%)
ArcaSouth Hotel Ventures, Inc. (ASHVI) (100%)
Capitol Central Hotel Ventures, Inc. (CCHVI) (100%)
Circuit Makati Hotel Ventures, Inc. (CMHVI) (100%)
Sicogon Town Hotel, Inc. (100%)
Sicogon Island Tourism Estate, Corp. (77%)
Bay Area Hotel Ventures, Inc. (100%)
Makati North Hotel Ventures, Inc. (100%)
One Makati Hotel Ventures, Inc. (100%)
Seda Colleges Inc. (100%)
Asiatown Hotel Ventures, Inc. (100%)
Lagdian Land Corporation (60%)

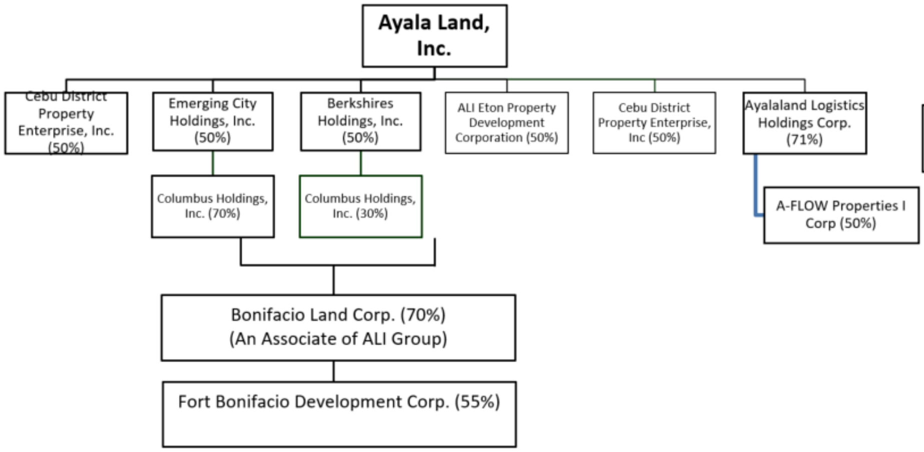


Ayala Land, Inc.
Central Bloc Hotel Ventures, Inc. (100%)
North Triangle Depot Commercial Corporation (73%)
Soltea Commercial Corp. (60%)
Taft Punta Engaño Property Inc. (55%)
Cebu Leisure Company, Inc. (100%)
CBP Theatre Management Inc. (100%)
BGWest Properties, Inc. (50%)
Cebu Insular Hotel Company, Inc. (37%)
Solinea, Inc. (formerly Bigfoot Palms, Inc. (35%)
Amaia Southern Properties, Inc. (35%)
Southportal Properties, Inc. (100%)
Alabang Commercial Corporation (50%)
South Innovative Theater Management, Inc. (100%)
Verde Golf Development Corporation (100%)
Whiteknight Holdings, Inc. (100%)

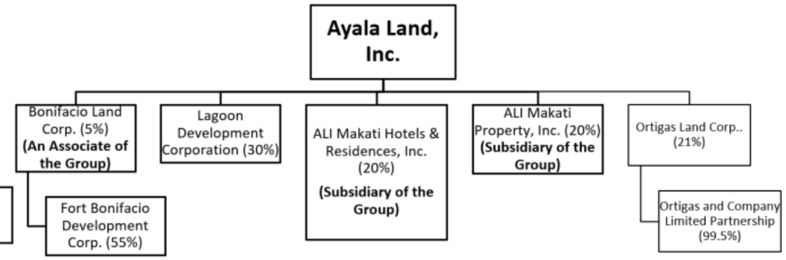

Ayala Land, Inc.
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.) (100%)
Arca South Integrated Terminal, Inc. (100%)
Nuevo Centro, Inc. (54%)
Alviera Country Club (93%)
Ayalaland MetroNorth, Inc. (100%)
Southportal Properties, Inc. (65%)
Ayalaland-Tagle Properties, Inc. (55%)
Bay City Commercial Ventures Corp. (100%)
Capitol Central Commercial Ventures Corp. (100%)
Aviana Development Corporation (50%)
Ayalaland Medical Facilities Leasing Inc. (100%)
Darong Agricultural Development Corporation (100%)
Sicogon Island Tourism Estate, Corp. (5%)
AyalaMalls Zing (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%)
Ayala Land Malls Inc. (100%)
South Ralston Properties Inc. (100%)
AKL Properties Inc. (50%)
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%)
A-FLOW LAND I CORP. (60%)
AyalaLand Malls Vismin, Inc. (100%)
Kitrino Koudouni Holdings, Inc. (100%)
Orion Property Development, Inc. (100%)
Tutuban Properties, Inc. (100%)
Orion Maxis Inc. (100%)
ZHI Holdings, Inc. (100%)
Lepanto Ceramics, Inc. (100%)
Ecozone Power Management, Inc. (100%)



Ayala Land, Inc.
Cebu District Property Enterprise, Inc. (50%)
Emerging City Holdings, Inc. (50%)
Berkshires Holdings, Inc. (50%)
ALI Eton Property Development Corporation (50%)
Cebu District Property Enterprise, Inc (50%)
Ayalaland Logistics Holdings Corp. (71%)
Columbus Holdings, Inc. (70%)
Columbus Holdings, Inc. (30%)
A-FLOW Properties I Corp (50%)
Bonifacio Land Corp. (70%)
(An Associate of ALI Group)
Fort Bonifacio Development Corp. (55%)



Ayala Land, Inc.
Bonifacio Land Corp. (5%) (An Associate of the Group)
Lagoon Development Corporation (30%)
ALI Makati Hotels & Residences, Inc. (20%)
(Subsidiary of the Group)
ALI Makati Property, Inc. (20%) (Subsidiary of the Group)
Ortigas Land Corp.. (21%)
Fort Bonifacio Development Corp. (55%)
Ortigas and Company Limited Partnership (99.5%)

Ayala Land, Inc. and Subsidiaries

Bond Proceeds

As at December 31, 2023

P15.0 Billion Fixed Rate Bonds due 2028 (Series A- P10.1 Billion) and 2033 (Series B- P4.9 Billion)

(In thousands)	**Estimated Per prospectus**	**Actual**
Issue Amount	**14,000,000**	**15,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	6,123	6,123
Documentary Stamp Tax	105,000	112,500
Underwriting Fee	52,500	56,250
Estimated Professional Expenses & Agency fees	8,420	8,156
Marketing/Printing/Photocopying Costs and OPEs	1,000	545
Listing Fee	200	200
Total Expenses	173,243	183,775
Net Proceeds	**13,826,757**	**14,816,225**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P15.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P14.82 billion were used to partially refinance various short-term Philippine peso-denominated obligations amounting to ₱4.42 billion and approximately ₱10.40 billion to fund general corporate requirements, including but not limited to various capital expenditures.

P33.0 Billion Fixed Rate Bonds due 2024 (Series A - P12.0 Billion), 2027 (Series B- P7.0 Billion) and 2029 (Series C - P14.0 Billion)

(In thousands)	**Estimated Per prospectus**	**Actual**
Issue Amount	**33,000,000**	**33,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	8,333	8,333
Documentary Stamp Tax	247,500	247,500
Underwriting Fee	123,750	123,750
PDEX Listing Fee	100	585
Accounting	2,000	1,800
Legal	80	633
Credit Rating	6,600	3,780
Registry and Paying Agency	300	300
Trusteeship	150	150
Out-of-pocket expenses	500	187
Total Estimated Upfront Expenses	389,313	387,018
Net Proceeds	**32,610,687**	**32,612,982**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P33.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P32.61 billion were used to partially refinance various short-term Philippine peso-denominated obligations amounting to ₱22.10 billion and approximately ₱10.52 billion to fund general corporate requirements, including but not limited to expenses in the ordinary course of business including the ₱1.20 billion worth of various capital expenditures.

P12.0 Billion Fixed Rate Bonds due 2028

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**12,000,000**	**12,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,030	3,030
Documentary Stamp Tax	90,000	90,000
Underwriting Fee	45,000	45,000
PDEX Listing Fee	100	223
Accounting	2,500	2,500
Legal	563	1,013
Credit Rating	2,402	2,463
Registry and Paying Agency	285	285
Trusteeship	150	150
Out-of-pocket expenses	500	93
Total Estimated Upfront Expenses	144,530	144,756
Net Proceeds	**11,855,470**	**11,855,244**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P12.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P11.86 billion were used to partially refinance short-term loans that were drawn to finance the full settlement of the Company's 6.0% per annum ₱5.65 billion fixed-rate bonds issued in 20124 ("6.0% ALI 2022 Bonds") and the balance to partially fund the settlement of the 4.5% per annum ₱7.00 billion fixed-rate bonds issued in 20155 ("4.5% ALI 2022 Bonds", together, the "ALI 04-2022 Bonds") that matured on April 27 and 29, 2022, respectively, and approximately ₱1.00 billion to fund general corporate requirements, including but not limited to expenses in the ordinary course of business including capital expenditures.

P3.0 Billion Fixed Rate Bonds due 2031

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**2,750,000**	**3,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,263	1,957
Documentary Stamp Tax	20,625	22,500
Underwriting Fee	10,313	11,250
Estimated Professional Expenses & Agency fees	7,300	5,733
Marketing/Printing/Photocopying Costs and OPEs	1,000	334
Listing Fee	100	100
Total Expenses	40,600	41,874
Net Proceeds	**2,709,400**	**2,958,126**
Balance of Proceeds as of December 31, 2023		**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 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 thousands)	Estimated Per prospectus	Actual
Issue Amount	**10,000,000**	**10,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525	2,525
Documentary Stamp Tax	75,000	75,000
Underwriting Fee	37,500	37,500
Estimated Professional Expenses & Agency fees	5,000	4,758
Marketing/Printing/Photocopying Costs and OPEs	1,000	177
Listing Fee	100	100
Total Expenses	121,125	120,060
Net Proceeds	**9,878,875**	**9,879,940**
Balance of Proceeds as of December 31, 2023		**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 thousands)	Estimated Per prospectus	Actual
Issue Amount	**6,250,000**	**6,250,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,578	1,578
Documentary Stamp Tax	46,875	46,875
Underwriting Fee	23,438	23,438
Estimated Professional Expenses & Agency fees	5,000	5,520
Marketing/Printing/Photocopying Costs and OPEs	1,000	274
Listing Fee	100	100
Total Expenses	77,991	77,785
Net Proceeds	**6,172,009**	**6,172,215**
Balance of Proceeds as of December 31, 2023		**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.

P9.0 Billion Fixed Rate Bonds due 2021 and P1.0 Billion Fixed Rate Bonds due 2027

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**10,000,000**	**10,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,093	3,093
Documentary Stamp Tax	75,000	75,000
Underwriting Fee	37,500	37,500
Estimated Professional Expenses & Agency fees	9,000	4,207
Marketing/Printing/Photocopying Costs and OPEs	1,000	118
Listing Fee	150	254
Total Expenses	125,743	120,172
Net Proceeds	**9,874,257**	**9,879,828**
Balance of Proceeds as of December 31, 2023		**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

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**3,000,000**	**3,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	758	758
Documentary Stamp Tax	22,500	22,500
Underwriting Fee	11,250	11,025
Estimated Professional Expenses & Agency fees	9,000	3,965
Marketing/Printing/Photocopying Costs and OPEs	1,000	69
Listing Fee	150	152
Total Expenses	44,658	38,469
Net Proceeds	**2,955,343**	**2,961,531**
Balance of Proceeds as of December 31, 2023		**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

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**8,000,000**	**8,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588	2,588
Documentary Stamp Tax	60,000	60,000
Underwriting Fee	30,000	30,000
Estimated Professional Expenses & Agency fees	9,000	6,066
Marketing/Printing/Photocopying Costs and OPEs	5,000	339
Listing Fee	150	218
Total Expenses	106,738	99,211
Net Proceeds	**7,893,262**	**7,900,789**
Balance of Proceeds as of December 31, 2023		**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.

P7.0 Billion Fixed Rate Bonds due 2027

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**7,000,000**	**7,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,768	1,768
Documentary Stamp Tax	35,000	35,000
Underwriting Fee	26,250	26,250
Estimated Professional Expenses & Agency fees	9,000	3,161
Marketing/Printing/Photocopying Costs and OPEs	5,000	990
Listing Fee	100	100
Total Expenses	77,118	67,269
Net Proceeds	**6,922,883**	**6,932,731**
Balance of Proceeds as of December 31, 2023		**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 2025

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**7,000,000**	**8,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,768	1,768
Documentary Stamp Tax	35,000	35,000
Underwriting Fee	26,250	26,250
Estimated Professional Expenses & Agency fees	7,500	2,302
Marketing/Printing/Photocopying Costs and OPEs	2,500	249
Listing Fee	100	100
Total Expenses	73,118	65,668
Net Proceeds	**6,926,883**	**7,934,332**
Balance of Proceeds as of December 31, 2023		**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

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**8,000,000**	**8,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588	2,588
Documentary Stamp Tax	40,000	40,000
Underwriting Fee	30,000	30,000
Estimated Professional Expenses & Agency fees	7,500	3,651
Marketing/Printing/Photocopying Costs and OPEs	2,500	399
Listing Fee	100	100
Total Expenses	82,688	76,738
Net Proceeds	**7,917,312**	**7,923,262**
Balance of Proceeds as of December 31, 2023		**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 thousands)	**Estimated Per prospectus**	**Actual**
Issue Amount	**6,000,000**	**6,000,000**
Expenses		
Documentary Stamp Tax	30,000	30,000
Upfront Fees		
Underwriting Fee (375 bps + GRT)	22,500	22,500
Professional Expenses	1,458	2,518
Listing Fee	100	100
Out of Pocket Expenses (publication, printing etc.)	1,000	6
Total Expenses	**55,058**	**55,123**
Net Proceeds	**5,944,943**	**5,944,877**
Balance of Proceeds as of December 31, 2023		**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.

COVER SHEET
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 .

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

3 1 s t F l o o r , T o w e r O n e a n d
E x c h a n g e P l a z a , A y a l a T r i a n g l e
, A y a l a A v e n u e , M a k a t i C i t y

Form Type	Department requiring the report	Secondary License Type, if Applicable
A F S	S E C	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
	7 908-3677	

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
13,115	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

31st 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.

Independent Auditor's Report

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements of Ayala Land, Inc. (the "Parent Company") as at and for the year ended December 31, 2023 are prepared, in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief issued and approved by the Securities and Exchange Commission (SEC), as described in Note 32 to the financial statements.

What we have audited

The financial statements of the Parent Company comprise:

- the statement of financial position as at December 31, 2023;
- the statement of income for the year ended December 31, 2023;
- the statement of comprehensive income for the year ended December 31, 2023;
- the statement of changes in equity for the year ended December 31, 2023;
- the statement of cash flows for the year ended December 31, 2023; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit 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 Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Parent Company 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 financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Emphasis of Matter

We draw attention to Note 32 to the financial statements, which indicates that the financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC in response to the COVID-19 pandemic. The details of the financial reporting relief availed by the Parent Company and the impact of the application on the 2023 financial statements are discussed in Note 32.2. Our opinion is not modified in respect of this matter. Our opinion remains to be unqualified on the financial statements taken as a whole.

Other Matter

The financial statements of the Parent Company as at and for the year ended December 31, 2022 were audited by another firm of auditors whose report, dated February 21, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 32 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parent Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Parent Company'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 Parent Company'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 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 Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 32 to the financial statements.

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, actions taken to eliminate threats or safeguards applied.

Report on the Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 33 to the financial statements is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Roderick M. Danao.

Isla Lipana & Co.

Roderick M. Danao
Partner
CPA Cert. No. 88453
P.T.R. No. 0011280, issued on January 12, 2024, Makati City
TIN 152-015-078
BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 20, 2024

Ayala Land, Inc.
(The Parent Company)

Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents	2	487,063,380	559,609,838
Financial assets at fair value through profit or loss (FVTPL)	3	35,834,889	6,881,752
Accounts and notes receivable	4	76,999,244,528	84,710,232,539
Inventories	5	66,451,148,351	52,664,201,212
Other current assets	6	22,081,932,663	18,418,705,630
Total current assets		166,055,223,811	156,359,630,971
Non-current assets			
Accounts and notes receivable, net of current portion	4	15,162,061,188	14,155,756,512
Financial assets at fair value through other comprehensive income (FVOCI)	7	716,337,497	663,761,300
Investments in subsidiaries, associates and joint ventures	8	210,165,412,168	200,565,974,361
Right-of-use assets, net	27	338,995,109	355,192,732
Investment properties, net	9	85,530,894,359	91,128,434,243
Property and equipment, net	10	2,161,396,792	3,220,578,595
Deferred tax assets, net	19	2,638,624,661	2,276,665,771
Other non-current assets	11	12,438,086,461	5,038,850,745
Total non-current assets		329,151,808,235	317,405,214,259
Total assets		495,207,032,046	473,764,845,230

(forward)

Ayala Land, Inc.
(The Parent Company)

Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in Philippine Peso)

(continuation)

	Notes	2023	2022
Liabilities and Equity			
Current liabilities			
Short-term debt	13	7,005,000,000	688,000,000
Accounts and other payables	12	75,948,712,903	62,504,865,090
Current portion of lease liabilities	27	40,042,512	28,253,675
Current portion of long-term debt	13	18,495,800,819	14,570,101,002
Deposits and other current liabilities	14	8,908,303,492	16,167,403,676
Total current liabilities		110,397,859,726	93,958,623,443
Non-current liabilities			
Long-term debt, net of current portion	13	178,825,121,828	177,311,875,979
Pension liabilities	21	1,419,513,560	835,426,798
Lease liabilities, net of current portion	27	325,809,896	333,711,622
Deposits and other non-current liabilities	15	13,141,106,486	20,564,706,140
Total non-current liabilities		193,711,551,770	199,045,720,539
Total liabilities		304,109,411,496	293,004,343,982
Equity	16		
Paid-in capital		98,115,042,022	97,636,861,482
Treasury stock		(22,776,360,598)	(19,080,713,529)
Equity reserves		3,254,264,425	2,061,846,271
Fair value reserve of financial assets at FVOCI	7	177,443,320	124,305,105
Remeasurement loss on defined benefit plan	21	(711,908,373)	(104,772,360)
Retained earnings		113,039,139,754	100,122,974,279
Total equity		191,097,620,550	180,760,501,248
Total liabilities and equity		495,207,032,046	473,764,845,230

The notes on pages 1 to 90 are an integral part of these financial statements.

Ayala Land, Inc.
(The Parent Company)

Statement of Income
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Revenue			
Real estate sales	17	30,947,637,153	30,703,430,374
Interest income from real estate sales	4, 17	2,159,640,356	2,950,883,232
		33,107,277,509	33,654,313,606
Interest income		291,517,667	754,922,290
Dividend income	20	9,672,354,814	7,799,663,161
Other income	18	8,710,955,277	10,247,380,609
		18,674,827,758	18,801,966,060
		51,782,105,267	52,456,279,666
Cost and expenses	18		
Real estate		20,120,010,169	20,094,466,577
General and administrative expenses		2,031,096,302	1,635,473,738
Interest and other financing charges		10,667,413,049	10,718,662,760
Other charges and expenses		79,200,098	491,322,674
		32,897,719,618	32,939,925,749
Income before income tax		18,884,385,649	19,516,353,917
Income tax expense	19	306,065,429	528,743,813
Net income		18,578,320,220	18,987,610,104
Earnings Per Share			
Basic and diluted	22	1.23	1.28

The notes on pages 1 to 90 are an integral part of these financial statements.

Ayala Land, Inc.
(The Parent Company)

Statement of Comprehensive Income
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Net income		18,578,320,220	18,987,610,104
Other comprehensive loss			
Items that will not be subsequently reclassified to profit or loss:			
Fair value reserve of financial assets at FVOCI	7	53,138,215	53,165,820
Remeasurement loss on pension liability	21	(809,514,684)	(102,189,109)
Income tax effect		202,378,671	25,547,277
		(553,997,798)	(23,476,012)
Total comprehensive income		18,024,322,422	18,964,134,092

The notes on pages 1 to 90 are an integral part of these financial statements.

Ayala Land, Inc.
(The Parent Company)

Statement of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Subscriptions Receivables (Note 16)	Appropriated Retained Earnings (Note 16)	Unappropriated Retained Earnings (Note 16)	Equity Reserves (Note 16)	Fair Value Reserve of Financial Assets at FVOCI (Note 7)	Remeasurement Loss on Defined Benefit Plan (Note 21)	Treasury Stock (Note 16)	Total
Balances at January 1, 2022	16,687,845,437	65,494,262,907	(2,284,640,805)	25,000,000,000	60,197,372,483	2,044,561,984	71,139,285	(11,044,779)	(16,894,379,503)	150,305,117,009
Total comprehensive income										
Net income	-	-	-	-	18,987,610,105	-	-	-	-	18,987,610,105
Other comprehensive income (loss)	-	-	-	-	-	-	53,165,820	(93,727,581)	-	(40,561,761)
Total comprehensive income for the year	-	-	-	-	18,987,610,105	-	53,165,820	(93,727,581)	-	18,947,048,344
Cost of stock options	-	78,859,516	-	-	-	-	-	-	-	78,859,516
Acquisition of treasury shares	-	-	-	-	-	-	-	-	(2,186,334,026)	(2,186,334,026)
Collections of subscription receivable	-	-	200,365,366	-	-	-	-	-	-	200,365,366
Stock options exercised	14,170,576	451,829,412	(391,994,927)	-	-	-	-	-	-	74,005,061
Legal merger	-	-	-	-	-	17,284,287	-	-	-	17,284,287
Property for share swap	311,580,000	17,074,584,000	-	-	-	-	-	-	-	17,386,164,000
Cash dividends declared	-	-	-	-	(4,062,008,309)	-	-	-	-	(4,062,008,309)
Balances at December 31, 2022	17,013,596,013	83,099,535,835	(2,476,270,366)	25,000,000,000	75,122,974,279	2,061,846,271	124,305,105	(104,772,360)	(19,080,713,529)	180,760,501,248
Total comprehensive income										
Net income	-	-	-	-	18,578,320,220	-	-	-	-	18,578,320,220
Other comprehensive income (loss)	-	-	-	-	-	-	53,138,215	(607,136,013)	-	(553,997,798)
Total comprehensive income for the year	-	-	-	-	18,578,320,220	-	53,138,215	(607,136,013)	-	18,024,322,422
Cost of stock options	-	149,456,256	-		-	-	-	-	-	149,456,256
Acquisition of treasury shares	-	-	-	-	-	-	-	-	(3,695,647,069)	(3,695,647,069)
Collections of subscription receivable	-	-	(332,538,892)	-	-	-	-	-	-	(332,538,892)
Stock options exercised	14,579,091	317,959,801	311,947,301	-	-	-	-	-	-	644,486,193
Legal merger	-	-	-	-	-	1,192,418,154	-	-	-	1,192,418,154
Cash dividends declared	-	-	-	-	(5,662,154,745)	-	-	-	-	(5,662,154,745)
Appropriation	-	16,776,983	-	-	-	-	-	-	-	16,776,983
Balances at December 31, 2023	17,028,175,104	83,583,728,875	(2,496,861,957)	25,000,000,000	88,039,139,754	3,254,264,425	177,443,320	(711,908,373)	(22,776,360,598)	191,097,620,550

The notes on pages 1 to 90 are an integral part of these financial statements.

Ayala Land, Inc.
(The Parent Company)

Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Cash flows from operating activities			
Income before income tax		18,884,385,649	19,516,353,917
Adjustments for:			
Interest expense and amortization of transaction cost	13, 18	10,667,413,049	10,718,662,760
Depreciation	9, 10 18	1,581,131,236	1,893,509,564
Cost of share-based payments	21	149,456,256	152,864,577
Loss on foreign exchange	18	690,644,102	259,295,078
Provision for impairment losses and write-offs	18	10,390,658	80,058,171
Unrealized (gain) loss on financial assets at FVTPL	18	(3,582,320)	3,806,089
Loss (gain) on sale of property and equipment	18	882,448	(15,808,202)
Dividend income	20	(9,672,354,814)	(7,799,663,161)
Gain on sale of investment in subsidiaries, associates and joint ventures		(985,286,988)	(1,730,020,949)
Interest income		(291,517,667)	(754,922,290)
Retirement benefit expense	21	203,430,962	222,838,283
Gain on sale of investment property	18	(7,070,706,133)	(8,022,019,173)
Operating income before working capital changes		14,164,286,438	14,524,954,664
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts and notes receivable	4	17,373,009,657	16,672,597,539
Inventories	5, 27	(3,495,728,833)	(3,974,497,613)
Other current assets		(3,516,289,922)	938,575,975
(Decrease) increase in:			
Deposits and other current liabilities		(7,259,100,184)	3,694,278,771
Accounts and other payables	12	13,061,520,800	(8,050,267,441)
Cash generated from operations		30,327,697,956	23,805,641,895
Dividends received		-	6,021,194,359
Interest received		291,460,177	754,171,338
Interest paid, inclusive of capitalized borrowing cost		(10,666,445,665)	(11,019,520,237)
Net cash from operating activities		19,952,712,468	19,561,487,355
Cash flows from investing activities			
Proceeds from disposal/redemption of:			
Investments in subsidiaries, associates and joint ventures	8	6,973,429,865	2,067,228,908
Investment properties	9	9,731,829,886	10,899,185,159
Property and equipment	10	61,501,689	939,860,784
Financial assets at FVTPL	24	966,106,294	2,242,338,930
Financial assets at FVOCI		562,018	10,862,017
Purchases/additions to:			
Financial assets at FVTPL	24	(991,477,111)	(2,236,166,300)
Property and equipment	10	(605,324,583)	(694,057,305)
Investment properties	9	(7,152,852,168)	(5,070,720,950)
Investments in subsidiaries, associates and joint ventures	8	(15,587,580,685)	(13,866,531,997)
Increase in other non-current assets		(7,399,235,716)	(977,680,985)
Increase in accounts and notes receivable - non-trade	4	(1,006,304,676)	(2,052,303,875)
Net cash used in investing activities		(15,009,345,187)	(8,737,985,614)

(forward)

Ayala Land, Inc.
(The Parent Company)

Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

(continuation)

	Notes	2023	2022
Cash flows from financing activities			
Proceeds from short-term and long-term debts	13	75,612,000,000	114,630,000,000
Proceeds from capital stock subscriptions		328,724,284	200,365,366
Decrease in deposits and other non-current liabilities	15	(7,423,599,654)	(6,314,673,764)
Payments of contribution	21	(425,475,692)	(572,483,531)
Payments of lease liabilities	27	(66,039,194)	(50,618,720)
Acquisition of treasury shares	16	(3,695,647,069)	(2,186,334,026)
Payments of cash dividends	16	(5,454,086,760)	(4,062,008,309)
Payments of short-term and long-term debts	13	(63,891,726,563)	(112,352,773,750)
Net cash used in financing activities		(5,015,850,648)	(10,708,526,734)
Net (decrease) increase in cash and cash equivalents		(72,483,367)	114,975,007
CASH AND CASH EQUIVALENTS			
At January 1		559,609,838	442,349,909
Effect of exchange rate changes on cash and cash equivalents		(63,091)	2,284,922
At December 31	2	487,063,380	559,609,838

Non-cash investing and financing activities 29

The notes on pages 1 to 90 are an integral part of these financial statements.

Ayala Land, Inc.
(The Parent Company)

Notes to the Financial Statements
As at and for the year ended December 31, 2023
(With comparative figures and notes as at and for the year ended December 31, 2022)
(In the notes, all amounts are shown in Philippine Pesos unless otherwise stated)

1 General information

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 is a subsidiary of Ayala Corporation (AC). AC is a publicly-listed company, 47.86%-owned by Mermac, Inc. and the rest by the public as of December 31, 2023. The Parent Company's registered office and principal place of business is at 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The Parent Company is 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 Parent Company or of other persons; and to engage or act as real estate broker.

Approval and authorization for issuance of financial statements

These financial statements have been approved and authorized for issue by the Board of Directors (BOD) on February 20, 2024.

2 Cash and cash equivalents

The account as at December 31 consists of:

	2023	2022
Cash on hand	1,504,610	1,559,622
Cash in banks	485,426,955	558,050,216
Cash equivalents	131,815	-
	487,063,380	559,609,838

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months depending on the immediate cash requirements of the Parent Company and earn interest at the respective short-term investment rates.

As at December 31, 2023 and 2022, there is no restriction on the Parent Company's cash and cash equivalents balances.

3 Financial assets at fair value through profit or loss (FVTPL)

The account consists of investment in BPI Money Market Fund and BPI USD Short Term Fund (collectively referred to as the "Funds"). The Funds, which are structured as Unit Investment Trust Funds (UITFs), aim 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.

As at December 31, 2023, the financial assets at FVTPL of the Parent Company amounted to P35.8 million (2022 - P6.8 million).

4 Accounts and notes receivable

The account as at December 31 consists of:

	Note	2023	2022
Trade receivable from:			
Residential, commercial and office development		27,404,621,770	31,258,641,754
Shopping centers		2,278,339,113	2,144,626,613
Corporate business		2,104,050,388	1,796,501,911
Others		297,439,715	500,528,788
Receivable from related parties	20	48,625,025,398	53,824,773,264
Advances to other companies		6,897,590,213	7,695,185,847
Dividends receivable		4,968,436,118	2,136,222,555
Receivable from employees		216,217,460	129,589,610
Interest receivable		13,488,661	13,431,171
		92,805,208,836	99,499,501,513
Allowance for impairment losses		(643,903,120)	(633,512,462)
		92,161,305,716	98,865,989,051
Less: Non-current portion		15,162,061,188	14,155,756,512
Current portion of accounts and notes receivable		76,999,244,528	84,710,232,539

The classes of trade receivables of the Parent Company follow:

- Residential, commercial for and office development consist of receivables from the sale of high-end and upper middle-income residential lots and units, sale of commercial lots, sale of office units; and leisure community developments;
- Shopping centers consist of lease receivables from retail spaces;
- Corporate business consists of lease receivables of office buildings; and
- Others consist of receivables from lease of land, facility management and other support services.

Residential, commercial and office development receivables are collectible in monthly installments over a period of one to ten years. These are carried at amortized cost using the effective interest rate method with annual interest rates ranging from 5.5% to 11.5%. Titles to real estate properties are transferred to buyers once full payment has been made.

Receivables from shopping centers and receivables from lease of land are due within 30 days upon billing.

Corporate business receivables are collectible on a monthly or quarterly basis depending on the terms of the lease contracts.

Receivables from facility management and other support services included under other trade receivables are normally due within 30 days upon billing.

Receivables from related parties, dividends receivable and interest receivable are due on demand.

Advances to other companies mainly comprise of 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 advances are liquidated when proceeds from the sale of the related projects are applied. The remaining amount of advances to other companies are collectible over a fixed term or on demand.

Dividends receivable pertain to distribution from related parties payable in the subsequent year.

Receivables from employees pertain to housing, car, salary and other loans granted to the Parent Company's employees which are collectible through salary deduction, are interest-bearing (6.0% per annum) and payable on various maturity dates.

As at December 31, 2023, the receivables amounting to P643.9 million (2022 - P633.5 million) were impaired and fully provided for.

The movement in the allowance for impairment losses follow:

		Trade			
	Note	Shopping centers	Corporate business	Advances to other companies	Total
At January 1, 2022		209,747,330	209,982,369	133,724,592	553,454,291
Provisions during the year	18	23,775,000	-	56,283,171	80,058,171
At December 31, 2022		233,522,330	209,982,369	190,007,763	633,512,462
Provisions during the year	18	(17,053,982)	25,764,932	1,679,708	10,390,658
At December 31, 2023		216,468,348	235,747,301	191,687,471	643,903,120

As at December 31, 2023, the nominal amount of trade receivables from residential development amounting to P27,405 million (2022 - P31,126.3 million) 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 Parent Company's receivables follow:

	Note	2023	2022
At January 1		2,695,215,573	4,689,943,719
Additions during the year		929,157,429	956,155,086
Accretion for the year	17	(2,159,640,356)	(2,950,883,232)
At December 31		1,464,732,646	2,695,215,573

In 2023, the Parent Company sold receivables on a without recourse basis to partner mortgage banks, which include Bank of the Philippine Islands, a related party, amounting to P6,437.4 million (2022 - P7,887.9 million). These were sold at discount with total proceeds of P5,654.8 million (2022 - P6,229.7 million) and resulted to a loss on sale amounting to P782.6 million (2022 - P1,658.3 million) presented within interest expense and other financing charges other expenses in the statement of income (Note 18).

5 Inventories

The account as at December 31 consists of:

	2023	2022
Real estate - at cost		
Residential and commercial lots	53,572,476,977	41,296,172,714
Residential and commercial units	12,878,671,374	11,368,028,498
	66,451,148,351	52,664,201,212

Movements in inventories follow:

	Notes	Residential and commercial lots	Residential and condominium units	Total
As at January 1, 2022		26,347,766,600	9,620,449,594	35,968,216,194
Construction/development costs incurred/adjustments		7,421,648,994	8,052,257,605	15,473,906,599
Disposals (recognized as cost of real estate sales)	18	(5,624,496,436)	(5,796,848,865)	(11,421,345,301)
Transfers within inventories		507,829,836	(507,829,836)	-
Transfers from investment properties	9	878,530,188	-	878,530,188
Transfers from property and equipment	10	11,764,893,532	-	11,764,893,532
As at December 31, 2022		41,296,172,714	11,368,028,498	52,664,201,212
Construction/development costs incurred/adjustments		6,270,070,378	10,712,850,126	16,982,920,504
Disposals (recognized as cost of real estate sales)	18	(3,135,219,840)	(9,522,495,185)	(12,657,715,025)
Transfers within inventories		(320,287,935)	320,287,935	-
Transfers from investment properties	9	9,461,741,660	-	9,461,741,660
As at December 31, 2023		53,572,476,977	12,878,671,374	66,451,148,351

As at December 31, 2023 and 2022, the Parent Company has no purchase commitments, liens and encumbrances pertaining to its inventories.

6 Other current assets

The account as at December 31 consists of:

	2023	2022
Prepaid taxes and licenses	12,837,432,153	11,348,967,033
Advances to contractors and suppliers	7,058,335,399	4,062,064,781
Prepaid expenses	2,024,124,287	2,115,145,158
Input value added tax (VAT)	162,040,824	892,528,658
	22,081,932,663	18,418,705,630

Prepaid taxes and licenses consist of excess payments made against current income tax due which can be claimed against income tax for future periods, and prepayments on other taxes and licenses.

Advances to contractors and suppliers pertain to prepayments for the construction of inventories. These are recouped from billings which are expected to occur within 12 months.

Prepaid expenses mainly consist of prepayments for commissions, marketing and management fees, and rentals and insurance.

In 2023, the cost to obtain contracts, which includes prepaid commissions, amounted to P589.5 million (2022 - P764.5 million). If a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgement was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. Management performs an impairment assessment of the costs to complete the contract. The ability to reasonably 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 11).

Input VAT is to be applied against output VAT. The remaining balance is assessed to be recoverable in future periods.

7 Financial assets at fair value through other comprehensive income (FVOCI)

The account as at December 31 consists of:

	2023	2022
Shares of stock:		
Quoted	76,773,170	76,831,385
Unquoted	462,121,007	462,624,810
	538,894,177	539,456,195
Net unrealized gain	177,443,320	124,305,105
	716,337,497	663,761,300

Investments in quoted shares of stock include shares held in clubs wherein the Parent Company does not exercise control or demonstrate significant influence.

Investments in unquoted shares of stock include unlisted shares of public utility companies which the Parent Company will continue to hold as part of the infrastructure that it provides to its real estate projects.

Movements in the fair value reserve of financial assets at FVOCI follow:

	2023	2022
At January 1	124,305,105	71,139,285
Fair value changes during the year	53,138,215	53,165,820
At December 31	177,443,320	124,305,105

8 Investments in subsidiaries, associates and joint ventures

The account as at December 31 consists of:

	Percentages of Direct Ownership		Carrying amounts	
	2023	2022	2023	2022
Subsidiaries:				
AyalaLand Hotels and Resorts Corporation and Subsidiaries (AHRC)	100	100	16,760,432,000	16,760,432,000
Regent Wise Investment Ltd. and Subsidiary (Regent Wise)	100	100	16,654,593,355	16,654,593,355
Ayala Hotels, Inc. (AHI)	100	100	13,763,396,233	13,763,396,233
Amaia Land Corporation and Subsidiary (Amaia)	100	100	7,286,931,640	7,286,931,640
Avida Land Corporation and Subsidiaries (Avida)	100	100	6,689,977,831	6,689,977,831
Summerhill E-Office Corporation (Summerhill)	100	100	6,579,990,035	6,579,990,035
AyalaLand Offices, Inc. and Subsidiaries (ALO)	100	100	6,522,486,376	6,522,486,376
AyalaLand Estates, Inc. (formerly Southgateway Development Corp. (SDC))	100	100	5,976,310,479	4,005,642,479
Bay City Commercial Ventures Corp. (BCCVC)	100	100	4,929,421,699	4,929,421,699
North Ventures Commercial Corp. (NVCC)	100	100	3,784,145,284	3,784,145,284
AyalaLand MetroNorth, Inc. (AMNI)	100	100	3,745,726,210	3,895,726,210
Alveo Land Corporation and Subsidiaries (Alveo)	100	100	2,677,613,403	2,677,613,403
ALI Capital Corp. (ALICap) (formerly Varejo Corp.)	100	100	2,625,000,000	2,625,000,000
Capitol Central Commercial Ventures Corp. (CCCVC)	100	100	2,517,000,000	2,517,000,000
BellaVita Land Corporation (BellaVita)	100	100	2,300,000,000	2,300,000,000
Amorsedia Development Corporation and Subsidiaries (ADC)	100	100	2,274,943,627	2,274,943,627
Makati Cornerstone Leasing Corp.(MCLC)	100	100	2,213,961,000	2,213,961,000
Arvo Commercial Corporation (Arvo)	100	100	1,800,000,000	1,800,000,000
Darong Agricultural And Development Corporation (DADC)	100	100	1,722,601,620	1,722,601,620
AyalaLand Malls, Inc. (ALMI) (formerly ALI Commercial Center, Inc.)	100	100	1,697,680,000	1,692,680,000
Cavite Commercial Town Center, Inc. (CCTCI)	100	100	1,496,390,793	1,515,390,793
North Eastern Commercial Corp. (NECC)	100	100	1,300,000,000	1,300,000,000
Northbeacon Commercial Corporation (NBCC)	100	100	1,238,100,000	1,238,100,000
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	100	100	854,500,000	854,500,000
Makati Development Corporation and Subsidiaries (MDC)	100	100	750,958,813	750,958,813
ALO Prime Realty Corporation	100	100	733,676,554	733,676,554
Westview Commercial Ventures Corp. (Westview)	100	100	731,075,299	731,075,299
Ecoholdings Company, Inc. (ECI)	100	100	718,368,400	718,368,400
Crans Montana Holdings, Inc.	100	100	505,329,030	505,329,030
Integrated Eco-resort, Inc. (IERI)	100	100	492,922,224	492,922,224
Subic Bay Town Centre, Inc. (SBTCI)	100	100	478,500,000	478,500,000
Red Creek Properties, Inc. (RCPI)	100	100	431,511,128	431,511,128
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	100	100	300,000,000	300,000,000
Southportal Properties, Inc. (Southportal)	100	100	290,000,000	290,000,000
Primavera Towncentre, Inc. (PTI)	100	100	248,420,000	248,420,000
Cebu Insular Hotel Company, Inc. (CIHCI)	100	37	239,302,475	239,302,475
AMSI, Inc. (formerly Ayalaland Malls Synergies, Inc.) (AMSI)	100	100	235,000,000	235,000,000
Crimson Field Enterprises, Inc.	100	100	219,714,272	219,714,272
Sunnyfield E-Office Corporation (Sunnyfield)	100	100	173,000,000	173,000,000
First Longfield Investments Limited (First Longfield) (Hongkong Company)	100	100	167,923,610	167,923,610
Arca South Integrated Terminal, Inc.	100	100	151,000,000	151,000,000
Hillsford Property Corporation (Hillsford)	100	100	150,000,000	150,000,000
Ayala Land International Sales, Inc. (ALISI)	100	100	138,700,000	138,700,000
ALInet.com, Inc. (ALInet)	100	100	130,482,764	130,482,764
Ayalaland Medical Facilities Leasing, Inc. (AMFLI)	100	100	128,000,000	128,000,000
Cebu Leisure Company, Inc. (CLCI)	100	100	46,000,000	46,000,000
Aprisa Business Process Solutions (Aprisa)	100	100	40,000,000	40,000,000
DirectPower Services, Inc. (DirectPower)	100	100	40,000,000	40,000,000
Ayala Malls Zing, Inc.	100	100	21,875,000	21,875,000
Ayala Land Sales, Inc. (ALSI)	100	100	10,000,000	10,000,000
Ayala Land Premier, Inc. (ALPI)	100	100	5,000,000	5,000,000
Altaraza Prime Realty Corporation (Altaraza)	100	100	4,000,000	4,000,000
Verde Golf Development Corp (Verde Golf)	100	100	3,125,000	3,125,000
Buendia Landholdings, Inc. (BLI)	100	100	2,833,562	2,833,562
Ayala Land Club Management, Inc.	100	100	2,500,000	2,500,000
Ayala Property Management Corporation (APMC)	100	100	1,912,026	1,912,026
Whiteknight Holdings, Inc. (WHI)	100	100	1,000,000	1,000,000
Ayala Theatres Management, Inc. (ATMI)	100	100	864,559	864,559
Next Urban Alliance Development Corp.	100	100	365,500	365,500
Five Star Cinema, Inc. (FSCI)	100	100	250,000	250,000

(forward)

	Percentages of Direct Ownership		Carrying amounts	
	2023	2022	2023	2022
Cebu Business Park Theater Management Inc. (CBPTMI)	100	100	62,500	62,500
Regent Time International, Limited (Regent Time) (British Virgin Islands)	100	100	52	52
Vesta Property Holdings, Inc. (VPHI)	88	84	2,294,273,333	1,905,635,902
Aurora Properties Incorporated	81	81	1,199,997,664	1,199,997,664
Anvaya Cove Golf & Sports Club, Inc. (Anvaya Cove Golf)	76	76	532,713,951	562,210,799
North Triangle Depot Commercial Corporation (NTDCC)	73	73	2,640,805,402	2,640,805,402
Anvaya Cove Beach & Nature Club Inc. (Anvaya Cove Beach)	73	73	498,810,548	503,493,566
AyalaLand Logistics Holdings Corp. and Subsidiaries (ALLHC) (formerly Prime Orion Philippines, Inc.)	71	71	10,582,725,757	10,582,725,757
Cagayan de Oro Gateway Corp. (CDOGC)	70	70	867,680,000	867,680,000
Station Square East Commercial Corporation (SSECC)	69	69	461,825,050	461,825,050
Accendo Commercial Corp. (Accendo)	67	67	874,697,062	874,697,062
AREIT, Inc. (AREIT) (formerly One Dela Rosa Property Development, Inc.(ODR)) (Note 20)	66	55	30,586,290,223	26,376,871,681
Soltea Commercial Corp. (Soltea)	60	60	796,416,740	796,416,740
Ceci Realty, Inc. (Ceci)	60	60	699,785,665	699,785,665
Adauge Commercial Corporation (Adauge)	60	60	600,000,000	600,000,000
Ten Knots Development, Corporation and Subsidiaries (TKDC)	60	60	495,000,000	495,000,000
Lagdigan Land Corp. (Lagdigan)	60	60	99,000,000	99,000,000
Ten Knots Phils., Inc.(TKPI)	60	60	93,131,600	93,131,600
CMPI Holdings, Inc. (CMPI)	60	60	28,800,000	28,800,000
Ayalaland- Tagle Properties, Inc.	55	55	1,568,325,000	303,325,000
Nuevo Centro, Inc. (Nuevo Centro)	55	55	819,223,620	819,223,620
Prow Holdings, Inc. (Prow)	55	55	670,273,870	670,273,870
Taft Punta Engaño Property Inc. (TPEPI)	55	55	550,000,000	550,000,000
Amaia Southern Properties, Inc. (ASPI)	55	35	93,100,000	93,100,000
Altaraza Development Corporation	51	51	188,062,500	153,000,000
AKL Properties, Inc. (AKL)	50	-	3,083,523,294	-
BGWest Properties (BGW)	50	50	1,340,000,000	1,340,000,000
Aviana Development Corporation	50	50	966,000,000	966,000,000
Berkshires Holdings, Inc. (BHI)	50	50	666,430,520	666,430,520
Alabang Commercial Corporation (ACC)	50	50	258,431,769	258,431,769
Leisure and Allied Industries Philippines, Inc. (LAIP)	50	50	191,300,000	191,300,000
Roxas Land Corp (RLC)	50	50	137,272,960	327,022,960
ALI-CII Development Corporation (ALI-CII)	50	50	102,765,300	102,765,300
Solinea, Inc.	37	35	124,250,000	124,250,000
Central Bloc Hotel Ventures, Inc.	35	100	47,500,000	47,500,000
Serendra, Inc.	28	28	266,027,100	266,027,100
ALI Makati Hotel Property, Inc.	20	20	584,702,865	584,702,865
ALI Makati Hotel & Residences, Inc. (AMHRI)	20	20	22,097,135	22,097,135
AyalaLand Malls, Inc. (ALMI) (formerly Solerte, Inc.)	-	100	-	5,000,000
Joint Ventures:				
ALI-ETON Property Development Corporation	50	50	9,306,500,000	7,386,500,000
Cebu District Property Enterprise, Inc. (CDPEI)	50	50	1,810,000,000	1,810,000,000
Emerging City Holdings, Inc. (ECHI)	50	50	1,555,004,550	1,555,004,550
AKL Properties, Inc. (AKL)	-	50	-	3,083,523,294
Associates:				
Lagoon Development Corporation (LDC)	30	30	37,050,000	37,050,000
OCLP Holdings, Inc. (OHI)	21	21	7,190,241,827	7,190,241,827
Bonifacio Land Corp. (BLC)	5	5	346,881,016	346,881,016
Sicogon Island Tourism Estate Corp.	5	-	203,581,200	-
			210,485,371,874	200,885,934,067
Allowance for probable losses			(319,959,706)	(319,959,706)
			210,165,412,168	200,565,974,361

The above companies are domestic except for Regent Time which is domiciled and incorporated in British Virgin Islands and First Longfield and Regent Wise which are domiciled and incorporated in Hong Kong.

As at December 31, 2023 and 2022, the Parent Company had no commitments to its interests in joint ventures.

As at December 31, 2023 and 2022, the Parent Company recognized an allowance for probable losses on its investment in ALI Capital amounting to P320.0 million.

The relevant transactions during the year that mainly attributes to the movement in investments in subsidiaries, associates and joint ventures account are as follow:

Investment in AyalaLand Estates, Inc. (formerly Southgateway Development Corp. (SDC))

In 2023, the Parent Company made an additional capital infusion P1,970.67 million to AyalaLand Estates, Inc. There has been no change in percentage of direct ownership as the additional shares came from the increased in capital stock.

As at December 31, 2023, the Parent Company's investment in VPHI amounted to P5,976.3 million (2022 - P4,005.6 million).

Investment in AyalaLand Metro North, Inc.

AMNI was incorporated in November 29, 2012 and is a wholly owned subsidiary of the Parent Company. It is established primarily to develop and operate shopping malls and offices.

In 2019, the Parent Company made additional infusion amounting to P2,019.7 million and redeemed P130 million of its preference shares. Furthermore, in 2023, there is also a redemption of preference shares amounting to P150.0 million.

As at December 31, 2023, the investment in Ayalaland Metro North, Inc. amounted to P3,745.7 million and (2022 - P3,895.7 million).

Investment in AyalaLand Malls, Inc. (formerly ALI Commercial Center, Inc.)

ALI Commercial Center, Inc (ACCI) was organized and registered on October 13, 2014 and has started its leasing operations on January 1, 2015. It is a wholly-owned subsidiary of the Parent Company.

In 2019, the Parent Company made additional infusion amounting to P1,567.7 million.

On December 29, 2021, SEC has approved the merger of Ayalaland Malls, Inc. (ALMI) and Ayalaland Malls NorthEast Inc. (AMNE) with and into ALI Commercial Center, Inc. (ACCI), with ACCI as the surviving entity (the "Merger"). ACCI subsequently changed its corporate name to AyalaLand Malls Inc. effective January 30, 2023.

With ACCI's investment of P1,692.6 million and ALMI's at P5.0 million prior merger, the Company's total investment as at December 31, 2023 is at P1,697.6 million.

Investment in Cavite Commercial Towncenter Inc.

In 2020, The Parent Company infused additional amounting to 391.2 million shares which increased the Parent Company's investment to P1,515.4 million.

In 2023, the Parent Company redeemed P19.0 million of its investment in Cavite Commercial Towncenter Inc.

As at December 31, 2023, the investment amounted to P1,496.4 million (2022 - P1,515.4 million).

Investment in Vesta Property Holdings, Inc.

The Parent Company acquired additional 187,985 common shares and 149,007 preferred shares of VPHI for a value of P415.62 million in April 2022. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 78% in 2021 to 84% in 2022. The acquisition is accounted as common control. As a holder of preferred share, the parent Company has voting rights same as that attached to common shares. Impact to equity reserves as a result of this transaction amounted to P523.36 million.

In July 2023, the Parent Company acquired Terelay shares with the total of 175,778 common shares and 139,331 preference shares amounting to P388.63 million, making the ownership interest increased from 84% in 2022 to 88% in 2023.

As at December 31, 2023, the Parent Company's investment in VPHI amounted to P2,294.2 million (2022 - P1,905.6 million).

Investment in Anvaya Cove Golf and Sports Club Inc.

In 2023, the Parent Company sold its investment in Anvaya Cove Golf amounting to P29.5 million (2022 - P26.8 million). Gain on sale of the shares was recognized amounting to P137.18 million (2022 - P100.29 million).

As at December 31, 2023, the Parent Company's investment in Anvaya Cove Golf amounted to P532.7 million (2022 - P562.2 million).

Investment in Anvaya Cove Beach & Nature Club, Inc.

In 2023, the Parent Company sold its investment in Anvaya Cove Beach amounting to 4.7 million (2022 - P3.0 million). Gain on sale of the shares was recognized amounting to P28.81 million (2022 - P44.9 million).

As at December 31, 2023, the Parent Company's investment in Anvaya Cove Beach amounted to P498.8 million (2022 - P503.4 million).

Investment in AREIT, Inc.

AREIT, Inc., (formerly, One Dela Rosa Property Development, Inc.) (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 4, 2006. On September 26, 2018, the Company amended its Articles of Incorporation to engage in the business of a real estate investment trust (REIT), as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), and its implementing rules and regulations (the "REIT Act"). In October 2018, AREIT increased its authorized capital stock by 881,500,000 shares which were subsequently acquired by ALI for P8,815.0 million, resulting to a 90% ownership in AREIT.

On March 9, 2022, the Executive Committee of ALI approved the subscription to 252,136,383 AREIT primary common shares, in exchange for six office buildings located in Cebu with an aggregate value of P11,257.89 million, under a property-for-share swap as validated by a third-party fairness opinion. The transaction was approved by AREIT shareholders at their annual meeting held on April 21, 2022.

On April 27, 2022, Ayala Land, Inc. sold 87,370,000 shares of AREIT at a transaction price of P39.70 per share, equivalent to P3.47 billion (exclusive of fees and taxes). ALI's net equity reserve from the sale of AREIT shares aggregated to P2.53 billion out of the P3.40 net proceeds. This transaction was executed in relation to the property-for-share swap transaction with AREIT.

On May 19, 2022, ALI and AREIT executed the Deed of Exchange on the property-for-share swap transaction involving the issuance of 252,136,383 primary common shares of AREIT (Shares) to ALI, at an issue price of P44.65 per share in exchange for identified properties valued at P11,257.89 million. This was approved by the SEC on December 29, 2022.

On December 29, 2022, ALI and AREIT executed the Amendment to the Deed of Exchange to set October 1, 2022 as the effective date of assignment by ALI of the income of the properties and the tenant lease contracts and permits to AREIT. The gain on this property for share-swap amounted to P8.02 billion in 2022 (Note 18).

On March 29, 2023, ALI sold 205,000,000 shares of AREIT at a transaction price of P32.10 per share, equivalent to P6.58 billion with an impact to equity reserves amounting to P4.41 billion, in relation to its P22.5 billion property-for-share swap transaction with AREIT. As a result, ALI's holdings in AREIT was reduced from 66.0% to 54.4%.

On September 20, 2023, Ayala Land and AREIT received the Securities and Exchange Commission's (SEC) approval of its property-for-share swap involving identified prime flagship offices and malls with an aggregate value of P22.5 billion in exchange for 607,559,380 primary common shares of AREIT, pursuant to the Deed of Exchange executed last June 2, 2023. Consequently, ALI's holdings in AREIT increased to 66.0% (Note 9).

As at December 31, 2023, the investment in AREIT amounted to P30,586.2 million (2022 - P26,376.87 million).

Investment Ayalaland-Tagle Properties, Inc.

Ayalaland-Tagle Properties, Inc. was incorporated with the SEC on August 27, 2021. The company is 55% owned by Ayala Land, Inc. 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.

In 2022, the Parent Company made additional infusion amounting to P275.0 million, which increased the Parent Company's total investment from P28.3 million to P303.325 million as at December 31, 2022.

In 2023, the Parent Company made additional infusion amounting to P1,265.0 million, which increased the Parent Company's total investment from P303.325 million to 1,568.3 million as at December 31, 2023.

Investment in Altaraza Development Corporation

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

The Parent Company paid an amount of P13.5 million in relation to 382,496 subscribed common shares and 3.4 million subscribed preferred shares.

In 2022, the Parent Company made additional cash infusion amounting to P139.485 million equivalent to 1.3 million common shares and 12.6 million preferred shares which lead to increase of investment amounting to P153.0 million as at December 31, 2022.

In November 2023, the Parent Company made an equity infusion amounting to P35.1 million which led to increase of investment amount to P188.1 million as at December 31, 2023 (2022 - P153.0 million).

Investment in AKL Properties Inc.

The Parent Company invested P1,959.7 million in AKL, which is a 50:50 venture between Ayala Land, Inc. and Royal Asia Land, Inc. (RALI), and is organized primarily for future mixed-use development in South Luzon area.

In 2023, the Parent Company, through its 50.0% effective ownership and by virtue of Development Management Agreement, exercises control over the operations and management of AKL. Accordingly, the assets, liabilities, equity, and result of its operations are consolidated into the Parent Company. The Parent Company reclassified the amount from investment in joint ventures to investment in subsidiaries.

As at December 31, 2023 and 2022, the Parent Company's investment in AKL amounted to P3,083.5 million.

Investment in Roxas Land Corp.

In 2023, the Parent Company redeemed its preference shares amounting to ₱189.75 million. As at December 31, 2023, the investment in RLC amounted to P137.2 million (2022 - P327.5 million).

Investment in ALI-ETON Property Development Corporation

ALI-ETON Property Development Corporation (ALI-ETON) was incorporated on March 13, 2016. ALI-ETON is a joint venture between Ayala Land, Inc. and LT Parent Company, Inc. The ALI and LT Parent Company, 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 2022 and 2023, the Parent Company and LT Group, Inc. made additional equity infusions to fund the development requirements of Parklinks amounting to P2,099.0 million, and P1,920 million, respectively.

As at December 31, 2023, the investment in ALI - ETON Property Development Corporation amounted to P9,306.5 million (2022 - P7,386.5 million).

Investment in Sicogon Island Tourism Estate

On November 14, 2023, the Parent Company purchased 7,143 common shares and 64,289 preferred shares of SITE Corp. for a total consideration of P203.58 million from the existing investor which is equivalent to a 5% stake in the company. This acquisition is accounted as involving entities under control.

The Parent Company considers a joint venture and an associate as material interest if its net assets exceed 5% of the total net assets of the Parent Company as at reporting period and considers the relevance of the nature of activities of the joint venture and associate compared to other operations of the Parent Company.

The financial information, as presented in thousands, of the Parent Company's significant joint venture with material interest follows:

ALI Eton

	2023	2022
Current assets	22,043,118	20,526,458
Non-current assets	4,289,259	4,377,413
Current liabilities	(6,426,059)	(8,420,911)
Non-current liabilities	(371,951)	(922,411)
Equity	19,534,367	15,560,549
Proportion of Parent Company's ownership	50.0%	50.0%
Parent Company's share in identifiable net assets	9,767,184	7,780,275
Carrying amount of the investment	9,306,500	7,386,500

As at December 31, 2023, net assets attributable to the equity holders of ALI Eton amounted to P19,534.4 million (2022 - P15,560.5 million).

	2023	2022
Revenue	3,617,321	1,974,714
Cost and expenses	(3,077,696)	(1,721,039)
Net income (continuing operations)	539,625	253,675
Parent Company's share in net income for the year	269,813	126,837
Total comprehensive income attributable to equity holders of the Parent Company	539,625	253,675
Parent Company's share in total comprehensive income for the year	269,813	126,837

As at December 31, 2023 and 2022, there are no significant associates considered to be with material interest.

9 Investment properties, net

The movement of the account follows:

	Notes	Land	Buildings	Construction-in-progress	Total
Cost					
At January 1, 2022		48,331,811,986	30,909,657,240	40,555,186,857	119,796,656,083
Additions		3,194,346,395	3,115,541,083	1,887,073,628	8,196,961,106
Transfers to inventories	5	(11,762,263,825)	(2,629,707)	-	(11,764,893,532)
Transfers from (to) property and equipment	10	3,054,464	(1,950,983)	-	1,103,481
Disposals		(259,152,669)	(5,965,246,386)	-	(6,224,399,055)
At December 31, 2022		39,507,796,351	28,055,371,247	42,442,260,485	110,005,428,083
Additions		2,790,637,210	1,261,301,760	3,463,854,706	7,515,793,676
Transfers to inventories	5	(9,461,741,660)	-	-	(9,461,741,660)
Transfers from property and equipment	10	-	1,211,140,209	230,400,568	1,441,540,777
Transfers within investment properties		(3,230,702,167)	10,308,316,748	(7,077,614,581)	-
Disposals		(1,054,553,043)	(3,746,914,803)	(2,183,935)	(4,803,651,781)
At December 31, 2023		28,551,436,691	37,089,215,161	39,056,717,243	104,697,369,095
Accumulated depreciation					
At January 1, 2022		-	19,460,441,037	-	19,460,441,037
Depreciation	18	-	1,645,387,074	-	1,645,387,074
Disposals		-	(2,607,867,912)	-	(2,607,867,912)
At December 31, 2022		-	18,497,960,199	-	18,497,960,199
Depreciation	18	-	1,337,909,511	-	1,337,909,511
Disposals		-	(1,048,428,615)	-	(1,048,428,615)
At December 31, 2023		-	18,787,441,095	-	18,787,441,095
Accumulated impairment losses					
At December 31, 2022		153,825,482	225,208,159	-	379,033,641
At December 31, 2023		153,825,482	225,208,159	-	379,033,641
Net book value					
December 31, 2022		39,353,970,869	9,332,202,889	42,442,260,485	91,128,434,243
December 31, 2023		28,397,611,209	18,076,565,907	39,056,717,243	85,530,894,359

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 (CIP) pertain to buildings under construction to be leased as retail and office spaces upon completion. Ongoing projects are expected to be completed in 2022 to 2025.

On January 31, 2020, the Parent Company entered into a finance lease transaction with AREIT for the Mckinley Property, which includes land of approximately 4,513 square meters and a five story building with gross floor area of 14,598.4 square meters, with net book value of P417.0 million and fair value of P853.2 million resulting to a gain of P436.1 million. The lease commenced on February 1, 2020 and will terminate on December 31, 2054.

In 2023, ALI and AREIT executed the Deed of Exchange on the property-for-share swap transaction (Note 8). Gain on property-for-share swap amounted to P7,042.1 million in 2023 (2022 - P8,022.0 million) which is included within Other income in the statement of income (Note 18).

The Parent Company capitalized borrowing costs for its investment properties under construction. Interest capitalized amounted to P558.0 million with a capitalization rate of 3.44%. In 2023, interest capitalized amounted to P683.1 million with a capitalization rate of 4.50% (2022 - P739.4 million with a capitalization rate of 4.44%)

The aggregate fair value of the Parent Company's investment properties amounted to P383,781.1 million and as at December 31, 2023 (2022 - P227,029.7 million). The fair value hierarchy of the Parent Company's investment properties is disclosed in Note 24.

In 2023, rental income from investment properties amounted to P6,231.94 million (2022 - P5,638.7 million) (Note 17).

In 2023, the direct operating expenses arising from the investment properties amounted to P3,203.3 million (2022 - P2,805.0 million). The depreciation expense pertaining to investment properties amounted to P1,337.9 million (2022 - P1,592.0 million) (Note 18).

The Parent Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements, other than those already reflected or disclosed in the financial statements.

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 P3,154.5 million and as at December 31, 2023 (2022 - P2,974.3 million) (Note 13).

Capital commitments are disclosed in Note 16 and Note 28.

10 Property and equipment, net

Property and equipment as at December 31 consist of:

	Notes	Land, Buildings and Improvements	Furniture, Fixtures and Equipment	Transportation Equipment	Total
Cost					
At January 1, 2022		4,806,499,724	2,040,074,327	601,404,131	7,447,978,182
Additions		535,221,808	88,806,376	70,029,121	694,057,305
Disposals		(921,625,993)	(44,634)	(69,583,374)	(991,254,001)
Transfers to inventories	5	(878,530,188)	-	-	(878,530,188)
Transfers to investment properties	9	(1,103,481)	-	-	(1,103,481)
At December 31, 2022		3,540,461,870	2,128,836,069	601,849,878	6,271,147,817
Additions		477,183,647	69,604,666	58,536,270	605,324,583
Disposals		(59,749,760)	(4,622,925)	(874,107)	(65,246,792)
Transfers within property and equipment		280,343,594	(258,313,702)	(22,029,892)	-
Transfers to investment properties	9	(1,441,540,777)	-	-	(1,441,540,777)
At December 31, 2023		2,796,698,574	1,935,504,108	637,482,149	5,369,684,831
Accumulated depreciation and amortization					
At January 1, 2022		745,960,911	1,686,968,554	479,486,411	2,912,415,876
Depreciation	18	60,520,293	88,003,321	56,831,151	205,354,765
Disposals		-	(44,634)	(67,156,785)	(67,201,419)
At December 31, 2022		806,481,204	1,774,927,241	469,160,777	3,050,569,222
Depreciation	18	46,727,242	84,167,203	58,324,346	189,218,791
Disposals		(13,391,229)	(17,234,638)	(874,107)	(31,499,974)
Transfer within property and equipment		214,191,515	(203,329,506)	(10,862,009)	-
At December 31, 2023		1,054,008,732	1,638,530,300	515,749,007	3,208,288,039
Net book value					
December 31, 2022		2,733,980,666	353,908,828	132,689,101	3,220,578,595
December 31, 2023		1,742,689,842	296,973,808	121,733,142	2,161,396,792

Loss on disposal of property and equipment amounting to P.88 million in 2023 (2022 - P15.81 million) are included under “Other income” in the parent company statement of income (Note 18).

In 2023, the gain on property-for-share swap amounted to P28.6 million (2022 - nil) which is included under “Other income” in the Parent Company’s statement of income (Note 18).

Depreciation of property and equipment included in the general and administrative expenses amounted to P189.2 million in 2023 (2022 - P205.4 million) (Note 18). No interest on borrowings capitalized in 2023 and 2022.

The Parent Company has no restrictions on its property and equipment and none of these have been pledged as security for its obligations.

11 Other non-current assets

The account consists of:

	2023	2022
Project costs	4,142,665,439	608,872,493
Deposit on land purchases	1,346,399,671	1,346,399,671
Advances to contractors and supplies	974,929,733	726,290,237
Deferred charges	427,201,074	709,350,401
Recoverable deposits	249,735,488	247,175,600
Others	5,297,155,056	1,400,762,343
	12,438,086,461	5,038,850,745

Project costs represents incurred expenses for unlaunched projects.

Deposit on land purchases refer to prepayments for acquisition of land.

Advances to contractors and supplies represents prepayments for the construction of investment property and property and equipment.

Deferred charges and project costs consist of project costs incurred for unlaunched projects of the Parent Company, advance rental payments, and noncurrent prepaid management fees. As at December 31, 2023, non-current portion of cost to obtain contracts, which includes prepaid commissions, amounted to P194.4 million (2022 - P522.3 million).

Recoverable deposits pertain to various utility deposits and security deposits for leases.

Other assets mainly comprise of investment in bonds measured at FVTPL, prepayments for expenses that are amortized for more than one year and unamortized VAT portion from purchases of capital goods.

12 Accounts and other payables

The account as at December 31 consists of:

	Note	2023	2022
Accounts payable		33,981,554,425	22,875,085,120
Payable to related parties	20	17,738,277,450	15,997,914,470
Accrued expenses			
Salaries and employee benefits		5,865,829,035	5,419,316,204
Professional and management fees		1,149,843,893	992,809,045
Advertising and promotions		956,403,956	956,403,956
Project costs		945,884,365	945,884,365
Utilities		575,628,163	418,654,024
Commissions		504,702,389	684,711,806
Representation		387,393,907	382,984,929
Repairs and maintenance		387,055,791	326,244,443
Rentals		34,930,347	33,023,750
Others		478,719,372	392,440,983
Taxes payable		7,578,043,129	8,131,113,129
Liability for purchased land - current portion		2,543,665,432	2,504,101,871
Interest payable		1,679,207,913	1,678,240,529
Retentions payable		1,141,573,336	765,936,466
		75,948,712,903	62,504,865,090

Accounts payable and accrued expenses are non-interest bearing and are normally settled within 30-60 days.

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. Other accrued expenses consist mainly of transportation and travel, janitorial and security, postal and communication, insurance and supplies.

Taxes payable pertain to statutory liabilities for expanded withholding tax, withholding tax on compensation, final tax and fringe benefit tax.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired payable during the year. These are normally payable in quarterly or annual installment payments or upon demand.

Retentions payable pertains to the amount withheld by the Parent Company on contractor's billings to be released after the guarantee period, usually one 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 payables are noninterest-bearing and are normally settled within one year.

13 Short-term and long-term debts

As at December 31, 2023, the short-term debt of P7,005.0 million (2022 - P688.0 million) represents peso-denominated bank loans. Peso-denominated short-term loans had a weighted average cost of 6.01% (2022 - 2.1%).

As at December 31, 2023, in compliance with the Bangko Sentral ng Pilipinas (BSP) rules on directors, officers, stockholders and related interests, certain short-term and long-term debt with a carrying value as at December 31, 2023 amounting to P271.4 million (2022 - P1,087.5 million) are secured by a 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 as at December 31, 2023 amounted to P3,154.5 million (2022 - P2,974.3 million) which is accounted as part of the "Investment properties" account (Note 9). As at December 31, 2023, The remaining balance unsecured balance of short-term and long-term debt amounted to P205,176.4 million (2022 - P192,660.5 million).

Long-term debt consists of:

	2023	2022
Bonds:		
Due 2023	-	7,000,000,000
Due 2024	15,000,000,000	15,000,000,000
Due 2025	23,250,000,000	23,250,000,000
Due 2026	16,000,000,000	16,000,000,000
Due 2027	15,000,000,000	15,000,000,000
Due 2028	22,075,000,000	22,000,000,000
Due 2029	14,000,000,000	14,000,000,000
Due 2031	3,000,000,000	3,000,000,000
Due 2033	6,925,000,000	2,000,000,000
Fixed rate corporate notes (FXCNs)	-	4,500,000,000
Php - denominated long-term loans	80,148,000,000	68,244,726,563
US Dollar - denominated long-term loans	3,045,350,000	3,066,525,000
	198,443,350,000	193,061,251,563
Less: Unamortized transaction costs	1,122,427,353	1,179,274,582
	197,320,922,647	191,881,976,981
Less: Current portion	18,495,800,819	14,570,101,002
Long-term debt, net of current portion	178,825,121,828	177,311,875,979

Below is the summary of the outstanding Peso bonds issued by the Parent Company:

Year Issued	Term (Years)	Interest Rate	Principal Amount	Carrying Value 2023	Carrying Value 2022	Features
2013	20	6.00%	2,000,000,000	1,988,434,154	1,987,589,339	Fixed rate bond due 2033
2016	7	3.89%	7,000,000,000	-	6,976,737,540	Fixed rate bond due 2023
2016	10	4.85%	8,000,000,000	7,978,689,291	7,970,112,226	Fixed rate bond due 2026
2016	9.5	4.75%	7,000,000,000	6,984,429,364	6,990,956,631	Fixed rate bond due 2025
2017	10	5.26%	7,000,000,000	6,986,234,747	6,982,555,686	Fixed rate bond due 2027
2018	10	5.92%	10,000,000,000	-	9,927,760,776	Fixed rate bond due 2028
2019	7	6.37%	8,000,000,000	7,962,226,665	-	Fixed rate bond due 2026
2019	5	4.76%	3,000,000,000	2,993,838,039	7,947,809,270	Fixed rate bond due 2024
2019	7.3	4.99%	1,000,000,000	976,665,228	2,985,944,030	Fixed rate bond due 2027
2020	5	3.86%	6,250,000,000	6,222,200,008	969,970,640	Fixed rate bond due 2025
2021	4	3.63%	10,000,000,000	9,959,900,183	-	Fixed rate bond due 2025
2021	10	4.08%	3,000,000,000	2,981,599,832	6,207,138,788	Fixed rate bond due 2031
2022	6	5.81%	12,000,000,000	11,931,739,903	9,931,346,581	Fixed rate bond due 2028
2022	2	4.40%	12,000,000,000	11,964,602,287	2,979,654,877	Fixed rate bond due 2024
2022	5	6.21%	7,000,000,000	6,942,199,395	11,918,358,107	Fixed rate bond due 2027
2022	7	6.80%	14,000,000,000	13,870,012,391	11,897,141,525	Fixed rate bond due 2029
2023	5	6.03%	10,075,000,000	9,961,324,210	6,927,960,207	Fixed rate bond due 2028
2023	10	6.29%	4,925,000,000	4,866,279,395	13,851,288,836	Fixed rate bond due 2033
Total				114,570,375,092	116,452,325,059	

Philippine Rating Services Corporation (PhilRatings) rated the Parent Company's 2023 and 2022 bond issuances "PRS Aaa" with a stable outlook and maintained the "PRS Aaa" rating with a stable outlook for all other outstanding bonds. PRS Aaa is the highest credit rating possible on PhilRatings' rating scale for long-term issuances, indicating that obligor's capacity to meet its financial commitment on the obligation is extremely strong and that it has the smallest degree of investment risk. A Stable Outlook indicates that the rating is likely to be maintained or to remain unchanged in the next twelve months.

Bonds

Philippine Peso 20-year Bonds due 2033

In October 2013, the Parent Company issued a P2,000.0 million bond due 2033 at a fixed rate equivalent to 6.0% p.a. The Credit Rating and Investors Services Philippines, Inc. (CRISP) assigned a "AAA" rating on the bonds indicating that it has a minimal credit risk owing to the Parent Company's capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP.

Philippine Peso 10-year Bonds due 2026

In March 2016, the Parent Company issued and listed on the PDEx a total of P8,000.0 million bonds due 2026 at a fixed rate equivalent to 4.85% p.a. This is the first tranche of debt securities issued under the Parent Company's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 9-year and 6-month Bonds due 2025

In April 2016, the Parent Company issued and listed on the PDEx a total of P7,000.0 million bonds due 2025 at a fixed rate equivalent to 4.75% p.a. The Bonds represent the second tranche of debt securities issued under the Parent Company's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 7-year Bonds due 2023

In October 2016, the Parent Company issued and listed on the PDEx a total of P7,000.0 million fixed rate bonds due 2023 at a rate equivalent to 3.89% p.a. The Bonds represent the third tranche of the Parent Company's P50,000.0 million Debt Securities Program registered and rendered effective by the SEC on March 8, 2016 (the “2016 Program”). The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2027

In May 2017, the Parent Company issued its P7,000.0 million fixed rate bonds due 2027 at a rate equivalent to 5.26% p.a. The Bonds, the fourth tranche of the Parent Company's 2016 Program, were listed on the PDEx and were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2028

In April 2018, the Parent Company issued and listed on the PDEx a total of P10,000.0 million fixed rate bonds due 2028 at a rate equivalent to 5.92% p.a. and subject to repricing on April 27, 2023, the fifth anniversary of the Issue Date, at the higher of 5.92% p.a. or the prevailing 5-year benchmark plus 75 bps. The Bonds represent the fifth tranche of the of debt securities issued under the Parent Company's 2016 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 7-year Bonds due 2026

In May 2019, the Parent Company issued and listed on the PDEx P8,000.0 million fixed rate bonds due 2026 at a rate equivalent to 6.37% p.a. The Bonds, the first tranche of Parent Company's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2024

In September 2019, the Parent Company issued and listed on the PDEx its P3,000.0 million bonds due 2024 at a fixed rate equivalent to 4.76% p.a. The Bonds represent the second tranche of debt securities issued under the Parent Company's 2019 Program and were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 7-year and 3-month due on 2027

In November 2019, the Parent Company issued a P1,000.0 million fixed rate bonds due 2027 at a rate equivalent to 4.99% p.a. The Bonds, the third tranche of bonds issued under the Parent Company’s 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2025

In September 2020, the Parent Company issued and listed on the PDEx its P6,250.0 million fixed rate bonds due 2025 at a rate equivalent to 3.86% p.a. The Bonds represent the fifth tranche of debt securities issued under the Parent Company's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 4-year Bonds due 2025

In May 2021, the Parent Company issued and listed on the PDEx its P10,000.0 million fixed rate bonds due 2025 at a rate equivalent to 3.63% p.a. The Bonds represent the sixth tranche of debt securities issued under the Parent Company's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2031

In October 2021, the Parent Company issued a total of P3,000.0 million bonds due 2031 at a fixed rate equivalent to 4.08% p.a. and subject to repricing on October 26, 2026, the fifth anniversary of the Issue Date, at the higher of 4.08% p.a. or the prevailing 5-year benchmark plus 70 bps. The offering which was listed on the PDEX is composed of P2,750.0 million issued as the first tranche of Parent Company's 2021 Program while P250.0 million representing the seventh tranche of debt securities were issued under the Company's 2019 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. The Parent Company exercised the call option and the bonds were fully redeemed in April 2023.

Philippine Peso 6-year Bonds due 2028

In May 2022, the Parent Company issued a total of P12,000.0 million bonds due 2028 at a fixed rate equivalent to 5.81% p.a. The offering is composed of P9,500.0 million as the second tranche of debt securities issued under the Parent Company's P50,000.0 million Debt Securities Program registered and rendered effective by the SEC on October 11, 2021 (the "2021 Program") while P2,500.0 million represent the eighth and final tranche of debt securities that were issued under the 2019 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 2-Year, 5-Year and 7-year Bonds due 2024, 2027 and 2029

In July 2022, the Parent Company issued a total of P33,000 million fixed rate bonds, broken down into P12,000.0 million bonds due 2024 at a rate equivalent to 4.40% p.a., P7,000.0 million bonds due 2027 at a rate equivalent to 6.21% p.a. and a P14,000.0 million bond due 2029 at a rate equivalent to 6.80% p.a. The offering is the third tranche of debt securities issued under the Parent Company's 2021 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 5-Year and 10-year Bonds due 2028 and 2033

In June 2023, the Parent Company issued a total of P15,000 million fixed rate bonds, broken down into P10,075.0 million bonds due 2028 at a rate equivalent to 6.03% p.a. and P4,925.0 million bond due 2033 at a rate equivalent to 6.29% p.a. The offering is composed of P4,750.0 million issued as the fourth and final tranche of the Parent Company's 2021 Program while P10,250.0 million representing the first tranche of debt securities issued under the Company's 2023 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso - denominated Long-term Loans

In August to September 2015, the Parent Company assumed an aggregate of P15,526.9 million various long-term facilities of some subsidiaries from various banks. The loans bear fixed interest rates ranging from 4.50% to 4.70% p.a. and terms ranging from 4.4 years to 10.5 years. In March 2016, the Company additionally assumed from ALI Makati Hotel Property, Inc. US$30.0 million in long-term loans from the Bank of the Philippine Islands. The loan carried a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR) and is repriceable quarterly. The loan was prepaid in December 2018. In August 2022, coinciding with the repricing date of the Parent Company's P10,000.0 million 10.5-year long-term facility, the Company executed a Deed of Assignment with a domestic bank. The Parent Company assigned the remaining balance of the loan amounting to P7,872.0 million to Avida Land, Corp. (P4,086.0 million), Alveo Land, Corp. (P2,880.0 million) and Accendo Commercial, Corp. (P906.0 million) (collectively the "Assigned Loan"). The Assigned Loan carries a floating rate applicable for the remaining 3.5 years of the long -term facility. As at December 31, 2023, the remaining balance of the assumed long-term facilities amounted to nil (2022 - 1,903.6 million). This was fully paid upon its maturity in the first quarter of 2023.

In March 2017, the Parent Company executed a P10,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn an initial P5,000.0 million. The balance of P5,000.0 million was drawn in April 2017. The loan carries a fixed interest rate of 4.95% p.a. and a term of 10 years. As at December 31, 2023, the remaining balance of long-term facility amounted to P8,875.0 million (2022 - P9,175.0 million).

In March 2018, the Parent Company executed a P5,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn the entire facility amount. As at December 31, 2023, the remaining balance of long-term facility amounted to P4,712.5 million (2022 - P4,762.5 million).

In January 2020, the Parent Company executed and availed a P5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.50% p.a. for the initial 5 years. In December 2020, the Parent Company also executed and availed a P10,000.0 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 5^{th} and 7^{th} anniversary. As at December 31, 2023, the remaining balance of the loans amount to P4,912.5 million (2022 - P4,962.5 million) and P9,376.0 million (2022 - P9,584.0 million), respectively.

In 2021, the Company originated a total of P37,000 million in long-term financing with various domestic banks. In July 2021, the Company availed a P10,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.88% p.a. for the initial 5 years. In August 2021, the Company executed a P5,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.88% p.a. for the initial 5 years. Another P4,900.0 million 6-year long- term facility was drawn in October 2021 at an interest rate of 3.78% p.a. for the initial 3 years. In October 2021, the Company executed a P5,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.75% p.a. for the initial 5 years. In November 2021, the Company also executed a P5,000.0 million 9-year long-term facility which carries a fixed interest rate of 3.95% p.a. for the initial 5 years. In December 2021, the Company executed a P7,100.0 million 8-year long-term facility which carries a fixed interest rate of 3.87% p.a. for the initial 3 years. As at December 31, 2023 and 2022, the outstanding balance of the loans amount to P37,000 million.

On December 16, 2021, the SEC approved and made effective the merger of Cebu Holdings, Inc. (CHI), Asian-I Office Properties (AiO), Arca South Commercial Ventures Corp. (ASCVC) and Central Bloc Developers, Inc. (CBDI) with and into ALI, with ALI as the surviving entity (the “Merger”). ALI became the surviving entity in the Merger and thus, 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 were taken and deemed transferred to ALI without further act or deed. With that, the Parent Company assumed an aggregate of P914.1 million long-term facilities of AiO from a domestic bank. As at December 31, 2023, the remaining balance of long-term facilities amounted to P272.0 million (2022 - P857.1 million).

In 2023, the Company originated a total of P15,000 million 10-year long-term financing with various domestic banks. The loans carry a floating interest rate and contain a one-time option to shift from a floating rate to a fixed rate available for one or two years from initial availment. In April 2023, the Parent Company executed and availed a P5,000.0 million 10-year long-term facility with a domestic bank which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 45 bps, (ii) BSP Overnight Reverse Repurchase Agreement Rate, and (iii) floor rate of 2.75% p.a., with one time option to convert all or a portion of Fixed to Floating or vice versa. In October 2023, the Company executed a P5,000.0 million 10-year long-term facility which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 70 bps, and (ii) BSP Overnight Reverse Repurchase Agreement Rate, with one time option to convert all or a portion of Fixed to Floating or vice versa. In November 2023, the Company executed another P5,000.0 million 10-year long-term facility which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 45 bps, (ii) BSP Overnight Reverse Repurchase Agreement Rate, and (iii) floor rate of 5.25% p.a., with one time option to convert all or a portion of Fixed to Floating or vice versa. As at December 31, 2023, the remaining balance of the long-term facilities amount to P15,000 million (2022 - nil).

As at December 31, 2023, the remaining aggregate balance of the Philippine Peso-denominated long-term loans amounted to P80,148 million (2022 - P68,244.7 million).

US Dollar-denominated Long-term Loans

In November 2019, the Parent Company executed and had simultaneously drawn a US$125.0 million long-term facility. The loan bears a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR), repriceable quarterly. All proceeds were lent to MCT to refinance its existing loans. The loan will mature on the fifth anniversary of the initial drawdown date. The Parent Company initiated a partial payment of US$70.0 million in November 2022. The remaining US$55.0 million was repriced in 2022 by transitioning out of the LIBOR-based dollar loan pricing ahead of its cessation on June 30, 2023 by shifting to a two-year US$ fixed rate of 3.95% (net of 10% onshore tax).

As at December 31, 2023, the remaining aggregate balance of US Dollar-denominated long term loans amounted to P3,045.4 million (2022 - P3,066.5 million). The unrealized foreign currency gain recognised in the statement of income amounted to P21,175 million (2022 - unrealized loss of P261,580 million) (Note 24).

Fixed rate corporate notes (FXCNs)

Philippine Peso 10-year and 3-month Notes due 2023

In December 2012, the Parent Company executed a P5,000.0 million committed Corporate Note facility with a local bank, of which an initial P3,500.0 million was drawn in 2012. The balance of P1,500.0 million was subsequently drawn in January 2013. The notes bear a fixed interest rate of 4.50% p.a. The Corporate Notes will mature on the third month succeeding the tenth anniversary of the initial drawdown date. As at December 31, 2023, the remaining balance of the notes amounted to nil (2022 - P4,500.0 million). The notes were fully paid upon maturity on March 10, 2023.

14 Deposits and other current liabilities

The account as at December 31 consists of:

	2023	2022
Deposits	6,528,031,243	7,174,963,962
Current portion of customers' deposits	1,729,241,671	8,350,010,327
Unearned income	651,030,578	642,429,387
	8,908,303,492	16,167,403,676

Deposits are equivalent to three to six 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.

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 P6,377.1 million (2022 - P4,308.4 million).

Unearned income pertains to rents and other charges paid in advance by the tenants and are being deferred monthly.

15 Deposits and other non-current liabilities

The account as at December 31 consists of:

	2023	2022
Deposits	6,057,388,058	8,495,645,815
Liability for purchased land	4,031,014,460	6,574,679,892
Customers' deposits, net of current portion	2,002,960,565	4,644,246,167
Retentions payable, net of current portion	966,642,494	765,936,466
Subscriptions payable	25,875,052	25,875,052
Others	57,225,857	58,322,748
	13,141,106,486	20,564,706,140

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 to six months' rent of long-term tenants with non-cancellable leases. 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. 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 Parent Company for the processing of title are charged to this account.

Liability for purchased land pertains to the portion of unpaid investment in land acquired during the year. It is payable in annual installment payments within five years.

Customers' deposits consist of excess of collections over the recognized receivables based on percentage of completion.
Retentions payable pertain to retentions from the contractors' progress billings which will be released after the guarantee period, usually one 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.

Subscription payable mainly pertains to the Parent Company's subscription payable to its subsidiaries and associates. The outstanding balance pertains to subscriptions to Brightnote Assets Corporation formerly known as Batangas Assets Corporation., Crimson Field Enterprises, Regent Time and Las Lucas Development Corp.

Others pertain to non-trade payables which are expected to be paid beyond 12 months.

16 Equity

The details of the number of shares as at December 31 follow:

	2023			
	Number of shares		Amount	
	Preferred	Common	Preferred	Common
Authorized	15,000,000,000	20,000,000,000	1,500,000,000	20,000,000,000
Issued*	13,066,494,760	15,595,195,060	1,306,649,476	15,595,195,060
Subscribed	-	126,330,567	-	126,330,568
	13,066,494,760	15,721,525,627	1,306,649,476	15,721,525,628

**Out of the total issued shares, 779,349,914 Common shares at P1.00 par value and 623,999,728 Preferred shares at P0.10 par value or aggregate of P841.75 million pertain to Treasury shares at December 31, 2023*

	2022			
	Number of shares		Amount	
	Preferred	Common	Preferred	Common
Authorized	15,000,000,000	20,000,000,000	1,500,000,000	20,000,000,000
Issued*	13,066,494,760	15,580,698,760	1,306,649,476	15,580,698,760
Subscribed	-	126,247,777	-	126,247,777
	13,066,494,760	15,706,946,537	1,306,649,476	15,706,946,537

**Out of the total issued shares, 642,283,806 Common shares at P1.00 par value and 623,970,536 Preferred shares at P0.10 par value or aggregate of P704.68 million pertain to Treasury shares, as at December 31, 2022*

The movement in the Parent Company's treasury shares follows:

	Number of shares			Amount (in millions)		
	Common	Preferred	Total	Common	Preferred	Total
At January 1, 2022	570,069,282	-	570,069,282	16,894.40	-	16,894.40
Additions	72,214,524	623,970,536	696,185,060	2,123.41	62.9	2,186.31
At December 31, 2022	642,283,806	623,970,536	1,266,254,342	19,017.81	62.9	19,080.71
Additions	137,066,108	29,192	137,095,300	3,695.65	-	3,695.65
At December 31, 2023	779,349,914	623,999,728	1,403,349,642	22,713.46	62.9	22,776.36

Preferred Shares (P0.10 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, non-cumulative; (c) non-participating; (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 non-voting shares do not count as equity when computing for a company's Filipino-ownership level:

a. Redemption and retirement of the 13.0 billion outstanding preferred shares with par value of P0.10.
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 P1,300.0 million creating new voting preferred shares and a stock right offer of 1,300 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 4.75% per annum, equivalent to 90% 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 P1,303.5 million, the aggregate par value of the 13,034.6 preferred shares which have been redeemed and retired, from P22,803.5 million to P21,500.0 million, and
b. The amendments to Articles of Incorporation reflecting the decrease in capital stock.

On June 24, 2022, 623,392,160 Voting Preferred Shares (VPS) were redeemed. The remaining number of outstanding VPS is 12,443,102,599. All of the redeemed VPS will be retired subject to the final approval of the SEC.

As at December 31, 2023, the Parent Company's authorized and outstanding preferred shares amounted to P1,244 million (2022 - P1,244 million) at P0.10 par value.

Common Shares (P1.00 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 roll forward analysis of the common shares follows:

	Number of shares (in thousands)		Amount (in thousands)	
	2023	2022	2023	2022
Issued capital stock*				
At beginning of year	15,580,699	15,257,294	15,580,699	15,257,294
Issued shares	14,496	323,405	14,496	323,405
At end of year	15,595,195	15,580,699	15,595,195	15,580,699
Subscribed capital stock				
At beginning of year	126,248	123,901	126,248	123,901
Issued shares	(14,496)	(11,825)	(14,496)	(11,825)
Additional subscriptions	14,579	14,172	14,579	14,172
At end of year	126,331	126,248	126,331	126,248
	15,721,526	15,706,947	15,721,526	15,706,947

**Out of the total issued shares, 779,349,914 shares or P779,350 million as at December 31 2023 and 642,283,806 shares or P642,284 million as at December 31, 2022 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 2023***	Number of holders of securities as of 2022***
Class B shares	800,000,000	Par value - P1.00/ Issue price P26.00	April 18, 1991	13,115	13,181
Class B shares	400,000,000	Par value - P1.00*	July 6, 1992	-	-
Class A shares	900,000,000	Par value - P1.00**	July 5, 1993	-	-
Class B shares	600,000,000	Par value - P1.00**	July 5, 1993	-	-

Note: Class A Shares and Class B Shares were declassified into one type of common shares on September 12, 1997.
**increase in authorized capital stock, registered to cover the shares held by the directors and 20% stock dividend amounting to P108,662,000*
***increase in authorized capital stock, registered to cover the 20% stock dividend amounting to P391,240,953*
****in absolute number*

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 P33.00 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 P16,000.0 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 P194.0 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 P30.50 per share. The Parent Company completed the top-up placement, raising an aggregate of P12,200.0 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 P162.4 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 P1.00 per share, at a price of P20.00 per share, and the issuance of equal number of new shares of the Parent Company, at the same price of P20.00 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 P13,600 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 P200.0 million.

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 P1,000.0 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 April 2, 2008, the Parent Company's stockholders approved the allotment and subsequent issuance of the shares for the below-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 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 P26.00 per share. The registration statement was approved on July 20, 1992. As at December 31, 2023, the Parent Company has 13,115 existing certified shareholders (2022 - 13,181 existing certified shareholders).

Subscription receivable as at December 31, 2023 amounted to P2,496.8 million (2022 - P2,476.3 million) and presented as a reduction in paid-in capital.

Treasury Shares

The movement in the Parent Company's treasury shares follows:

	2023		2022	
	Shares	Amount	Shares	Amount
At January 1	1,266,254,342	19,080,713,529	570,069,282	16,894,379,503
Additions	137,124,492	3,695,676,261	696,763,436	2,186,912,403
Conversion of VPS	(29,192)	(29,192)	(578,376)	(578,377)
At December 31	1,403,349,642	22,776,360,598	1,266,254,342	19,080,713,529

In 2023, ALI purchased a total of 137,066,108 common shares at an average price of P26.96 per share for a total consideration of P3,695.6 million.

Under its buyback program in 2022, ALI purchased a total of 71,214,524 common shares at an average price of P27.95 per share for a total consideration of P2,124.0 million and 623,970,536 preferred shares at an average price of P0.10 per share for a total consideration of P62.9 million which aggregated to P2,186.9 million.

In April and December 2021, ALI purchased a total of 48,976,900 common shares at an average price of P33.90 per share for a total consideration of P1,656.6 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 were acquired by ALI, and in exchange for the net assets of the absorbed entities, a total of 609,626,351 ALI common shares were issued to the stockholders of the absorbed entities. Of these shares, 491,306,375 shares were issued to ALI itself and were treated as treasury shares with a total consideration of P13,977.0 million.

On February 28, March 11, March 12, and March 16, 2020, ALI purchased a total of 4,412,000 common shares at an average price of P35.67 per share for a total consideration of P156.4 million, pursuant to its share buyback program.

On February 21, 2020, the Board of Directors of ALI at its regular meeting approved the increase of an additional P25 billion to the Company's current share buyback program bringing the available balance to P26.1 billion. The program has been 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 P43.20 per share through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P448.10 million in relation in its share buyback program. On November 26, 2019, the Parent Company also acquired a total of 15million of its common shares at P43.75 per share for a total purchase price of P656.25 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 P30.50 per share resulting in additional paid-in capital of P1,601.6 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 P823.9 million in relation to its share buyback program. These have been reported as treasury shares.

Retained Earnings

In 2023, the BOD approved the declaration and payment from unappropriated retained earnings of cash dividends of P0.38 per share (2022 - P0.28 per share) to all issued and outstanding common and preferred shares.

On February 21, 2023, the Board of Directors during its meeting approved the declaration of cash dividends of P0.1495 per outstanding common share. The cash dividends were paid on March 23, 2023, to stockholders of common shares as of record date of March 7, 2023.

On May 30, 2023, the Board of Directors approved the declaration of cash dividends to all stockholders of unlisted voting preferred shares of P0.006 per share. The dividends were paid on June 27, 2023 to stockholders of voting preferred shares as of record date of June 13, 2023.

On October 25, 2023, the Board of Directors during its meeting approved the declaration of cash dividends of P0.2231 per outstanding common share. The cash dividends were paid on November 24, 2023, to stockholders of common shares as of record date of November 13, 2023.

On March 24, 2022, the Board of Directors during its meeting approved the declaration of cash dividends of P0.1352 per outstanding common share. The cash dividends were paid on March 25, 2022 to stockholders of common shares as of record date of March 11, 2022.

On June 21, 2022, the Board of Directors during its meeting approved the declaration of cash dividends of P0.0047 per outstanding preferred share. The cash dividends were paid on June 24, 2022 to stockholders of preferred shares as of record date of June 09, 2022.

On November 17, 2022, the Board of Directors during its meeting approved the declaration of cash dividends of P0.1355 per outstanding common share. The cash dividends were paid on November 18, 2022 to stockholders of common shares as of record date of November 08, 2022. Total dividends for common shares declared for 2022 amounted to P4,000.0 million.

As at December 31, 2023, retained earnings of P25,000.0 million are appropriated for future expansion. The P17,000 million of the appropriated retained earnings was approved by the BOD on November 25, 2021 for land banking activities and planned building construction projects. Each year, the Parent Company incurs capital expenditures for property development which include among others land banking and building construction projects. The appropriation is being fully utilized to cover part of the annual expenditure requirement of the Parent Company.

The Parent Company has earmarked additional funds for expansion projects in the residential, shopping centers, office and hotel business segments, as well as various infrastructure projects for the Parent Company’s mixed-use developments.

The following are among the major capital expenditures of the Parent Company which were approved by the BOD on November 25, 2021:

a. Arca South, a 74 hectares lifestyle district in the City of Taguig with residential, office, retail, hotel and other commercial component. Phase 1 of the mixed-use development was approved by the Board on November 25, 2014. It consists of a retail project with 4k sqm gross leasable area (GLA), 2 BPO towers with 34k sqm GLA and a 265-room hotel with total estimated cost of P11 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, three 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 P5 billion, for completion beyond 2026.

c. Vermosa, a 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 P2.5 billion, for completion in phases by 2022-2024.

d. Continuing payments for various acquisitions within the country amounting to P14.5 billion to be paid until 2024-2026.

In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company’s retained earnings, after reconciling items, available for dividend declaration as of December 31, 2023 amounted to P62,039.5 million (2022 - P53,000.6 million).

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

Equity Reserves

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 P13,977.0 million. As a result, the impact to equity reserves is an increase of P1,192.4 million.

17 Revenue

The account for the years ended December 31 consists of:

	Notes	2023	2022
Revenue from contracts with customers			
Residential development		23,051,572,654	22,198,603,271
Interest income from real estate sales	4	2,159,640,356	2,950,883,232
Management and marketing fees		1,664,127,888	2,866,130,917
Rental income	9	6,231,936,611	5,638,696,186
		33,107,277,509	33,654,313,606

The Parent Company's disaggregation of each sources of revenue from contracts with customers are presented below:

Residential development (including interest income from real estate sales)

	2023	2022
Type of product		
Condominium	14,534,233,649	11,740,634,177
House and lot	10,463,907,124	12,866,517,363
Lot only	213,072,237	542,334,963
	25,211,213,010	25,149,486,503

All of the Parent Company's real estate sales from residential development are revenue from contracts with customers recognized over time.

Management and marketing fees

	2023	2022
Segment		
Property development	1,062,051,637	2,186,162,499
Shopping centers	552,455,543	515,125,084
Offices	49,620,708	164,843,334
	1,664,127,888	2,866,130,917

Set-out below is the reconciliation of contracts with customers with the amounts disclosed in segment information (in millions):

	2023				
	Property development	Shopping centers	Offices	Property management and others	Total
Sales to external customer	20,962	552	50	3,152	24,716
Interest	2,160	-	-	-	2,160
Total revenue from contracts with customers	23,122	552	50	3,152	26,876

	2022				
	Property development	Shopping centers	Offices	Property management and others	Total
Sales to external customer	20,969	545	165	3,361	25,040
Interest	2,951	-	-	-	2,951
Total revenue from contracts with customers	23,920	545	165	3,361	27,991

18 Costs and expenses and other income (charges)

The account for the year ended December 31 consists of:

	Note	2023	2022
Cost of real estate sales	5	12,657,715,025	11,421,345,301
Depreciation	9, 27	1,391,912,445	1,688,154,799
Rental		444,012,170	214,830,719
Manpower costs		326,742,291	546,683,399
Direct operating expenses:			
Commissions		1,588,774,351	1,608,905,116
Taxes and licenses		1,084,863,287	1,007,877,074
Repairs and maintenance		806,175,227	272,321,233
Service fees		690,790,435	1,633,980,357
Security		501,101,196	462,560,642
Insurance		90,731,990	51,367,211
Transportation and travel		45,392,391	47,500,867
Supplies		8,796,269	11,599,751
Others		483,003,092	1,127,340,108
		20,120,010,169	20,094,466,577

Others consist of utilities expense pertaining to light and power, water, gas, aircon, and miscellaneous expense for the parent company's development projects.

General and administrative expenses the year ended December 31 consist of:

	Notes	2023	2022
Manpower costs		930,281,148	651,977,538
Professional fees		455,187,094	323,776,584
Depreciation	10	189,218,791	205,354,765
Repairs and maintenance		138,089,477	114,939,064
Advertising		67,673,183	54,645,303
Rentals		58,157,931	58,376,804
Utilities		43,249,270	38,483,675
Security and janitorial		23,138,041	23,261,589
Entertainment, amusement and recreation		20,274,416	14,612,213
Transportation and travel		12,433,657	28,213,012
Supplies		6,628,649	7,413,449
Donations and contribution		5,500,000	1,128,333
Others		81,264,645	113,291,409
		2,031,096,302	1,635,473,738

Depreciation expense included in the parent company statement of income follow:

	Notes	2023	2022
Included in:			
Real estate costs and expenses	9	1,337,909,511	1,645,387,074
Amortization of right-of-use asset	27	54,002,934	42,767,725
General and administrative expenses	10	189,218,791	205,354,765
		1,581,131,236	1,893,509,564

Interest expense and other financing charges the year ended December 31 consist of:

	Note	2023	2022
Interest expense on:			
Long-term debt		9,378,317,654	8,745,718,141
Intercompany loans		201,142,059	147,140,951
Short-term debt		304,191,843	148,966,457
Accretion of interest from lease liabilities	27	32,120,994	28,657,287
Other financing charges		751,640,499	1,648,179,924
		10,667,413,049	10,718,662,760

Other financing charges pertain mainly to processing fees attributable to the discount on cost to sell financing arising from assignment of accounts receivable to banks (Note 4). It includes transaction costs from availment of short-term and intercompany loans and bank charges.

Included in other charges and expenses is the provision for impairment losses on receivables in 2023 amounting to P10.4 million (2022 - P80.1 million) (Note 4). No provision for impairment loss on investment properties recognized in 2023 and 2022 (Note 9).

Other income for the years ended December 31 consists of:

	Notes	2023	2022
Gain on property-for-share swap	9, 10	7,070,706,133	8,022,019,173
Gain on sale of investment in subsidiaries, associates and joint ventures	8	1,151,279,548	1,730,020,949
Gain on foreign exchange		15,308,593	-
(Loss) gain on sale of property and equipment	10	(882,448)	15,808,202
Unrealized (loss) gain on financial assets at FVTPL	3	(3,582,320)	(3,806,089)
Others	10	478,125,771	483,338,374
		8,710,955,277	10,247,380,609

Others include income from sponsorships, forfeited deposits arising from cancellations due to backout, income recognized from project close out and other various transactions.

19 Income tax

The components of net deferred tax assets are as follows:

	2023	2022
Deferred tax assets on:		
Difference between tax and book basis of accounting for real estate transactions	1,373,917,746	1,330,619,481
Allowance for impairment losses	154,336,080	644,575,668
Employee benefits	405,342,391	262,994,228
Minimum corporate income tax (MCIT)	-	-
Net operating loss carryover (NOLCO)	-	-
Lease liability	51,237,213	57,911,433
Allowance for probable losses	644,575,667	151,738,415
	2,629,409,097	2,447,839,225
Deferred tax liabilities on:		
Deferred tax liabilities on capitalized interest	(617,232,061)	(611,931,886)
Unrealized foreign exchange gain	(43,189,405)	496,976,005
Right-of-use assets	669,637,030	(56,217,573)
	9,215,564	(171,173,454)
	2,638,624,661	2,276,665,771

No NOLCO and MCIT recognized in 2023 and 2022. 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 at December 31, 2023, the deferred tax related to remeasurement gain (loss) on defined benefit plans recognized in OCI amounted to P202.3 million (2022 - P25.5 million).

There are no income tax consequences for the payment of dividends by the Parent Company to its shareholders.

Provision for income tax consists of:

	2023	2022
Current	398,427,426	1,492,399,805
Deferred	(146,813,905)	(1,029,133,955)
Others	54,451,908	65,477,963
	306,065,429	528,743,813

Reconciliation between the statutory and the effective income tax rates follows:

	2023	2022
Statutory income tax rate	25.00%	25.00%
Tax effects of:		
Interest income and capital gains taxed at lower rates	(0.67)	(0.51)
Dividend income	(12.80)	(9.99)
Change in tax rate		-
Others - net	(9.91)	(11.79)
	1.62%	2.71%

20 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 Parent Company has entered into transactions with its subsidiaries, associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, loans, 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 Parent Company does not provide any allowance relating to receivable from related parties. The Parent Company has an active intercompany lending program and intercompany receivables are short-term. Related party borrowers are assessed to have financial capacity based on operational performance and cash flow requirements.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

The 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.

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Transactions with Bank of the Philippine Islands (BPI), an associate of AC:

    i. As at December 31, 2023 and 2022, the Parent Company maintains current and savings account, money market placements, UITF investments, short-term debt and long-term debt payable with BPI broken down as follows:

	2023	2022
Cash in bank	136,628,960	473,867,901
Financial assets at FVTPL	35,834,889	6,881,752
Short-term debt	4,000,000,000	688,000,000
Long-term debt	271,431,200	1,087,488,641

As at December 31, the fair value of the financial assets at FVTPL and the Fund's Net Asset Value (NAV) follow (in millions):

2023	Fair Value	Fund's NAV	Duration
BPI Money Market Fund	1.6	P34,804.0	55 days
BPI USD Short Term Fund	34.2	P32,517.7	91 days

2022	Fair Value	Fund's NAV	Duration
BPI Money Market Fund	1.6	P38,946.5	124 days
BPI USD Short Term Fund	5.3	P33,852.2	120 days

    ii. As of December 31, 2023 and 2022, the Parent Company has outstanding interest payable to BPI amounting to P6.3 million and P3.8 million, respectively.

iii. Income earned and expenses incurred with BPI are as follows:

	2023	2022
Interest income	4,801,489	3,705,847
Interest expense	84,172,305	52,188,536

b. Outstanding balances with AC, subsidiaries, associates, joint ventures and other related parties (entities under common control).

Receivables from and payables to related parties pertain mostly to development and management fees, advances and reimbursements of operating expenses related to development cost, working capital requirements and land acquisitions which are due and demandable.

Receivables from and payables to related parties as at December 31 are as follow:

	2023					
	Receivable from			Payables to		
	Current	Noncurrent	Total	Current	Noncurrent	Total
AC	73,380,933	-	73,380,933	42,592,444	-	42,592,444
Subsidiaries	46,474,496,222	900,258,813	47,374,755,035	17,438,608,445	-	17,438,608,445
Associates	569,194,794	-	569,194,794	223,349,215	-	223,349,215
Joint ventures	44,167,686	-	44,167,686	26,880	-	26,880
Other related parties	563,526,950	-	563,526,950	33,700,466	-	33,700,466
	47,724,766,585	900,258,813	48,625,025,398	17,738,277,450	-	17,738,277,450

	2022					
	Receivable from			Payables to		
	Current	Noncurrent	Total	Current	Noncurrent	Total
AC	83,989,418	-	83,989,418	616,617	-	616,617
Subsidiaries	51,739,131,676	879,736,337	52,618,868,013	15,727,396,207	-	15,727,396,207
Associates	473,337,688	-	473,337,688	212,353,896	-	212,353,896
Joint ventures	264,153,685	-	264,153,685	4,332,082	-	4,332,082
Other related parties	384,424,460	-	384,424,460	53,215,668	-	53,215,668
	52,945,036,927	879,736,337	53,824,773,264	15,997,914,470	-	15,997,914,470

As at December 31, 2023, receivables from related parties include a non-current receivable pertaining to a contract of lease with AREIT amounting to P900.3 million (2022 - P879.7 million) (Note 27).

c. Revenue from related parties

The revenue from the Parent Company, subsidiaries, associates, joint ventures and other related parties pertains to income from leasing and development projects, dividend income, marketing and management fees, while expenses composed of service fees, commission, and training expenses. Transactions are settled within one year, non-interest bearing and assessed for impairment. There is no impairment on these related receivables.

Revenue for the years ended December 31 are as follow:

2023	Dividend income	Management and marketing income	Rental income	Interest income	Total
AC	-	-	-	-	-
Subsidiaries	9,202,903,703	1,065,290,115	1,181,151,652	287,694,294	11,737,039,764
Joint ventures	347,154,870	-	-	-	347,154,870
Associates	122,296,241	426,105,989	-	899,380	549,301,610
Other related parties	-	19,531,324	430,302,624	4,360,000	454,193,948
Total	9,672,354,814	1,510,927,428	1,611,454,276	292,953,674	13,087,690,192

2022	Dividend income	Management and marketing income	Rental income	Interest income	Total
AC	-	-	5,292	-	5,292
Subsidiaries	7,471,720,574	1,533,816,852	513,495,425	680,528,999	10,199,561,850
Joint ventures	243,935,000	430,085,478	-	-	674,020,478
Associates	84,007,587	126,422,312	-	5,703,000	216,132,899
Other related parties	-	775,806,274	146,192,867	-	921,999,141
Total	7,799,663,161	2,866,130,916	659,693,584	686,231,999	12,011,719,660

Costs and expenses for the years ended December 31 are as follow:

2023	Rental expenses	Service fees	Commission expenses	Interest expense	Total
AC	-	-	-	-	-
Subsidiaries	29,046,992	946,448,147	177,955,468	258,902,623	1,412,353,230
Joint ventures	-	-	-	-	-
Associates	-	-	-	288,364	288,364
Other related parties	1,026,605	2,074,037	-	435,127,611	438,228,253
Total	30,073,597	948,522,184	177,955,468	694,318,598	1,850,869,847

2022	Rental expenses	Service fees	Commission expenses	Interest expense	Total
AC	-	-	-	-	-
Subsidiaries	697,547	1,276,377,243	542,353,743	147,087,665	1,966,516,198
Joint ventures	-	-	-	-	-
Associates	2,415,765	-	-	73,417	2,489,182
Other related parties	5,149,825	71,770	-	-	5,221,595
Total	8,263,137	1,276,449,013	542,353,743	147,161,082	1,974,226,975

The following describes the nature of the material transactions of the Parent Company with related parties as at December 31, 2023 and 2022:

Parent Company lent to and borrowed funds from various subsidiaries and affiliates on an interest-bearing basis. Outstanding intercompany peso-denominated loans of the Parent Company to subsidiaries and affiliates amounted to P2,923.6 million (2022 - P4,531.0 million). Interest rates in 2023 ranges from 5.59% to 5.94% (2022 - 5.49% to 5.91%), with terms of 1 day up to 90 days.

- On January 31, 2020, the Parent Company entered into a contract of lease with AREIT for the lease of land and building for a period of 34 years. The rent is payable at a fixed monthly rate of P2.73 million, subject to 5% annual escalation rate (Note 27).

- On September 30, 2020, the Parent Company paid P6,430.8 million to its subsidiary Makati Cornerstone Leasing Corp., for its Ayala Triangle Garden 2 (ATG2) acquisition in December 18, 2019.

- The Parent Company sold residential receivables on a without recourse basis to Bank of the Philippine Islands, a related party, in 2023 amounting to P1,561.3 million. Proceeds of receivables sold to BPI amounted to P1,429.7 million and loss on sale recognized amounted to P131.6 milliion. The loss on sale is recorded within other financing charges in the Costs and expenses and other income (charges).

- Receivables from/payables to MDC pertain to advances and retentions in relation to construction contracts involving the Parent Company's real estate projects, with MDC being the primary contractor.

- Transaction with APMC pertain to agreements to administer properties of the Parent Company for stipulated fees. Under this agreement, APMC shall manage, maintain, preserve and provide services for the efficient use of such properties. Further, APMC leases its carpark facilities (Ayala Center Carparks and Central Business District Carparks) under lease agreements with the Parent Company. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of net operating income, whichever is higher. The lease agreements are renewed annually upon mutual agreement of the parties. Aside from the property management services provided by APMC and the leases discussed above, transactions with the Parent Company include noninterest-bearing advances and reimbursements of expenses incurred in connection with the maintenance of the administered properties.

- Receivable from ALISI pertains to lease agreement with the Parent Company for office and parking spaces.

- Receivables from Alveo pertain mostly to advances and reimbursement of operating expenses related to development cost and land acquisitions. These are generally trade related.

- On January 1, 2015, the Parent Company and ACCI entered into a lease contract for the lease of parcels of land and buildings within the Greenbelt and Glorietta development located at the Ayala Center, Makati City. The lease shall be for a period of two years from January 1, 2015 until December 31, 2016, renewable for another two years upon the written agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month.

  In consideration of the lease, the Parent Company and ACCI executed a Deed of Assignment wherein, the Parent Company assigned to ACCI contracts of lease, security deposits, construction bonds and trade receivables with merchants occupying said development. ACCI assumed all rights and obligations under the contracts of lease, other contracts, permits and licenses, trade receivables, security deposits and construction bonds. The lease contract between ACCI and Parent Company has been renewed for twenty (20) years covering the period January 1, 2022 to December 31, 2041. (Note 27).

  The lease contract between ACCI and Parent Company has been renewed for twenty (20) years covering the period January 1, 2022 to December 31, 2041 (Note 27).

- On January 1, 2017, the Parent Company and NECC entered into a lease contract for the lease of a parcel of land with an area of 19,988 sq.m., three office towers and a common retail podium mixed-use commercial building. The lease shall be for a period of 40 years which commenced on January 1, 2017. The commencement of the lease period for the buildings are by phase, Phase 1 started on January 18, 2017, Phase 2 on April 1, 2017, Phase 3 on October 1, 2017 and Phase 4 shall start on October 1, 2018. The lease on the buildings is co-terminous with the land lease. The lease is renewable for another 40 years upon mutual agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month (Note 27).

- On September 2017, the Parent Company signed a Lease Agreement with AyalaLand Estates, Inc. (ALEI) for the lease of a 4.3-hectare portion of land located in Vermosa, Pasong Buaya I, Imus City, Province of Cavite. The term of the lease shall ten (10) years commencing from September 2017 to August 2027 (Note 27).

- On December 27, 2017, the Parent Company sold at cost to MCLC buildings under construction located at Ayala Triangle Gardens and Sta. Ana Park, A.P. Reyes Ave., Brgy. Carmona, Makati City. Subsequently, the Parent Company signed a lease agreement with MCLC for the lease on the parcels of land it owns where the buildings were constructed (Notes 9 and 27).

- During 2017, the Parent Company and NECC entered into a lease contract for the lease of a 24-storey building with a total construction floor area of 146,830 sq. m. located at 30 Meralco Ave., Pasig City. The lease shall be for a period of 40 years which commenced on February 1, 2016 for Phase 1 and August 1, 2017 for Phase 2. The lease is renewable for another 40 years upon mutual agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month (Notes 9 and 27).

d. Notes receivable pertains to housing, car, salary and other loans granted to the Parent Company's officers and employees which are collectible through salary deduction, bears 6% interest p.a. and have various maturity dates ranging from 2020 to 2040 (Note 4).

e. Compensation of key management personnel by benefit type follows:

	2023	2022
Short-term employee benefits	201,610,085	183,968,760
Post-employment benefits	18,431,000	15,496,600
	220,041,085	199,465,360

Key management personnel of the Parent Company include all officers with position of vice president and up.

21 Retirement plan

The Parent Company has funded, non-contributory tax-qualified defined benefit type of retirement plan (the Plan) covering substantially all of its employees. The benefits are based on a defined benefit formula. The latest actuarial valuation report is as at December 31, 2023.

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 Parent Company's fund is in the form of a trust fund being maintained by the trustee bank, BPI Asset Management and Trust Parent Company (the "Retirement Fund"). The primary objective of the 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 pension expense for the years ended December 31 (included within manpower costs under "General and administrative expenses") in the Parent Company statement of income follows:

	2023	2022
Current service cost	139,660,663	159,754,982
Net interest cost on benefit obligation	63,770,299	63,083,301
Total pension expense	203,430,962	222,838,283

The remeasurement effects recognized in other comprehensive loss income in the Parent Company statement of comprehensive income follow:

	2023	2022
Loss on plan assets (excluding amount included in net interest)	(78,979,557)	(81,811,596)
Actuarial loss due to changes in experience assumption	(78,160,149)	(119,987,783)
Actuarial (loss) gain due to changes in economic liability assumption	(652,374,978)	99,610,270
Remeasurements in other comprehensive loss	(809,514,684)	(102,189,109)

As at December 31, the funded status and amounts recognized in the Parent Company statement of financial position for the pension plans are as follows:

	2023	2022
Defined benefit obligation	2,504,738,226	1,912,673,080
Plan assets	(1,085,224,666)	(1,077,246,282)
Net defined liability	1,419,513,560	835,426,798

Changes in net defined benefit liability for the year ended 2023 are as follows:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1	1,912,673,080	(1,077,246,282)	835,426,798
Net benefit cost in statement of income			
Current service cost	139,660,663	-	139,660,663
Net interest	146,179,640	(82,409,341)	63,770,299
	285,840,303	(82,409,341)	203,430,962
Remeasurements in other comprehensive income:			
Remeasurement loss due to changes in experience assumption	78,160,149	-	78,160,149
Remeasurement loss due to changes in economic liability assumption	652,374,978	-	652,374,978
Return on plan assets*	-	78,979,557	78,979,557
Net remeasurement loss	730,535,127	78,979,557	809,514,684
Benefits paid	(420,927,092)	420,927,092	-
Contribution by employer	-	(425,475,692)	(425,475,692)
Transfer out	(3,383,192)	-	(3,383,192)
At December 31, 2023	2,504,738,226	(1,085,224,666)	1,419,513,560

**Excluding amount included in net interest*

Changes in net defined benefit liability for the year ended 2022 are as follows:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1	2,172,283,850	(1,095,207,293)	1,077,076,557
Net benefit cost in statement of income			
Current service cost	159,754,982	-	159,754,982
Net interest	126,933,886	(63,850,585)	63,083,301
	286,688,868	(63,850,585)	222,838,283
Remeasurements in other comprehensive income:			
Remeasurement loss due to liability experience	119,987,783	-	119,987,783
Remeasurement gain due to liability assumption changes	(99,610,270)	-	(99,610,270)
Return on plan assets*	-	81,811,596	81,811,596
Net remeasurement loss	20,377,513	81,811,596	102,189,109
Benefits paid	(572,483,531)	572,483,531	-
Contribution by employer	-	(572,483,531)	(572,483,531)
Transfer in	5,806,380	-	5,806,380
At December 31, 2022	1,912,673,080	(1,077,246,282)	835,426,798

**Excluding amount included in net interest*

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

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.

As at December 31, 2023, the fair value of plan assets by each class are as follows:

	2023	2022
Cash and cash equivalents	10,865	3,721,956
Equity investments		
Unit investment trust funds	132,310,825	104,571,244
Holding firms	89,113,184	83,454,708
Financials	7,268,420	34,036,663
Property	221,845,618	231,756,472
Industrials	4,525,200	6,575,578
Services	6,839,080	13,168,792
Preferred shares	47,292,594	37,397,353
Exchange traded funds	-	-
	509,194,921	510,960,810
Debt investments		
Government securities	218,023,472	161,638,399
AAA rated debt securities	144,290,606	116,529,185
Others	213,704,802	284,395,932
	576,018,880	562,563,516
	1,085,224,666	1,077,246,282

The Retirement Fund's investments are appropriately diversified to control overall risk and 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 Parent Company expects to make contributions of P139.9 million to its retirement fund in 2023.

The allocation of the fair value of plan assets as at December 31 follows:

	2023	2022
Investments in debt securities	45.2835%	48.8990%
Investments in equity securities	34.7287%	37.7249%
Others	19.9878%	14.3761%

Funds invested in debt securities include government securities, corporate notes and bonds, and special deposit accounts. Investments in equity securities consist of investments in PSE-listed stocks and equity securities held by unit investment trust funds. Others were in the form of cash and cash equivalents.

The Parent Company's transactions with the Fund mainly pertain to contributions, benefit payments and settlements.

As at December 31, 2023 and 2022, the carrying amount of plan assets approximates its fair value.

As at December 31, 2023, the plan assets include shares of stock of the Parent Company with fair value amounting to P52.8 million (2022 - P50.9 million). It also includes shares of stocks of related parties within the AC Group with fair value as at December 31, 2023 amounting to P26.6 million (2022 - P38.4 million). 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 as at December 31, 2023 amounting to P24.7 million (2022 - P10.3 million). The fund incurred is P3.2 million 2023 and P1.3 million in 2022.

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 valuation. 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:

	2023	2022
Discount rate	6.68%	7.65%
Future salary increase	10.00%	7.80%

The sensitivity analysis has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2023		2022	
	Effect on defined benefit obligation Increase (decrease)			
Change in basis points	+ 100 basis points	- 100 basis point	+ 100 basis points	- 100 basis point
Discount rate	(250,798,582)	296,140,317	(152,005,698)	177,315,662
Salary increase rate	271,143,480	(236,504,339)	167,925,905	(147,285,024)

Shown below is the maturity analysis of the undiscounted benefit payments:

Year ending	2023	2022
1 year and less	-	226,550,957
More than 1 year to 5 years	469,670,322	293,799,356
More than 5 years to 10 years	2,429,877,370	1,819,691,705
More than 10 years	12,164,614,347	8,602,000,167

The weighted average duration of the defined benefit obligation as at December 31, 2023 and 2022 is 15.0 years.

22 Earnings per share

The following table presents information necessary to compute Earnings per share (EPS):

	2023	2022
Net income attributable to equity holders of Ayala Land, Inc.	18,578,320,220	18,987,610,104
Less: Dividends on preferred stock	(78,743,935)	(62,037,888)
Net income	18,499,576,285	18,925,572,216
Weighted average number of common shares for basic EPS	14,977,735,063	14,777,782,265
Add: Dilutive shares arising from stock options	2,362,126	2,457,080
Adjusted weighted average number of common shares for diluted EPS	14,980,097,189	14,780,239,345
Basic and diluted EPS	1.23	1.28

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.

23 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.

Employee Stock Ownership Plan (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, taking into account the terms and conditions upon which the options were granted. The BSM Formula 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:

	2023	WAEP	2022	WAEP
At January 1	-	-	-	-
Granted	20,741,692	-	17,349,169	-
Subscribed	(14,579,091)	24.68	(14,170,576)	30.29
Availment	859,789	-	1,067,483	-
Cancelled	(7,022,390)	-	(4,246,076)	-
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:

	March 31, 2023	March 31, 2022	March 15, 2021	August 17, 2020	March 21, 2019	March 28, 2018	March 01, 2017	April 05, 2016	March 20, 2015
Number of unsubscribed shares	-	-	-	-	-	-	-	181,304	-
Fair value of each option (BTM)	-	-	-	-	-	-	8.48	13.61	16
Fair value of each option (BSM)	9.42	12.62	9.25	9.12	17.13	12.71	-	18.21	20.63
Weighted average share price	29.04	35.63	39.17	32.61	44.70	41.02	39.72	35.58	36.53
Exercise price	24.68	30.29	33.29	27.72	44.49	45.07	35.81	26.27	29.58
Expected volatility	27.50%	24%	27.19%	25.05%	31.48%	34.04%	30.95%	32.03%	31.99%
Dividend yield	1.11%	0.77%	0.38%	0.81%	1.16%	1.22%	1.34%	1.27%	1.02%
Interest rate	5.00%	1.18%	1.03%	1.13%	5.57%	4.14%	4.41%	4.75%	4.11%

In 2023, the total expense included under General and administrative expenses recognized in the parent company statement of income arising from share-based payments amounted to P149.45 million (2022 - P152.86 million) (Note 18).

24 Financial risk and capital management

The Parent Company's activities expose it to a variety of financial risks: credit risk, market risk (including foreign currency risk, interest rate risk and equity price risk), and liquidity risk. The Parent Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Parent Company's financial performance.

The Parent Company's risk management policies are designed to identify and analyze these risks and to monitor the risks by means of reliable and up-to-date information systems. The Parent Company regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practices.

24.1 Financial risk management

24.1.1 Credit risk management

Credit risk

Credit risk is a risk that counterparty will not meet its obligation under its financial instrument or customer contract leading to a financial loss.
The Parent Company's credit risks are primarily attributable to installments receivable, rental receivables and other financial assets. To manage credit risks, the Parent Company maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

In respect to 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 Parent Company also undertakes supplemental credit review procedures for certain installment payment structures. The Parent Company'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 the 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 Parent Company security deposits and advance rentals which helps reduce the Parent Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Parent Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk. 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 comprise cash and cash equivalents, excluding cash on hand, financial assets at FVTPL and financial assets at FVOCI. The Parent Company 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 Parent Company closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The Parent Company has an active intercompany lending program and intercompany receivable that are short term. To minimize credit exposure, the Parent Company assesses the financial capacity of the affiliated entities and operating cash flows.

As at December 31, 2023 and 2022, the Parent Company's maximum exposure to credit risk is equal to the carrying values of its financial assets.

Given the Parent Company's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

As at December 31, the credit quality of the Parent Company’s financial assets are as follows:

	2023							
	Neither past due nor impaired					Past due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents								
(excluding cash on hand)	485,558,770	-	-	-	485,558,770	-	-	485,558,770
Accounts and notes receivables:								
Trade:								
Residential, commercial and								
office development	24,566,877,099	-	-	-	24,566,877,099	2,827,457,974	10,286,697	27,404,621,770
Shopping centers	1,969,949,002	-	-	-	1,969,949,002	91,921,763	216,468,348	2,278,339,113
Corporate business	1,398,846,029	-	-	-	1,398,846,029	478,064,047	227,140,312	2,104,050,388
Others	297,439,715	-	-	-	297,439,715	-	-	297,439,715
Receivable from related parties	48,625,025,398	-	-	-	48,625,025,398	-	-	48,625,025,398
Advances to other companies	6,707,757,450	-	-	-	6,707,757,450	-	190,007,763	6,897,765,213
Dividends receivable	4,968,436,118	-	-	-	4,968,436,118	-	-	4,968,436,118
Receivable from employees	216,042,460	-	-	-	216,042,460	-	-	216,042,460
Interest receivable	13,488,661	-	-	-	13,488,661	-	-	13,488,661
	88,763,861,932	-	-	-	88,763,861,932	3,397,443,784	643,903,120	92,805,208,836
	89,249,420,702				89,249,420,702	3,397,443,784	643,903,120	93,290,767,606

	2022							
	Neither past due nor impaired					Past due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents								
(excluding cash on hand)	558,050,216	-	-	-	558,050,216	-	-	558,050,216
Accounts and notes receivables:								
Trade:								
Residential, commercial and								
office development	24,952,381,817	-	-	-	24,952,381,817	6,295,973,240	10,286,697	31,258,641,754
Shopping centers	1,847,810,185	-	-	-	1,847,810,185	63,294,098	233,522,330	2,144,626,613
Corporate business	1,388,295,586	-	-	-	1,388,295,586	208,510,653	199,695,672	1,796,501,911
Others	500,528,788	-	-	-	500,528,788	-	-	500,528,788
Receivable from related parties	53,824,773,264	-	-	-	53,824,773,264	-	-	53,824,773,264
Advances to other companies	7,505,178,084	-	-	-	7,505,178,084	-	190,007,763	7,695,185,847
Dividends receivable	2,136,222,555	-	-	-	2,136,222,555	-	-	2,136,222,555
Receivable from employees	129,589,610	-	-	-	129,589,610	-	-	129,589,610
Interest receivable	13,431,171	-	-	-	13,431,171	-	-	13,431,171
	92,298,211,060	-	-	-	92,298,211,060	6,567,777,991	633,512,462	99,499,501,513
	92,856,261,276	-	-	-	92,856,261,276	6,567,777,991	633,512,462	100,057,551,729

As at December 31, the aging analysis of past due but not impaired trade receivables presented per class, is as follows:

2023	Neither past due nor impaired	Past due but not impaired <30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
Trade:									
Residential, commercial and office development	24,566,877,099	724,353,341	359,107,206	159,257,935	319,054,653	1,265,684,839	2,827,457,974	10,286,697	27,404,621,770
Shopping centers	1,969,949,002	14,946,060	15,611,066	12,407,370	9,074,992	39,882,275	91,921,763	216,468,348	2,278,339,113
Corporate business	1,398,846,028	3,667,589	52,375,165	19,858,466	69,622,290	332,540,538	478,064,048	227,140,312	2,104,050,388
Others	297,439,715	-	-	-	-	-	-	-	297,439,715
Receivable from related parties	48,625,025,398	-	-	-	-	-	-	-	48,625,025,398
Advances to other companies	6,707,757,450	-	-	-	-	-	-	190,007,763	6,897,765,213
Dividends receivable	4,968,436,118	-	-	-	-	-	-	-	4,968,436,118
Receivable from employees	216,042,460	-	-	-	-	-	-	-	216,042,460
Interest receivable	13,488,661	-	-	-	-	-	-	-	13,488,661
	88,763,861,931	742,966,990	427,093,437	191,523,771	397,751,935	1,638,107,652	3,397,443,785	643,903,120	92,805,208,836

2022	Neither past due nor impaired	Past due but not impaired <30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
Trade:									
Residential, commercial and office development	24,952,381,817	702,924,108	1,146,523,568	1,080,550,298	440,920,770	2,925,054,496	6,295,973,240	10,286,697	31,258,641,754
Shopping centers	1,847,810,185	11,444,936	8,130,430	6,880,383	17,864,079	18,974,271	63,294,099	233,522,330	2,144,626,614
Corporate business	1,388,295,586	12,624,462	16,895,831	2,953,564	22,513,153	153,523,642	208,510,652	199,695,672	1,796,501,910
Others	500,528,788	-	-	-	-	-	-	-	500,528,788
Receivable from related parties	53,824,773,264	-	-	-	-	-	-	-	53,824,773,264
Advances to other companies	7,505,178,084	-	-	-	-	-	-	190,007,763	7,695,185,847
Dividends receivable	2,136,222,555	-	-	-	-	-	-	-	2,136,222,555
Receivable from employees	129,589,610	-	-	-	-	-	-	-	129,589,610
Interest receivable	13,431,171	-	-	-	-	-	-	-	13,431,171
	92,298,211,060	726,993,506	1,171,549,829	1,090,384,245	481,298,002	3,097,552,409	6,567,777,991	633,512,462	99,499,501,513

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents - based on the nature of the counterparty and the Parent Company's internal rating system.

The unquoted financial assets at FVOCI are unrated.

Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to three (3) defaults in payment in the past; and low grade pertains to receivables with more than three (3) defaults in payment.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The security deposits and advance rental are considered in the calculation of impairment as recoveries.

As at December 31, 2023, the exposure at default amounted to P2,035.9 million (2022 - P3,578.9 million). The average expected credit loss rates (over total receivable) is 0.7% (2022 - and 0.6%) that resulted in the ECL of P643.9 million (2022 - P633.5 million).

24.1.2 Liquidity risk management

Liquidity risk

Liquidity risk is defined by the Parent Company as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Parent Company that makes it difficult for the Parent Company to raise the necessary funds or that forces the Parent Company 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 loss due to wider than normal bid-offer spreads.

The Parent Company employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Parent Company 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 Parent Company 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

As at December 31, 2023, of the P118.8 billion short term credit facilities (2022 - P111.0 billion), the Parent Company has a total available credit line up to P60.5 billion (2022 - P70.0 billion) with various local banks.

The tables below summarize the maturity profile of the Parent Company's financial assets and liabilities as at December 31 based on contractual undiscounted payments:

2023	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	485,558,770	-	-	-	485,558,770
Financial assets at FVTPL	-	-	-	35,834,889	35,834,889
Accounts and notes receivable	94,629,941,482	-	-	-	94,629,941,482
Total undiscounted financial assets	95,115,500,252	-	-	35,834,889	95,151,335,141
Financial liabilities					
Accounts and other payables*	68,370,669,774	-	-	-	68,370,669,774
Short-term debt	7,005,000,000	-	-	-	7,005,000,000
Long- term debt	18,969,420,594	94,602,375,939	83,749,126,114	-	197,320,922,647
Deposits and other current liabilities	8,257,272,914	-	-	-	8,257,272,914
Deposits and other noncurrent liabilities**	25,875,052	9,084,216,974	-	-	9,110,092,026
Total undiscounted financial liabilities	102,628,238,334	103,686,592,913	83,749,126,114	-	290,063,957,361
Net liquidity position	(7,512,738,082)	(103,686,592,913)	(83,749,126,114)	35,834,889	(194,912,622,220)

2022	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	558,050,226	-	-	-	558,050,226
Financial assets at FVTPL	-	-	-	6,881,752	6,881,752
Accounts and notes receivable	102,194,717,086	-		-	102,194,717,086
Total undiscounted financial assets	102,752,767,312	-	-	6,881,752	102,759,649,064
Financial liabilities					
Accounts and other payables*	54,373,751,961	-	-	-	54,373,751,961
Short-term debt	688,000,000	-	-	-	688,000,000
Long- term debt	14,587,183,950	114,622,122,461	62,672,670,570	-	191,881,976,981
Deposits and other current liabilities	15,524,974,289	-	-	-	15,524,974,289
Deposits and other noncurrent liabilities**	25,875,052	13,964,151,196		-	13,990,026,248
Total undiscounted financial liabilities	85,199,785,252	128,586,273,657	62,672,670,570	-	276,458,729,479
Net liquidity position	17,552,982,060	(128,586,273,657)	(62,672,670,570)	6,881,752	(173,699,080,415)

**excludes payable to government agencies*
***excludes deferred output vat*
****includes future interest payment*

Cash and cash equivalents and financial assets at FVTPL are used for the Parent Company's liquidity requirements. Please refer to the terms and maturity profile of these financial statements under 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 at December 31, 2023 and 2022.

24.1.3 Market risk management

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 Company'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 Parent Company's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Company manages its interest rate risk by leveraging on its premier credit rating and increasing the fixed interest component of its debt portfolio. As at December 31, 2023, the Parent Company's ratio of fixed to floating rate debt stood at 89:11 (2022 - 99:1).

The table below demonstrates the sensitivity of the Parent Company's income before income tax to a reasonably possible change in interest rates on December 31, with all variables held constant, (through the impact of floating rate borrowings):

	2023	2022
Changes in floating rate borrowings	Increase (decrease) on income before income tax	
+ 100 basis points increase	(222,770,000)	(9,770,000)
- 100 basis points increase	222,770,000	9,770,000

The assumed change in rate is based on the currently observable market environment.

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:

2023	Interest terms (p.a.)	Rate fixing period	Nominal amount	< 1 year	1 to 5 years	> 5 years	Carrying value
Cash and cash equivalents							
(excluding cash on hand)	Fixed at the date of investment	Various	485,558,770	485,558,770	-	-	485,558,770
Accounts and notes receivable	Fixed at the date of sale	Date of sale	216,042,460	66,654,548	149,387,912	-	216,042,460
			701,601,230	552,213,318	149,387,912		701,601,230
Short- term debt							
Floating-Peso	Variable	Monthly	7,005,000,000	7,005,000,000	-	-	7,005,000,000
Long-term debt							
Fixed							
Peso	Fixed at 6.0%	10.5 years	2,000,000,000			1,086,955,039	1,086,955,039
Peso	Fixed at 3.8915% to 4.85%	7, 9.5 and 10 years	15,000,000,000	6,689,897,658	7,586,924,085	-	14,276,821,743
Peso	Fixed at 5.2624%	10 years	7,000,000,000	-	6,563,867,212	-	6,563,867,212
Peso	Fixed at 5.9203%	10 years	3,045,350,000	3,027,163,329		-	3,027,163,329
Peso	Fixed at 1.2253% to 4.3889%	5 years	64,876,000,000	3,010,521,801	23,179,253,060	28,862,394,296	55,052,169,157
Peso	Fixed at 4.758% to 6.369%	5, 7 and 7.25 years	12,000,000,000	-	11,717,982,789	-	11,717,982,789
Peso	Fixed at 3.862%	5 years	6,250,000,000	-	5,898,805,798	-	5,898,805,798
Peso	Fixed at 3.6262% to 4.0776%	4 and 10 years	13,000,000,000	-	9,533,933,653	2,410,859,380	11,944,793,033
Peso	Fixed at 4.3969% to 6.8045%	2, 5, 6 and 7 years	45,000,000,000	11,829,192,677	12,574,469,550	13,648,430,614	38,052,092,841
Floating			15,000,000,000	-	9,598,263,898	4,540,878,619	14,139,142,517
Peso	Variable	3 months	15,272,000,000	805,426,326	3,780,237,778	9,727,152,502	14,312,816,606
			205,448,350,000	32,367,201,791	90,433,737,823	60,276,670,450	183,077,610,064

2022	Interest terms (p.a.)	Rate fixing period	Nominal amount	< 1 year	1 to 5 years	> 5 years	Carrying value
Cash and cash equivalents							
(excluding cash on hand)	Fixed at the date of investment	Various	558,050,216	558,050,216	-	-	558,050,216
Accounts and notes receivable	Fixed at the date of sale	Date of sale	129,589,610	21,918,698	107,670,912	-	129,589,610
			687,639,826	579,968,914	107,670,912	-	687,639,826
Short- term debt							
Floating-Peso	Variable	Monthly	688,000,000	688,000,000	-	-	688,000,000
Long-term debt							
Fixed							
Peso	Fixed at 6.0%	10.5 years	2,000,000,000	-	-	1,666,347,438	1,666,347,438
Peso	Fixed at 3.8915% to 4.85%	7, 9.5 and 10 years	22,000,000,000	6,865,032,624	13,846,460,651	-	20,711,493,275
Peso	Fixed at 5.2624%	10 years	7,000,000,000	-	6,343,552,688	-	6,343,552,688
Peso	Fixed at 5.9203%	10 years	10,000,000,000	-	9,162,217,528	-	9,162,217,528
Peso	Fixed at 1.2253% to 4.3889%	5 years	3,066,525,000	-	2,973,856,226	-	2,973,856,226
Peso	Fixed at 4.758% to 6.369%	5, 7 and 7.25 years	12,000,000,000	-	11,481,912,694	-	11,481,912,694
Peso	Fixed at 3.862%	5 years	6,250,000,000	-	5,680,329,383	-	5,680,329,383
Peso	Fixed at 3.6262% to 4.0776%	4 and 10 years	13,000,000,000	-	9,182,310,353	2,230,628,338	11,412,938,691
Peso	Fixed at 4.3969% to 6.8045%	2, 5, 6 and 7 years	45,000,000,000	-	24,060,520,237	13,188,640,205	37,249,160,442
Floating							
Peso	Variable	3 months	289,000,000	25,187,353	227,843,643	-	253,030,996
			121,293,525,000	7,578,219,977	82,959,003,403	17,085,615,981	107,622,839,361

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.

The financial assets and credit facilities of the Parent Company, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso. As such, the Parent Company's foreign currency risk is minimal.

As at December 31, the Parent Company's foreign currency-denominated monetary assets and liabilities and their peso equivalents are as follow:

	2023		2022	
Financial assets	US Dollar	PHP Equivalent	US Dollar	PHP Equivalent
Cash and cash equivalents	163,872	9,073,640	480,379	26,783,531
Financial liabilities				
Long-term debt	55,000,000	3,045,350,000	55,000,000	3,066,525,000
	55,000,000	3,045,350,000	55,000,000	3,066,525,000
Net foreign currency-denominated liabilities	(54,836,128)	(3,036,276,360)	(54,519,621)	(3,039,741,469)

In translating the foreign currency-denominated monetary assets in Peso amounts, the Philippine Peso - USD exchange rates as at December 31, 2023 used were P55.37 to US$1.00 (2022 - P55.755 to US$1.00).

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine Peso - U.S. Dollar exchange rate, with all variables held constant, on the Parent Company's income before income tax (due to changes in the fair value of monetary assets and liabilities):

	Effect on income before income tax Decrease (increase)	
Change in exchange rate	2023	2022
+ 100 basis points	(30,362,764)	(30,397,415)
- 100 basis points	30,362,764	30,397,415

Equity price risk

Quoted financial assets 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 and domestic inflation rates, the change in price reflect how market participants view the developments.

The Parent Company'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 Parent Company's equity.

	Effect on equity increase (decrease)	
Change in PSEi index 2022	2023	2022
+5%	370,667	308,313
-5%	(370,667)	(308,313)

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 at December 31, 2023 and 2022, the impact on net income and equity as a result of a 100 basis points (decrease) increase in interest rates is as follow when all other variables are held constant:

	2023		2022	
	Net income, and equity (in millions)	Duration	Net income, and equity (in millions)	Duration
BPI UITF Money Market	+/- 5,320	0.34 year	+/- 48,234	0.66 year
BPI UITF Short Term	+/- 18,078	0.33 year	+/- 69,727	0.73 year

24.1.4 Fair value information

The following tables set forth the carrying values and estimated fair values of the Parent Company's financial assets and liabilities recognized:

		2023		2022	
	Notes	Carrying value	Fair value	Carrying value	Fair value
Financial assets at FVTPL	3	35,834,889	35,834,889	6,881,752	6,881,752
Financial assets at FVOCI	7				
Unquoted equity securities		469,057,497	469,057,497	469,561,300	469,561,300
Quoted equity securities		247,280,000	247,280,000	194,200,000	194,200,000
		752,172,386	752,172,386	670,643,052	670,643,052
Financial assets at amortized cost					
Cash and cash equivalents	2	487,063,380	487,063,380	559,609,838	559,609,838
Accounts and notes receivable	4	92,161,305,716	91,872,791,195	98,865,989,051	100,747,646,411
Other current assets	6	22,081,932,663	22,081,932,663	18,418,705,630	18,418,705,630
		114,730,301,759	114,441,787,238	117,844,304,519	119,725,961,879
Other financial liabilities					
Short-term debt		7,005,000,000	7,005,000,000	688,000,000	688,000,000
Accounts and other payables*		69,103,221,414	69,103,221,414	54,748,041,914	54,748,041,914
Lease liabilities		365,852,408	365,852,408	361,965,297	361,965,297
Long-term debt	13	197,320,922,647	176,072,610,064	191,881,976,981	164,913,141,357
Deposits and other liabilities	15	22,049,409,978	25,178,720,531	36,732,109,816	36,732,109,816
		295,844,406,447	277,725,404,417	284,412,094,008	257,443,258,384

**Excluding deferred output VAT*

The methods and assumptions used by the Parent Company in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents, current receivables, accounts and other payables, current payables and short-term debt - Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

Financial assets at FVTPL - These are investments in fund. The fair value of the fund is based on net asset values as of reporting dates.

Non-current accounts receivable - The fair values of residential accounts 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 for residential accounts receivable ranged from 5.50% to 11.50% and from 1.66% to 11.00% as of December 31, 2023 and 2022, respectively. The discount rates used for receivable from employees ranged from 6.00% to 12.00% as of December 31, 2023 and 2022.

Financial assets at FVOCI - 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 non-current unquoted instruments are estimated using the discounted cash flow methodology using the Parent Company's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged from 5.24% to 6.08% and 6.71% to 8.66% as of December 31, 2023, and 2022, respectively. The fair value of non-current unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Fair Value Hierarchy

The Parent Company 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 in the market, 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 Parent Company categorizes trade receivable, receivable from employees, long-term debt and deposits and other non-current liabilities under Level 3. The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is that the higher the spread, the lower the fair value.

Quoted FVOCI as at December 31, 2023 amounting to P247.2 million (2022 - P194.2 million) were classified under the Level 1 category and the unquoted FVOCI financial assets amounting to P469.1 million (2022 - P469.6 million) were classified under Level 3 (Note 7).

As at December 31, 2023, investment in UITFs amounting to P35.8 million (2022 - P6.8 million) were classified under Level 2 (Note 3).

The fair value of the investment properties was determined by independent professionally qualified appraisers. The following table provides the fair value hierarchy of the Parent Company's investment properties as at December 31:

		2023			
	Date of valuation	Total	Level 1	Level 2	Level 3
Land properties	Various	273,594,292,296	-	-	273,594,292,296
Office properties	Various	88,422,508,455	-	-	88,422,508,455
Retail properties	Various	21,764,346,489	-	-	21,764,346,489

		2022			
	Date of valuation	Total	Level 1	Level 2	Level 3
Land properties	Various	180,257,054,622	-	-	180,257,054,622
Office properties	Various	34,216,388,255	-	-	34,216,388,255
Retail properties	Various	12,556,252,765	-	-	12,556,252,765

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 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 P5,782 to P67,000 per sqm.

A significant increase (decrease) in any of the unobservable input may result in a significantly higher (lower) fair value measurement. The Parent Company considers that it is impracticable to disclose the possible effects of sensitivities surrounding the estimation of the fair value of investment properties as at the reporting date.

There has been no transfer between levels of fair value hierarchy in 2023 and 2022.

Financial Risk Management Objectives and Policies

The Parent Company's principal financial instruments comprise cash and cash equivalents, financial assets at FVTPL, financial assets at FVOCI quoted and unquoted equity securities, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Parent Company's operations. The Parent Company has various financial assets such trade receivables and trade payables which arise directly from the conduct of its operations.

Exposure to liquidity, credit, interest rate, foreign currency risks and equity price arise in the normal course of the Parent Company's business activities. The main objectives of the Parent Company'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 Parent Company's financial risk exposures. It is the Parent Company's policy not to enter into derivative transactions for speculative purposes.

The Parent Company'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 Parent Company.

There were no changes in the Parent Company's financial risk management objectives and policies in 2023 and 2022.

The following table provides the fair value hierarchy of the Parent Company's financial assets at FVTPL which are measured at fair value as at December 31:

			Fair value measurement using		
	Valuation date	Total	Level 1	Level 2	Level 3
Investment in UITF	December 31, 2023	35,834,889	-	35,834,889	-

			Fair value measurement using		
	Valuation date	Total	Level 1	Level 2	Level 3
Investment in UITF	December 31, 2022	6,881,752	-	6,881,752	-

The fair value of the investment in UITF is based on net asset values as of reporting dates.

Reconciliation of fair value measurement of Investment in UITF is shown below:

	Notes	2023	2022
At January 1		6,881,752	16,860,471
Additions		991,477,111	2,236,166,300
Disposals		(966,106,294)	(2,242,338,930)
Unrealized gain (loss) included under other income	18	3,582,320	(3,806,089)
At December 31		35,834,889	6,881,752

24.2 Capital management

The primary objective of the Parent Company's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Parent Company 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 Parent Company considers debt as a stable source of funding. The Parent Company 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 Parent Company 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 gross debt and net debt basis. As at December 31, the Parent Company had the following ratios:

	2023	2022
Debt to equity	1.069:1	1.065:1
Net debt to equity	1.067:1	1.062:1

Debt consists of short-term and long-term debts. Net debt includes short-term and long-term debt less cash and cash equivalents and financial assets at FVTPL. Equity, which the Parent Company considers as capital, pertains to the total equity. The Parent Company excludes the Fair value reserve of financial assets at FVOCI in computing the debt to equity ratio.

The Parent Company is not subject to externally imposed capital requirements due to loan covenants (Note 13). No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023 and 2022.

Financial risk assessment

The Parent Company'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. As at December 31, 2023, the Parent Company's ratio of fixed to floating rate debt stood at 88:1 (2022 - 99:1).

As at December 31, 2023, the exposure to foreign currency holdings of the Parent Company is at US$55.0 million and (2022 - US$54.5 million).

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Parent Company'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 and financial assets at FVTPL.

25 Segment information

The industry segments where the Parent Company operates follow:

Core business:

- Residential developments - sale of high-end and upper middle-income residential lots and units, 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 Parent Company's share in properties made available to subsidiaries for development.
- 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 and carparks in these shopping centers; management and operation of malls which are co-owned with partners
- Corporate business - development and lease of office buildings
- Corporate - company-wide activities not catering to specific business units

Support Business:

- Property management - facilities management of the Parent Company

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.

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, 2023 and 2022, there were no revenue transactions with a single external customer which accounted for 10% or more of the revenue from external customers.

Business segments

As at and for the years ended December 31, the following tables regarding business segments present the assets and liabilities, and revenue and profit information (in millions):

2023	Property development	Shopping centers	Offices	Property management and others	Corporate	Total
Revenue						
Revenues from contracts with customers	20,962	552	50	3,152	-	24,716
Interest income from real estate sales	2,160	-	-	-	-	2,160
Rental income	129	3,274	2,817	12	-	6,232
Total revenue	23,251	3,826	2,867	3,164	-	33,108
Real estate costs and expenses	16,614	1,859	1,168	3	475	20,119
Operating profit	6,637	1,967	1,699	3,161	(475)	12,989
General and administrative expenses	(647)	(385)	(182)	(52)	(766)	(2,032)
Interest expense and other financing charges	(883)	124	(100)	-	(9,809)	(10,668)
Interest income	-	-	-	-	291	291
Other income	543	805	-	-	7,363	8,711
Dividend income	-	-	-	-	9,672	9,672
Other charges and expenses	-	24	(97)	(5)	-	(78)
Provision for income tax	(504)	(1)	(495)	-	694	(306)
Net income	5,146	2,534	825	3,104	6,970	18,579
Other Information						
Segment assets	229,325	102,643	74,964	26,861	58,775	492,568
Deferred tax assets	-	-	-	-	2,639	2,639
Total assets	229,325	102,643	74,964	26,861	61,414	495,207

(forward)

2023	Property development	Shopping centers	Offices	Property management and others	Corporate	Total
Segment liabilities	(63,596)	(76,367)	(60,469)	(75,064)	(28,614)	(304,110)
Segment additions to:						
Property and equipment	168	367	14	-	57	606
Investment properties	2,101	3,493	1,135	-	787	7,516
Depreciation and amortization	56	888	576	3	128	1,651
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-
Impairment losses	(196)	(232)	(222)	(5)	11	(644)

2022	Property development	Shopping centers	Offices	Property management and others	Corporate	Total
Revenue						
Revenues from contracts with Customers	20,969	545	165	3,361	-	25,040
Interest income from real estate sales	2,951	-	-	-	-	2,951
Rental income	155	2279	2,730	9	490	5,663
Total revenue	24,075	2824	2,895	3,370	490	33,654
Real estate costs and expenses	15,109	1550	1,048	12	2,375	20,094
Operating profit	8,966	1274	1,847	3,358	(1,885)	13,560
General and administrative expenses	(603)	(434)	(202)	(38)	(358)	(1,635)
Interest expense and other financing charges	(1,644)	25	61	-	(9,161)	(10,719)
Interest income	42	-	66	-	647	755
Other income	(363)	130	(633)	-	11,113	10,247
Dividend income	–	-	-	-	7,800	7,800
Other charges and expenses	(57)	(24)	(41)	-	(369)	(491)
Provision for income tax	(389)	2	(425)	-	283	(529)
Net income	5,952	973	673	3,320	8,070	18,988
Other Information						
Segment assets	189,047	100,987	70,745	29,979	81,377	472,135
Deferred tax assets	–	-	–	-	1,630	1,630
Total assets	189,047	100,987	70,745	29,979	83,007	473,765
Segment liabilities	(63,876)	(77,048)	(73,144)	(62,062)	(16,874)	(293,004)
Segment additions to:						
Property and equipment	75	491	75	-	52	693
Investment properties	2439	3,027	1,885	-	846	8,197
Depreciation and amortization	125	974	645	3	93	1,840
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-
Impairment losses	56	24	-	-	-	80

26 Performance obligations

Information about the Parent Company's performance obligations are summarized below:

Real estate sales

The Parent Company entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) service lot and house, and (ii) condominium unit and the Parent Company concluded that there is one performance obligation in each of these contracts. The Parent Company 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 to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an unbilled receivable or customers' deposit.

After the delivery of the completed real estate unit, the Parent Company provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Parent Company as a quality assurance warranty and not treated as a separate performance obligation.

As at December 31, 2023, The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) are as follows:

	2023	2022
Within one year	11,677,339,347	16,044,700,773
More than one year	6,304,924,031	10,688,539,271
	17,982,263,378	26,733,240,044

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Parent Company's real estate projects. The Parent Company's condominium units are completed within three to five years, respectively, 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.

27 Leases

Operating Leases - Parent Company as Lessor

The Parent Company 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 Parent Company are as follows:

	2023	2022
Within one year	3,051,044,377	1,589,256,273
After one year but not more than five years	13,771,061,669	8,512,893,142
More than five years	5,232,019,638	852,882,777
	22,054,125,684	10,955,032,192

On January 1, 2015, the Parent Company and ACCI entered into a lease contract for the lease of parcels of land and buildings within the Greenbelt and Glorietta development located at the Ayala Center, Makati City. The lease shall be for a period of two years from January 1, 2015 until December 31, 2016, renewable for another two years upon the written agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month. The lease was renewed from January 1, 2017 to December 31, 2021 under the same terms and conditions stated in the original contract of lease.

On January 1, 2017, the Parent Company and NECC entered into a lease contract for the lease of a parcel of land with an area of 19,988 sq.m., three office towers and a common retail podium mixed-use commercial building located at the Vertis North estate. The lease of land shall be for a period of 40 years which commenced on January 1, 2017. The commencement of the lease period for the buildings are by phase, Phase 1 started on January 18, 2017, Phase 2 on April 1, 2017, Phase 3 on October 1, 2017 and Phase 4 started on October 1, 2018. The lease on the buildings is co-terminous with the land lease. The lease is renewable for another 40 years upon mutual agreement of both parties. The lease generally provide for a fixed monthly rent and a certain percentage of gross rental revenue per month.

In 2017, the Parent Company and ATI entered into a lease contract for the lease of a 24-storey building with a total construction floor area of 146,830 sq. m. located at 30 Meralco Ave., Pasig City. The lease shall be for a period of 40 years which commenced on February 1, 2016 for Phase 1 and August 1, 2017 for Phase 2. The lease is renewable for another 40 years upon mutual agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month.

On December 27, 2017, the Parent Company signed a lease agreement with MCLC for the lease on the parcels of land it owns where the buildings bought by MCLC were constructed (Notes 9 and 20).

On December 28, 2017, the Parent Company signed a lease agreement with ASCVC for the lease on the parcels of land it owns where the Arca South BPO and Mall were constructed. (Notes 9 and 20).

The Parent Company granted rent concessions to its tenants which were affected by the community quarantine imposed by the government amounting to P341.0 million in 2022. These rent concessions did not qualify as a lease modification, thus, were accounted for as variable lease payments and reported as reduction of lease income (Note 32).

Operating Leases - Parent Company as Lessee

Future minimum rentals payable under noncancellable operating leases of the Parent Company follows:

	2023	2022
Within one year	3,051,044,377	50,712,937
After one year but not more than five years	13,771,061,669	166,476,213
More than five years	5,232,019,638	229,776,116
	22,054,125,684	446,965,266

Set out below are the carrying amounts of right-of-use assets recognized and the movements in 2023:

Cost	Note	2023	2022
At January 1		604,578,165	474,255,722
Additions		37,805,310	130,322,442
At December 31		642,383,475	604,578,164
Accumulated depreciation and amortization			
At January 1		249,385,432	206,617,707
Depreciation	18	54,002,934	42,767,725
At December 31		303,388,366	249,385,432
Net Book Value		338,995,109	355,192,732

The roll forward analysis of lease liabilities follows:

	Note	2023	2022
At January 1		361,965,298	253,604,291
Additions		37,805,310	130,322,442
Interest expense	18	32,120,994	28,657,287
Payments		(66,039,194)	(50,618,723)
At December 31		365,852,408	361,965,297
Less: Current portion of lease liabilities		(40,042,512)	(28,253,675)
Lease liabilities, net of current portion		325,809,896	333,711,622

The following are the amounts recognized in the Parent Company's statement of income:

	Note	2023	2022
Depreciation expense of right-of-use assets		54,002,934	42,767,725
Interest expense on lease liabilities	18	32,120,994	28,657,287
Rent expense - variable lease payments		217,131,557	185,228,619
Total amounts recognized in the statement of income		303,255,485	256,653,631

The Parent Company 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 Parent Company's variable lease payments, including the magnitude in relation to fixed payments:

	2023		
	Fixed payments	Variable payments	Total
Fixed	66,039,194	-	66,039,194
Variable rent only	-	217,131,557	217,131,557
At December 31	66,039,194	217,131,557	283,170,751

	2022		
	Fixed payments	Variable payments	Total
Fixed	50,618,720	-	50,618,720
Variable rent only	-	185,228,619	185,228,619
At December 31	50,618,720	185,228,619	235,847,339

The significant leases entered into by the Parent Company are as follows:

On September 2018, the Parent Company signed a Lease Agreement with Manila Seedling Bank Foundation, Inc. (MSBFI) for the lease of a 4.5-hectare portion of land located at the corner of EDSA and Quezon Avenue, Diliman, Quezon City. The term of the lease shall be coterminous with the Lessor's usufruct over the Leased Premises, or until September 20, 2027.

On September 2017, the Parent Company signed a Lease Agreement with AyalaLand Estates, Inc. (ALEI) for the lease of a 4.3-hectare portion of land located in Vermosa, Pasong Buaya I, Imus City, Province of Cavite. The term of the lease shall ten (10) years commencing from September 2017 to August 2027.

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 P100.00 million. Commencing on the sixty fourth month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to fifty percent (50%) of the Gross Income of the Lessee.

On October 2022, the Parent Company signed a Lease Agreement with AREIT Inc. for a lease of a 893 square meters office space at the 20*th* floor of Ayala Center Cebu Tower and 8 appurtenant parking slots, located in Cebu City. The term of the lease is 5 years and shall commence from October 2022 to September 2027.

Finance Leases - Parent Company as Lessor
On January 31, 2020, the Company entered into a contract of lease with AREIT for the lease of land and building for a period of 34 years. The agreement pertains to the lease of the following:

a. Parcel of land with a total land area of approximately 4,513 square meters
b. A five story building with gross floor area of 14, 598.4 square meters and gross leasable area of 10, 687 square meters
c. Two basement parkings levels with 120 parking slots
d. Various capital equipment installed in the building

The lease agreement states that the Company shall deliver to AREIT the physical possession of the leased properties on February 1, 2020. The rent is payable at a fixed monthly rate of P2.73 million, subject to 5% annual escalation rate.

The rollforward of finance receivables (under receivable from related parties) follows:

	Note	2023	2022
At January 1		917,552,229	894,810,787
Interest income		60,379,824	58,900,064
Payments		(37,966,553)	(36,158,622)
As at December 31		939,965,500	917,552,229
Current lease receivable	20	39,706,687	37,815,892
Non-current lease receivable	20	900,258,813	879,736,337

The maturity analysis of the receivables, including undiscounted lease payments to be received are as follows:

	2023	2022
Within one year	39,706,687	37,815,892
After one year but not more than five years	230,374,734	219,404,509
More than five years	2,539,595,094	2,575,914,197
Total undiscounted lease payments	2,809,676,515	2,833,134,598
Less: Unearned finance income	2,077,198,076	2,079,951,628
Net investment in the lease	732,478,439	753,182,970

28 Long-term commitments and contingencies

Commitments

a. 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 Parent Company's projects nationwide. The Memorandum of Agreement (MOA) was signed by Parent Company and its subsidiaries and affiliates, Cebu Holdings, Inc. and Cebu Property Ventures and Development Corp. Total expenses amounted to P0.2 million. As a result of the merger, the Parent Company assumes the rights and obligations of CHI and CPVDC.

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 March 13, 2016.

   On January 15, 2018, the estate, named Parklinks was launched and is the greenest urban estate of ALI 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 2026. Alveo's first residential development, The Lattice, was also launched in 2019, together with ALP's second tower, Parklinks South tower.

   On November 28, 2022, Parklinks Bridge was inaugurated. The Parklinks Bridge connects Quezon City and Pasig City over the Marikina River and is considered an iconic feature of the 35-hectare Parklinks Estate.

c. On August 11, 2015, the Parent Company won the bid for the Integrated Transport System Project-South Terminal ("ITS South Project"). The Parent 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 Parent 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 Parent Company and CHI (together with the Parent 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 Parent Company has fully paid Php 4.56 billion, excluding taxes. The SM-ALI Group has finished with the joint masterplan and has secured the development permit last November 2019 from the Cebu City Council.

   On January 29, 2020, SM-ALI Group broke ground the 263,384sqm development and the construction of road networks and underground utilities commence on February 18, 2020.

   As of December 2023, actual completion of the land development works for the launched lots of ALI in the South Road Properties project is at 100%.

   The development is positioned to be "The Gateway and Epicenter of Growth in Central Visayas".

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 February 26, 2021, the Parent Company 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 P209.0 million, P79.0 million, P5.0 million and P129.1 million, respectively to a 5-year loan with interest rate of 4% per annum

Contingencies

The Parent Company 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 Parent Company's financial position and results of operations. Accordingly, no provision for any liability has been made in the parent company financial statements.

Disclosures required by PAS 37, Provisions, Contingent Liabilities and Contingent Assets, were not provided as it may prejudice the Parent Company's position in ongoing claims, and it can jeopardize the outcome of the claims and contingencies.

29 Notes to statement of cash flows

Disclosed below is the roll forward of liabilities under financing activities:

	January 1, 2023	Cash flows	Other changes	Foreign exchange movement	December 31, 2023
Short-term debt	688,000,000	6,317,000,000	-	-	7,005,000,000
Current portion of long-term debt (a)	14,570,101,002	-	3,925,699,817	-	18,495,800,819
Long-term debt, net of current portion (a)	177,311,875,979	5,403,273,437	(3,868,852,588)	(21,175,000)	178,825,121,828
Lease liabilities (a)	361,965,297	(66,039,194)	69,926,305	-	365,852,408
Dividends payable (b)	1,731,387	(5,454,086,740)	5,454,154,124	-	1,798,771
Deposits and other non-current liabilities	20,564,706,140	(7,423,599,654)	-	-	13,141,106,486
Total liabilities from financing activities	213,498,379,805	(1,223,452,151)	5,580,927,658	(21,175,000)	217,834,680,312

Other changes pertain to:
(a) Interest expense
(b) Dividends declaration

	January 1, 2022	Cash flows	Other changes	Foreign exchange movement	December 31, 2022
Short-term debt	8,471,000,000	(7,783,000,000)	-	-	688,000,000
Current portion of long-term debt (a)	23,528,471,449	(34,939,773,750)	25,981,403,303	-	14,570,101,002
Long-term debt, net of current portion (a)	158,236,289,770	45,000,000,000	(26,185,993,791)	261,580,000	177,311,875,979
Lease liabilities (a)	253,604,290	(50,618,720)	158,979,727	-	361,965,297
Dividends payable (b)	12,214,765	(4,062,008,309)	4,051,524,931	-	1,731,387
Deposits and other non-current liabilities	26,879,578,441	(6,314,673,764)	(198,537)	-	20,564,706,140
Total liabilities from financing activities	217,381,158,715	(8,150,074,543)	4,005,715,633	261,580,000	213,498,379,805

Other changes pertain to:
(a) Interest expense
(b) Dividends declaration

The non-cash activities of the Parent Company pertain to the following:

2023

- Transfer from investment properties to inventory amounted to P9,461.5 million
- Unpaid acquisition of land amounted to P6,574,67 million
- Property-for-share swap transaction amounted to P9,804.63 million

2022

- Transfer from investment properties to inventory amounted to P11,764.9 million
- Unpaid acquisition of land amounted to P9,078.78 million
- Property-for-share swap transaction amounted to P17,386.16 million

30 Events after the reporting date

On February 12, 2024, the shareholders of AREIT owning a majority of the outstanding capital stock, approved the issuance of 841,259,412 primary common shares to Ayala Land, Inc. (ALI) and its subsidiaries, and Buendia Christiana Holdings Corp., a wholly-owned subsidiary of ACEN Corporation, at an issue price of P34.00/share, in exchange for four prime commercial buildings of ALI and a 276-hectare industrial land, with an aggregate value of P28,602,820,008.

On February 20, 2024, the BOD approved the following:

a. The raising of up to Php50 billion in debt capital to partially finance general corporate requirements and refinance maturing debt 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 declaration of a regular cash dividend of Php0.2050 per common share for the first half of 2024. The record date is March 5, 2024, and the payment date is March 21, 2024.

c. The 2024 stock option program pursuant to our Employee Stock Ownership Plan (the “Plan”) which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 18,542,878 common shares at a subscription price of Php28.82 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 30-day trading as of February 13, 2024, less a prescribed discount.

31 Critical accounting judgments and estimates

The preparation of the financial statements in conformity with PFRSs, as modified by the application of the financial reporting relief 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 financial statements and notes. The estimates and assumptions used in the financial statements are based upon management’s evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from such estimates.

31.1 Critical accounting judgments

In the process of applying the Parent Company’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 financial statements:

Existence of a contract

The Parent Company’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 Parent Company before revenue recognition is to assess the probability that the Parent Company 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 Parent Company concluded that revenue for real estate sales is to be recognized over time because: (a) the Parent Company's performance does not create an asset with an alternative use and; (b) the Parent Company has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Parent Company'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 Parent Company 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 Parent Company. The Parent Company considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

The Parent Company has determined that the output method used in measuring the progress of the performance obligation (i.e., percentage of completion) faithfully depicts the Parent Company's performance in transferring control of real estate development to the customers.

Distinction of land between real estate inventories, property and equipment and investment properties

The Parent Company determines whether a property will be classified as real estate inventories, property and equipment or investment properties. In making this judgment, the Parent Company 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. The Parent Company also considers whether the property is held for administrative purposes and classifies the property under property and equipment. All other properties that are not yet determined to be sold in the normal operating cycle nor held for administrative purposes are classified as investment properties.

Control of entities in which the Parent Company holds only 50% or less than majority of voting rights

The Parent Company 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 Parent Company 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, Parent Company 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.

BGWest Properties
For the BG entities, wherein Parent Company and the other shareholder each own 50% of the voting rights, Parent Company controls the investee through exercise of its exclusive project development and marketing agreement as well as the ability to decide on the financing, operating and strategic policies of the investees. This enabled ALI to conclude that it has control.

RLC, ALI-CII, AKL and LAIP
ALI has an existing management development and/or services agreement with RLC, ALI-CII, AKL and LAIP which gives ALI the exclusive control and decision over the relevant activities of RLC, ALI-CII, AKL and LAIP.

Contingencies

The Parent Company 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 Parent Company currently does not believe that these proceedings will have a material effect on the Parent Company's financial statements (Note 28).

Sale of real estate receivables

The Parent Company has entered into arrangements with banks wherein it discounted its real estate receivables without recourse. The Parent Company 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 Parent Company 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 Parent Company 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 those financial assets has disappeared because of financial difficulties
d. Concessions or deferrals have been granted by the Parent Company, 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 Parent Company 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 Parent Company's expected loss calculation.

Incorporation of forward-looking information:

The Parent Company 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 Parent Company 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 Parent Company's evaluation and assessment and after taking into consideration external actual and forecast information, the Parent Company 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 Parent Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Parent Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Parent Company 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 - Parent Company as a lessee

The Parent Company 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 Parent Company has several lease contracts that include extension and termination options. The Parent Company applies judgment in evaluating whether the provisions to renew or terminate the lease is enforceable. For leases where the Parent Company 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 Parent Company 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 Parent Company 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 Parent Company applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Parent Company 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 Parent Company 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.

There are no rent concessions granted by the Parent Company for the year ended December 31, 2023 (2022 - P341.0 million).

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 Parent Company has assessed whether it has any uncertain tax position. The Parent Company applies significant judgement in identifying uncertainties over its income tax treatments. The Parent Company 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.

31.2 Critical accounting estimates and assumptions

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 Parent Company’s revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Parent Company’s revenue from real estate is recognized based on the percentage of completion and this is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management’s specialists (project engineers).

Following the pattern of real estate revenue recognition, the cost to sell and cost to obtain a contract (e.g., commission), is determined using the percentage of completion. To determine the cost of sales, the POC is applied to the standard cost which is regularly reviewed and adjusted to actual cost. In view of the community quarantines and restricted mobility in 2022 and 2021, the progress of the Group's performance obligation was adversely affected which resulted in lower percentage of completion as compared to previous years. In 2023, the Parent Company’s percentage of completion posted improvement due to easing of health and travel restrictions.

Evaluation of net realizable value of real estate inventories

The Parent Company 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 Parent Company 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. In evaluating NRV, recent market conditions and current market prices have been considered. See Note 5 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 Parent Company (Note 23).

Estimating pension liabilities and other retirement benefits

The determination of the Parent Company’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 21 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 Parent Company 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 Parent Company believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions could materially affect retirement obligations (Note 21).

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded or disclosed in the 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 (Note 24).

Provision for expected credit losses of trade receivables

The Parent Company 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 Parent Company's historical observed default rates. The Parent Company 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 Parent Company 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 Parent Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Parent Company's trade receivables is disclosed in Notes 5 and 24.

Estimating the incremental borrowing rate for leases

The Parent Company 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 Parent Company 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 Parent Company '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 Parent Company 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).

As at December 31, 2023, the Parent Company's lease liabilities amounted to P365.9 million (2022 - P362.0 million) (Note 27).

Finance lease commitments - Parent Company as lessor

The Parent Company has entered into a lease agreement on the parcel of land and building pertaining to MECC. The Parent Company has determined, based on evaluation of the terms and arrangement, particularly on the economic life, that the Parent Company has transferred substantially all the significant risks and rewards of ownership of this property to the lessee and accounts for the agreement as finance lease.

Evaluation of impairment of non-financial assets

The Parent Company assesses whether there are any indicators of impairment for all non-financial assets (i.e., investment in subsidiaries, associates and joint ventures, property and equipment, investment properties, right-of-use assets and other current assets) at each financial reporting date. These non-financial 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.

For investment in subsidiaries, associates and joint ventures, the Parent Company calculates the amount of impairment as the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the parent company statement of income.

No impairment loss was recognized in 2023 and 2022.

Useful lives of property and equipment and investment properties

The useful life of each item of the Parent Company's property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimate is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded operating expenses and decrease non-current assets. In 2023 and 2022, there were no changes in the estimated useful lives of property and equipment.

Determination of fair values of investment properties

The determination of fair values of the Parent Company's properties are defined in Note 24.1.4 "Fair Value Information". It defined the various approaches used by the Company to estimate the fair value based on the nature and factors affecting each type of properties.

32 Summary of material accounting policies

32.1 Basis of preparation

The financial statements of the Parent Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief on the accounting for significant financing component as issued and approved by the SEC in response to the COVID-19 pandemic. The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

The Parent Company has availed 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), is not applicable to the Parent Company 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 relief are discussed in Note 32.2 - Adoption of amended accounting standards and interpretations.

Basis of measurement

The financial statements have been prepared using the historical cost basis, except for financial assets at FVTPL, financial assets at FVOCI and plan assets that have been measured at fair value.

The preparation of financial statements in conformity with PFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Parent Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the Parent Company. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 31.

Functional and presentation currency

The financial statements of the Parent Company are presented in Philippine Peso.

32.2 Adoption of amended accounting standards and interpretations

(a) Amendments to existing standards adopted by the Parent Company effective January 1, 2023

The following amendments to existing standards have been adopted by the Parent Company effective January 1, 2023:

- Amendments to PAS1, '*Presentation of Financial Statements', and PFRS Practice Statement 2*

  The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

  To support this amendment, PFRS Practice Statement 2 Making Materiality Judgements was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

  The adoption of these amendments resulted in changes in the accounting policies disclosed by the Parent Company.

- Amendments to PAS 8, '*Definition of Accounting Estimates'*

  The amendment to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

- Amendments to PAS 12*, 'Income Taxes'*

  The amendments require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with (a) right-of-use assets and lease liabilities, and (b) decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2023 that are considered to be relevant or have a material impact on the Parent Company's financial statements.

(b) Amendments to existing standards not yet effective and not early adopted by the Parent Company

The following amendments to existing standards are not mandatory for December 31, 2023 reporting period and have not been early adopted by the Parent Company:

- PAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)*

  Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

  The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

  - the carrying amount of the liability
  - information about the covenants, and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

  The amendments must be applied retrospectively in accordance with the normal requirements in PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

- Amendments to PFRS 16*, 'Lease Liability in a Sale and Leaseback'*

  The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right-of-use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

- 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 Parent Company availed is '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)' with deferral period until December 31, 2023.

  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 Parent Company availed the SEC relief on the accounting for significant financing component in its 2023 financial statements. Had this provision been adopted, the Parent Company would follow the allowed modified retrospective approach allowing it to adjust only the beginning balance of Retained earnings in 2023. The net income for the current period is not expected to materially change as it would only require allocation of transaction price from one revenue line item to another.

  The Parent Company assessed that the overall impact of the adoption of the requirement of PIC Q&A No. 2018-12 pertaining to significant financing component is not material to the 2023 financial statements. Upon the adoption in 2024, the adjustment on the beginning balance of retained earnings approximates an increase of P1,068.4 million.

- PFRS 17, *Insurance Contracts*

  PFRS 17 was issued in May 2017 as replacement for PFRS 4, Insurance Contracts. PFRS 17 represents a fundamental change in the accounting framework for insurance contracts requiring liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of (1) discounted probability-weighted cash flows, (2) an explicit risk adjustment, and (3) a contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period. The standard allows a choice between recognizing changes in discount rates either in the statement of income or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under PFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

  The IC, in coordination with Philippine Insurers and Reinsurers Association, is currently reviewing the impact of PFRS 17 across the entire industry and has established a project team to manage the implementation approach. The IC, considering the extension of IFRS 17 and the challenges of the COVID-19 pandemic to the insurance industry, has deferred the implementation of PFRS 17 to January 1, 2025, granting an additional two-year period from the date of effectivity proposed by the IASB.

The new standard is not applicable to the Parent Company since it has no activities that are predominantly connected with insurance.

The adoption of the above amendments is not expected to have a material impact on the financial statements of the Parent Company.

32.3 Current versus non-current classification

The Parent Company presents assets and liabilities in parent company statement of financial position based on:

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 twelve (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 non-current.

A liability is current when:

a. it is expected to be settled in the normal operating cycle;
b. it is held primarily for the purpose of trading;
c. it is due to be settled within 12 months after reporting date; or
d. there is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Parent Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

32.4 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 Parent Company.

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 Parent Company 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 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:

a. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
b. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
c. 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 financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between levels in the hierarchy by reassessing 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 Parent Company, 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 Parent Company 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.

32.5 Cash and cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

32.6 Financial assets

Date of recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Parent Company recognizes a financial asset or a financial liability in the 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. Derivatives are recognised on a trade date basis. Financial liabilities are recognized when cash is received by the Parent Company.

(a) Financial assets

i. Initial recognition, classification and measurement

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 instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. All financial instruments are initially recognised at fair value plus or less, except for financial instruments at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, respectively. 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*.

The Parent Company'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.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, 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 classification requirements for financial assets are described below:

a. Financial assets at amortized cost (debt instruments);
b. Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
c. Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
d. Financial assets at fair value through profit or loss

ii. Subsequent measurement

(a) Financial assets at amortized cost

This category is the most relevant to the Parent Company. The Parent Company 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.

The Parent Company's financial assets at amortized cost includes cash and cash equivalents, short-term investments and accounts and notes receivables.

The Parent Company accounts for regular way amortized cost financial instruments using trade date accounting. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. If the initial fair value is lower than the cash amount advanced, the difference is deferred and recognised over the life of the financial assets through the recognition of interest income.

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 statement of income. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

When financial assets at amortized cost are disposed, these are assessed whether the Parent Company 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 (Note 5).

(b) Financial assets at FVOCI (debt instruments)

The Parent Company 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.

The Parent Company's debt financial assets at FVOCI includes investment in bonds classified as financial assets at FVOCI.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the 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.

(c) Financial assets designated at FVOCI (equity instruments)

The equity securities for which fair value movements are shown in other comprehensive income are investments where the Parent Company holds the financial assets other than to generate a capital return. Gains or losses on derecognition of these equity securities are not transferred to profit or loss. Otherwise, equity securities are measured at fair value through profit or loss (except for dividend income which is recognised in profit or loss).

The Parent Company's equity financial assets at FVOCI includes investments in quoted and unquoted equity instruments.

(d) Financial assets at FVTPL

Financial instruments, other than those held for trading, are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- a group of financial assets and liabilities or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; and
- the financial liability contains one or more non-closely related embedded derivatives.

Designated financial assets are recognised when the Parent Company enter into contracts with counterparties, which is generally on trade date, and are normally derecognised when the rights to the cash flows expire or are transferred. Designated financial liabilities are recognised when the Parent Company enters into contracts with counterparties, which is generally on settlement date, and are normally derecognised when extinguished. Subsequent changes in fair values are recognised in profit or loss.

The Parent Company's financial assets at FVTPL includes investments in UITF.

iii. Impairment of financial assets

The Parent Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVTPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent Company 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 Parent Company applies a simplified approach in calculating ECLs. Therefore, the Parent Company does not track changes in credit risk, but instead recognizes allowance for impairment loss based on lifetime ECL at each reporting date. The Parent Company 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, ECL are recognized in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECL is 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 where 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 Parent Company 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 Parent Company'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 Parent Company 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 Parent Company 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 Parent Company's definition of default and historical data of three years for the origination, maturity date and default date. The Parent Company 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 Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company.

iv. Determining the stage for impairment

At each reporting date, the Parent Company 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 Parent Company 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 Parent Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 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.

v. 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 Parent Company's statement of financial position) when:

a. the rights to receive cash flows from the asset have expired, or
b. the Parent Company 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 Parent Company has transferred substantially all the risks and rewards of the asset, or (b) the Parent Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Parent Company 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 Parent Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Parent Company 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 Parent Company 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 Parent Company could be required to repay.

vi. Modification of financial assets

The Parent Company 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 Parent Company 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 statement of income.

(b) **Financial liabilities**

i. Initial recognition, classification and measurement

Financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities. The category depends on the purpose for which the liabilities were incurred and whether they are quoted in an active market. Management determines the category of its financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

All financial liabilities are recognized initially at fair value and, in the case of those measured at amortized costs, 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 Parent Company’s financial liabilities include accounts and other payables (except for taxes payable), short-term and long-term debts, deposits and other liabilities, and lease liabilities.

The Parent Company has no financial liabilities at FVTPL.

ii. Subsequent measurement

Financial liabilities at amortised cost is the category most relevant to the Parent Company. 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 income.

This category generally applies to short-term and long-term debt.

iii. 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 statement of income.

iv. *Offsetting*

Financial assets and financial liabilities are offset and the net amount reported in the 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.

There is no offsetting of financial instruments as at December 31, 2023 and 2022.

32.7 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 NRV. 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 estimated costs to sell.

Cost of inventories represents accumulated costs of the unsold units of the completed projects. Cost includes those directly attributable to the construction of the projects and includes:

- Land cost;
- Land improvement cost;
- Amounts paid to contractors for construction and development; and
- 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 statement of comprehensive income.

Inventories are derecognized when they are sold or there are no future benefits to the Parent Company. The carrying amount of those properties held for sale is recognized as an expense, reported as cost and expenses in the period in which the related revenue is recognized.

32.8 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.

32.9 Investments in subsidiaries, associates and joint ventures

The Parent Company's investments in its subsidiaries, associates and joint ventures are accounted for under the cost method and are carried at cost less accumulated provisions for impairment losses, if any. A subsidiary is an entity over which the Parent Company has control. The Parent Company controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. An associate is an entity in which the Parent Company has a 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.

The Parent Company recognizes income from the investment only to the extent that the Parent Company receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as recovery of investment and are recognized as a reduction of the cost of the investment.

The Parent Company reduces the carrying value of its investment based on average acquisition cost per share (historical cost) when the Parent Company disposes the investment or the investee reacquires its own equity instruments from the Parent Company.

32.10 Investment properties

Investment properties comprise completed property and property under construction or re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the Parent Company. It also includes land intended as investment property or with unintended future use.

The Parent Company uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Assets that are under construction are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation or under the condition as intended by the Parent Company.

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 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 Parent Company discloses the fair values of its investment properties in accordance with PAS 40. The Parent Company assess fair value as at December 31, 2023 and 2022. The Parent Company's investment properties consist of land and building pertaining to land properties, retail spaces and office properties. Land were valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property. Buildings (retail, office, hospital) were valued using income approach by reference to the value of income, cash flow or cost saving generated by the asset.

32.11 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.

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
Furniture, fixtures and equipment	3-10
Transportation equipment	3-5

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.

32.12 Impairment of non-financial assets

The Parent Company assesses at each reporting date whether there is an indication that an asset may be impaired (investments in subsidiaries, 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 Parent Company 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 Parent Company's 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 parent company statement of income in those expense categories consistent with the function of the impaired asset.

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 estimates 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, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company 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 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 Parent Company determines at each reporting date whether there is any objective evidence that the investment in subsidiaries, associates or joint ventures is impaired. If this is the case, the Parent Company 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 parent company statement of income.

32.13 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.

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.

32.14 Share-based payments

The Parent Company 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 26.

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 Parent Company'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 at 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 (Note 22).

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.

32.15 Equity

When the Parent Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

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 statement of financial position (Note 16).

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 Parent Company 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.

32.16 Revenue from contract with customers

The Parent Company 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 Parent Company 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 Parent Company 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 31.

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 Parent Company 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 Parent Company 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 31.

Real estate sales

The Parent Company 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 Parent Company's performance does not create an asset with an alternative use and the Parent Company has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Parent Company uses the output method. The Parent Company recognizes revenue 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, recognized as trade receivables under residential, commercial and office development receivables account. Any excess of collections over the total of recognized trade receivables is included in the customers' deposit account in the liabilities section of the parent company statement of financial position. The impact of the significant financing component on the transaction price has not been considered since the Parent Company availed the relief granted by the SEC under Memorandum Circular Nos. 14-2018 as of 2018 for the implementation issues of PFRS 15 affecting the real estate industry. Under the SEC Memorandum Circular No. 34, the relief has been extended until December 31, 2023

Rental income (part of real estate sales in the statement of income)

Rental income under non-cancellable and cancellable leases on investment properties is recognized in the 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 Parent Company waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment (Note 3).

The contract for the commercial spaces leased out by the Parent Company to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and Common use service area (CUSA) charges such as maintenance, janitorial and security services.

For the electricity and water usage, the Parent Company determined that it is acting as an agent because the promise of the Parent Company 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 Parent Company, are primarily responsible for the provisioning of the utilities while the Parent Company 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 Parent Company 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 Parent Company has the discretion on how to price the CUSA and air-conditioning charges.

Interest income is recognized as it accrues using the effective interest method.

Investment income is recognized when the Parent Company's right to receive the payment is established.

32.17 Cost recognition

The Parent Company recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance which are determined based on standard cost method. The standard cost method is revisited regularly and adjusted to approximate actual cost. Contract cost also includes warranties, provisions and post construction works. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Construction costs (part of cost of real estate sales in the statement of income)

Contract costs, which is determined using the standard cost method, include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, warranties, post constructions works and final contract settlements which may result in revisions to estimated costs (e.g., standard cost to actual cost) and gross margins are recognized in the year in which the changes are determined.

Customers' deposit

Customers' deposit is a contract liability which is the obligation to transfer goods or services to a customer for which the Parent Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Parent Company 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 Parent Company which is essentially fulfillment of its performance obligation under the contract.

Customers' deposit also include payments received by the Parent Company from the customers for which revenue recognition has not yet commenced.

32.18 Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Parent Company expects to recover them. The Parent Company 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 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 Parent Company 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 Parent Company determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Parent Company makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Parent Company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Parent Company 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.

32.19 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 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 Parent Company’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.

The Parent Company capitalizes borrowing costs relating to its investment properties and property and equipment under construction. The 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.

32.20 Leases

The Parent Company 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.

Parent Company as lessee

Except for short-term leases and leases of low-value assets, the Parent Company applies a single recognition and measurement approach for all leases. The Parent Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Parent Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of cost to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Parent Company’s right-of-use assets include lease of land which is depreciated based on the term of the lease ranging from 5 to 47 years.

If ownership of the leased asset transfers to the Parent Company 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.

Lease liabilities

At the commencement date of the lease, the Parent Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Parent Company and payments of penalties for terminating the lease, if the lease term reflects the Parent Company 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 Parent Company 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.

Short-term leases

The Parent Company 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.

Parent Company as lessor

Leases where the Parent Company does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement, and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
b. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c. There is a change in the determination of whether fulfilment is dependent on a specified asset; or
d. There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Parent Company as a lessor

Leases in which the Parent Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

32.21 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.

32.22 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 MCIT over the regular corporate income tax and unused 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.

32.23 Foreign currency transactions

Each entity in the Parent Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

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 statement of income.

Investments in foreign associates are translated to Philippine Peso using the closing exchange rate prevailing at reporting date. The Parent Company’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.

32.24 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.

32.25 Segment reporting

The Parent Company'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 25 to the financial statements.

32.26 Contingencies

Contingent liabilities are not recognized in the 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 financial statements but disclosed when an inflow of economic benefits is probable.

32.27 Events after the reporting period

Post year-end events that provide additional information about the Parent Company's position at the reporting date (adjusting events) are reflected in the Parent Company's financial statements. Post year-end events that are not adjusting events are disclosed in the Parent Company's financial statements when material.

33 Supplemental information required by the Bureau of Internal Revenue (BIR)

In compliance with the requirements set forth by Revenue Regulations No. 15-2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

Value Added Tax (VAT)

The Parent Company is a VAT-registered entity with output VAT declaration as follows:

	Net sales/receipts	Output VAT paid
Taxable sales:		
Sale of goods	20,888,104,216	2,506,572,506
Leasing income	4,519,358,361	542,323,003
Others	6,465,362,395	775,843,487
Zero-rated sales	1,237,875,200	-
	33,110,700,172	3,824,738,996

The sale of goods is recorded under Land and residential sales account while leasing income is recorded under Rental income. The amount of Input VAT claimed is broken down as follows:

	Amount
Balance at beginning of year (net input VAT position)	423,080,193
Current year's purchases:	
Capital goods subject to amortization	14,459,737
Goods other than capital goods	113,802,468
Services lodged under other accounts	3,235,305,111
Total available input VAT	3,786,647,509
Less: Input tax on purchase of capital goods exceeding P1 million for the succeeding period	263,204,531
Total allowable input VAT	3,523,442,978
VAT payments for the year	301,296,019
Total	3,824,738,997
Output VAT during the year	(3,824,738,997)
Balance at the end of the year	-

Documentary Stamp Tax (DST)

The DST paid or accrued on the following transactions are:

Transaction	Amount	DST
Interest expense and other financing charges		
DST on loans	113,607,151,871	42,125,025
DST on Intercompany loan	20,078,961,458	30,099,378
DST on original issue of shares of stock	14,579,090	145,792
Shares of stock not traded in stock exchange	14,579,090	109,344
Direct operating expenses		
DST on leases and other hiring agreements	1,563,829,134	3,164,999
DST on transfer of real property	-	-
DST on sale of shares	71,404,000	535,530
Others	23,725,409	46,206
General and administrative expenses		
DST on leases and other hiring agreements	50,403,791	299,027
DST on original issue of all debt instrument	2,672,363,750	20,042,728
Capitalized DST		
DST on promissory note	30,000,000,000	225,000,000
Balance at the end of the year	168,096,997,593	321,568,029

Withholding Taxes

Details of withholding taxes in 2023 are as follows:

	Amount
Final withholding taxes	1,392,000,437
Expanded withholding taxes	967,074,787
Withholding taxes on compensation and benefits	367,554,914
Withholding VAT and other percentage taxes	1,909,922
Balance at end of year	2,728,540,060

Other Taxes and Licenses

The following are the taxes, licenses and permit fees in 2023, excluding DST:

	Direct operating expenses	General and administrative expenses	Total
Local			
Real property tax	697,064,206	249,356	697,313,562
License and permit fees	351,724,134	268,091	351,992,225
Inspection fees	3,193,751	21,668	3,215,419
Motor vehicle registration fees	-	976,560	976,560
Professional tax	2,220	59,391	61,611
Community tax	2,274	31,500	33,774
Others	32,293,466	26,679	32,320,145
	1,084,280,051	1,633,245	1,085,913,296
National			
Fringe benefits tax	-	21,609,123	21,609,123
Annual registration	1,500	2,000	3,500
	1,500	21,611,123	21,612,623
	1,084,281,551	23,244,368	1,107,525,919

Tax assessments and cases

The Parent Company has no deficiency tax assessments whether protested or not. The Parent Company has not been involved in any tax cases under preliminary investigation, litigation, and/or prosecution in courts or bodies outside the BIR as at December 31, 2023.