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(Company's Full Name)

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(Business Address: No. Street City / Town / Province)

Josephine G. de Asis

Contact Person

(632) 7908-3000

Company Telephone Number

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Month Day
Fiscal Year

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FORM TYPE

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Month Day
Annual Meeting

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Secondary License Type, If Applicable

C	F	D
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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings	
₱35.0 billion bonds	-
Domestic	Foreign

To be accomplished by SEC Personnel concerned

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Cashier

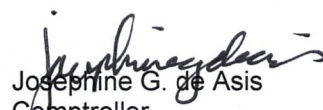
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Certification

I, Josephine G. de Asis, Comptroller, a duly authorized representative of Ayala Corporation (Company) with SEC registration number 34218 with principal office at 37F to 39F Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City, do hereby certify and state that:

- 1) In compliance with Securities and Exchange Commission (SEC) Memorandum Circular No. 9, series of 2022, the Company is timely filing its March 2024 SEC Form 17-Q by sending the same (in portable document format) through email to ictdsubmission@sec.gov.ph and by uploading the same through the PSE EDGE in accordance with the relevant PSE rules and procedures.
- 2) The information contained in the March 2024 SEC Form 17-Q dated May 14, 2024 is true and correct to the best of my knowledge.
- 3) I am executing this certification this May 14, 2024 to attest to the truthfulness of the foregoing facts and for whatever legal purpose it may serve.


Josephine G. de Asis
Comptroller
Passport No. P0174919B

AYALA CORPORATION

(Company's Full Name)

**37F to 39F, Ayala Triangle Gardens Tower 2
Paseo de Roxas corner Makati Avenue
Makati City**

(Company's Address)

(632) 7908-3000

(Telephone Number)

March 31, 2024

(Fiscal Year Ending)
(Month & Day)

SEC Form 17-Q Quarterly Report

(Form Type)

SECURITIES AND EXCHANGE COMMISSION (SEC)

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE (SRC) AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: **March 31, 2024**
2. SEC Identification No.: **34218**
3. BIR Tax Identification No.: **000-153-610-000**
4. Exact name of the registrant as specified in its charter: **AYALA CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization: **Makati City, Philippines**
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of principal office: **37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City** Postal Code: **1226**
8. Registrant's telephone number: **(632) 7908-3000**
9. Former name, former address, former fiscal year: Not applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the RSA:

Title of each class	Number of shares issued and outstanding As of March 31, 2024
Preferred A (ACPA)	0*
Preferred A (reissued) (ACPAR)	5,244,515
Preferred B Series 1 (ACPB1)	0**
Preferred B Series 2 (APB2R)	30,000,000
Voting Preferred	200,000,000
Common	619,807,425***

*net of 6,755,485 treasury shares

**net of 28,000,000 treasury shares

***net of 15,244,852 treasury shares

Amount of debt outstanding as of March 31, 2024: **₱35.0 billion in bonds******

****amount represents only the debt of Ayala Corporation registered with the Philippine SEC. The debt of subsidiaries registered with the SEC are reported in their respective SEC 17-Q reports.

11. Are any or all of these securities listed in the Philippine Stock Exchange? Yes ☒ No ☐

As of March 31, 2024, a total of 627,350,039 common shares, 12,000,000 preferred A ("ACPA" and "ACPAR") shares, 28,000,000 preferred B Series 1 ("ACPB1") shares, and 30,000,000 preferred B Series 2 ("APB2R") shares are listed in the Philippine Stock Exchange ("PSE"). A total of 15,244,852 common shares, 6,755,485 ACPA shares, and 28,000,000 ACPB1 shares are held in Treasury by the Company.

12. Check whether the registrant:

- a. has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports): Yes ☒ No ☐
- b. has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

TABLE OF CONTENTS

The unaudited interim condensed consolidated financial statements and other parts of the entire SEC 17-Q Report as of March 31, 2024 makes reference to certain financial information and disclosures in the December 31, 2023* annual audited consolidated financial statements. This SEC 17-Q Report should be read in conjunction with that Group's financial statements*.

This SEC 17-Q Report also includes financial and operating data with respect to Ayala's material subsidiaries – Ayala Land, Inc. (ALI), Integrated Micro-Electronics, Inc. (IMI), and AC Energy and Infrastructure Corporation (ACEIC) with key subsidiary ACEN Corporation (ACEN), associates – Bank of the Philippine Islands (BPI), and joint venture – Globe Telecom, Inc. (Globe). This SEC 17-Q Report should be read in conjunction with the financial information and operating highlights of these investees contained in their respective December 31, 2023 audited financial statements and SEC 17-A reports and March 31, 2024 SEC 17-Q reports, as applicable.**

**The audited consolidated financial reports and SEC 17-A Report of Ayala Corporation and Subsidiaries (the Group) as of December 31, 2023 and the SEC 17-Q Report as of March 31, 2024 are available at the Parent Company's website www.ayala.com. Also, the Group's Sustainability Report is posted in the Parent Company's official website with the following link: <https://ayala.com/investor-relations/annual-reports-2023/>.*

***The audited consolidated financial reports and SEC 17-A Reports as of December 31, 2023 as well as SEC 17-Q report as of March 31, 2024, as applicable, of the following companies under the Group are available in the following websites: ALI www.ayalaland.com.ph, IMI www.global-iml.com, ACEIC/ ACEN www.acenergy.com.ph, BPI www.bpi.com.ph, and Globe www.globe.com.ph.*

PART I	FINANCIAL INFORMATION	
Section 1	Financial Statements	
	Unaudited Interim Condensed Consolidated Statements of Financial Position as at March 31, 2024 (with Comparative Audited Figures as at December 31, 2023)	7
	Unaudited Interim Condensed Consolidated Statements of Income for the Periods Ended March 31, 2024 and 2023	8
	Unaudited Interim Condensed Consolidated Statements of Comprehensive Income for the Periods Ended March 31, 2024 and 2023	9
	Unaudited Interim Condensed Consolidated Statements of Changes in Equity for the Periods Ended March 31, 2024 and 2023 (with Comparative Audited Figures for the Year Ended December 31, 2023)	10
	Unaudited Interim Condensed Consolidated Statements of Cash Flows for the Periods Ended March 31, 2024 and 2023	12
	Notes to Unaudited Interim Condensed Consolidated Financial Statements	14
Section 2	Management's Discussion and Analysis (MD&A) of Financial Condition and Results of Operations	70
PART II	OTHER INFORMATION	81
SIGNATURES		

PART I - FINANCIAL INFORMATION

Section 1. Financial Statements

Ayala Corporation and Subsidiaries

**Unaudited Interim Condensed Consolidated Financial Statements
As at March 31, 2024 (with Comparative Audited Figures as at December 31, 2023)
and for the Three Months Ended March 31, 2024 and 2023**

AYALA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITIONS
As at March 31, 2024 (with Comparative Audited Figures as at December 31, 2023)
(Amounts in Thousands)

	March 2024 (Unaudited)	December 2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱69,497,246	₱74,784,222
Short-term investments (Note 5)	466,596	1,426,579
Accounts and notes receivable (Note 6)	162,439,356	159,553,272
Inventories (Note 7)	238,868,326	231,279,175
Other current assets (Note 8)	107,597,293	108,452,238
Total Current Assets	578,868,817	575,495,486
Noncurrent Assets		
Noncurrent accounts and notes receivable (Note 6)	124,937,200	119,341,363
Investments in associates and joint ventures (Notes 3 and 10)	369,331,273	353,964,343
Investment properties (Note 12)	242,238,238	242,484,670
Property, plant and equipment (Note 12)	156,266,728	149,054,722
Right-of-use assets (Note 9)	23,131,244	23,498,181
Intangible assets (Note 11)	39,633,746	40,424,326
Deferred tax assets - net (Note 11)	20,120,126	19,460,490
Other noncurrent assets (Note 8)	86,716,700	84,989,709
Total Noncurrent Assets	1,062,375,255	1,033,217,804
Total Assets	₱1,641,244,072	₱1,608,713,290
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt (Note 15)	₱62,371,617	₱49,871,493
Accounts payable and accrued expenses (Note 13)	204,796,591	206,759,537
Income tax payable	1,409,298	1,076,256
Current portion of:		
Long-term debt (Note 15)	28,846,223	49,461,151
Lease liabilities (Note 9)	3,412,520	3,069,992
Other current liabilities (Note 14)	33,666,262	39,124,504
Total Current Liabilities	334,502,511	349,362,933
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 15)	514,079,136	490,511,093
Lease liabilities - net of current portion (Note 9)	26,970,351	27,635,544
Deferred tax liabilities - net	12,051,857	11,458,950
Pension liabilities	5,138,986	5,331,297
Other noncurrent liabilities (Note 14)	51,936,425	49,472,112
Total Noncurrent Liabilities	610,176,755	584,408,996
Total Liabilities	944,679,266	933,771,929
Equity		
Equity attributable to owners of the parent company:		
Paid-in capital (Note 16)	91,249,360	91,233,753
Remeasurement losses on defined benefit plans	(6,145,033)	(6,611,128)
Fair value reserve of financial assets at fair value through other comprehensive income (FVOCI)	(375,993)	(66,256)
Cumulative translation adjustments	7,200,606	3,295,297
Equity reserve (Note 3)	25,655,322	25,350,330
Retained earnings (Note 16)	310,506,550	297,882,907
Treasury stock (Note 16)	(14,546,350)	(14,546,351)
	413,544,462	396,538,552
Non-controlling interests (Note 3)	283,020,344	278,402,809
Total Equity	696,564,806	674,941,361
Total Liabilities and Equity	₱1,641,244,072	₱1,608,713,290

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

AYALA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, except Earnings per Share Figures)

	For the Periods Ended March 31	
	2024	2023
REVENUE (Note 18)		
Rendering of services	₱43,704,794	₱43,634,523
Sale of goods	32,022,752	22,379,675
Share in net profits of associates and joint ventures	11,542,648	12,004,231
Interest income from real estate	—	954,361
	87,270,194	78,972,790
COSTS AND EXPENSES		
Costs of rendering services	34,687,797	35,813,843
Costs of goods sold	21,534,106	15,928,522
General and administrative expenses (Notes 7, 11 and 12)	11,442,937	7,254,974
	67,664,840	58,997,339
OTHER INCOME (CHARGES) - net		
Interest income	3,033,275	2,153,268
Other income (Note 3)	4,369,644	1,041,963
Interest and other financing charges (Note 15)	(7,946,098)	(7,179,601)
	(543,179)	(3,984,370)
INCOME BEFORE INCOME TAX	19,062,175	15,991,081
PROVISION FOR INCOME TAX		
Current	1,876,496	1,494,920
Deferred	(188,849)	305,594
	1,687,647	1,800,514
NET INCOME	₱17,374,528	₱14,190,567
Net income attributable to:		
Owners of the Parent Company	₱13,072,786	₱10,218,577
Non-controlling interests	4,301,742	3,971,990
	₱17,374,528	₱14,190,567
EARNINGS PER SHARE (Note 17)		
Basic	₱20.44	₱15.97
Diluted	₱20.44	₱15.97

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

AYALA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	For the Periods Ended March 31	
	2024	2023
NET INCOME	₱17,374,528	₱14,190,567
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</i>		
Exchange differences arising from translations of foreign investments	3,868,107	(2,736,892)
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i>		
Changes in fair values of financial assets at FVOCI - net	(83,635)	(113,428)
Remeasurement gains (losses) on defined benefit plans	(321,212)	280,867
Tax effect relating to components of other comprehensive income	80,303	(70,217)
	3,543,563	(2,639,670)
SHARE IN OTHER COMPREHENSIVE INCOME (LOSS) OF ASSOCIATES AND JOINT VENTURES		
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</i>		
Exchange differences arising from translations of foreign investments	(619)	(629,381)
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i>		
Changes in fair values of financial assets at FVOCI - net	(213,637)	1,232,534
Remeasurement gains (losses) on defined benefit plans	705,949	696,012
	491,693	1,299,165
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) NET OF TAX	4,035,256	(1,340,505)
TOTAL COMPREHENSIVE INCOME	₱21,409,784	₱12,850,062
Total comprehensive income attributable to:		
Owners of the Parent Company	₱17,132,791	₱9,089,434
Non-controlling interests	4,276,993	3,760,628
	₱21,409,784	₱12,850,062

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

AYALA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Periods Ended March 31, 2024 and 2023 (with Comparative Audited Figures for the Year Ended December 31, 2023)
(Amounts in Thousands)

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY									Non-controlling Interests (Notes 2 and 3)	Total Equity
	Other Comprehensive Income					Retained Earnings (Notes 2 and 16)	Treasury Stock (Note 16)	Total			
	Paid-in Capital (Note 16)	Share-based Payments	Remeasurement Gains (Losses) on Defined Benefit Plans	Fair Value Reserve of Financial Assets at FVOCI	Cumulative Translation Adjustments				Equity Reserve (Note 3)		

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY										
	Other Comprehensive Income					Equity Reserve	Retained Earnings	Treasury Stock	Total	Non-controlling Interests	Total Equity
	Paid-in Capital	Share-based Payments	Remeasurement Gains (Losses) on Defined Benefit Plans	Fair Value Reserve of Financial Assets at FVOCI	Cumulative Translation Adjustments						
					For the Period Ended March 31, 2023 (Unaudited)						
As of January 1, 2023 (Audited)	₱86,380,257	₱38,950	(₱4,516,242)	(₱3,042,026)	₱4,344,422	₱29,091,712	₱267,836,258	(₱13,070,802)	₱367,062,529	₱228,236,515	₱595,299,044
Net income	—	—	—	—	—	—	10,218,577	—	10,218,577	3,971,990	14,190,567
Share in other comprehensive income (loss) of associates and joint ventures	—	—	696,012	1,232,534	(629,381)	—	—	—	1,299,165	—	1,299,165
Other comprehensive income (loss)	—	—	224,215	(117,438)	(2,535,085)	—	—	—	(2,428,308)	(211,362)	(2,639,670)
Total comprehensive income (loss)	—	—	920,227	1,115,096	(3,164,466)	—	10,218,577	—	9,089,434	3,760,628	12,850,062
Exercise of ESOP/ESOWN	15,485	(13,997)	—	—	—	—	—	—	1,488	—	1,488
Cash dividends	—	—	—	—	—	—	(312,052)	—	(312,052)	(1,109,467)	(1,421,519)
Collection of subscription receivable	76,310	—	—	—	—	—	—	—	76,310	—	76,310
Change in non-controlling interests	—	—	—	—	—	(896,268)	—	—	(896,268)	8,269,929	7,373,661
At March 31, 2023 (Unaudited)	₱86,472,052	₱24,953	(₱3,596,015)	(₱1,926,930)	₱1,179,956	₱28,195,444	₱277,742,783	(₱13,070,802)	₱375,021,441	₱239,157,605	₱614,179,046

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY										
	Paid-in Capital	Share-based Payments	Other Comprehensive Income			Equity Reserve	Retained Earnings	Treasury Stock	Total	Non-controlling Interests	Total Equity
			Remeasurement Gains (Losses) on Defined Benefit Plans	Fair Value Reserve of Financial Assets at FVOCI	Cumulative Translation Adjustments						
As of January 1, 2023 (Audited)	₱86,380,257	₱38,950	(₱4,516,242)	(₱3,042,026)	₱4,344,422	₱29,091,712	₱267,836,258	(₱13,070,802)	₱367,062,529	₱228,236,515	₱595,299,044
Net income	—	—	—	—	—	—	38,073,084	—	38,073,084	17,103,274	55,176,358
Share in other comprehensive income (loss) of associates and joint ventures	—	—	(1,588,958)	2,592,684	(279,010)	—	—	—	724,716	—	724,716
Other comprehensive income (loss)	—	—	(434,193)	269,486	(2,362,028)	—	—	—	(2,526,735)	(472,774)	(2,999,509)
Reclassification of fair value loss of investment in equity securities at FVOCI	—	—	(71,735)	113,600	1,591,913	—	(1,633,778)	—	—	—	—
Total comprehensive income (loss)	—	—	(2,094,886)	2,975,770	(1,049,125)	—	36,439,306	—	36,271,065	16,630,500	52,901,565
Exercise of ESOP/ESOWN	169,378	(38,950)	—	—	—	—	—	—	130,428	—	130,428
Reissuance of preferred shares	12,476,036	—	—	—	—	—	—	524,451	13,000,487	—	13,000,487
Redemption of preferred shares	(8,000,000)	—	—	—	—	—	—	(2,000,000)	(10,000,000)	—	(10,000,000)
Property dividends	—	—	—	—	—	—	—	—	—	12,480,844	12,480,844
Cash dividends	—	—	—	—	—	—	(6,392,657)	—	(6,392,657)	(2,818,048)	(9,210,705)
Collection of subscription receivables	208,082	—	—	—	—	—	—	—	208,082	—	208,082
Change in non-controlling interests	—	—	—	—	—	(3,741,382)	—	—	(3,741,382)	23,872,998	20,131,616
At December 31, 2023 (Audited)	₱91,233,753	₱—	(₱6,611,128)	(₱66,256)	₱3,295,297	₱25,350,330	₱297,882,907	(₱14,546,351)	₱396,538,552	₱278,402,809	₱674,941,361

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

AYALA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Periods Ended March 31, 2024 and 2023
(Amounts in Thousands)

	For the Periods Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱19,062,175	₱15,991,081
Adjustments for:		
Interest and other financing charges - net of amount capitalized	7,946,098	7,179,601
Depreciation and amortization	3,965,622	3,654,172
Provision for impairment/ losses on:		
Investments in associates and joint ventures	1,168,960	—
Receivables (Note 6)	665,432	128,771
Inventory obsolescence (Note 7)	406,559	35,432
Intangibles, property, plant and equipment and other provisions (Notes 3, 11 and 12)	920,205	287,212
Mark-to-market gain on financial assets at fair value through profit or loss (FVTPL) and derivative contracts	(381,781)	(137,894)
Dividend and other investment income	(2,431,885)	(187,896)
Gain on sale of:		
Investments	(360,812)	(19,248)
Other assets	(96,280)	(14,695)
Interest income from real estate and others	(3,033,275)	(3,107,629)
Share in net profit of associates and joint ventures	(11,542,648)	(12,004,231)
Operating income before changes in operating assets and liabilities	16,288,370	11,804,676
Decrease (increase) in:		
Accounts and notes receivable - trade	(3,244,787)	(2,441,936)
Inventories	1,721,556	5,321,547
Service concession asset	—	(93,159)
Other current assets	(1,274,861)	(6,954,579)
Increase (decrease) in:		
Accounts payable and accrued expenses	385,423	2,064,352
Net pension liabilities	(397,910)	(45,391)
Other current liabilities	(4,326,118)	(4,671,403)
Cash generated from operations	9,151,673	4,984,107
Interest received	1,968,497	1,929,659
Interest paid	(5,880,008)	(5,126,281)
Income tax paid	(1,543,454)	(1,172,450)
Net cash provided by operating activities	3,696,708	615,035
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from:		
Sale/maturities of financial assets at FVTPL	824,306	—
Sale/maturities of financial assets at amortized cost	95,668	—
Sale/disposal of investments in associates and joint ventures	678,729	66,407
Disposals of:		
Property, plant and equipment	558,961	79,884
Maturities of (additions to) short-term investments	959,984	1,502,378
Deductions/transfers (additions) to:		
Investments in associates and joint ventures	(3,168,652)	(1,672,422)
Property, plant and equipment	(10,092,472)	(7,218,310)
Investment properties	(7,122,245)	(2,249,549)
Financial assets at FVTPL (Note 8)	(2,524,274)	(46,910)
Financial assets at FVOCI (Note 8)	(34,948)	(374,744)
Financial assets at amortized cost (Note 8)	(391,376)	(315,597)
Accounts and notes receivable - non-trade	(4,616,308)	(3,485,669)
Intangible assets	—	49,567

(Forward)

	For the Periods Ended March 31	
	2024	2023
Dividends received from associates, joint ventures and investments in equity securities	₱2,562,577	₱1,476,309
Decrease (increase) in other noncurrent assets	2,364,734	(3,421,703)
Net cash used in investing activities	(19,905,316)	(15,610,359)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Availments of short-term and long-term debt (Note 15)	77,600,517	44,030,000
Issuance of common shares	—	1,490
Payments of short-term and long-term debt (Note 15)	(64,554,479)	(23,290,779)
Dividends paid	(4,198,861)	(3,860,516)
Payment of principal portion of lease liabilities	(795,933)	(612,039)
Collections of subscriptions receivable	15,207	76,310
Cost of issuance/reissuance of shares	400	(3)
Interest paid	(1,487,724)	(1,172,486)
Increase (decrease) in:		
Other noncurrent liabilities	1,925,098	(4,963)
Non-controlling interests in consolidated subsidiaries	2,146,100	8,785
Net cash provided by financing activities	10,650,325	15,175,799
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	271,307	—
NET INCREASE IN CASH AND CASH EQUIVALENTS	(5,286,976)	180,475
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	74,784,222	73,847,371
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱69,497,246	₱74,027,846

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

1. Corporate Information

Ayala Corporation (the Parent Company, Ayala, or AC) is the holding company of one of the oldest and largest business groups in the Philippines that traces its history back to the establishment of the Casa Roxas business house in 1834. The Parent Company was incorporated on January 23, 1968, and its Class A Shares and Class B Shares were first listed on the Manila and Makati Stock Exchanges (the predecessors of the PSE) in 1976. In 1997, the Parent Company's Class A and Class B Shares were declassified and unified as Common Shares.

The Parent Company is a corporation having a perpetual corporate term pursuant to Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines. As of March 31, 2024, the Parent Company is 47.86% owned by Mermac, Inc. (Mermac) and the rest by the public. Mermac, a private holding company incorporated in the Philippines is the dominant shareholder of Ayala. Ayala's new registered office address and principal place of business is at the 37F to 39F Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City.

The Parent Company is organized as a holding company holding equity interests in the Ayala Group (the Group), one of the largest and most diversified groups in the Philippines. Ayala's business activities are divided into: real estate and hotels, financial services, telecommunications, power, healthcare, logistics, industrial technologies and automotives, water, infrastructure, education, technology services, business process outsourcing, air charter, consulting services, and investment holdings.

Ayala's real estate business is primarily conducted through its subsidiary, Ayala Land, Inc. (Ayala Land or ALI), a diversified real estate company in the Philippines. Its involvement in financial services is through an affiliate, the Bank of the Philippine Islands (BPI), which, together with its subsidiaries (collectively, the BPI Group), form a universal banking group in the Philippines. Ayala's telecommunications business is carried out through joint venture, Globe Telecom, Inc. (Globe), a leading telecommunications company in the Philippines. Ayala's investments in the power sector are held under AC Energy and Infrastructure Corporation (ACEIC or AC Energy), which owns 57.8% of ACEN Corporation (ACEN), one of the fastest growing energy companies in the region and Ayala's main platform for its energy investments.

Ayala's emerging businesses in healthcare is conducted through Ayala Healthcare Holdings (AC Health), and logistics operations are housed under AC Logistics Holdings Corporation (AC Logistics).

In portfolio investments, Ayala's international business in electronics manufacturing services and vehicle distribution and retail are under AC Industrial Technology Holdings Inc. (AC Industrial or ACI). Ayala's investments in water infrastructure are under Manila Water Company, Inc. (Manila Water or MWC). Its investments in infrastructure are housed under AC Infrastructure Holdings Corporation (AC Infra). Ayala's interest in education is conducted through iPeople, Inc. (iPeople), where it owns a 33.5% stake while its investments in technology ventures are in AC Ventures Holding Corporation (AC Ventures).

Certain members of the Ayala Group, namely ALI, BPI, Globe, ACEN, MWC, iPeople, Integrated Micro-Electronics, Inc. (IMI), AREIT, Inc. (AREIT), AyalaLand Logistics Holdings Corp. [ALLHC or formerly known as Prime Orion Philippines Inc. (POPI)] and ENEX Energy Corp. [ENEX or formerly known as ACE Enexor, Inc. (ACEX)] are likewise publicly listed corporations. Some of Ayala's subsidiaries, associates and joint ventures have holdings in the equity of other subsidiaries, associates and joint ventures.

On May 10, 2024, the Parent Company's Audit Committee of the Board of Directors (BOD) approved and authorized the release of the accompanying unaudited interim condensed consolidated financial statements of Ayala Corporation and Subsidiaries.

2. Material Accounting Policy Information

Basis of Preparation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*, as modified by the application of the reporting reliefs issued and approved by SEC and discussed under Statement of Compliance. Accordingly, the unaudited interim condensed consolidated financial statements do not include all of the information and disclosures required in the December 31, 2023 annual audited consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended December 31, 2023.

The accompanying unaudited interim condensed consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at FVTPL, financial assets at FVOCI, and derivative financial instruments that have been measured at fair value. The unaudited interim condensed consolidated financial statements include the accounts of the Parent Company and its subsidiaries and are presented in Philippine Peso (₱), and all amounts are rounded to the nearest thousand Pesos (₱000) except when otherwise indicated.

The unaudited interim condensed consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with PAS 34.

PFRSs include Philippine Financial Reporting Standards (PFRS), PAS, and Interpretations issued by the PIC.

Basis of Consolidation

The unaudited interim condensed consolidated financial statements comprise the statements of financial position of the Group as at March 31, 2024 with comparative audited figures as at December 31, 2023 and consolidated statements of income, comprehensive income, and cash flows for the periods ended March 31, 2024 and 2023.

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 those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- b. Exposure, or rights, to variable returns from its involvement with the investee; and
- c. 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:

- a. The contractual arrangement with the other vote holders of the investee;
- b. Rights arising from other contractual arrangements; and
- c. 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.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition date fair value and recognizes a gain or loss, if any, in profit or loss (under "Other income").

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated

financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions, and dividends are eliminated in full.

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly, to the Parent Company. Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares and options under share-based transactions. The portion of profit or loss and net assets in subsidiaries not wholly-owned are presented separately from the Parent Company's equity in the unaudited interim condensed consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of financial position. Non-controlling interests are net of any outstanding subscription receivable.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

In accounting for call and put options over non-controlling interests, management determines whether it has present access to the returns associated with the non-controlling interests. If the options give the Group access to the returns over the non-controlling interests, the Group consolidates the acquiree as if it acquired a 100.0% interest.

If the options do not give the Group present access to the returns over the non-controlling interests, the Group takes the view that the non-controlling interests should be accounted for in accordance with PFRS 10, *Consolidated Financial Statements*, and must be presented within equity separate from the equity of the Parent Company, until the option is exercised.

For the periods ended March 31, 2024 and 2023, call options are accounted for in accordance with PFRS 9, *Financial Instruments*, as a derivative asset or liability carried at FVTPL.

The financial liability for the put option is accounted for under PFRS 9 like any other written put option on equity instruments. On initial recognition, the corresponding debit is made to a component of equity attributable to the Parent Company, not to the non-controlling interest. All subsequent changes in the carrying amount of the financial liability that result from the remeasurement of the present value payable on exercise are recognized in profit or loss also attributable to the Parent Company.

If the put option is exercised, the Group accounts for an increase in its ownership interest. At the same time, the Group derecognizes the financial liability and reverses the component of equity that was reduced on initial recognition. If the put option expires unexercised, the financial liability is reclassified to the same component of equity that was reduced on initial recognition.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity as "Equity reserve" and attributed to the owners of the Parent Company.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities of the subsidiary, non-controlling interest and the cumulative translation adjustments recorded in equity, recognizes the fair value of the consideration received and any investment retained, while the resulting gain or loss is recognized in profit or loss. It also reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the

Group's annual audited consolidated financial statements as at and for the year ended December 31, 2023 except for the new PFRS, amended PFRS, improvements to PFRS and interpretations which were adopted beginning January 1, 2024. Unless otherwise indicated, the adoption of these new pronouncements did not have a significant impact on the Group's unaudited interim condensed consolidated financial statements.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments must be applied retrospectively. The Group is still assessing the impact of the amendments will have on current practice and whether existing loan agreements may require renegotiation.

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

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

The amendments must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Earlier adoption is permitted and that fact must be disclosed.

- Adoption 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)

The PIC Q&A provisions 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).

ALI Group followed the allowed modified retrospective approach allowing it to adjust the beginning balance of retained earnings in 2024. The adjustment to the 2024 beginning balance of retained earnings is a decrease of ₱58.3 million (AC's share from ALI's ₱114.2 million retained earnings adjustment).

In the first three months of 2024, ALI 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.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The Group is currently assessing the impact of adopting these amendments.

3. Group Information

The unaudited interim condensed consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries of the Group:

Subsidiaries	Nature of Business	% of Economic Ownership Interest held by the Group	
		March 2024 (Unaudited)	December 2023 (Audited)
AC Energy and Infrastructure Corporation (ACEIC)	Power	100.0	100.0
AC Infrastructure Holdings Corporation (AC Infra)	Infrastructure	100.0	100.0
AC International Finance Limited (ACIFL)*	Investment Holding	100.0	100.0
AG Counselors Corporation (AGCC)	Consulting Services	100.0	100.0
AC Industrial Technology Holdings, Inc. (AC Industrial/ ACI)	Industrial Technology and Automotive	100.0	100.0
Ayala Aviation Corporation (AAC)	Air Charter	100.0	100.0
Ayala Land, Inc. (ALI)	Real Estate and Hotels	51.1	51.0
AYC Finance Limited (AYCFL)*	Investment Holding	100.0	100.0
Azalea International Venture Partners Limited (AIVPL)**	Business Process Outsourcing	100.0	100.0

Subsidiaries	Nature of Business	% of Economic Ownership Interest held by the Group	
		March 2024 (Unaudited)	December 2023 (Audited)
Ayala Healthcare Holdings, Inc. (AC Health)	Healthcare	100.0	100.0
Bestfull Holdings Limited (BHL)***	Investment Holding – International	100.0	100.0
Integrated Microelectronics, Inc. (IMI)	Industrial Technologies	52.1	52.1
Michigan Holdings, Inc. (MHI)	Investment Holding	100.0	100.0
Philwater Holdings Company, Inc. (Philwater)	Investment Holding	100.0	100.0
Purefoods International Limited (PFIL)**	Investment Holding	100.0	100.0
Technopark Land, Inc. (TLI)	Real Estate	78.8	78.8
AC Ventures Holding Corp. (AC Ventures)	Investment Holding	100.0	100.0
AC Logistics Holdings Corporation (AC Logistics)	Logistics	100.0	100.0

*Incorporated in the Cayman Islands
**Incorporated in the British Virgin Islands
***Incorporated in Hong Kong

Unless otherwise indicated, the principal place of business and country of incorporation of the Parent Company's investments in subsidiaries, associates and joint ventures is the Philippines.

Except as discussed below, the voting rights held by the Parent Company in its investments in subsidiaries are in proportion to its economic ownership interest.

The following are the highlights of significant transactions of the Parent Company and subsidiaries, part of which affected the Parent Company's investments in its subsidiaries:

Parent Company

1. *Capital infusions*

The Parent Company infused the following investments:

- a. On January 8, 2024 into AC Health amounting to ₱2.46 billion intended for various projects and new investments. The Parent Company will be issued 32.67 million common shares and will subscribe to 215.46 million common shares and 323.19 million preferred shares. The subscription price for both common and preferred shares is ₱4.00 per share.
- b. On January 10, 2024 into AC Mobility Holdings, Inc. (AMHI) amounting to ₱333.5 million in exchange for 4,169 redeemable preferred shares ₱80,000.0 per share to fund operations as holding company and the start-up operations of its BYD distribution and the initial set-up of dealerships.
- c. On January 25, 2024 into AMHI amounting to ₱288.0 million in exchange for 2,880 redeemable preferred shares at ₱80,000.0 per share to fund its EV charging infrastructure and Bosch capital requirements.
- d. On February 20, 2024 into AC Ventures amounting to ₱111.2 million in exchange for 185,188 common shares at ₱600.00 per share and is intended for 917 Venture's R&D.
- e. On March 12, 2024 into AC Health amounting to ₱547.0 million in exchange for 82,050,000 preferred shares and 54,700,000 common shares, both at a subscription price of ₱4.00 per share to fund:
 - i. Healthway Philippines, Inc. (HPI) and HMC capital expenditures and operating expenses
 - ii. KonsultaMD funding requirements
 - iii. AC Health operating expenditures, capital expenditures, and business development costs
- f. On March 25, 2024, into AC Infra amounting to ₱2,925.0 million in exchange for 701,465 common shares at ₱4,169.84 per share to extend a loan to Entrego to settle its liabilities and fund other wind down costs.

2. *News clarification on Ayala's set core net income goal by 2026*

- a. On March 13, 2024, Ayala reported its net income for the full year of 2023. Ayala's core net income, which excludes one-off items, reached a high water mark in 2023, increasing 48 percent to ₱41 billion. The strong performances of BPI, Ayala Land, and AC Energy

anchored the Company's results. Core net income was 32 percent higher than 2019, which was when the previous high water mark was established. Accounting for one-offs, Ayala's net income grew 39 percent to ₱38.1 billion.

- b. On March 31, 2024, Ayala confirms the news article that appeared in manilastandard.net on March 18, 2024 entitled "Ayala sets core net income goal of ₱65b by 2026 on units' growth". However, Ayala clarified that the 58.5% percent growth from its 2023 core net income to its 2026 core net income target was not mentioned in any of the Parent Company's previous disclosures.
- c. On April 29, 2024, Ayala filed a disclosure in relation to the PSE's request for a news clarification on the article entitled "Steady course: Ayala maintains ₱65 billion profit goal while planning strategic divestments", which appeared in Bilyonario.com on April 29, 2024. The relevant portion of the article is quoted below:

"Ayala Corp., the oldest Philippine conglomerate, is keeping its medium-term profit goal unchanged, confident that the higher-for-longer interest rate environment will unwind in 2025.

....

Consing gave the P65 billion profit forecast earlier this year, when expectations were still high that the US Fed and the local central bank would cut rates within the year.

He vowed to complete this year Ayala's P50 billion divestment plan, which started in 2022. According to Consing, Ayala wants to dedicate capital to businesses that, over time, will reach the same scale as its four core assets: Bank of the Philippine Islands, Ayala Land, Globe Telecom, and ACEN.

....

The Ayala Group has earmarked P284 billion for capex this year, up 14 percent with Ayala Land and renewable energy unit ACEN driving most of the increase, CFO Albert Larrazabal said.

....

Ayala is set to refinance P19 billion in debts due this year and plans to refinance another P10 billion later in the year for debts due first quarter of 2025, Larrazabal said. How those debts will be refinanced is yet to be decided, he said."

Ayala wishes to clarify that its medium-term target is to reach ₱65 billion in core net income by 2026. Additionally, its target of generating ₱50 billion in aggregate proceeds from divestment activities started in 2021. On refinancing, it plans to refinance ₱29 billion in maturing obligations in 2024 and early 2025.

Ayala confirms the information in the rest of the sections of the article quoted by the PSE.

ACEIC

1. *AC Energy Finance International Limited (ACEFIL) loan agreement*

On January 12, 2024, ACEFIL, a wholly owned subsidiary of ACEIC, entered to a loan agreement with a lender for US\$10.00 million with ACEIC acting as a guarantor of ACEFIL. This loan obtained by ACEFIL shall be used to redeem its maturing green bonds in January 2024.

2. *ACEN Corporate Guarantee for Australia Projects*

On February 26, 2024, ACEN, as Guarantor to its subsidiary ACEN Australia Pty Ltd. ("ACEN Australia"), executed Facility Agreements with ACEN Australia, and each of Australia and New Zealand Banking Group Limited (ANZ), and Westpac Banking Corporation (WBC). Each bank is providing a green term loan facility with a limit of AUD75.0 million. ANZ and WBC also entered into an Accession Letters to include ANZ and WBC as Lenders under the Common Provisions Agreement dated August 18, 2022, as amended through an Amending Deed on

January 6, 2023 (with ACEN Australia, DBS Bank Ltd., Australia Branch, MUFG Bank, Ltd., Sydney Branch, Clean Energy Finance Corporation, Bank of China (Hong Kong) Limited, Bank of China (Hong Kong) Limited – Manila Branch, CTBC Bank Co., Ltd, Singapore Branch, CTBC Bank (Philippines) Corporation, Standard Chartered Bank, Australia Branch, and ACEN as Guarantor to ACEN Australia).

3. *Signing of Shareholders' and Investment Agreement with BrightNight APAC B.V*
On March 7, 2024, ACEN, and its wholly-owned subsidiary, Paivatar Energy Corporation (Paivatar), signed a Shareholders' and Investment agreement with BrightNight APAC B.V for the ownership and management of Paivatar as the designated renewable energy platform for the development, construction, and operation of utility-scale renewable energy projects in the Philippines.
4. *Disposition of land by Buendia Christiana Holdings Corp. (BCHC) in exchange for shares of AREIT, Inc. (AREIT) via property-for-share swap*
On March 19, 2024, AREIT and BCHC, among other parties, executed a Deed of Exchange, for the subscription by BCHC, a wholly-owned subsidiary of ACEN, to 199.1 million primary common AREIT shares in exchange for a 276-hectare parcel of land located in Zambales property, subject to the approval of the SEC. This transaction is implemented simultaneous to AREIT's transaction with ALI and its subsidiaries which was approved by AREIT's shareholders on February 12, 2024 (refer to the discussion below under ALI).

Upon issuance of the AREIT shares in exchange for the Zambales property, Giga Ace 8, Inc., also a wholly-owned subsidiary of ACEN, will lease the land from AREIT for 25 years at a guaranteed fixed rent with annual escalation and with the option to renew for another 25 years.

The property is not yet classified as held for sale as it is still subject to regulatory approval which is a substantive condition precedent making the property not yet available for immediate sale in its current state.

ALI

1. *Sale of Seda Lio to AREIT*
On January 17, 2024, AREIT, completed the acquisition of the 153-room Seda Lio in Palawan from ALI's wholly owned subsidiary, Econorth Resort Ventures, Inc. for ₱1,192.00 million.
2. *Mergers of ALI subsidiaries:*
 - 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 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 March 12, 2024, the BOD of ALI approved the Plan of Merger of ALI and 34 of its direct and indirect subsidiaries, subject for approval of the stockholders of the companies involved in the merger and effective immediately upon approval by the SEC.
3. *Block sale of AREIT shares*
On January 26, 2024, ALI, and its wholly-owned subsidiaries, AyalaLand Offices, Inc. and Glensworth Development, Inc. sold an aggregate of 181.00 million common shares of AREIT at a transaction price of ₱31.10 per share, equivalent to ₱5.6 billion (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 was 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. As a result, ALI's holding in AREIT was reduced from 66.0% to 54.4%, resulting to an increase in noncontrolling interests of ₱3.6 billion and equity reserve of ₱1.9 billion in the unaudited interim condensed statements of changes in equity for the period ended March 31, 2024.

4. *Sale of ALI and ACEN properties to AREIT*
On February 12, 2024, the shareholders of AREIT approved the issuance of 841.26 million primary common shares to ALI and its subsidiaries, and to BCHC at an issue price of ₱34.00 per share, in exchange for four prime commercial buildings of ALI and a land of BCHC, with an aggregate value of ₱28,602.82 million (refer to the discussion in ACEIC).
5. *Debt capital financing, dividend declaration, and 2024 ESOWN*
On February 20, 2024, the BOD of ALI approved the following:
 - a. The raising of up to ₱50.00 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 ₱0.2050 per outstanding common share payable on March 21, 2024 to stockholders of common shares as at record date March 5, 2024. This reflects a 37% increase from the cash dividends declared in the first half of 2022 amounting to ₱0.1495.
 - 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 18.54 million common shares at a subscription price of ₱28.82 per share, which is the average price of ALI's common shares at the PSE over the last 30-day trading as of February 13, 2024, less a prescribed discount.
6. *Listing of additional ALI shares and merger of ALI with Cebu Holdings, Inc. (CHI)*
On February 22, 2024, the PSE approved the listing of additional ALI shares effective February 26, 2024. These shares shall be issued to the stockholders of CHI, a subsidiary of ALI, pursuant to the merger of CHI with ALI, as approved by the SEC on December 16, 2021. This merger has been earlier approved by the stockholders of both CHI and ALI in their respective annual stockholders' meeting held on April 14, 2021 and April 21, 2021, respectively.
7. *Merger of ALI with certain subsidiaries and retirement of common treasury shares*
On March 12, 2024, ALI's BOD at its meeting approved the following:
 - a. The merger of 34 entities that are wholly owned directly by ALI, or through AyalaLand Estates, Inc. (ALEI) and AyalaLand Hotels and Resorts Corp. (AHRC), ALI, as the surviving entity. The plan of merger was approved by ALI stockholders during their annual meeting on April 25, 2024. The merger is an internal restructuring to simplify the ownership structure and is expected to result in operational synergies, efficient funds management and simplified reporting to government agencies.
 - b. The retirement of 1,374,477,380 common treasury shares arising from the internal mergers as follows:
 - i. 883,171,005 treasury shares arising from the merger of ALI with wholly owned entities, subject to regulatory approvals on the merger and issuance of shares.
 - ii. 491,306,375 treasury shares arising from the merger with Cebu Holdings, Inc. and its former subsidiaries, Asian I-Office Properties, Inc., Arca South Commercial Ventures Corp., and Central Block Developers, Inc.
 - c. The election of the following officers:
 - i. Ms. Maria Franchette M. Acosta as Corporate Secretary, ALI Group General Counsel, and Chairman of the Inspectors of Proxies and Ballots Committee, to serve the unexpired term of Mr. Solomon M. Hermosura, who has resigned and transitioned to government service as disclosed on February 26, 2024.
 - ii. Mr. Robert Michael N. Baffrey as Vice President.

8. *Buyback of shares*

During the first quarter of 2024, ALI purchased a total of 20.9 million common shares at an average price of ₱31.52 per share for a total consideration of ₱659.4 million under its share buyback program.

9. The fair value of ALI shares held by the Parent Company amounted to ₱245.8 billion and ₱262.6 billion as of March 31, 2024 (unaudited) and December 31, 2023 (audited), respectively. The voting rights held by the Parent Company in ALI is 72.3% as of March 31, 2024 (unaudited) and December 31, 2023 (audited).

AC Logistics

A-Movement operations

On February 1, 2024, A-Movement, a subsidiary of AIR21, commenced operations.

IMI

Via Optronics AG (VIA), a subsidiary of IMI, faced certain challenges in recent years. VIA is listed in New York Stock Exchange (NYSE). For its full year audited consolidated financial statements for 2023, which IMI refiled with the Philippine SEC on May 10, 2024, IMI booked impairment provisions for assets of Via amounting to USD30.5 million or ₱1.7 billion (of which IMI's share is ₱1.3 billion and AC's share is ₱670 million). At the AC consolidated financials, this amount was taken up in Q1 2024 forming part of the consolidated General and Administrative Expenses (GAE) (see Notes 7, 11, and 12 and Section 2.8).

Additional details as regards VIA follow:

1. *VIA files Annual Report 2022 or Form 20-F*

VIA, a leading supplier of interactive display solutions, announced on April 26, 2024 that it has filed its Annual Report on Form 20-F for the year ended December 31, 2022 (the "Annual Report") with the U.S. Securities and Exchange Commission ("US SEC").

The changes in the final audited financial statements of VIA have no material impact on the IMI's audited consolidated financial statements filed with Philippine Stock Exchange and Securities and Exchange Commission for the years 2022, 2021 and 2020.

2. *Conclusion and Findings of Internal Review*

The internal review was conducted by BDO AG Wirtschaftsprüfungsgesellschaft ("BDO") and DLA Piper UK LLP ("DLA Piper" and, together with BDO, the "Advisors"), who were appointed by VIA's Supervisory Board to investigate the potential incidents and to review compliance with company policies and business guidelines during the period from January 1, 2017 to December 31, 2022 (the "Investigation Period").

As previously disclosed, the Advisors' preliminary findings indicated deviations from the VIA's compliance procedures during the Investigation Period primarily involving VIA's former Chief Executive Officer, Jürgen Eichner.

In February 2024, the Advisors furnished a final report to the VIA Supervisory Board which identified failures by Mr. Eichner and one other employee to comply with company policies and business guidelines. In particular, the Advisors identified discrepancies that occurred during the Investigation Period in areas including expense recording and reimbursement, company credit card usage for personal transactions, the receipt of annual bonus payments in contravention of Mr. Eichner's service agreement, unearned compensation for vacation days, inadequate documentation of vehicle usage, and other unapproved payments made to Mr. Eichner.

The Advisors believe that certain of these incidents may constitute fraud and/or embezzlement, and under German law, VIA is required to initiate legal claims for the reimbursement of any such improperly transferred sums. While the total value of the impermissible transactions and any consequential damages relating thereto remains under consideration, currently the Advisors have identified improper payments amounting to a minimum of between €300,000 to €500,000 that they believe could be subject to reimbursement, plus consequential damages.

Based on these findings, the VIA Supervisory Board determined that the actions taken by Mr. Eichner in connection with his service as VIA's former CEO were material violations of his fiduciary duties and led to a loss of trust. Accordingly, on February 23, 2024, the Supervisory Board terminated the service agreement between Mr. Eichner and VIA for "cause" and revoked the appointment of Mr. Eichner as a member of VIA's Management Board, effective immediately.

3. *VIA Voluntary Delisting and Deregistration of its American Depositary Shares*

VIA announced on April 9, 2024 its intention to voluntarily delist its American Depositary Shares (ADSs) from the NYSE, terminate its registration with the US SEC, and terminate its ADS program.

VIA notified the NYSE on April 9, 2024 of its intent to voluntarily delist its ADSs from the NYSE, pursuant to a resolution adopted by its Supervisory Board. VIA has also notified The Bank of New York Mellon (which acts as depositary under the ADS program) of the termination of the ADS program.

Subsequently, VIA filed Form 15 or Certification and Notice of Termination of Registration under Section 12(g) of the Securities Change Act of 1934 on April 29, 2024.

The fair value of the IMI shares held by the Group amounted to ₪2.5 billion and ₪3.7 billion as of March 31, 2024 (unaudited) and December 31, 2023 (audited), respectively. The voting rights held by the Group in IMI is 52.1% as of March 31, 2024 (unaudited) and December 31, 2023 (audited).

Subsidiaries with material non-controlling economic ownership interest

The summarized financial information of subsidiaries that have material non-controlling economic interest is provided below. This information is based on amounts before intercompany eliminations and consolidation adjustments.

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Millions)	
Ayala Land, Inc. and Subsidiaries		
Current assets	₪421,903	₪412,957
Non-current assets	438,098	433,674
Current liabilities	236,329	234,177
Non-current liabilities	295,192	292,526
Equity		
Attributable to owners of the parent	280,005	273,860
Attributable to non-controlling interest	48,475	46,068
Revenue	40,117	29,167 *
Net income		
Attributable to owners of the parent	6,292	4,512 *
Attributable to non-controlling interest	1,147	677 *
Other comprehensive income	(119)	(208) *
Integrated Microelectronics, Inc. and Subsidiaries		
Current assets	US\$712	US\$739
Non-current assets	249	255
Current liabilities	499	515
Non-current liabilities	166	170
Equity		
Attributable to owners of the parent	269	278
Attributable to non-controlling interest	27	32
Revenue	290	346 *
Net loss		
Attributable to owners of the parent	(3)	(1) *
Attributable to non-controlling interest	(5)	(1) *
Other comprehensive income (loss)	(6)	15 *

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Millions)	
AC Energy and Infrastructure Corporation and Subsidiaries		
Current assets	₱65,352	₱74,063
Non-current assets	284,073	268,912
Current liabilities	19,143	40,915
Non-current liabilities	150,303	128,012
Equity		
Attributable to owners of the parent	80,514	74,819
Attributable to non-controlling interest	99,606	99,229
Revenue	14,415	13,902 *
Net income		
Attributable to owners of the parent	3,248	2,708 *
Attributable to non-controlling interest	1,152	977 *
Other comprehensive income	2,305	4,762 *
<i>*Based on unaudited March 31, 2023</i>		

As of March 31, 2024 (unaudited), the proportion of economic ownership held by material non-controlling interest of ALI and IMI are 48.9% and 47.9%, respectively, while the voting rights held are 72.3% and 52.1%, respectively. While ACEIC is a wholly-owned subsidiary of the Parent Company, the material non-controlling interests within the ACEIC Group is generally attributable to the 42.2% ownership of the non-controlling interest in ACEN.

4. Cash and Cash Equivalents

This account consists of:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Cash on hand and in banks	₱29,689,020	₱26,026,326
Cash equivalents	39,808,226	48,757,896
	₱69,497,246	₱74,784,222

Cash in banks earns 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 prevailing short-term rates.

The Group maintains cash and cash equivalents with Bank of the Philippine Islands (BPI), an associate of the Parent Company and related party of the Group, amounting to ₱25.3 billion and ₱25.7 billion, as of March 31, 2024 (unaudited) and December 31, 2023 (audited), respectively (see Note 21).

5. Short-term Investments

This account consists of the following:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Money market placements	₱466,596	₱1,426,579

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

The Group maintains short-term investments with BPI amounting to ₱0.4 billion and ₱0.5 billion, as of March 31, 2024 (unaudited) and December 31, 2023 (audited), respectively (see Note 21).

6. Accounts and Notes Receivable

This account consists of:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Trade:		
Real estate and hotels	P141,257,453	P138,484,368
Industrial technologies	15,587,564	15,223,933
Power	9,047,698	9,648,225
Logistics	3,410,253	3,056,615
International and others	2,646,811	2,410,907
Automotive	2,618,561	2,522,659
Receivable from related parties (Note 21)	850,721	828,572
Outsourcing	456,017	513,265
Non-trade:		
Advances to other companies	41,214,977	40,813,774
Receivable from related parties (Note 21)	32,404,376	29,290,278
Receivable from Power Partners Ltd. Co. (PPLC)	27,527,340	26,555,264
Receivable from officers and employees (Note 21)	2,286,424	2,281,708
Dividends receivable (Note 21)	1,209,847	1,292,270
Others (Note 21)	14,539,523	13,364,599
	295,057,564	286,286,436
Less allowance for expected credit losses	7,681,008	7,391,802
	287,376,556	278,894,634
Less noncurrent portion	124,937,200	119,341,363
	P162,439,356	P159,553,272

The aging analysis of accounts and notes receivables that are past due but not impaired as of March 31, 2024 (unaudited) and December 31, 2023 (audited) follows:

	Trade Receivable								
	Days Past Due								
	Current	<30 days	31-60 days	61-90 days	91-120 days	>120 days	Total	Total	
	(in Thousands)								
March 31, 2024 (Unaudited)									
Expected credit loss rate	0.19%	0.02%	0.05%	0.24%	0.05%	14.21%	4.70%	1.10%	
Trade:									
Real estate and hotels	₱118,308,692	₱9,133,237	₱2,209,580	₱1,646,723	₱4,390,653	₱5,568,568	₱22,948,761	₱141,257,453	
Industrial technologies	12,567,173	1,489,384	464,216	290,743	33,703	742,345	3,020,391	15,587,564	
Power	6,440,956	102,331	210,303	289,962	301,061	1,703,085	2,606,742	9,047,698	
Logistics	198,802	133,242	–	81,751	–	2,996,458	3,211,451	3,410,253	
International and others	1,271,816	414,304	309,016	136,750	135,220	379,705	1,374,995	2,646,811	
Automotive	1,134,885	423,079	847,349	25,748	–	187,500	1,483,676	2,618,561	
Receivable from related parties	79,849	95,904	519,845	46,051	32,829	76,243	770,872	850,721	
Outsourcing	319,568	–	98,794	21,140	16,515	–	136,449	456,017	
Total trade receivables	₱140,321,741	₱11,791,481	₱4,659,103	₱2,538,868	₱4,909,981	₱11,653,904	₱35,553,337	₱175,875,078	
Allowance for expected credit loss	₱262,020	2,432	₱2,463	₱6,057	₱2,304	₱1,656,442	₱1,669,698	₱1,931,718	
December 31, 2023 (Audited)									
Total trade receivables	₱132,025,438	₱12,177,855	₱3,636,560	₱1,862,005	₱7,311,747	₱15,674,941	₱40,663,108	₱172,688,546	
Allowance for expected credit loss	₱340,232	₱6,432	₱5,463	₱8,493	₱2,304	₱1,731,619	₱1,754,311	₱2,094,543	

The classes of trade receivables of the Group are follows:

Real estate and hotels

Real estate receivables consist of:

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

- Others – pertain to receivables from hotel operations and other support services

Residential, commercial and office development receivables are collectible in monthly installments over a period of one (1) to ten (10) years. These are carried at amortized cost using the EIR method with annual interest rates ranging from 5.50% to 16.00%. Titles to real estate properties are transferred to the buyers only once full payment has been made.

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

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

Receivables from hotel operations and other support services are normally due within 30 to 90 days upon billing.

ALI Group, from time to time, sells its residential receivables on a without recourse basis to partner mortgage banks, which includes the BPI Group, a related party, amounting to ₱15.1 billion as of December 31, 2023 (audited). These were sold at a discount with total proceeds of ₱13.3 billion as of December 31, 2023 (audited). ALI Group recognized loss on sale, under “Interest and other financing charges” in the unaudited interim consolidated statements of income amounting to ₱1.8 billion for the full-year ended December 31, 2023 (audited), respectively (see Section 2.8). There were no sale of receivables during the first three months of 2024.

Industrial technologies

Industrial technologies receivables arose from manufacturing and other related services for electronic products and components and have credit terms averaging 70 days from invoice date.

Power

Power generation receivables pertain to ACEIC Group’s receivable from Independent Electricity Market Operator of the Philippines, National Grid Corporation of the Philippines (NGCP), National Transmission Corporation (TransCo) for the Feed-in-Tariff (FIT) and from ACEIC Group’s bilateral customers. Significant portion of outstanding balance pertains to receivables from MERALCO Baseload, Mid-Merit PSAs and FIT system adjustments. It consists of both non-interest-bearing and interest-bearing receivables. The term is generally 30 to 60 days.

Noncurrent trade receivables which consist of refundable amount from Philippine Electric Market Corporation (PEMC) and FIT system adjustments that are expected to be realized beyond 12 months after end of the reporting period. FIT system adjustments are discounted using the PHP BVAL Reference rates on transaction date ranging from 5.21%-6.47%.

Logistics

Pertain to AC Logistics’ Group trade receivables which are noninterest-bearing and are generally 30 to 120 days’ terms.

International and others

International and other receivables arose from investments in overseas property companies and projects, charter services, agri-business and others; and are generally on 30- to 60-day terms.

Automotive

Automotive receivables relate to sale of passenger cars, motorcycles and commercial vehicles and are collectible within 30 to 90 days from date of sale.

Outsourcing

Outsourcing receivables arise from venture capital for technology businesses; provision of value-added content for wireless services, online business-to-business and business-to-consumer services; electronic commerce; technology infrastructure sales and technology services; and onshore- and offshore-outsourcing services and are normally collected within 30 to 60 days from invoice date.

The nature of the Group’s non-trade receivables follows:

Advances to other companies

ACEIC

ACEIC receivables to other companies are interest-bearing and payable based on the respective terms of the loans.

- On December 22, 2020, ACEIC signed the Affiliated Subordinated Indebtedness (ASI) agreement with GN Power Kauswagan Ltd. Co. (GNPK) for US\$200.0 (₱9,607.2 million). The ASI loan is subject to interest rate compounding semi-annually ranging from 5.00% to 12.50% which shall accrue starting January 1, 2021. The maturity date of the loan is the later of the (1) the final maturity date of the GNPK Senior Loans (due 2031); and (2) the full payment on, and redemption of the full interest of a partner in GNPK and in GNPK's parent company, KPHLC under the limited partnership agreements. GNPK's payment of the interest on the ASI loan and the principal shall follow the repayment waterfall stipulation in the ASI loan agreement. Any unpaid interest shall accrue interest.
- Bridge financing (previously referred to as debt replacement) are provided to related parties to fund investment requirements for renewable power plants while under construction and undergoing implementation or release of project financing from financial institutions.

Bridge financing bear interest ranging from 7.00% to 15.00% per annum.

- Development loans are provided by ACEIC, through ACEN, to third parties and related parties to fund the development of renewable energy projects in various locations. Development loans bear interest ranging from 4.00% to 10.85% per annum.

ALI

Advances to other companies includes ALI's advances to joint venture partners that have been made in consideration of project costs and purchases of land that are still subject to completion. The documentation for these advances provides that these will be payable over a fixed term or on demand in order to allow for repayment of the advances when closing does not occur. The advances are liquidated when proceeds from the sale of the related projects are applied.

Advances to other companies also includes receivables from MRT Development Corporation (MRTDC) shareholders which pertains to interest-bearing advances made by North Triangle Depot Commercial Corporation (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.

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 ALI Group.

Set off shall be effective as of the beginning of every calendar month, commencing January 30, 2015 and shall result in the settlement of the portion of the Total DRP Payables to the extent of the amount of the commercial center royalties then the balance will fall due to the relevant MRTDC Shareholders.

AC Industrial

In 2019, AC Industrial extended a loan to Roadworthy Cars, Inc. (RCI) amounting to ₱1,605.0 million which bears interest at the rate of 16% per annum and which accrue from, and shall be paid by RCI, beginning on the second anniversary of the commencement of business of KPMC. For the succeeding years until the repayment date, interest on the principal amount of the loan shall accrue with respect to the outstanding amount of the loan at the rate of 8% per annum and is payable for a period of 10 years. As of March 31, 2024 (unaudited) and December 31, 2023 (audited), loans receivable from RCI amounted to ₱2,105.1 million. As of March 31, 2024 (unaudited) and December 31, 2023 (audited), ₱104.0 million allowance was provided.

Receivable from PPLC

On March 5, 2021, ACEIC, PPLC and certain of their affiliated companies, signed a Divestment Agreement for the transfer by ACEIC of its indirect ownership interest in GNPK in favor of PPLC and its affiliates. The transfer was implemented in tranches with the purchase price to be paid on a deferred basis. On September 30, 2021, after all conditions precedent have been met, ACEIC executed the divestment. The receivables from PPLC and affiliates arising from the first tranche sale amounted to ₱9,638.6 million. The receivable from PPLC is subject to interest rate compounding semi-annually ranging from 5.00% to 12.50%. The maturity date of the loan is December 31, 2031. The amount and timing of collection is based on the priority payment waterfall provisions of the divestment agreement. Any unpaid interest shall accrue interest.

On June 30, 2023, the sale of 100% interest in ACE (BVI) D, Inc., ACE (BVI) F, Inc. and ACE (BVI) T, Inc. and 88.38% interest in ACE (BVI) PHILCO Corp. to PPLC and subsidiaries, equivalent to 47.1% (55% of the 85.7%) interest in GNPK (second tranche sale) was completed. The completion of the second tranche sale resulted in a gain of ₱1,261.91 million for the period ended December 31, 2023, which is presented under "Other income" in the consolidated statement of income. Total proceeds for the second tranche sale amounted to ₱13,898.5 million and was included as part of Receivable from PPLC. As of June 30, 2023, the Parent Company, through ACEIC has fully divested its interest in GNPK.

Receivables from officers and employees

Receivable from officers and employees pertain to housing, car, salary, and other loans granted to the Group's officers and employees which are collectible through salary deduction, are interest bearing (6.0% to 10.0% annum) and have various maturity dates.

Dividends receivable

Dividends receivable pertain to dividends due from associates and joint ventures. These receivables are non-interest bearing and collectible within the year.

Others

Other receivable also includes the following:

Other receivables include accrued interest receivable from cash in bank and cash equivalents and short-term investment; other non-trade receivables from non-related entities which are non-interest bearing and are due and demandable; and receivable for insurance claims for damages to inventories of IMI.

Receivable from the sale of MWC preferred shares amounted to ₱4.4 billion and ₱4.8 billion as of March 31, 2024 (unaudited) and December 31, 2023 (audited), respectively.

Impairment of financial assets

For trade receivables, the Group applies a simplified approach in calculating expected credit losses (ECL). Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For other financial assets such as non-trade receivables from related parties, receivables from officers and employees, and advances to other companies and financial assets at amortized cost (debt instruments), ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Provisions for ECL amounted to ₱303.3 million and ₱128.8 million for the periods ended March 31, 2024 and 2023 (both unaudited), respectively, which form part of the Group's "General and administrative expenses" in the unaudited interim condensed consolidated statements of income. As of March 31, 2024 and 2023 (both unaudited), provisions for related parties are nil.

7. Inventories

This account consists of:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
At cost:		
Residential and commercial lots	₱113,787,052	₱102,006,924
Residential and condominium units and offices	104,187,779	107,309,587
Materials and supplies	14,112,691	14,564,347
Vehicles	2,698,786	2,593,347
Work-in-process	1,480,076	1,257,960
Finished goods	700,341	970,252
Others	668,661	1,001,120
	237,635,387	229,703,537
At NRV:		
Materials, supplies, and others	310,263	963,917
Work-in-process	424,393	530,287
Finished goods	498,283	81,434
	1,232,939	1,575,638
	₱238,868,326	₱231,279,175

The Group recognized provision for inventory obsolescence amounting to ₱406.5 million and ₱35.4 million for the periods ended March 31, 2024 and 2023 (both unaudited), respectively. The provision is included under "General and administrative expenses" in the unaudited interim condensed consolidated statements of income. The provision for the period includes impact of VIA's impairment amounting to USD9.5 million or ₱0.5 billion (see Note 3 and Section 2.8).

8. Other Current Assets and Other Noncurrent Assets

Other current assets consist of:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Advances to contractors and suppliers	₱25,757,021	₱29,122,391
Prepaid expenses	24,853,075	22,169,509
Input VAT	15,911,114	17,019,639
Creditable withholding tax	14,118,870	14,525,602
Financial assets at FVTPL (Note 21)	9,361,212	7,307,324
Restricted cash	8,207,833	8,827,833
Contract assets	3,119,706	3,103,954
Deposits in escrow	1,979,023	1,491,489
Derivative assets	477,199	177,951
Others	3,812,240	4,706,546
	₱107,597,293	₱108,452,238

Other noncurrent assets consist of:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Investment in debt and equity securities:	₱38,423,391	₱37,332,906
Deferred charges	17,376,808	17,033,185
Advances to contractors and suppliers	8,213,289	8,508,364
Derivative assets	5,700,826	5,162,810
Deferred input VAT	5,623,977	5,222,858
Creditable withholding taxes	4,680,364	4,266,270
Deposits - others	4,441,087	4,631,317
Pension assets	93,220	140,624
Others	2,163,738	2,691,375
	₱86,716,700	₱84,989,709

Other current assets include the following:

- a) Advances to contractors and suppliers
Advances to contractors and suppliers represent prepayments for the construction of real estate inventories. These are recouped from billings which are expected to occur in a short period of time.
- b) Prepaid expenses
Prepaid expenses mainly include prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, rentals and insurance. In line with ALI Group's accounting policy, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgment was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract specific key performance indicators that could trigger variable consideration, or service credits.
- c) Input VAT
Input VAT is applied against output VAT. The remaining balance is recoverable in future periods.
- d) Creditable withholding tax
The Group will be able to apply the creditable withholding taxes against income tax payable.
- e) Financial assets at FVTPL
The Group's financial assets at FVTPL pertain to investment securities which includes the Compulsory convertible debenture of Masaya Solar Energy Private Limited; common and preferred shares of The Rohatyn Group (TRG) Allocation LLC and TRG Management LP (collectively TRG investments); Unit Investment Trust Fund (UITF) investments; ARCH Funds, Alibaba Group's new Retail Strategic Opportunities Fund; Indies Pelago Investments, L.P.; Ikhlas Capital Fund, L.P.; promissory notes issued by CLOUSE S.A-Class C ordinary shares in Ant International Co. Limited; TRG Global Opportunity Fund and TRG Special Opportunity Fund; RETC, LLC; TPA Ventures Pte. Ltd.; and Tikehau (TKS I, LP), among others.

This account also includes investment in shares of SPNEC acquired by ACEIC Group.

Total mark-to-market gain for FVTPL accounts amounted to ₱381.4 million and ₱136.3 million for the periods ended March 31, 2024 and 2023, respectively (both unaudited). The 2023 gain includes gain from the investment in SPNEC.
- f) Restricted cash
Restricted cash pertain to the restricted cash in escrow account of ACEIC Group as part of the proceeds from the issuance of redeemable preferred shares. Pursuant to the Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy Companies of the PSE, all funds to be raised by an applicant company must be held in escrow and shall not be released for any purpose other than the disclosed intended purpose and in accordance with the timetable of expenditures (the "Escrow Requirement").
- g) Contract assets
Contract assets are initially recognized for revenue earned from manufacturing of goods as receipt of consideration is conditional on successful completion of the services. When goods are shipped or goods are received by the customer, depending on the corresponding agreement with the customers, the amounts recognized as contract assets are reclassified to trade receivables. Payments are received from customers depending on the credit terms.
- h) Deposits in escrow
Deposits in escrow pertain to the proceeds from the sale of ALI Group that have been only granted with a temporary License To Sell (LTS) by the Housing and Land Use Regulatory Board

(HLURB). For projects with temporary LTS, all payments, inclusive of down payments, reservation, and monthly amortization, among others, made by the buyer within the selling period shall be deposited in an escrow account.

i) Derivative assets

Derivative assets pertain to the coal and fuel commodity swaps contracts maturing within a 12-month period. The account also includes hedge transactions from ACEN Australia.

j) Others

Others mainly include deferred charges, accrued liquidated damages, and investment in bonds. Investment in bonds pertain to non-interest bearing bonds of ALI Group. ALI Group recorded the investment as financial asset at fair value through other comprehensive income. The fair value of the investment in bonds is determined using the binomial lattice approach and categorized under Level 3.

Other noncurrent assets include the following:

a) Investments in debt and equity securities

This account consists of debt and equity investments, which are classified as financial assets at amortized cost, financial assets at FVOCI, and financial assets at FVTPL. These accounts are classified according to underlying conditions or terms of investments.

Financial assets at amortized cost are attributable to the ACEIC Group's investments in redeemable preferred shares, subscription deposits, and convertible loans which are held by ACEIC within a business model whose objective is both to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVOCI consists of the Group's unlisted preferred shares in public utility companies which the Group will continue to carry as part of the infrastructure that it provides for its real estate development projects, water utilities projects, and to its other operations. This account also includes unquoted equity investments from the ACEIC Group.

Financial assets at FVTPL include ACEIC and Bestfull's convertible loans with terms exceeding 12 months which were designated at initial recognition to be measured at FVTPL.

b) Deferred charges

Deferred charges include ALI's project costs incurred for unlaunched projects of the group, advance rental payments, and noncurrent prepaid management fees. This also includes ALI's noncurrent portion of cost to obtain contracts which includes prepaid commissions and advances to brokers.

Deferred charges also include IMI's tooling items customized based on the specifications of the customers and to be repaid as part of the price of the manufactured items.

c) Advances to contractors and suppliers

Advances to contractors represent prepayments for the construction of investment properties, property and equipment and service concession assets.

d) Derivative asset

Noncurrent derivative asset pertains to the long-term energy service agreements for ACEN's solar project in Australia.

e) Deferred input VAT

Deferred input VAT pertains to unamortized VAT portion from purchases of capital goods.

f) Creditable withholding tax

The Group will be able to apply the creditable withholding taxes against income tax payable or can be claimed as tax refund from the BIR.

g) Deposits – others

This includes deposits and advances for projects which include escrow deposits and security deposits on land leases, electric and water meter deposits.

h) Others

Others pertain to prepayments for expenses that are amortized for more than one year, marketable securities and customers and tenants deposits to affiliates.

9. Right-of-Use Assets and Lease Liabilities

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Right-of-use assets	P23,131,244	P23,498,181
Lease liabilities – current and noncurrent	P30,382,871	P30,705,536

10. Investments in Associates and Joint Ventures

Investments in associates and joint ventures are accounted for under the equity method of accounting. Major associates and joint ventures and the related percentages of economic ownership as of March 31, 2024 (unaudited) and December 31, 2023 (audited) are as follows:

	% of Economic Ownership		Carrying Amounts	
	March 2024 (Unaudited)	December 2023 (Audited)	March 2024 (Unaudited)	December 2023 (Audited)
	(in Millions)			
Domestic:				
Bank of the Philippine Islands (BPI)	30.7	32.7	P141,992	P135,860
Liontide Holdings, Inc. (LHI)*	93.4	93.4	67,693	64,838
Globe Telecom, Inc. (Globe)*	30.7	30.7	44,713	43,988
AA Thermal, Inc. (AA Thermal)	40.0	40.0	16,882	16,010
Manila Water Company, Inc. (MWC)	22.6	22.6	13,183	13,656
Ortigas Land Corporation	21.0	21.0	10,309	10,144
ALI-ETON Property Development Corporation (ALI-ETON)*	50.0	50.0	9,612	9,636
Light Rail Manila Holdings, Inc. (LRMHI)	50.0	50.0	7,524	7,491
Philippine Wind Holdings Corporation (PhilWind)*	40.3	40.3	5,316	4,971
iPeople, Inc. (IPO)	33.5	33.5	4,853	4,143
Emerging City Holdings, Inc. (ECHI)*	50.0	50.0	4,299	4,190
North Luzon Renewable Energy Corp. (NLR)*	33.3	33.3	2,823	2,492
Berkshires Holdings, Inc. (BHI)*	50.0	50.0	2,099	2,053
Globe STT GDC Inc. (formerly KarmanEdge Inc.)*	10.0	10.0	1,767	1,749
Globe Fintech Innovations, Inc. (Mynt)	5.2	5.2	1,749	1,621
Cebu District Property Enterprise, Inc. (CDPEI)*	50.0	50.0	1,694	1,704
Asiacom Philippines, Inc. (Asiacom)*	60.0	60.0	1,694	1,688
Bonifacio Land Corporation (BLC)	10.0	10.0	1,570	1,528
Maibarara Geothermal, Inc.	25.0	25.0	926	910
Ingrid Power Holdings, Inc. (Ingrid)	50.0	50.0	894	969
Alveo-Federal Land Communities, Inc. (Alveo-Federal)*	50.0	50.0	530	556
Foreign:				
ACEHI Netherlands B.V. (ACEHI Netherlands) (incorporated in Netherlands)	75.8	75.8	12,897	12,668
Solar NT Holdings Pte. Ltd. (SUPER) (incorporated in Singapore)	49.0	49.0	2,628	2,558
UPC Power Solutions LLC (UPC Power) (incorporated in the USA)	83.3	83.3	2,206	563
BIM Renewable Energy Joint Stock Company (BIMRE) (incorporated in Vietnam)*	30.0	30.0	1,922	1,861
Others – net	Various	Various	7,556	6,117
			P369,331	P353,964

*Joint ventures

Unless otherwise indicated, the principal place of business and country of incorporation of the Group's investments in associates and joint ventures is in the Philippines.

Except as discussed in subsequent notes, the voting rights held by the Group in its investments in associates and joint ventures are in proportion to its economic ownership interest.

The following are financial highlights and significant transactions of associates and joint ventures, part of which affected the Parent Company's investments in its associate and joint venture:

BPI Group

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Millions)	
Total resources	₱3,068,004	₱2,888,371
Total liabilities	2,662,679	2,529,001
Equity		
Attributable to owners of the parent	403,074	357,204
Attributable to non-controlling interest	2,251	2,166
Revenue	44,572	32,428 *
Net income		
Attributable to owners of the parent	15,263	12,133 *
Attributable to non-controlling interest	84	70 *
Other comprehensive income (loss)	(1,988)	1,737 *

*Based on unaudited March 31, 2023

1. *BPI-RBC merger*

On January 1, 2024, BPI and RBC closed their merger, with BPI as the surviving bank, which became effective after securing the requisite corporate and regulatory approvals. On the same date, BPI issued 314.00 million common shares to the shareholders of RBC pursuant to the Plan of Merger agreement. This resulted to initially calculated dilution gain amounting to ₱2,508.63 million.

2. *US\$400 million 5-year Reg S senior unsecured notes*

On March 19, 2024, BPI successfully tapped the international capital markets with a public USD bond issuance for the first time since 2019, with its offering of US\$400 million 5-year Reg S senior unsecured notes ("Notes"). The Notes were issued under BPI's US\$3 billion Medium Term Notes Programme, and the net proceeds will be used for refinancing and general corporate purposes. The 5-year Notes were priced at U.S. Treasury spread of T+105 basis points (bps) with a coupon of 5.25%, representing the tightest ever spread on a 5-year bond from a non-sovereign Philippine issuer. The Notes are rated Baa2 by Moody's.

3. *Sale of GoTyme Bank shares*

On March 20, 2024, BPI's BOD approved the sale of its 752,056,290 common shares in GoTyme Bank Corporation (GoTyme Bank) to GoTyme Financial Pte Ltd. (744,099,587 common shares) and Giga Investment Holdings Pte. Ltd., (7,956,703 common shares) at ₱1.20 per share, subject to BSP approval. The GoTyme Bank shares were acquired by BPI pursuant to the merger between BPI and RBC with BPI as the surviving bank.

On April 1, 2024, Deeds of Absolute Sale of Shares covering the abovementioned sale of GoTyme Bank shares were signed by the authorized representatives of BPI.

4. *Change of stock transfer agency*

On March 20, 2024, the BPI's BOD approved the change in stock transfer agency from BPI Stock Transfer Agency (BPI STA) to Stock Transfer Service, Inc. effective May 1, 2024. The engagement with BPI STA will be terminated effective end of day of April 30, 2024.

5. *2024 Employee Stock Purchase Plan*

On April 17, 2024, BPI's BOD approved the 2024 employee stock purchase program pursuant to the Employee Stock Purchase Plan under Article Seventh of BPI's Articles of Incorporation. The 2024 program authorizes the grant to qualified participants at a subscription price to be determined on or prior to grant date based on 15% discount to Volume Weighted Average Price

(VWAP). The program is subject to the approval of the SEC and to listing of the shares with the PSE.

6. *Cash dividends*

The dividends received by the Parent Company from BPI amounted to nil for the periods ended March 31, 2024 and 2023 (both unaudited).

The fair value of BPI shares held by the Parent Company amounted to ₱190,869.8 million and ₱167,758.6 million as of March 31, 2024 (unaudited) and December 31, 2023 (audited), respectively. The effective voting rights held by the Parent Company in BPI is 30.7% and 32.7% as of March 31, 2024 (unaudited) and December 31, 2023 (audited), respectively.

LHI

On January 13, 2023, Arran Investment Pte. Ltd. (Arran) completed the redemption of 31,154,709 redeemable preferred shares in LHI, a joint venture company between the Parent Company and Arran, and the sale of its remaining 10,384,903 redeemable preferred shares in LHI to Robinsons Retail Holdings, Inc. (RRHI). Effective on the same date, Arran, LHI, and the Parent Company terminated their existing Shareholders' Agreement while RRHI, LHI and the Parent Company entered into a new Shareholder's Agreement to govern their relationship as well as the conduct of the business and management of LHI, resulting in LHI becoming a joint venture company between the Parent Company and RRHI. This resulted to an increase in economic ownership interest in LHI to 93.4%. This transaction did not affect the Parent Company's 15.6% effective economic interest in BPI held indirectly through LHI as of December 31, 2023.

This transaction resulted in an increase in the share in the income in LHI amounting to ₱4.0 billion and a ₱3.6 billion dilution loss on the change in interest of the Parent Company resulting to a net gain of ₱462.0 million in the Group's consolidated statement of income for the year ended December 31, 2023 (audited).

As of March 31, 2024 (unaudited) and December 31, 2023 (audited), LHI owns 755.5 million of BPI representing a direct ownership interest in BPI of 16.6%. The Parent Company and GIC Special Investments Pte. Ltd., the entity controlling Arran Investment Pte. Ltd., as joint venture partners, agreed to vote its BPI shares based on the common position reached jointly by them as shareholders.

The fair value of BPI shares held by LHI amounted to ₱97,222.1 million and ₱85,450.0 million as of March 31, 2024 (unaudited) and December 31, 2023 (audited), respectively. The effective voting rights held by the Group in LHI is equal to 95.5% as of March 31, 2024 (unaudited) and December 31, 2023 (audited).

Globe Group

	March 2024 (Unaudited)	December 2023 (Audited)	
	(in Millions)		
Current assets	₱84,715	₱86,924	
Non-current assets	534,892	524,704	
Current liabilities	143,324	153,466	
Non-current liabilities	308,377	249,679	
Equity			
Attributable to owners of the parent	162,351	159,868	
Attributable to non-controlling interest	36	57	
Revenue	45,307	45,030	*
Net income			
Attributable to owners of the parent	6,808	7,253	*
Attributable to non-controlling interest	(12)	18	*
Other comprehensive income (loss)	(848)	517	*

*Based on unaudited March 31, 2023

1. *Appointment of new Corporate secretary*
On April 5, 2024, Globe disclosed the appointment of Atty. Maria Franchette M. Acosta as their Corporate Secretary, effective April 4, 2024, to replace Atty. Solomon M. Hermosura, who has resigned and transitioned to government service as disclosed on February 26, 2024.
2. *Sale of tower assets*
During the period until the date of this report, Globe completed the sale of tower assets as follows:
 - a. To Phil-Tower Consortium, Inc. (PhilTower):
 - on February 7, 2024 of 100 towers for approximately ₱1.5 billion,
 - on April 16, 2024 of 90 towers for approximately ₱1.3 billion, and
 - on May 10, 2024 of 100 towers for approximately ₱1.5 billion.
 - b. To MIESCOR Infrastructure Development Corporation (MIDC):
 - on March 14, 2024 of 154 towers for approximately ₱ 1.9 billion, and
 - on April 26, 2024 of 181 towers for approximately ₱2.2 billion.
 - c. To Frontier Tower Associates Philippines, Inc. (FTAP) on March 25, 2024, of 91 towers to for approximately ₱1.16 billion.
3. *Sale and leaseback agreement*
On May 7, 2023, Globe signed a sale and leaseback agreement with Unity Digital Infrastructure (Unity), a partnership between Aboitiz InfraCapital (AIC) and Partners Group for the sale of 447 towers amounting to approximately ₱5.4 billion. On March 25, 2024, Globe achieved the fourth closing of 33 towers for approximately ₱396 million.
4. *Network-related updates*
 - a. Globe has activated a segment of the Philippine Domestic Submarine Cable Network (PDSCN) from Luzon to Mindanao, signaling the start of on-ground connections to serve more customers.
 - b. Through a partnership sealed in February 2022, Globe and Converge embarked on its first joint project in 2022: a co-build spanning 137 kilometers from Pili, Camarines Sur, to Legazpi City, Albay. A second co-build project in Leyte Province began in the third quarter of 2023, spanning 209 kilometers to connect Tacloban and Maasin via Baybay, it is currently 80% complete and is expected to conclude by the third quarter of 2024.
5. *Cash dividends and dividend policy*
On February 6, 2024, the BOD of Globe approved the following:
 - a. The declaration of first quarter cash dividend of ₱25.00 per common share, payable to common stockholders of record as of February 21, 2024. Total dividends amounting to ₱3.6 billion were paid on March 7, 2024.
 - b. The proposed change in the dividend policy to 60% to 90% (from 60% to 75%) of prior year's core net income, to be applied starting the 2024 dividend declaration.

On May 14, 2024, Globe's BOD approved the declaration of the second quarter cash dividend of ₱25 per common share, to common stockholders of record as of May 28, 2024 payable on June 13, 2024.

The dividends received by the Parent Company from Globe amounted to ₱1.1 billion for the periods ended March 31, 2024 and 2023 (both unaudited).

The fair value of Globe shares held by the Parent Company amounted to ₱78,307.7 million and ₱76,138.6 million as of March 31, 2024 (unaudited) and December 31, 2023 (audited), respectively. The effective voting rights held by the Group in Globe is 46.0% as of March 31, 2024 (unaudited) and December 31, 2023 (audited).

MWC Group

1. *MWPVI-Cebu Water water supply contract*
On January 17, 2024, MWPVI submitted all requirements on the bidding conducted by MCWD for the new bulk water supply contract. MWPVI will deliver water to MCWD by leasing the facilities of Cebu Water.

On January 25, 2024, a Notice of Award was issued by MCWD to MWPVI on the supply and delivery of potable bulk water.

2. *Sale of investment in Cu Chi Water Supply Sewerage Company Ltd. (Cu Chi Water)*
On January 9, 2024, Manila Water South Asia Holdings Pte. Ltd.'s (MWSAH) BOD approved the disposal of its investment in Cu Chi Water. On January 16, 2024, the divestment to the buyer was completed. Accordingly, on the same date, MWSAH reclassified its investment in Cu Chi as an "asset held for sale" since it expected that the divestment will be completed within the year.
3. *Manila Water Asia Pacific Pte. Ltd. (MWAP) term loan*
On March 1, 2024, MWAP signed a USD110.0 million 3-year term loan facility with Mizuho Bank – Singapore Branch and ING N.V. Singapore. The proceeds of the loan will be used to refinance existing debt.
4. *Manila Water Infratech Solutions Corp. (MWIS) equity restructuring*
On January 31, 2024, the SEC approved MWIS' application for decrease in authorized capital stock from ₱1,000,000,000 divided into 600,000,000 common share of the par value of ₱1.00 each and 400,000,000 redeemable preferred shares of the par value of ₱1.00 each, to ₱350,875,309 divided into 210,525,185 common shares of the par value of ₱1.00 each and 140,350,124 redeemable preferred shares of the par value of ₱1.00 each.
5. *Tariff adjustments*
On various dates during the period ended March 31, 2024, MWC and its subsidiaries (Laguna Water, Boracay Water, Clark Water, Estate Water, Aqua Centro, and Bulacan Aqua Estate) implemented tariff adjustments ranging from ₱6.40 to ₱14.50 per cubic meter.
6. *MWPVI acquisition of 70% of the outstanding capital stock of Equipacific HoldCo Inc. (EHI)*
On April 17, 2024, MWPVI entered into a share purchase agreement with Equi-Parco Holdings Corporation, Metropac Water Investments Corporation, and TwinPeak Hydro Resources Corporation for the sale and purchase of their 30%, 30%, and 10% interest, respectively, in EHI, equivalent to a total of 315.02 million shares. The purchase price is ₱3.65 per share resulting in a total purchase price of ₱1,150 million.

EHI is an investment company which holds ninety percent (90%) of the outstanding shares of Laguna Water District Aquatech Resources Corporation (LARC), a joint-venture company formed for the rehabilitation, improvement, expansion, operation, and maintenance of the water supply system of the Laguna Water District in the towns of Los Baños, Bay, Calauan, Victoria and Nagcarlan in the Province of Laguna. Accordingly, MWPVI's effective interest in LARC as of the acquisition date is 63%.

7. *Vesting of shares under Stock Incentive Plan (SIP)*
On April 15 and 26, 2024, MWC transferred 1,236,043 and 1,060,978 shares from its treasury shares to its SIP grantees/participants after having vested pursuant to the SIP.
8. *Cash dividends*
On February 29, 2024, MWC's BOD approved the declaration of cash dividends amounting to ₱1.129 per outstanding common share, ₱0.113 per outstanding unlisted participating preferred share, and accumulated fixed cash dividends of ₱0.01 outstanding unlisted participating preferred share. For common and participating preferred shares, the record date was March 18, 2024 and was paid on April 12, 2024.

The dividends received by the Parent Company from MWC amounted to ₱651.4 million and ₱536.0 million for the periods ended March 31, 2024 and 2023 (both unaudited), respectively.

The fair value of the MWC shares held by the Group amounted to ₱13,091.6 million and ₱10,750.8 million as of March 31, 2024 (unaudited) and December 31, 2023 (audited), respectively. The voting rights held by the Group in MWC is 21.99% as of March 31, 2024 (unaudited) and December 31, 2023 (audited).

IPO

The dividends received from IPO amounted to nil and ₱66.5 million for the periods ended March 31, 2024 and 2023 (both unaudited), respectively.

The fair value of IPO shares held by the Parent Company amounted to ₱2,508.3 million and ₱2,452.3 million as of March 31, 2024 (unaudited) and December 31, 2023 (audited), respectively. The effective voting rights held by the Group in IPO is 33.5% as of March 31, 2024 (unaudited) and December 31, 2023 (audited).

Others

Unlimited Renewables Holdings, B.V. (URH)

On January 2, 2024, ACEIC, through its subsidiary, ACEN Renewables International Pte. Ltd. (ACRI) completed its investment in URH by infusing US\$50.00 for acquisition of 50 shares of URH from UPC India Pte. Ltd. (UPCI) and US\$2.67 million (₱150.39 million) for subscription for 2,674 ordinary shares of URH.

Barito Renewable

On December 15, 2023, ACEN (through ACEN Investments HK Limited or ACEN HK), a subsidiary of ACRI, and Barito Renewables (through PT Barito Wind Energy or “Barito Wind”) signed a Sale and Purchase Agreement with UPC Renewables Asia Pacific Holdings for the acquisition of late-stage wind development assets in Indonesia.

On January 3, 2024, with all conditions having been satisfied under the Sale and Purchase Agreements, transaction Closing was achieved by the parties and ACEN HK completed the acquisition of shares in the three late-stage wind development assets, with a combined potential capacity of 320 MW, that are located in South Sulawesi (Sidrap 2), Sukabumi and Lombok provinces in Indonesia, at an acquisition price that is less than 10% of the book value of ACEN.

Following the signing of the respective Share Transfer Deeds, Barito Wind will own 51% of the three development assets, while ACEN HK will own the remaining 49%. Total investment cost amounted to US\$17.15 million (₱965.17 million).

Real Wind Energy, Inc. (RWEI)

On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. (MEM), as the seller, for the acquisition by ACEN of 4,000 secondary common shares in RWEI and a Loan Assignment Agreement for the assignment of MEM's receivables from RWEI. As at March 31, 2024, total subscription paid amounted to ₱266.64 million.

North Luzon Renewable Energy Corp. (NLR)

On March 25, 2024, ACEN signed a subscription contract with NLR for the additional subscription by ACEN to 49,540 Redeemable Preferred Shares C at par value of ₱10,000.00 per Preferred C of NLR, for a total subscription price of ₱495.40 million, to be issued out of the increase of NLR's authorized capital stock. As at March 31, 2024, total subscription paid amounted to ₱304.00 million.

Philippine Wind Holdings Corp. (PhilWind)

On March 25, 2024, ACEN signed a subscription contract with PhilWind for the additional subscription by ACEN to 50,446 Redeemable Preferred Shares A-3 (“RPS A-3”) at par value of ₱10,000.00 per RPS A-3 of PhilWind, for a total subscription price of ₱504.46 million, to be issued out of the increase of PhilWind's ACS. As at March 31, 2024, total subscription paid amounted to ₱309.56 million.

The additional subscription in NLR and PhilWind will be used by NLR as additional funding for the construction and completion of the 70MW wind farm in Pagudpud, Ilocos Norte (wind project referred to as Capa Wind 2).

PT UPC Sidrap Bayu Energi

On April 2, 2024, upon fulfillment of conditions precedent, ACEN Renewables International Pte. Ltd., together with its joint venture partner, UPC Renewables Asia Pacific Holdings Pte. Ltd., completed the sale of all its shares in PT UPC Sidrap Bayu Energi, held through UPC Sidrap HK Limited and UPC Renewables Asia III Limited, to PT Barito Wind Energy.

LRMC

On January 26, 2024, LRMC submitted the invoices for its 34th Balancing Payment amounting to ₱204.00 million. This includes claims for fare deficit, EPC escalation costs, delay in common station and other payments in the Concession Agreement, net of the Concession Fee payments and KPI charges.

11. Intangible Assets and Deferred Tax Assets

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Intangible assets	₱39,633,746	₱40,424,326
Deferred tax assets - net	₱20,120,126	₱19,460,490

Intangible assets include goodwill, customer relationships, unpatented technology, intellectual properties, developed software, licenses, trademarks, project development cost, and leasehold and other rights. As of March 31, 2024, this amount is net of impact of VIA's impairment amounting to USD15.6 million or ₱0.9 billion (see Note 3 and Section 2.8).

Deferred tax assets (DTA) include DTA on difference between tax and book basis of accounting for real estate transactions, lease liability, accrued expense, among others.

12. Investment Properties and Property, Plant and Equipment

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Investment properties ¹	₱242,238,238	₱242,484,670
Property, plant and equipment - net ¹	₱156,266,728	₱149,054,722

Investment properties

- 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 own use and benefit.
- Construction in progress pertains to buildings under construction to be leased as retail and office spaces upon completion. The development and construction period normally ranges from three years to five years and depends heavily on the size of the assets.

The account consists of investments in land, building, and construction-in-progress, net of accumulated depreciation and amortization and impairment loss:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Land	₱61,624,420	₱60,648,808
Building	116,463,785	117,685,830
Construction-in-progress	64,150,033	64,150,032
	₱242,238,238	₱242,484,670

¹ The Group performs regular valuation of Investment Properties and Property, Plant and Equipment by professional independent appraiser namely: Cuervo Appraisers, Inc., Santos Knight Frank, Asian Appraisal, Colliers International and Aviso Valuation & Advisory Corp.

Property, plant and equipment

This account consists of:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Land, buildings and improvements	₱22,119,458	₱20,977,744
Plant, machinery and equipment	21,464,372	22,660,985
Hotel property and equipment	14,028,663	10,033,953
Furniture, fixtures and equipment	8,218,053	8,968,775
Transportation equipment	3,088,671	3,475,335
Construction-in-progress	87,347,511	82,937,930
	₱156,266,728	₱149,054,722

Total additions to property, plant and equipment and investment properties amounted to ₱11.7 billion for the period ended March 31, 2024. Meanwhile proceeds from disposal of property, plant and equipment and investment properties amounted to ₱0.6 billion for the same period.

The Group recognized gains from disposal and retirement of certain machinery and facilities equipment, furniture and fixtures, and tools and instruments and booked under the “Other income” account. Also, the Group recognized impairment provisions for certain plant, machineries and equipment under “General and administrative expenses (GAE)” in the unaudited interim consolidated statements of income including the impact of VIA’s impairment amounting to USD5.4 million or ₱0.3 billion (see Note 3 and Section 2.8).

As of March 31, 2024 (unaudited) and December 31, 2023 (audited), ACEIC’s property, plant, and equipment with carrying value of ₱5,979.53 million and ₱6,077.2 million, respectively, were mortgaged as security for the long-term loan of the ACEIC Group (see Note 15).

13. Accounts Payable and Accrued Expenses

This account consists of the following:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Accounts payable	₱134,799,195	₱132,709,612
Accrued expenses		
Personnel costs	6,445,023	6,824,748
Professional and management fees	3,233,646	2,628,534
Rental and utilities	2,387,372	2,215,890
Advertising and promotions	1,060,957	554,007
Repairs and maintenance	813,329	1,062,308
Various operating expenses	8,372,898	7,859,172
Taxes payable	24,028,945	25,157,368
Interest payable	6,821,265	6,967,886
Liability for purchased land	6,575,721	7,508,478
Retentions payable	5,232,523	5,077,135
Related parties (Note 21)	3,955,005	4,814,623
Property dividends payable	991,387	991,387
Dividends payable (Note 16)	79,324	2,388,389
	₱204,796,591	₱206,759,537

Accounts payable and accrued expenses are non-interest bearing and are normally settled on 15- to 60-day terms. Other payables are non-interest bearing and are normally settled within one year.

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.

Accrued various operating expenses include accruals for supplies, commissions, transportation and travel, insurance, representation, dues and fees and others.

Taxes payable consists of output VAT, withholding taxes, business taxes, capital gains tax and other statutory payables,

Interest payable pertains to interest incurred on bank loans and fixed bonds but not yet paid.

Retention payable pertains to the amount withheld by ALI Group on contractor's billings to be released after the guarantee period, usually one (1) year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in the project.

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.

Property dividends pertain to the declaration of property dividends in 2022 consisting of the ACEN shares acquired from ACEIC by the Parent Company to be distributed to its common shareholders (see Note 16).

Dividends payable pertains to cash and property dividends declared but not yet paid and distributed, respectively.

14. Other Current and Noncurrent Liabilities

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Other current liabilities	₱33,666,262	₱39,124,504
Other noncurrent liabilities	₱51,936,425	₱49,472,112

Other current liabilities include the following:

- Deposits pertain to security and customers' deposits. Security deposits are normally equivalent to three (3) to six (6) months' tenant's rent 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.
- Nontrade payables pertain mainly to non-interest-bearing real estate-related payables to contractors and various non-trade suppliers which are due within one year.
- Contract liabilities include short-term advances received to render manufacturing services. Contract liabilities are recognized as revenue when the Group performs under the contract.

Other noncurrent liabilities include the following:

- Deposits and deferred credits
Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties. Security deposits are equivalent to three (3) to six (6) months' rent of long-term tenants with 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. This also includes customers' deposits which consist of excess of collections over the recognized receivables based on percentage of completion. 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 ALI Group for the processing of title are charged to this account.

- b. Liability for purchased land
Liability for purchased land pertains to the portion of unpaid unsubdivided land acquired during the year. These are normally payable in quarterly or annual installment payments within three (3) or five (5) years.
- c. Contractors payable
Contractors payable represents accrued costs incurred for property development that are not yet billed.
- d. Retentions payable
Retentions payable pertains to amount withheld by the Group from the contractors' billings to be released after the guarantee period, usually one (1) year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in projects requiring rework.
- e. Deferred output VAT
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.
- f. Subscriptions payable
Subscription payable mainly pertains to ALLHC's investment in Cyber Bay.
- g. Others
Others include nontrade payables.

15. Short-term and Long-term Debt

These accounts consist of the following:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Short-term debt:		
Philippine Peso debt with various interest rates	₱43,401,561	₱35,852,099
Foreign currency debt with various interest rates	18,970,056	14,019,395
	₱62,371,617	₱49,871,494
Long-term debt:		
The Parent Company:		
Philippine Peso debt with various interest rates	₱51,749,262	₱51,883,694
Philippine Peso bonds	34,823,799	34,805,561
	86,573,061	86,689,255
Subsidiaries:		
Loans from banks & other institutions:		
Philippine Peso with various interest rates	159,980,635	156,784,394
Foreign currency with various interest rates	63,232,466	45,185,110
Foreign currency bonds	108,615,952	126,840,866
Philippine Peso bonds	124,523,245	124,472,619
	456,352,298	453,282,989
	542,925,359	539,972,244
Less current portion	28,846,224	49,461,151
Noncurrent portion	₱514,079,135	₱490,511,093

For the period ended March 31, 2024 (unaudited), total proceeds from availments of short-term and long-term debt amounted to ₱77.6 billion which consists mainly of proceeds from loans of AC (₱13.0 billion), ALI (₱34.05 billion), ACEIC (₱24.6 billion), AYCFI (₱5.6 billion), AC Logistics (₱0.2 billion), and AC Health (₱0.2 billion), while payments of short-term and long-term debt amounted to ₱64.6 billion which mainly pertains to loan payment of AC (₱9.1 billion), ALI (₱27.4 billion), ACEIC (₱23.0 billion), IMI (₱0.8 billion), AC Logistics (₱0.07 billion), AC Industrial (₱1.4 billion), and AC Infra (₱2.8 billion).

The Group has short-term and long-term debt payable to BPI amounting to ₱31.9 billion and ₱31.7 billion as of March 31, 2024 (unaudited) and December 31, 2023 (audited), respectively (see Note 21). Interest expense incurred from these debts amounted to ₱0.6 billion and ₱0.5 billion for the periods ended March 31, 2024 and 2023 (both unaudited), respectively (see Note 21).

Loans availed during the period ended March 31, 2024 have varying interest rates and maturity dates. Proceeds of loans were used for operating requirements, capital expenditures and certain investment acquisitions (see Note 3).

Parent Company

The Parent Company positions its deals across various currencies, maturities, and product types to provide utmost flexibility in its financing transactions.

Generally, the Parent Company's long-term loans are unsecured. Due to certain regulatory constraints in the local banking system regarding loans to directors, officers, stockholders and related interest, some of the Parent Company's credit facilities with a local bank are secured by shares of stock of a subsidiary in accordance with BSP regulations. All credit facilities of the Parent Company outside of this local bank are unsecured, and their respective credit agreements provide for this exception.

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

Year Issued	Term	Interest Rate	Principal Amount	Carrying Value		Features
				March 2024 (Unaudited)	December 2023 (Audited)	
(in Thousands)						
2017	8 years	4.8200%	₱10,000,000	₱9,982,219	₱9,979,719	Callable from the 6.5 th anniversary issue until every year thereafter.
2021	3 years	3.0260%	4,000,000	3,990,566	3,987,478	3-year fixed coupon Series A bond with no call option.
2021	5 years	3.7874%	6,000,000	5,962,574	5,959,222	5-year fixed coupon Series B bond callable on the 12 th to 19 th interest payment date with a call option price of 101.0% on the 12 th to 15 th interest payment date and 100.5% on the 16 th to 19 th interest payment date.
2022	3 years	4.4542%	5,000,000	4,974,646	4,970,078	3-year fixed coupon Series C bond with no call option.
2022	5 years	5.6239%	7,500,000	7,438,340	7,434,524	5-year fixed coupon Series D bond callable on the 12 th to 19 th interest payment date with a call option price of 101.0% on the 12 th to 15 th interest payment date and 100.5% on the 16 th to 19 th interest payment date.
2022	7 years	6.1351%	2,500,000	2,475,453	2,474,540	7-year fixed coupon Series E bond callable on the 16 th to 27 th interest payment date with a call option price of 102.0% on the 16 th to 19 th interest payment date, a call option price of 101.0% on the 20 th to 23 rd interest payment date and 100.5% on the 24 th to 27 th interest payment date.
			₱35,000,000	₱34,823,798	₱34,805,561	

The outstanding Peso bonds of the Parent Company have been rated "PRS Aaa" by PhilRatings.

The long-term debt of the Parent Company provides for certain restrictions and requirements with respect to maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Parent Company as of March 31, 2024 and December 31, 2023 (see Compliance with debt covenants portion). The Parent Company aims to maintain a debt-to-equity ratio not exceeding 3:1 in compliance with loan covenants of AYCFL.

ALI

In compliance with BSP rules on directors, officers, stockholders and related interests, certain short-term and long-term debt with a carrying value of ₱2,193.3 million and ₱2,225.3 million as of March 31, 2024 (unaudited) and December 31, 2023 (audited) 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 ₱3,121.7 million and ₱3,154.5 million as of March 31, 2024 (unaudited) and December 31, 2023 (audited), respectively, which is accounted as part of the Investment properties account.

Philippine Peso 20-year Bonds due 2033

In October 2013, ALI issued a ₱2,000.0 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 ALI'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, ALI issued and listed on the PDEX a total of ₱8,000.0 million bonds due 2026 at a fixed rate equivalent to 4.85% p.a. This is the first tranche of debt securities issued under the ALI's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. In May 2019, ALI issued and listed on the PDEX ₱8,000.0 million fixed rate bonds due 2026 at a rate equivalent to 6.37% p.a. The Bonds, the first tranche of ALI'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, ALI issued and listed on the PDEX a total of ₱7,000.0 million bonds due 2025 at a fixed rate equivalent to 4.75% p.a. The Bonds represent the second tranche of debt securities issued under ALI's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

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

In May 2017, ALI issued its ₱7,000.0 million fixed rate bond due 2027 at a rate equivalent to 5.26% p.a. The Bonds, the fourth tranche of ALI's 2016 Program, were listed on the PDEX and were rated PRS Aaa with a Stable Outlook by PhilRatings. In November 2019, ALI issued a ₱1,000.0 million fixed rate bond due 2027 at a rate equivalent to 4.99% p.a. The Bonds, the third tranche of bonds issued under ALI's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2024

In September 2019, ALI issued and listed on the PDEX its ₱3,000.0 million bonds due 2024 at a fixed rate equivalent to 4.76% p.a. The Bonds represent the second tranche of debt securities issued under ALI's 2019 Program and were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2025

In September 2020, ALI issued and listed on the PDEX its ₱6,250.0 million fixed rate bonds due 2025 at a rate equivalent to 3.86% p.a. The Bonds represent the fifth tranche of debt securities issued under ALI'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, ALI issued and listed on the PDEX its ₱10,000.0 million fixed rate bonds due 2025 at a rate equivalent to 3.63% p.a. The Bonds represent the sixth tranche of debt securities issued under ALI'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, ALI issued a total of ₱3,000.0 million bonds due 2031 at a fixed rate equivalent to 4.08% p.a. and subject to repricing on 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 ₱2,750.0 million issued as the first tranche of ALI's 2021 Program while ₱250.0 million representing the seventh tranche of debt securities were issued under its 2019 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. ALI exercised the call option and the bonds were fully redeemed in April 2023.

Philippine Peso 6-year Bonds due 2028

In May 2022, ALI issued a total of ₱12,000.0 million bonds due 2028 at a fixed rate equivalent to 5.81% p.a. The offering is composed of ₱9,500.0 million as the second tranche of debt securities issued under ALI's ₱50,000.0 million Debt Securities Program registered and rendered effective by

the SEC on October 11, 2021 (the "2021 Program") while ₱2,500.0 million represent the eighth and final tranche of debt securities that were issued under the 2019 Program. The Bonds were listed on the PDEX and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

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

In July 2022, ALI issued a total of ₱33,000 million fixed rate bonds, broken down into ₱12,000.0 million bonds due 2024 at a rate equivalent to 4.40% p.a., ₱7,000.0 million bonds due 2027 at a rate equivalent to 6.21% p.a. and a ₱14,000.0 million bond due 2029 at a rate equivalent to 6.80% p.a. The offering is the third tranche of debt securities issued under ALI'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, ALI issued a total of ₱15,000 million fixed rate bonds, broken down into ₱10,075.0 million bonds due 2028 at a rate equivalent to 6.03% p.a. and ₱4,925.0 million bond due 2033 at a rate equivalent to 6.29% p.a. The offering is composed of ₱4,750.0 million issued as the fourth and final tranche of ALI's 2021 Program while ₱10,250.0 million representing the first tranche of debt securities issued under its 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.

The loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional loans maturing beyond a year which will result to non-compliance of the required debt-to-equity ratios; merger or consolidation where the Company/subsidiary is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets. These restrictions and requirements were complied with by the Group as of March 31, 2024 and December 31, 2023.

The ALI Group is required to maintain a debt-to-equity ratio not exceeding 3:1. The ALI Group has complied with the debt covenant as of March 31, 2024 and December 31, 2023.

AYCFL

2019 AYCFL US\$400.0 Million Senior Unsecured and Guaranteed Fixed For Life Perpetual Notes (Fixed For Life)

On October 23, 2019, the Parent Company announced that AYCFL had successfully priced a similar US dollar denominated fixed-for-life senior perpetual issuance at an aggregate principal amount of US\$400 million (₱20,118.9 million) with an annual coupon of 4.85% for life with no reset and step-up. The issuer, AYCFL, may redeem the Notes in whole but not in part on October 30, 2024 (first redemption date) or any interest payment date falling after the first redemption date at 100% of the principal amount of the Notes plus any accrued but unpaid interest. The Parent Company unconditionally guarantees the due and punctual payment of this note if, for any reason, AYCFL does not make timely payment of the amount due.

In September 2021, the aggregate principal amount of US\$35 million of this 4.85% Undated Notes was tendered and the aggregate amount of US\$365 million remained outstanding as of March 31, 2024 (unaudited).

2021 AYCFL US\$400 Million Senior Fixed-for-Life Perpetual Notes (the Notes)

On September 16, 2021, the Parent Company announced that it had successfully set the terms for a US dollar-denominated fixed-for-life (non-deferrable) senior perpetual issuance. The Notes have an aggregate principal amount of US\$400 million with a fixed coupon of 3.90% for life, with no step-up and no reset, payable semi-annually. The issuer, AYCFL, may redeem the Notes in whole but not in part on September 23, 2026 (first redemption date) or any interest payment date falling after the first redemption date at 100% of the principal amount of the Notes plus any accrued but unpaid interest. The transaction was settled on September 23, 2021, and the Notes are unconditionally and irrevocably guaranteed by the Parent Company.

AYCFL Social Bond

On November 11, 2021, AYCFL signed a 10-year Social Bond through private placement by the International Finance Corporation ("IFC") amounting to \$100 million (the "Social Bond"), which will

be used for the sustainable and resilient growth and capacity building of the Group's healthcare arm, AC Health. The Social Bond will be unconditionally and irrevocably guaranteed by the Parent Company.

The transaction was settled on January 14, 2022 at a rate of 2.99%. Sustainalytics was engaged to provide a second party opinion on the Ayala Health Social Bond Framework which aligns with the Social Bond Principles and Social Loans Principles published by the International Capital Market Association.

The loan agreements on long-term debt of the Parent Company and certain subsidiaries provide for certain restrictions and requirements with respect to, among others, payment of dividends, incurrence of additional liabilities, investment and guaranties, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Group as of March 31, 2024 and December 31, 2023. The Parent Company aims to maintain a debt-to-equity ratio not exceeding 3:1 in compliance with loan covenants of AYCFL.

ACEIC

Philippine Peso 10.0 Billion Fixed Rate Bonds due 2027

On September 22, 2022, ACEN issued an unsecured fixed-rate bonds with an aggregate principal of ₱10,000.00 million. The proceeds will be used to finance investments in various solar farms. There are no securities pledged as collateral for these bonds. The issue cost amounted to ₱126.28 million.

The offer is comprised of 5-year bonds due on September 22, 2027 with interest rate of 6.0526% per annum. This issuance is ACEN's first tranche offered out of the shelf registration of debt securities of ₱30,000.00 million to be offered within a period of three (3) years. Interest on the bonds is payable quarterly in arrears starting on December 22, 2022, for the first interest payment date and on March 22, June 22, September 22, and December 22 each year for each subsequent payment date.

FFL Bonds / Green Bonds

Green bonds

ACEFIL – Medium Term Note (MTN) Programme

On January 16, 2019, ACEFIL established its MTN Programme with an aggregate amount of US\$1,000.00 million (₱48,470.0 million). The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including eligible green projects and other use of proceeds under ACEFIL's green bond framework.

On November 17, 2020, ACEFIL amended the MTN Programme to increase the aggregate amount to US\$2,000.0 million (₱94,960.0 million) and allow the issuance of senior undated guaranteed notes under the MTN Programme.

ACEFIL – Senior guaranteed notes due 2024 and 2029 and Senior undated guaranteed notes under the MTN Programme

On January 29, 2019, ACEFIL issued US\$225.0 million (₱11,417.4 million) senior guaranteed notes due 2024 guaranteed by ACEIC with a fixed coupon of 4.75%. The notes were priced at 99.45.

On July 9, 2020, ACEFIL issued US\$60.00 million (₱2,908.2 million) senior guaranteed notes due 2029 guaranteed by ACEIC with a fixed coupon of 4.75%. The notes were priced at 104.75.

On November 25, 2020, ACEFIL issued US\$300.0 million (₱14,541.0 million) senior undated guaranteed notes with a fixed coupon of 5.10% for life. The notes were priced at par. The new issue was used to finance the successful tender of US\$186.9 million (₱9,058.5 million) of the US\$400.0 million (₱19,388.0 million) 5.65% senior undated guaranteed notes at a tender price of US\$104.6.

On January 25, 2024, ACEFIL redeemed US\$360.0 million of the Senior guaranteed notes under the MTN Programme. Remaining outstanding guaranteed notes amounted to US\$410.0 million.

At any time, ACEFIL may on any one or more occasions redeem all or part of the “notes under the MTN Programme”, by giving notice, at redemption price equal to 100% of the principal amount of the “notes under the MTN Programme” redeemed, plus the applicable premium (as defined in the respective pricing supplements) as of date, and accrued and unpaid interest, if any, to the date of redemption, subject to the rights of the person in whose name the “notes under the MTN Programme” is registered on the relevant record date to receive interest due on the relevant interest payment date.

The unsecured US dollar-denominated senior Green Bonds requires ACEN to comply with certain covenants including among others, limitations on the incurrence or guarantee of additional indebtedness, creation or incurrence of certain liens, creation or permission of any restrictions on the payment of dividends to ACEN by certain of the ACEN's subsidiaries, entering into unrelated businesses or engagement in certain activities, and limitations on the consolidation, merging or selling of all or substantially all of ACEN's properties and assets with other entities if the ACEN's parent company is not the surviving entity. The incurrence test for additional debt requires ACEN to maintain a net debt to total equity ratio not exceeding 2.5 to 1.0. These were complied with by ACEN as of March 31, 2024 and December 31, 2023.

ACEN Finance – Medium Term Note (MTN) Programme

On August 31, 2021, ACEN Finance Limited (ACEN Finance) established its MTN Programme with an aggregate amount of US\$1,500.0 million. The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including but not limited to, working capital, funding investment activities, development of projects, refinancing and/or repayment of indebtedness and on-lending activities within the ACEN Group. Notes to be issued out of the MTN Programme designated as Green Bonds may be allocated towards the financing and/or refinancing of Eligible Green Projects in accordance with certain prescribed eligibility criteria described under ACEN's Green Bond Framework.

The Notes to be issued by ACEN Finance under its medium-term note program; may be distributed by way of private or public placement; and will be listed on the Singapore Exchange Securities Trading platform (SGX-ST).

ACEN Finance – Senior guaranteed undated FFL notes (Notes) under the MTN Programme

On September 8, 2021, ACEN Finance issued US\$400.0 million senior undated fixed-for-life (non-deferrable) Notes guaranteed by ACEN with a fixed coupon of 4% for life, with no step-up and no reset, priced at par. An amount equal to the net proceeds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework. On September 9, 2021, the Notes were listed with the SGX-ST.

The unsecured US dollar-denominated senior Green Bonds requires ACEIC Group to comply with certain covenants including among others, limitations on the incurrence or guarantee of additional indebtedness, creation or incurrence of certain liens, creation or permission of any restrictions on the payment of dividends to ACEIC Group by certain of ACEIC Group's subsidiaries, entering into unrelated businesses or engagement in certain activities, and limitations on the consolidation, merging or selling of all or substantially all of ACEIC Group's properties and assets with other entities if ACEIC is not the surviving entity. The incurrence test for additional debt requires the Group to maintain a net debt to total equity ratio not exceeding 2.5 to 1.0. These were complied with by ACEIC Group as of March 31, 2024 and December 31, 2023.

As of March 31, 2024 (unaudited) and December 31, 2023 (audited), certain ACEIC property, plant, and equipment were mortgaged as security for the long-term debt of the ACEIC Group (see Note 12).

FFL bonds

Senior undated guaranteed notes

On November 27, 2019, ACEFIL issued US\$400.00 million (₱20,297.60 million) senior undated guaranteed notes guaranteed by ACEIC with a fixed coupon of 5.65% for life. The notes were priced at par.

Redemption at the option of the issuer

ACEFIL may redeem the senior undated guaranteed notes (in whole but not in part) on December 4, 2022 or any interest payment date thereafter at the principal amount plus any accrued but unpaid interest (the "Redemption Price").

On December 2, 2020, ACEFIL successfully completed the tender of US\$186.89 million 5.65% senior undated guaranteed notes. As of December 31, 2020, only US\$213.11 million of the notes remain outstanding.

On November 17, 2021 and December 2021, ACEFIL successfully completed the tender of the remaining notes amounting to US\$213.11 million.

Guarantees

The Parent Company or its subsidiaries may act as guarantor on debt taken out by other subsidiaries within the Group. Any guarantees as of March 31, 2024 (unaudited) and December 31, 2023 (audited) are discussed in those entities' SEC 17-Q or SEC 17-A reports and/or audited financial statements.

Compliance with debt covenants

The loan agreements on long-term debt of the Parent Company and some subsidiaries provide for certain restrictions and requirements with respect to, among others, declaration and/or payment of dividends, incurrence of additional liabilities, investment and guaranties, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Group as of March 31, 2024 and December 31, 2023. For the Parent Company, these covenants include, among others, certain ratios like:

- Debt to equity ratio of not to exceed 3:1
- Net debt to tangible networth ratio of not to exceed 3:1
- Current ratio of not lower than 0.5:1

16. Equity

Details of the Parent Company's paid-in capital follow:

	Preferred Shares – A	Preferred Shares – B	Voting Preferred Shares	Common Shares	Subscribed	Additional Paid-in Capital	Subscriptions Receivable	Total Paid-in Capital	Treasury Shares
					(in Thousands)				
At January 1, 2024 (Audited)	₱1,200,000	₱5,800,000	₱200,000	₱31,475,111	₱277,503	₱54,980,070	(₱2,698,931)	₱91,233,753	(₱14,546,351)
Collection of subscription receivables	–	–	–	–	–	–	15,207	15,207	–
Reclassification/Others	–	–	–	–	–	400	–	400	1
At March 31, 2024 (Unaudited)	₱1,200,000	₱5,800,000	₱200,000	₱31,475,111	₱277,503	₱54,980,470	(₱2,683,724)	₱91,249,360	(₱14,546,350)

	Preferred Shares – A	Preferred Shares – B	Voting Preferred Shares	Common Shares	Subscribed	Additional Paid- in Capital	Subscriptions Receivable	Total Paid-in Capital	Treasury Shares
					(in Thousands)				
At January 1, 2023 (Audited)	₱1,200,000	₱5,800,000	₱200,000	₱31,460,875	₱258,521	₱49,981,886	(₱2,521,025)	₱86,380,257	(₱13,070,802)
Exercise/ cancellation/ subscription of ESOP/ESOWN	–	–	–	14,236	18,982	522,148	(385,988)	169,378	–
Collection of subscription receivables	–	–	–	–	–	–	208,082	208,082	–
Redemption of preferred shares	–	–	–	–	–	(8,000,000)	–	(8,000,000)	(2,000,000)
Reissuance of preferred shares	–	–	–	–	–	12,476,036	–	12,476,036	524,451
At December 31, 2023 (Audited)	₱1,200,000	₱5,800,000	₱200,000	₱31,475,111	₱277,503	₱54,980,070	(₱2,698,931)	₱91,233,753	(₱14,546,351)

Employee Stock Option Plan (ESOP)/ Employee Stock Ownership Plan (ESOWN)

On April 26, 2024, the BOD, during its organization board meeting approved the 2024 stock option program pursuant to the Employee Stock Ownership Plan (the Plan), authorizing the grant to 11 executives, in accordance with the terms of the Plan, stock options covering up to a total of 790,000 common shares at a subscription price of ₱588.29 per share, which is the rounded off volume-weighted average prices of our common shares at the PSE over the last 5-day trading days from April 19 to April 25, 2024.

Retained earnings

The reconciliation of the Parent Company's unappropriated retained earnings available for dividend declaration shows the following as of March 31, 2024 (unaudited) and December 31, 2023 (audited):

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Unappropriated retained earnings, beginning of reporting period*	₱61,589,700	₱57,122,962
Add (less):		
Dividend declaration during the reporting period	(389,229)	(6,392,657)
Sale/retirement of investment in FVOCI	—	(8,702)
Unappropriated retained earnings, as adjusted	61,200,471	50,721,603
Add (less): Net Income (loss) for the current year	824,652	12,363,461
Add (less):		
Net movement of treasury shares	—	(1,475,549)
Net movement in deferred tax asset and deferred tax liabilities related to same transaction	(1)	(19,815)
	(1)	(1,495,364)
Retained earnings available for dividends	₱62,025,122	₱61,589,700

*Reconciliation of unappropriated retained earnings, beginning of reporting period as per SEC MC No. 16-2023:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Unappropriated retained earnings, beginning (per audited FS)	₱76,194,886	₱70,232,785
Add (less):		
Treasury shares, beginning	(14,546,351)	(13,070,802)
Deferred tax asset, beginning	(58,835)	(39,021)
Unappropriated retained earnings, beginning of reporting period	₱61,589,700	₱57,122,962

Cash dividends

The details on the cash dividends declared by the Parent Company for the periods ended March 31, 2024 and 2023 (both unaudited) are shown below.

	Per Share		Amount	
	March 2024 (Unaudited)	March 2023 (Unaudited)	March 2024 (Unaudited)	March 2023 (Unaudited)
Cash dividends			(In Thousands)	
Dividends to equity preferred shares declared during the period:				
Preferred A	₱39.741875	₱—	₱208,427	₱—
Preferred B – Series 1	—	6.562500	—	131,250
Preferred B – Series 2	6.026750	6.026750	180,803	180,803

Property dividends

The dividend distribution commenced in December 2022 and will continue as and when electronic Certificates Authorizing Registration (eCARs) are issued by BIR. The eCAR issuance is a prerequisite for the transfer of the properties of the Parent Company, i.e. the ACEN shares, to each

entitled stockholder as of the record date and it is a process that entails the participation of both the Parent Company, as transferor, and the stockholders, as transferees.

As of the date of this report, the Parent Company's total net dividends distributed is at 99.20% and the BIR's issuance of eCARs and subsequent distribution of ACEN shares are ongoing.

Transactions with non-controlling interests

As of March 31, 2024, the Group had various transactions with its non-controlling interests related to the Parent Company's actual distribution of ACEN shares representing property dividends in 2023, and ALI's block sale of AREIT shares (see Note 3).

Capital management

The primary objective of the Parent Company's capital management policy is to ensure that it maintains a robust statement of financial position in order to support its business and maximize shareholder value.

The Parent Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Parent Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the periods ended March 31, 2024 and December 31, 2023.

The Parent Company monitors capital using a gearing ratio of debt to equity and net debt to equity. Debt consists of short-term and long-term debt of the Group. Net debt includes short-term and long-term debt less cash and cash equivalents, short-term investments, and restricted cash of the Group. The Parent Company considers as capital the total equity.

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Short-term debt	₱62,371,617	₱49,871,493
Long-term debt	542,925,359	539,972,244
Total debt	605,296,976	589,843,737
Less:		
Cash and cash equivalents	69,497,246	74,784,222
Short-term investments	466,596	1,426,579
Restricted cash	8,207,833	8,827,833
Net debt	527,125,301	504,805,103
Total equity	₱696,564,806	₱674,941,361
Debt to equity	86.9%	87.4%
Net debt to equity	75.7%	74.8%

The loan agreements on long-term debt of the Parent Company and some subsidiaries provide for certain restrictions and requirements with respect to, among others, payment of dividends, incurrence of additional liabilities, investment and guaranties, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Group as of March 31, 2024 and December 31, 2023.

The Parent Company also monitors capital through return-to-common equity ratio. For this ratio, the Parent Company considers as capital the average amount of equity with the exclusion of accounts pertaining to preferred shares and the non-controlling interests.

	March 2024 (Unaudited)	March 2023 (Unaudited)
	(in Thousands)	
Net income attributable to owners of the parent	₱13,072,786	₱10,218,577
Less: Dividends to equity preferred shares	389,229	312,052
Net income attributable to common shares owners of the parent	12,683,557	9,906,525
Average common equity attributable to owners of the parent	₱378,193,001	₱346,145,263
Return to common equity	3.4%	2.9%

17. Earnings Per Share

The following table presents information necessary to calculate earnings per share (EPS) on net income attributable to owners of the Parent Company:

	March 2024 (Unaudited)	March 2023 (Unaudited)
	(in Thousands, except EPS figures)	
Net income attributable to the owners of the Parent Company	₱13,072,786	₱10,218,577
Less: Dividends on preferred stocks	(389,229)	(312,053)
	12,683,557	9,906,525
Less: Profit impact of assumed conversions of potential ordinary shares of investees	(17,077)	(16,900)
	₱12,666,480	₱9,889,624
Weighted average number of common shares	619,807	619,147
Dilutive shares arising from stock options	—	3
	619,807	619,150
EPS		
Basic	₱20.44	₱15.97
Diluted	₱20.44	₱15.97

The effect of the stock option in the earnings per share for the period ended March 31, 2024 is anti-dilutive.

18. Revenue

This account consists of:

	March 2024 (Unaudited)	March 2023 (Unaudited)
	(in Thousands)	
Revenue from contracts with customers:		
Real estate	₱30,168,968	₱19,159,029
Manufacturing services	16,502,648	18,602,593
Power generation	9,457,653	7,903,222
Automotive	5,694,842	6,043,147
Others	3,955,127	5,028,600
	65,779,238	56,736,591
Rental income	9,948,308	9,277,607
Sale of goods and rendering of services	75,727,546	66,014,198
Share in net profits of associates and joint ventures	11,542,648	12,004,231
Interest income from real estate	—	954,361
	₱87,270,194	₱78,972,790

Disaggregated revenue information

Set out below is the disaggregation of revenue from contracts with customers of the material subsidiaries of the Group:

ALI Group

Revenue from contracts with customers of ALI Group consists of:

	March 2024 (Unaudited)	March 2023 (Unaudited)
	(in Thousands)	
Revenue from contracts with customers:		
Residential development	₱25,056,146	₱15,759,751
Construction	2,610,328	1,511,303
Hotels and resorts	2,502,494	2,285,899
	₱30,168,968	₱19,556,953

ALI Group derives revenue from the transfer of goods and services over time and at a point in time, in different product types. ALI Group's disaggregation of revenue from contracts with customers from residential development, the biggest revenue segment, are presented below:

	March 2024 (Unaudited)	March 2023 (Unaudited)
	(in Thousands)	
Type of product		
Middle income housing	₱8,587,390	₱5,807,314
Condominium	7,727,271	3,651,522
Lot only	4,437,829	2,073,017
Coremid	4,303,656	4,227,898
	₱25,056,146	₱15,759,751

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

As of March 31, 2024, ALI's interest income from real estate is nil as an effect of its adoption of PFRS 15 Implementation Issues Affecting the Real Estate Industry in relation to the PIC Q&A 2018-12-D.

IMI Group

The following table presents revenue of IMI Group per market segment:

	March 2024 (Unaudited)	March 2023 (Unaudited)
	(in Thousands)	
Automotive	₱11,511,761	₱10,848,500
Industrial	4,262,424	5,861,423
Medical	292,962	376,644
Telecommunication	195,568	397,986
Multiple market/others	123,449	428,725
Consumer	116,484	591,035
Aerospace/defense	—	654,716
	₱16,502,648	₱19,159,029

Translated using the weighted average exchange rate for the period (US\$1: ₱55.85 and ₱54.75 as of March 31, 2024 and 2023, respectively).

19. Segment Information

Business segment information is reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources among operating segments. Accordingly, the primary segment reporting format is by business segment.

For management purposes, the Group is organized into the following business units:

- Parent Company – represents operations of the Parent Company including its financing entities such as ACIFL, AYCFL, PFIL, and MHI.

- Real estate and hotels – planning and development of large-scale fully integrated mixed-used communities that become thriving economic centers in their respective regions. These include development and sale of residential, leisure and commercial lots and the development and leasing of retail and office space and land in these communities; construction and sale of residential condominiums and office buildings; development of industrial and business parks; development and sale of high-end, upper middle-income and affordable and economic housing; strategic land bank management; hotel, cinema and theater operations; and construction and property management.
- Financial services and insurance – commercial banking operations with expanded banking license. These include diverse services such as deposit taking and cash management (savings and time deposits in local and foreign currencies, payment services, card products, fund transfers, international trade settlement and remittances from overseas workers); lending (corporate, consumer, mortgage, leasing and agri-business loans); asset management (portfolio management, unit funds, trust administration and estate planning); securities brokerage (on-line stock trading); foreign exchange and capital markets investments (securities dealing); corporate services (corporate finance, consulting services); investment banking (trust and investment services); a fully integrated bancassurance operations (life, non-life, pre-need and reinsurance services); and other services (internet banking, foreign exchange and safety deposit facilities).
- Telecommunications (Telecoms) – provider of digital wireless communications services using a fully digital network; domestic and international long distance communication services or carrier services; broadband internet and wireline voice and data communication services; also licensed to establish, install, operate and maintain a nationwide local exchange carrier (LEC) service, particularly integrated local telephone service with public payphone facilities and public calling stations, and to render and provide international and domestic carrier and leased line services. In recent years, operations include developing, designing, administering, managing and operating software applications and systems, including systems designed for the operations of bill payment and money remittance, payment facilities through various telecommunications systems operated by telecommunications carriers in the Philippines and throughout the world and to supply software and hardware facilities for such purposes.
- Industrial Technologies – global provider of electronics manufacturing services (EMS) and power semiconductor assembly and test services with manufacturing facilities in Asia, Europe, and North America. It serves diversified markets that include those in the automotive, industrial, medical, telecommunications infrastructure, storage device, and consumer electronics industries. Committed to cost-development to manufacturing and order fulfillment), the company's comprehensive capabilities and global manufacturing presence allow it to take on specific outsourcing needs.
- Power – unit that will build a portfolio of power generation assets using renewable and conventional technologies which in turn will operate business of generating, transmission of electricity, distribution of electricity and supply of electricity, including the provision of related services.
- Automotive and Others – includes operations of the following:
 - Automotive/ Motors – business on manufacturing, distribution and sale plus providing repairs and services for passenger cars, commercial vehicles, motorcycles. Initiatives include industrial manufacturing activity for long-term synergy and integration with automotive business.
 - Healthcare – catering to accessible, affordable, and quality healthcare for all Filipinos by building, investing, and connecting various businesses into an integrated and seamless ecosystem of services across the continuum of care.
 - Infrastructure – development arm for various types of infrastructure
 - Logistics – business unit provides end-to-end logistics solutions to cater to all customers across the value chain.
 - Water – water delivery, sewerage, sanitation, distribution services, pipeworks, used water management and management services; also exclusively provides water services, facilities to all property development projects of major real estate companies.

- Education – delivering accessible, quality education that enables significantly improved employability for our high school and college graduates; with mission to transform lives and society by innovating Philippine education and research.
- Venture capital – platform for peeking into new technologies and business models that are relevant to the group; aims to be an enabler by investing in adjacent businesses that are complementary to Ayala's existing business units and a pathfinder by investing in new sectors, emerging trends, and innovative businesses. International unit – strategic investments in overseas property companies and projects
- Others – includes outsourcing services unit (onshore and offshore outsourcing services in the research, analytics, legal, electronic discovery, document management, finance and accounting); aviation (air-chartered services); consultancy, and other operating companies

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

For the periods ended March 31, 2024 and 2023 and December 31, 2023, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

Intersegment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, segment expense and segment results include transfers between operating segments. Those transfers are eliminated in consolidation.

The various business segments in the Group are not affected by seasonality in operations.

The following tables regarding operating segments present revenue and income information for the periods ended March 31, 2024 and 2023 (both unaudited), and assets and liabilities as of March 31, 2024 (unaudited) and December 31, 2023 (audited).

March 2024 (Unaudited)
(in Millions)

	Parent Company	Real Estate and Hotels	Financial Services and Insurance	Telecoms	Industrial Technologies	Power Generation	Automotive and Others	Intersegment Eliminations / Consolidation Adjustments	Consolidated
Revenue									
Sales to external customers	P6	P39,907	P–	P–	P16,282	P9,506	P10,027	P–	P75,728
Intersegment	37	210	–	–	27	–	129	(403)	–
Share of profit of associates and joint ventures	–	412	6,863	2,114	–	1,229	924	–	11,542
Interest income from real estate	–	–	–	–	–	–	–	–	–
	43	40,529	6,863	2,114	16,309	10,735	11,080	(403)	87,270
Costs and expenses									
Costs of sales and services	2	25,617	–	–	14,862	7,078	8,898	(235)	56,222
General and administrative expenses	2,194	2,383	–	–	2,956	1,839	2,222	(151)	11,443
	2,196	28,000	–	–	17,818	8,917	11,120	(386)	67,665
Other income (charges) - net									
Interest income	101	184	–	–	29	2,617	145	(42)	3,034
Other income	2,524	291	–	–	37	1,097	437	(16)	4,370
Interest and other financing charges	(2,325)	(3,780)	–	–	(302)	(1,249)	(364)	74	(7,946)
	300	(3,305)	–	–	(236)	2,465	218	16	(542)
Net income (loss) before income tax	(1,853)	9,224	6,863	2,114	(1,745)	4,283	178	(1)	19,063
Provision for (benefit from) income tax	11	1,786	–	–	(73)	(117)	81	–	1,688
Net income (loss)*	(P1,864)	P7,438	P6,863	P2,114	(P1,672)	P4,400	P97	(P1)	P17,375
<i>*NIAT slightly different vs. the reported NIAT of certain business units due to cut-off adjustments taken up at AC consolidated FS. Along with other cut-off adjustments, the net effect to consolidated NIAT is less than 1%.</i>									
Other information									
Segment assets	P61,381	P809,117	P–	P–	P53,342	P296,868	P80,591	(P49,506)	P1,251,793
Investments in associates and joint ventures	271,580	31,390	–	–	–	49,390	16,971	–	369,331
Deferred tax assets	133	15,818	–	–	249	2,305	911	704	20,120
Total assets	P333,094	P856,325	P–	P–	P53,591	P348,563	P98,473	(P48,802)	P1,641,244
Segment liabilities	P217,239	P522,884	P–	P–	P36,591	P167,462	P37,904	(P49,453)	P932,627
Deferred tax liabilities	73	8,405	–	–	55	981	2,538	–	12,052
Total liabilities	P217,312	P531,289	P–	P–	P36,646	P168,443	P40,442	(P49,453)	P944,679
Depreciation and amortization	P63	P2,568	P–	P–	P470	P452	P455	(P42)	P3,966
Non-cash expenses other than depreciation and amortization	P1,159	P110	P–	P–	P1,505	P335	P52	–	P3,161
Segment additions to property, plant and equipment and investment properties	P45	P7,858	P–	P–	P191	P7,862	P1,103	P156	P17,215
Cash flows provided by (used in):									
Operating activities	(P2,797)	P2,064	P–	P–	P1,142	P1,442	P2,052	(P206)	P3,697
Investing activities	(P3,267)	(P7,238)	P–	P–	(P218)	(P13,192)	(P640)	P4,650	(P19,905)
Financing activities	P6,923	P8,168	P–	P–	(P912)	(P1,095)	P622	(P3,056)	P10,650

March 2023 (Unaudited)
(in Millions)

	Parent Company	Real Estate and Hotels	Financial Services and Insurance	Telecoms	Industrial Technologies	Power Generation	Automotive and Others	Intersegment Eliminations / Consolidation Adjustments	Consolidated
Revenue									
Sales to external customers	₱32	₱28,838	₱—	₱—	₱19,449	₱7,949	₱9,747	₱—	₱66,015
Intersegment	24	234	—	—	22	—	90	(370)	—
Share of profit of associates and joint ventures	—	430	6,233	2,252	—	2,291	798	—	12,004
Interest income from real estate	—	954	—	—	—	—	—	—	954
	56	30,456	6,233	2,252	19,471	10,240	10,635	(370)	78,973
Costs and expenses									
Costs of sales and services	3	18,972	—	—	17,743	6,794	8,487	(257)	51,742
General and administrative	717	2,078	—	—	1,410	1,118	2,112	(180)	7,255
	720	21,050	—	—	19,153	7,912	10,599	(437)	58,997
Other income (charges) - net									
Interest income	152	43	—	—	7	1,892	164	(105)	2,153
Other income	(47)	196	—	—	174	356	362	1	1,042
Interest and other financing charges	(2,070)	(3,225)	—	—	(273)	(1,323)	(394)	105	(7,180)
	(1,965)	(2,986)	—	—	(92)	925	132	1	(3,985)
Net income (loss) before income tax	(2,629)	6,420	6,233	2,252	226	3,253	168	68	15,991
Provision for (benefit from) income tax	6	1,200	—	—	109	(320)	788	17	1,800
Net income (loss)*	(₱2,635)	₱5,220	₱6,233	₱2,252	₱117	₱3,573	(₱620)	₱51	₱14,191
*NIAT slightly different vs. the reported NIAT of certain business units due to cut-off adjustments taken up at AC consolidated FS. Along with other cut-off adjustments, the net effect to consolidated NIAT is less than 1%.									
Other information									
Depreciation and amortization	₱52	₱2,378	₱—	₱—	₱437	₱440	₱441	(₱94)	₱3,654
Non-cash expenses other than depreciation and amortization	₱—	₱121	₱—	₱—	₱53	₱265	₱12	₱—	₱451
Segment additions to property, plant and equipment and investment properties	₱53	₱3,213	₱—	₱—	₱323	₱4,964	₱688	₱227	₱9,468
Cash flows provided by (used in):									
Operating activities	(₱1,693)	(₱7,925)	₱—	₱—	₱16	(₱218)	₱158	₱10,277	₱615
Investing activities	₱767	(₱2,841)	₱—	₱—	₱1,231	(₱2,556)	(₱1,112)	(₱11,099)	(₱15,610)
Financing activities	(₱380)	₱10,447	₱—	₱—	₱472	₱2,854	₱822	₱961	₱15,176

December 2023 (Audited)
(in Millions)

	Parent Company	Real Estate and Hotels	Financial Services and Insurance	Telecoms	Industrial Technologies	Power Generation	Automotive and Others	Intersegment Eliminations / Consolidation Adjustments	Consolidated
Assets and Liabilities									
Segment assets	₱63,177	₱796,438	₱—	₱—	₱56,216	₱294,645	₱76,423	(₱51,610)	₱1,235,289
Investments in associates and joint ventures	262,757	31,174	—	—	—	45,102	14,931	—	353,964
Deferred tax assets	133	15,146			142	2,224	912	903	19,460
Total assets	₱326,067	₱842,758	₱—	₱—	₱56,358	₱341,971	₱92,266	(₱50,707)	₱1,608,713
Segment liabilities	₱211,266	₱519,146	—	—	₱37,813	₱166,635	₱41,727	(₱54,274)	₱922,313
Deferred tax liabilities	73	7,324	—	—	56	1,288	2,718	—	11,459
Total liabilities	₱211,339	₱526,470	₱—	₱—	₱37,869	₱167,923	44,445	(₱54,274)	₱933,772
Depreciation and amortization	₱228	₱9,506	₱—	₱—	₱1,966	₱1,648	₱2,043	(₱910)	₱14,481
Non-cash expenses other than depreciation and amortization	(₱416)	₱589	₱—	₱—	₱3,557	₱3,001	₱5,406	(₱870)	₱11,267
Segment additions to property, plant and equipment and investment properties	₱340	₱21,455	₱—	₱—	₱1,527	₱29,379	₱1,886	(₱1,923)	₱52,664
Cash flows provided by (used in):									
Operating activities	(₱8,388)	₱21,360	₱—	₱—	₱301	₱1,581	(₱3,563)	₱5,748	₱17,039
Investing activities	₱13,660	(₱30,186)	₱—	₱—	(₱1,903)	(₱26,115)	(₱4,040)	(₱9,905)	(₱58,489)
Financing activities	(₱4,667)	₱13,886	₱—	₱—	₱219	₱29,929	₱5,905	(₱2,965)	₱42,307

20. Fair Value Measurement and Derivative Instruments and Financial Instruments

A. Fair Value Measurement and Derivative Instruments

Fair Value of Financial and Nonfinancial Instruments

The carrying amounts approximate fair values for the Group's financial assets and financial liabilities due to their short-term maturities except for the following financial instruments as of March 31, 2024 (unaudited) and December 31, 2023 (audited):

	March 2024 (Unaudited)		December 2023 (Audited)	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(in Thousands)			
FINANCIAL ASSETS AT FVTPL				
Held for trading – current	₱9,361,212	₱9,361,212	₱7,307,324	₱7,307,324
Convertible loans – noncurrent	3,702,273	3,702,273	3,812,204	3,812,204
Derivative assets – freestanding	6,178,025	6,178,025	6,447,640	6,447,640
Total financial assets at FVTPL	19,241,510	19,241,510	17,567,168	17,567,168
FINANCIAL ASSETS AT AMORTIZED COST				
Accounts and notes receivables	285,961,862	285,994,960	278,894,635	277,493,736
Financial assets at amortized cost	22,458,334	18,961,809	21,633,799	18,137,275
Total financial assets at amortized cost	308,420,196	304,956,769	300,528,434	295,631,011
FINANCIAL ASSETS AT FVOCI				
Quoted equity investments	1,654,302	1,654,302	1,481,557	1,481,557
Unquoted equity investments	10,608,427	10,608,426	10,405,345	10,405,345
Total financial assets at FVOCI	12,262,729	12,262,728	11,886,902	11,886,902
OTHER FINANCIAL ASSETS				
Deposits	13,359,622	13,359,622	14,950,639	14,950,639
Total other financial assets	13,359,622	13,359,622	14,950,639	14,950,639
Total financial assets	353,284,057	349,820,629	344,933,143	340,035,720
FINANCIAL LIABILITIES AT FVTPL				
Derivative liabilities	249,521	249,521	305,149	305,149
Total financial liabilities at FVTPL	249,521	249,521	305,149	305,149
OTHER FINANCIAL LIABILITIES				
Long-term debt	542,925,359	533,216,887	539,972,244	520,203,684
Deposits and other noncurrent liabilities	62,782,606	63,927,755	65,494,928	66,296,635
Total other financial liabilities	605,707,965	597,144,642	605,467,172	586,500,319
Total financial liabilities	₱605,957,486	₱597,394,163	₱605,772,321	₱586,805,468

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Financial assets at FVTPL – Fair values of investment securities are based on quoted prices as of the reporting date. For other investment securities such as FVTPL with no reliable measure of fair value, these are carried at their last transaction price. For convertible loans, the fair values of the investments are determined using the applicable discount rate for similar type of instruments.

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

The fair value of the investment in ARCH Capital Fund is determined using the discounted cash flow (DCF) method. Under the DCF method in fund fair valuation, it is estimated using assumptions regarding the benefits and liabilities of ownership over the underlying asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream, associated with the underlying asset. The exit yield is normally separately determined and differs from the discount rate. Significant inputs considered were rental, growth and discount rates. The higher the rental and growth rates, the higher the fair value. The higher the discount rates, the lower the fair value.

The fair value of other unquoted financial assets at FVTPL is determined using Weighted Average Cost of Capital using market comparables.

Derivative instrument – The fair value of the freestanding currency forwards is based on counterparty valuation.

Noncurrent trade and nontrade receivables – The fair values are based on the discounted value of future cash flows using the applicable rates for similar types of instruments.

Financial assets at amortized cost includes investments in redeemable preferred shares and convertible loans. For investment in redeemable preferred shares and convertible loan, the fair values of the investments are determined using the applicable discount rate for similar type of instruments.

Financial assets at FVOCI investment in bonds – fair value of the bonds is based on binomial lattice approach.

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.

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties.

Derivative liability – the fair value of the derivative liability is determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for risks existing at the end of each reporting period.

Other financial liabilities – noncurrent – The fair values are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates for similar borrowings, with maturities consistent with those remaining for the liability being valued.

For variable rate loans that reprice every three months, the carrying value approximates the fair value because of recent and regular repricing based on current market rates.

The following table shows the fair value hierarchy of the Group's assets and liabilities as at March 31, 2024 (unaudited) and December 31, 2023 (audited):

	March 2024 (Unaudited)			Total
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	(in Thousands)			
Recurring financial assets measured at fair value:				
Financial assets at FVTPL – current	₱–	₱261,794	₱9,099,418	₱9,361,211
Convertible loans – noncurrent	–	–	3,702,273	3,702,273
Derivative assets – Freestanding	–	6,178,025	–	6,178,025
Total financial assets at FVTPL	–	6,439,819	12,801,691	19,241,510
Financial assets at FVOCI				
Quoted equity investments	487,975	1,193,630	–	1,681,605
Unquoted equity investments	–	–	10,581,123	10,581,123
Total financial assets at FVOCI	487,975	1,193,630	10,581,123	12,262,728
	487,975	7,633,449	23,382,814	31,504,238
Recurring financial assets for which fair values are disclosed:				
Noncurrent trade and nontrade receivables	₱–	₱–	₱63,648,026	₱63,648,026
Financial assets at amortized cost	–	–	18,961,809	18,961,809
Deposits	–	–	13,359,622	13,359,622
	₱–	₱–	₱95,969,457	₱95,969,457

March 2024 (Unaudited)				
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Recurring financial liabilities measured at fair value				
Derivative liabilities	P-	P249,521	P-	P249,521
	P-	P249,521	P-	P249,521
Recurring financial liabilities for which fair values are disclosed:				
Long-term debt	P-	P-	P533,216,887	P533,216,887
Deposits and other noncurrent liabilities	-	-	63,927,755	63,927,755
	P-	P-	P597,144,642	P597,144,642
Nonfinancial assets for which fair values are disclosed:				
Investment properties	P-	P1,903,712	P492,888,354	P494,792,065
Investments in associates and joint ventures*	461,211,687	-	-	461,211,687
	P461,211,687	P1,903,712	P492,888,354	P956,003,752

*Fair value of investments in listed associates and joint ventures for which there are published price quotations

December 2023 (Audited)				
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in Thousands)				
Recurring financial assets measured at fair value:				
Financial assets at FVTPL – current	P-	P228,674	P7,078,649	P7,307,323
Convertible loans – noncurrent	-	-	3,812,204	3,812,204
Derivative assets – Freestanding	-	6,447,640	-	6,447,640
Total financial assets at FVTPL	-	6,676,314	10,890,853	17,567,167
Financial assets at FVOCI				
Quoted equity investments	461,237	1,020,320	-	1,481,557
Unquoted equity investments	-	-	10,405,345	10,405,345
Total financial assets at FVOCI	461,237	1,020,320	10,405,345	11,886,902
	P461,237	P7,696,634	P21,296,198	P29,454,069
Recurring financial assets for which fair values are disclosed:				
Noncurrent trade and nontrade receivables	P-	P-	P59,313,501	P72,207,118
Financial assets at amortized cost	-	-	18,137,275	18,137,275
Deposits	-	-	14,950,639	14,950,639
	P-	P-	P92,401,415	P105,295,032
Recurring financial liabilities measured at fair value				
Derivative liabilities	P-	P305,149	P-	P305,149
	P-	P305,149	P-	P305,149
Recurring financial liabilities for which fair values are disclosed:				
Long-term debt	P-	P-	P520,203,684	P520,203,684
Deposits and other noncurrent liabilities	-	-	66,296,635	66,296,635
	P-	P-	P586,500,319	P586,500,319
Nonfinancial assets for which fair values are disclosed:				
Investment properties	P-	P-	P658,425,255	P658,425,255
Investments in associates and joint ventures*	411,923,435	-	-	411,923,435
	P411,923,435	P-	P658,425,255	P1,070,348,690

*Fair value of material investments in listed associates and joint ventures for which there are published price quotations, including the BPI shares held by Liontide Holdings, Inc.

There was no change in the valuation techniques used by the Group in determining the fair market value of the assets and liabilities.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

ACEIC Group categorizes equity instruments at FVOCI, loans payable and notes payable under Level 3 valuation techniques:

Equity instruments at FVOCI

Estimated fair value is based on the discounted value of future cash flows using the applicable discount rates relevant to the industry of investee companies. This is a Level 3 valuation technique.

Loans and notes payable

Estimated fair values are based on the discounted value of future cash flows using the applicable rates for similar types of loans and liabilities. This is a Level 3 valuation technique.

ALI Group categorizes trade receivable, receivable from employees, long-term debt and deposits and other noncurrent liabilities under Level 3. The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is that the higher the spread, the lower the fair value.

A reconciliation of the beginning and closing balances of Level 3 financial assets and liabilities at FVTPL are summarized below:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Financial assets at FVTPL		
Balance at beginning of year	₱10,890,853	₱14,864,588
Additions (disposals)	1,771,175	(3,912,487)
Recognized in consolidated statement of income	—	21,764
Exchange difference and others	139,663	(83,012)
Balance at end of period	₱12,801,691	₱10,890,853
	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Financial liabilities at FVTPL		
Balance at beginning of year	₱—	₱124,456
Exchange difference and others	—	(124,456)
Balance at end of period	₱—	₱—

B. Derivatives

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Derivative assets		
Forward contract of AC Energy, IMI, AC and AIVPL	₱6,178,025	₱6,447,640
Derivative liabilities		
Forward contract of ACEIC and IMI	₱249,521	₱305,149

Fair value changes on derivatives

The net movements in fair values of the Group's derivative instruments for the periods ended March 31, 2024 (unaudited) and December 31, 2023 (audited) follow:

Derivative Assets

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Balance at beginning of year	₱6,447,640	₱679,434
Additions (disposals) during the period	(269,615)	5,768,206
Balance at end of period	₱6,178,025	₱6,447,640

Derivative Liabilities

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Balance at beginning of year	₱305,149	₱366,921
Net changes in fair value of derivatives	(55,628)	(61,772)
Balance at end of period	₱249,521	₱305,149

No other financial assets or liabilities are carried at fair value as of March 31, 2024 (unaudited) and December 31, 2023 (audited).

Net changes in fair value of derivative assets and liabilities were recognized in the unaudited interim condensed consolidated statement of income under “Other income”. While the net changes in fair value of IMI Group’s freestanding currency forward are recognized in the consolidated income under “Foreign exchange gains (losses)”.

C. Financial Instruments

Financial Risk Management

General

Like any other risks, financial risks are inherent in the business activities and are typical of any large holding company. The financial risk management of the Parent Company seeks to effectively contribute to better decision making, enhance performance, and satisfy compliance demands.

The Parent Company defines financial risks as risk that relates to the Parent Company’s ability to meet financial obligations and mitigate funding risk, credit risk and exposure to broad market risks, including volatility in foreign currency exchange rates and interest rates. Funding risk refers to the potential inability to meet contractual or contingent financial obligations as they arise and could potentially impact the Parent Company’s financial condition or overall financial position. Credit risk is the risk of financial loss arising from a counterparty’s failure to meet its contractual obligations or non-payment of an investment. These exposures may result in unexpected losses and volatilities in the Parent Company’s profit and loss accounts.

The Parent Company maintains a strong focus on its funding strategy to help provide access to sufficient funding to meet its business needs and financial obligations throughout business cycles. The Parent Company’s plans are established within the context of our annual strategic and financial planning processes. The Parent Company also take into account capital allocations and growth objectives, including dividend pay-out. As a holding company, the Parent Company generates cash primarily on dividend payments of its subsidiaries, associates and joint ventures and other sources of funding.

The Parent Company also establishes credit policies in setting up limits for counterparties that are reviewed quarterly and monitoring of any changes in credit standing of counterparties.

The Parent Company has a formal foreign exchange and interest rate risk management policy. The Parent Company actively monitors foreign exchange exposure and interest rate changes. And in addition, the Parent Company ensures that all loan covenants and regulatory requirements are complied with.

The Ayala Group continues to monitor and manage its financial risk exposures in accordance with Board approved policies. The succeeding discussion focuses on Ayala Group’s financial risk management.

Financial Risk Management Objectives and Policies

The Group’s principal financial instruments comprise financial assets at amortized cost, FVTPL and FVOCI, 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 cash

and cash equivalents, short-term investments, accounts and notes receivables, and accounts payable and accrued expenses which arise directly from its operations.

The Group's main risks arising from the use of financial instruments are interest rate risk, foreign exchange risk, price risk, liquidity risk, and credit risk.

The Group also uses hedging instruments, the purpose of which is to manage the currency and interest rate risks arising from its financial instruments.

The Group's risk management policies relevant to financial risks are summarized below:

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Parent Company's and its subsidiaries' obligations. The policy is to keep a certain level of the total obligations as fixed to minimize earnings volatility due to fluctuation in interest rates.

Foreign exchange risk

The Group's foreign exchange risk results primarily from movements of the PHP against other currencies. The Group's consolidated statements of income can be affected significantly by movements in the USD and other currencies versus the PHP. The Group entered into currency forward contracts to hedge its risks associated with foreign currency fluctuations.

The second and third columns of the table below summarize the Group's exposure to foreign exchange risk as of March 31, 2024 (unaudited) and December 31, 2023 (audited). The fourth and fifth columns of the table demonstrates the sensitivity to a reasonably possible change in the exchange rate, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity as of March 31, 2024 (unaudited) and December 31, 2023 (audited).

March 2024 (Unaudited)				
Foreign Currency	Net Assets (Liabilities)	Peso Equivalent	Increase (Decrease) in Peso per Foreign Currency	Increase (Decrease) in Profit before Tax
	(in Thousands)			(in Thousands)
United States Dollar (USD)	(USD312,427)	(P17,747,364)	P1.00 (1.00)	(P312,427) 312,427
Japanese Yen (JPY)	(JPY503,042)	(186,769)	1.00 (1.00)	(503,042) 503,042
Euro (EUR)	EUR78,671	4,791,035	1.00 (1.00)	78,671 (78,671)
Chinese RMB (RMB)	RMB121,973	966,843	1.00 (1.00)	121,973 (121,973)
Vietnam Dong (VND)	(VND6,291,215)	(30,488)	1.00 (1.00)	(6,291,215) 6,291,215
December 2023 (Audited)				
Foreign Currency	Net Assets (Liabilities)	Peso Equivalent	Increase (Decrease) in Peso per Foreign Currency	Increase (Decrease) in Profit before Tax
	(in Thousands)			(in Thousands)
United States Dollar (USD)	USD2,770	P316,676	P1.00 (1.00)	P2,770 (2,770)
Japanese Yen (JPY)	(JPY205,286)	(77,585)	1.00 (1.00)	(205,286) 205,286
Euro (EUR)	EUR55,884	3,421,459	1.00 (1.00)	55,884 (55,884)
Chinese RMB (RMB)	RMB115,828	905,502	1.00 (1.00)	115,828 (115,828)
Vietnam Dong (VND)	(VND6,290,944)	(15,008)	1.00 (1.00)	(6,290,944) 6,290,944

There is no other impact on the Group's equity other than those already affecting the profit before tax.

Equity price risk

Financial assets at FVTPL and FVOCI are acquired at certain prices 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, the country's economic performance, political stability, and domestic inflation rates, these prices change, reflecting how market participants view the developments. The Group's investment policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each sector and market.

Liquidity risk

Liquidity risk is defined by the Group as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Group that make it difficult 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 loss due to wider than normal bid-offer spreads.

The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues, both on-shore and off-shore.

Credit risk

Credit risk is the risk that the Group's counterparties to its financial assets will fail to discharge their contractual obligations. The Group's holding of cash and cash equivalents and short-term investments and receivables from customers and other third parties exposes the Group to credit risk of the counterparty. Credit risk management involves dealing with institutions for which credit limits have been established. The Treasury and Financial Policies of the individual subsidiaries set credit limits for their counterparty. The Group trades only with recognized, creditworthy third parties and has a well-defined credit policy and established credit procedures.

The Group considers the probability default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

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

The maximum exposure to credit risk for the components of the consolidated statement of financial position is equal to the carrying values.

Part of the policies is the performance of impairment analysis for the credit accounts.

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

Cash and cash equivalents, short-term investments, financial assets at FVTPL, quoted financial assets at FVOCI, financial assets at amortized cost, advances to other companies, and related party receivables

High grade pertains to cash and cash equivalents and short-term investments, quoted financial assets, financial assets at amortized cost, related party transactions and receivables with high probability of collection.

Medium grade pertains to unquoted financial assets other than cash and cash equivalents, FVTPL financial assets, and short-term investments with nonrelated counterparties and receivables from counterparties with average capacity to meet their obligation.

Low grade pertains to financial assets with the probability to be impaired based on the nature of the counterparty.

Trade receivables

Real estate, power, outsourcing and international and others –high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to 3 defaults in payment in the past; and low grade pertains to receivables with more than 3 defaults in payment.

Industrial technologies – high grade pertains to receivable with favorable credit terms and can be offered with a credit term of 15 to 45 days; medium grade pertains to receivable with normal credit terms and can be offered with a credit term of 15 to 30 days; and low grade pertains to receivables under advance payment or confirmed irrevocable Stand-by Letter of Credit and subjected to semi-annual or quarterly review for possible upgrade or transaction should be under advance payment or confirmed and irrevocable Stand-By Letters of credit; subject to quarterly review for possible upgrade after one year.

Automotive – high grade pertains to receivables from corporate accounts and medium grade for receivables from noncorporate accounts.

Unquoted financial assets at FVOCI – the unquoted investments are unrated.

21. 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. Related parties may be individuals or corporate entities.

All publicly-listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

The Parent Company has an approval requirement such that material related party transactions (RPT) shall be reviewed by the Risk Management and Related Party Transactions Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the Committee approved threshold value – of ₱50.0 million or five (5) percent of the total assets, whichever is lower. The Parent Company's Risk Management Unit, acting as the secretariat of the Committee, reviewed the RPTs before these were presented to the Committee for approval.

The Group, in its regular conduct of business, has entered into transactions with associates, joint ventures and other related parties principally consisting of deposits/placements, advances, loans and reimbursement of expenses, purchase and sale of real estate properties, various guarantees, construction contracts, and development, management, underwriting, marketing and administrative service agreements. Sales and purchases of goods and services as well as other income and expense to and from related parties are made at normal commercial prices and terms.

Highlights of related party transactions follow:

a. Transactions with BPI, an associate

As of March 31, 2024 (unaudited) and December 31, 2023 (audited), the Group maintains current and savings account, money market placements, other short-term investments and other current assets as well as short-term and long-term debt with BPI broken down as follows:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Cash in banks (Note 4)	₱9,819,839	₱8,728,749
Cash equivalents (Note 4)	15,496,297	16,943,304
Short-term investments (Note 5)	346,778	453,910
Financial assets at FVTPL (Note 8)	4,209,394	206,772
Short-term and long-term debt (Note 15)	31,941,364	31,723,644

Cash in banks earn interest at prevailing bank deposit rates while cash equivalents and short-term investment earn interest at the respective short-term placement rate. Investment in FVTPL pertain to MMF which earns interest depending on the duration of time invested in the fund.

The Group's short-term and long-term debts are interest bearing with varying rates, have various maturities starting 2024 and varying schedules of payments for interest (see Note 15).

Transactions with BPI will be settled in cash.

b. Outstanding balances of related party transactions follow:

	March 2024 (Unaudited)	December 2023 (Audited)
	(in Thousands)	
Receivable from related parties (Note 6)	₱33,255,098	₱30,118,849
Receivable from officers and employees (Note 6)	2,286,424	2,281,708
Dividend receivable (Note 6)	1,209,847	1,292,270
Payable to related parties (Note 13)	3,955,005	4,814,623

The March 2024 (unaudited) amounts represent 12.8% and 1.9% of the Group's total accounts and notes receivables and total accounts payable and accrued expenses, respectively.

Provisions for ECL on related parties amounted to nil for the periods ended March 31, 2024 and 2023 (both unaudited).

Receivable from related parties

Receivable from related parties pertains mostly to interest and non-interest-bearing advances with various maturities. Advances include certain residential development projects which become due as soon as the projects are completed. The receivables also include ACEIC's receivables from associates and joint venture partners and AC Industrial's' certain trade receivables arising from automotive and other sales (see Note 6). This account also includes other receivables relating to reimbursement of operating expenses like management fees, among others. The trade and other receivables are unsecured, will be settled in cash and are due and demandable.

Impairment assessment is undertaken at end of year or anytime during the year when there is a condition that would require such, through examining the financial position of the related parties and the markets in which the related parties operate.

Receivables from officers and employees

These pertain to housing, car, salary and other loans granted to the Group's officers and employees which are collectible through salary deduction, are interest bearing ranging from 6.0% to 10.0% per annum and have various maturity dates.

Dividends receivable

Dividends receivable from related parties pertains to accrued dividend declarations from associates and joint ventures. These are non-interest bearing and usually collectible within one year.

Payables to related parties

These payables include: (a) cost of lots for joint development projects; (b) purchased parts and accessories and vehicles and purchase of services; and (c) advances and reimbursements for operating costs. These are all unsecured, interest free, will be settled in cash and are due and demandable.

c. Revenue and expenses from related parties follow:

	March 2024 (Unaudited)	March 2023 (Unaudited)
	(in Thousands)	
Revenue from related parties	₱1,913,935	₱2,312,334
Expenses from related parties	7,189,557	2,680,611

The March 31, 2024 (unaudited) amounts represent 2.1% and 9.5% of the Group's total revenues and expenses, respectively. These consist of, among others, income from real estate, power generation, automotive sales, professional services and interest/financing as well as expenses on interest (see Note 15), water utilities, communications and professional fees.

22. Notes to Consolidated Statements of Cash Flows

Changes in liabilities arising from financing activities follow:

	December 2023 (Audited)	Cash Flows	Non-cash Changes *	Foreign Exchange Movement	March 2024 (Unaudited)
	(in Thousands)				
Short-term and long-term debt	₱589,843,737	₱13,046,038	₱113,114	₱2,294,087	₱605,296,976
Dividend payable	3,379,777	(4,198,861)	1,889,796	–	1,070,712
Other noncurrent liabilities	49,472,112	1,925,098	539,215	–	51,936,425
Lease liabilities	30,705,536	(795,933)	743,802	(270,534)	30,382,871
Total liabilities from financing activities	₱673,401,162	₱9,976,342	₱3,285,927	₱2,023,553	₱688,686,984

*Non-cash changes on:

- Dividends payable pertains to cash dividends declared (see Note 16) during the period.
- Lease liabilities pertains to additions and accretion of interest expense during the period.

23. Events After the Reporting Period

Parent Company

1. *Capital infusions*

On April 11, 2024, into AC Logistics amounting to ₱925.0 million in exchange for 438.39 million common share at a subscription price of ₱2.11 per share.

2. *Bond redemption*

On April 12, 2024, the Parent Company's ₱4.0 billion, 3.0260% Series A Bonds Due 2024 will be fully redeemed on its maturity date on May 28, 2024 in accordance with the Prospectus and the Terms and Conditions of the Bonds annexed to the Trust Indenture dated May 11, 2021. The Bonds shall be redeemed by payment in cash of the redemption price set at 100% of the Issue Price plus all accrued and unpaid interest based on the coupon rate of 3.0260% per annum.

3. *Dividend declaration*

On April 22, 2024, the Parent Company's BOD approved the declaration of the annual cash dividends on outstanding unlisted voting preferred shares amounting to 4.8096% of issue price, or ₱0.048096 per share. The record date is May 7, 2024 and payment date is on May 20, 2024.

On April 29, 2024, the Parent Company's BOD approved the declaration of second quarter cash dividends on the outstanding Preferred "B" Series 2 Shares (APB2R) and Preferred "A" Shares (ACPAR). The APB2R cash dividend amounts to ¼ of 4.8214% per annum or ₱6.02675 per share and the ACPAR cash dividend amounts to ¼ of 6.3587% per annum or ₱39.741875 per share. The record date is May 14, 2024 and payment is on May 29, 2024.

ACEIC

1. *Redemption of GMEC Special Limited Partnership Interests*

On April 19, 2024, GMEC redeemed in full, its Special Limited Partnership Interests (SLIP Interest) issued to ACEIC as Limited Partner, under its GMEC Limited Partnership Agreement, amounting to US\$5.94 million, for full redemption and full payment of the corresponding unpaid Preferred Cumulative Distribution.

ACEIC, as assignee of AMPLC (limited partner of GMEC), is a SLIP interest subscriber.

2. *Sale of shares indirectly owned by ACRI in PT UPC Sidrap Bayu Energi*

On April 2, 2024, upon fulfillment of conditions precedent, ACRI, together with its joint venture partner, UPC Renewables Asia Pacific Holdings Pte. Ltd., completed the sale of all their shares in PT UPC Sidrap Bayu Energi, held through UPC Sidrap HK Limited and UPC Renewables Asia III Limited, to PT Barito Wind Energy.

3. *ACEN secures US\$150M green term loan facility from Sumitomo Mitsui Banking Corporation Singapore Branch (SMBC)*

On April 15, 2024, ACEN, through its subsidiary ACRI, signed a US\$150.00 million green term loan facility with SMBC. This strategic financial move is in line with ACEN's ongoing efforts to finance investments in renewable power projects across the region.

ALI

Merger of ALI subsidiaries

On April 25, 2024, the stockholders of ALI approved the Plan of Merger of the ALI and at most 34 entities that are wholly owned directly by ALI, or through AyalaLand Estates, Inc. and AyalaLand Hotels and Resorts Corp., with the ALI as the surviving entity, and the execution of all documents and performance of all acts, including the effective waiver/denial of pre-emptive rights of stockholders for the purpose of implementing the proposed merger, as approved by the BOD on March 12, 2024.

On the same day, the Board of Directors of Ayala Land, during its Organizational Board Meeting, approved the following executive appointments:

1. George I. Aquino – Vice President
2. Jose Eduardo A. Quimpo II – Vice President and Treasurer

AC Infra

Entrego operations

On April 5, 2024, the stockholders and BOD of Entrego approved the cessation of business operations of the company effective July 1, 2024, and to terminate, confirm and ratify the termination of its employees effective January 1, 2024, and February 1, 2024, respectively.

Section 2. Management's Discussion and Analysis (MD&A) of Financial Condition and Results of Operations

This section includes financial and operating data with respect to Ayala's subsidiaries (Ayala Land, Inc., Integrated Micro-Electronics, Inc., and AC Energy and Infrastructure Corporation with listed subsidiary ACEN Corporation (ACEN)), associates (Bank of the Philippine Islands and Manila Water Company, Inc.), and joint venture (Globe Telecom, Inc.). This section should be read in conjunction with the financial highlights of these investees. The financial highlights as contained in their respective December 31, 2023 audited financial statements and SEC 17-A reports of these investees are available for viewing at the office of the Philippine Securities and Exchange Commission located at the 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City, 1209, or at these companies' official websites, as applicable.

This section also includes discussion of financial ratios. These financial ratios are unaudited and are not measurements of profitability in accordance with PFRS and should not be considered as an alternative to net income or any other measure of performance which are in accordance with PFRS.

1Q 2024 vs 1Q 2023 Highlights

- Ayala Corporation's ("Ayala") core net income, which excludes one-off items, sustained its growth momentum, increasing 26 percent to ₱11.8 billion. Continued strong performances from Ayala's core businesses, BPI, Ayala Land, Globe and ACEN contributed to the growth. Including one-off items, Ayala's net income was up 28 percent to ₱13 billion.
 - BPI's net income expanded 26 percent to ₱15.3 billion as strong revenue growth offset higher operating expenses and provisions. This was a new record quarterly profit for the bank.
 - Ayala Land delivered significant earnings growth in the first quarter of the year, underpinned by healthy property demand and resilient consumer activity. Net income jumped 39 percent to ₱6.3 billion.
 - ACEN's consolidated net income rose 34 percent to ₱2.7 billion. The uplift comes on the back of a 49 percent increase in attributable renewable energy output to 1,580 gigawatt hours and its strengthened net selling position in the wholesale electricity spot market.
 - AC Energy & Infrastructure (ACEIC), the parent company of ACEN, saw its core earnings grow 34 percent to ₱3.1 billion on ACEN's higher contributions, as well as higher net financing income and forex gains. The growth was tempered by the decline in earnings from its thermal assets. Including one-off items, ACEIC's net income was up 20 percent to ₱3.2 billion due to its share in the gain from the The Blue Circle sale.
 - Globe's net income declined 7 percent to ₱6.8 billion mainly due to higher depreciation expenses and non-operating charges, which includes the tower sale. Meanwhile, core net income was up 13% to ₱5.8 billion on the back of a 3 percent growth in gross service revenues to ₱41.1 billion and 4 percent growth in EBITDA to ₱21.4 billion, an all-time high.
 - AC Health continues to gain traction across all its pillars. Revenues grew 14 percent to ₱2.2 billion while EBITDA excluding ramp-up costs for the new cancer hospital and Konsulta MD was also up 36 percent to ₱127 million.
 - Since its opening last November 2023, its new cancer care hospital in Arca South has served 700 patients.
 - In AC Industrials, losses narrowed to ₱931 million from ₱980 million. Of the total losses, ₱670 million came from an impairment provision for Via Optronics taken up in IMI's 2023 audited financials. Excluding provisions, normalized losses were at ₱243 million from ₱270 million due to the absence of MTC-Con's ₱154 million loss in the same period of last year and lower losses from Merlin Solar.
 - IMI saw its revenues dip 16 percent, partly because of the divestment of STI which still incurred revenues in the same period of last year. Losses widened to US\$3.7 million as its industrial customers continued to see softness in their end-consumer markets. Effective May 1, 2024, Louis Hughes was appointed as Chief Executive Officer of IMI. The IMI leadership team is presently working on strategic initiatives to bring overall margins closer to industry standards and improve competitiveness.
 - AC Mobility aspires to become the Philippines' leading platform for EVs and other new energy vehicles by 2030. It currently has a line-up of 5 Battery Electric Vehicle models

and 1 Hybrid Electric Vehicle. It will have a footprint of 50 charging stations across 25 Ayala Land locations nationwide by the first half of this year.

Consolidated Sales of Goods and Rendering of Services

Sale of goods and rendering services increased 15 percent to ₱75.7 billion due to ACEIC's improved revenues from higher power sales as new plants began operating; ALI's higher bookings from the residential business, incremental construction project activities, and improved mall as well as hotel operations; AC Logistics' higher import and warehouse revenues. These were partially offset by IMI's lower sales locally and in China. As a percentage of total revenue, this account was at 87% and 84% for the periods ended March 31, 2024 and 2023, respectively.

Real Estate

- Strong property development revenues, contributions from additional external construction projects, and stable leasing operations, helped propel Ayala Land's net income by 39 percent to ₱6.3 billion in the first quarter of 2024.
- Property development revenues soared 47 percent to ₱25 billion on higher bookings across all residential segments and commercial and industrial lot sales at Laguindingan Technopark, Evo City, and Laguna Boulevard.
- Reservation sales hit ₱33.3 billion, 20 percent higher than the first quarter of 2023 and 19 percent higher than the previous quarter. Strong demand in the premium and vertical segments fueled the increase. Among the drivers of strong sales during the period were AyalaLand Premier's Park Villas in Makati CBD, The Courtyards Phase 3 in Vermosa, and Alveo's Park East Place in BGC.
 - In the first quarter, Ayala Land launched ₱13.7 billion-worth of projects, all of which are horizontal developments.
- Leasing and hospitality revenues were up 8 percent to ₱10.9 billion due to improved mall occupancy and increased mall, office, and hotel rental rates, and contributions from new rooms at Seda Manila Bay and Nuvali.
- Service businesses composed of construction, property management, and airlines, among others generated revenues of ₱4.2 billion, 42 percent higher than the previous year.
 - Makati Development Corporation's net construction revenues expanded 75 percent to ₱2.6 billion due to additional contracts from external projects.
 - Property Management, AirSWIFT, and retail electricity supply companies saw a revenue growth of 7 percent to ₱1.5 billion mainly from higher parking and airline passenger revenues.

Power

- ACEN's net income rose 34 percent to ₱2.7 billion in the first quarter of 2024 mainly from the ramp up of new operating capacity and its strengthened net seller position in the spot market. This includes ₱389 million in cash value realization earnings proceeds from the partial sale, at a premium, to Acciona Energia of ACEN's loan to The Blue Circle's Mui Ne Wind project in Vietnam. The year-on-year gains were offset by lower wind output in Vietnam and North Luzon, the sell-down in Q3 2023 of a stake in Salak & Darajat Geothermal in Indonesia, and lower WESM prices in the Philippines.
- Total renewable attributable output was up 49 percent to 1,580 gigawatt-hours.
 - Output from international plants rose 35 percent to 1,010 gigawatt-hours. New generation from solar projects in Australia (New England Solar), India (Masaya Solar) and Vietnam (Super Solar) contributed to the strong operational growth in the international business.
 - Output from Philippine RE plants jumped 83 percent to 570 gigawatt-hours because of the commissioning of new solar and wind farms, including phases 1 and 2 of SanMar Solar in Zambales, Pagudpod Wind in Ilocos Norte, Cagayan North Solar in Lal-lo, Cagayan and phase 2 of Arayat Mexico Solar in Pampanga.
- Statutory revenues, comprised of the consolidated Philippine and Australian businesses, increased 8 percent year-on-year to ₱9.9 billion for the quarter.

- Core attributable EBITDA, which includes ACEN's share of EBITDA from non-consolidated operating projects, grew 32 percent to ₱5.3 billion from the same quarter last year.
- ACEN has achieved around 4.8 gigawatts in attributable renewables capacity. Including over 1 gigawatt of signed agreements and won competitive tenders, ACEN has already effectively surpassed its goal of reaching 5 GW of renewable energy capacity by 2025, almost two years ahead of schedule. Of this capacity, 65 percent is now fully operational.

Share in Net Profits of Associates and JV

Share in net profits of associates and joint ventures decreased four percent to ₱11.5 billion due to lower equity earnings from ALI and ACEIC and lower gains from Globe as its contributions last year were augmented by the tower sale. These were offset by higher net interest and non-interest income in BPI. As a percentage of total revenues, this account was 13 percent and 15 percent for periods ending March 31, 2024 and 2023, respectively.

Banking

- BPI posted a record-high quarter net income of ₱15.3 billion in the first quarter of 2024, up 26 percent due to robust revenue growth that more than offset higher operating expenses and provisions. Return on equity improved 33 basis points to 15.7 percent.
- Total revenues grew 25 percent to ₱39.5 billion on the back of higher interest and non-interest income.
- Total loans increased 18.7 percent to ₱2 trillion as all segments saw sustained growth. The merger with Robinsons Bank also contributed to the bank's loan book expansion. Excluding the amount of loans and deposits brought in by Robinsons Bank on merger date, loans and deposits grew 12 percent and 6 percent respectively, reflecting sustained organic growth. Net interest margin also expanded 25 basis points to 4.2 percent as assets repriced at a faster pace than the cost of funds.
- Fee Income grew 27 percent to ₱8 billion as key businesses such as cards, wealth management, and insurance demonstrated strong growth.
- Total deposits increased 13 percent to ₱2.4 trillion. The bank's CASA ratio declined 552 basis points to 64.8 percent as clients shifted to higher-yielding time deposits.
- Asset quality remained healthy with adequate cover despite a higher NPL ratio resulting from the bank's deliberate strategy to grow high yield segments of its loan book.
 - NPLs were up 38 percent to ₱43 billion.
 - NPL ratio increased 30 basis points to 2.12 percent.
 - NPL cover remains comfortably sufficient at 136.2 percent, down 405 basis points.
 - Total provisions increased by ₱500 million to ₱1.5 billion, equivalent to a credit cost of 30 basis points.
- Operating expenses were up 20 percent to ₱18 billion mainly due to higher spend on manpower, technology, and marketing. Still, the bank's cost-to-income ratio declined 193 basis points to 45.6 percent because of robust revenue growth.

Telco

- Globe's core net income, which excludes non-recurring charges, foreign exchange and mark-to-market charges, improved 13% to ₱5.8 billion in 2024. Consolidated EBITDA rose 4 percent to ₱21.4 billion while EBITDA margin also increased to 52% from 51% on the back of increased operational efficiencies.
 - Net income dipped 7 percent to ₱6.8 billion mainly due to higher depreciation expenses and other non-operating charges.
- Gross service revenues grew 3 percent to ₱41.1 billion, driven by sustained growth in mobile data and corporate data.

- Mobile data revenues were up 10 percent to ₱23.8 billion due to higher data traffic.
- Corporate data revenues increased 10 percent to ₱5.0 billion mainly from core data and increased demand for ICT solutions and services.
- Home broadband revenues declined 6 percent to ₱6.1 billion as the drop in fixed wireless outweighed the 3 percent growth in postpaid fiber revenues.
- Consolidated EBITDA grew 4 percent to ₱21.4 billion on the back of revenue growth.
 - OPEX including subsidies increased 2 percent to ₱19.8 billion.
 - EBITDA margin increased to 52 percent.
- Equity earnings from Mynt surged 138 percent to ₱962 million, driven by GCash's strong growth momentum.
 - Gross Transaction value hit P3 trillion, up 33 percent.
- Capital expenditures dropped by 22 percent to ₱13.7 billion, in line with Globe's guidance of lowering spending to get back to positive free cash flows by 2025.

Cost and Expenses

Cost of sales and services increased nine percent to ₱56.2 billion resulting from improvements in sales as explained above and generally higher prices for direct costs and overhead of various BUs. As a percentage of total costs and expenses, this account is at 83% and 88% for the periods ended March 31, 2024 and 2023, respectively. Moreover, general and administrative expenses also increased due to higher impairment provisions including the amount booked for VIA; higher manpower costs from AC, ACEIC, ALI, and AC Health; ACEIC's additional professional fees for ongoing projects; and ALI's provisions for expected credit losses on receivables.

Balance Sheet Highlights

- Total assets increased two percent to ₱1.6 trillion from end-2023 levels mainly due to increases in property, plant and equipment, investments in associates and joint ventures, inventories, noncurrent accounts and notes receivables, and accounts and notes receivable.
 - Investments in associate and joint ventures was up four percent to ₱369.3 billion due to higher equity earnings net of dividends in Globe and BPI, a dilution gain booked from the BPI and Robinsons Bank's merger, and additional investments to and higher equity earnings from the investees of ACEIC.
 - Property, plant, and equipment rose 5 percent to ₱156.3 billion due to increases in investments in solar and wind farm projects in ACEIC.
- Ayala continues to maintain a strong balance sheet with sufficient liquidity and low cost of debt.
- Consolidated cash stood at ₱70.0 billion.
- Consolidated net debt increased four percent to ₱527.1 billion.
- Consolidated net debt-to-equity ratio increased by one percentage point to 0.76, well within the Company's covenant of 3.0x.
- Parent level cash was up six percent to ₱12.5 billion.
- Parent net debt increased seven percent to ₱155.9 billion.
- Loan-to-value ratio, the ratio of its parent net debt (excluding the fixed-for-life perpetuals which have no maturity) to the total value of its assets, stood at 12.4 percent.
- Parent net debt-to-equity ratio increased six percentage points to 1.02 mainly due to the additional loans during the period.
- Parent average cost of debt was flat at 5.37 percent, same as end-2023 and remaining comfortably below the 5-year benchmark.

Key performance indicators:

The Group maintains healthy financial ratios driven by strong operating performance of major subsidiaries and investees.

The key performance indicators (consolidated figures) that the Group monitors are the following:

Ratio	Formula	March 2024 (Unaudited)	December 2023 (Audited)/ March 2023 (Unaudited)	March 2024 (Unaudited)	December 2023 (Audited)/ March 2023 (Unaudited)
(in Thousands)					
Liquidity Analysis Ratios					
Liquidity Ratio*	Cash & Cash equivalents + Short-term investments	₱69,963,842	₱76,210,801	0.21	0.22
	Current Liabilities	334,502,511	349,362,933		
	Cash & Cash equivalents	69,497,246	74,784,222		
	Short-term investments	466,596	1,426,579		
	Total	69,963,842	76,210,801		
Current Ratio*	Current Assets	578,868,817	575,495,486	1.73	1.65
	Current Liabilities	334,502,511	349,362,933		
Quick Ratio*	Quick assets	315,147,416	322,046,802	0.94	0.92
	Current Liabilities	334,502,511	349,362,933		
	Current assets	578,868,817	575,495,486		
	Inventories	(238,868,326)	(231,279,175)		
	Assets under PFRS 5	—	—		
	Prepayments	(24,853,075)	(22,169,509)		
	Quick assets	315,147,416	322,046,802		
Solvency Ratio*	Total Assets	1,641,244,072	1,608,713,290	1.74	1.72
	Total Liabilities	944,679,266	933,771,929		
Financial Leverage Ratios					
Assets- to-Equity Ratio*	Total Assets	1,641,244,072	1,608,713,290	2.36	2.38
	Total Stockholders' Equity	696,564,806	674,941,361		
Interest Rate Coverage Ratio**	Earnings Before Interest and Taxes (EBIT)	27,008,273	23,170,682	3.40	3.23
	Interest and other financing charges	7,946,098	7,179,601		
	Income after income tax from continuing operations	17,374,528	14,190,567		
	Provision for income tax	1,687,647	1,800,514		
	Interest and other financing charges	7,946,098	7,179,601		
EBIT	27,008,273	23,170,682			
Debt Ratio*	Short-term debt + Long-term debt	605,296,976	589,843,737	0.37	0.37
	Total Assets	1,641,244,072	1,608,713,290		
	Short-term debt	62,371,617	49,871,493		
Debt-to-Equity Ratio*	Long-term debt (current & noncurrent)	542,925,359	539,972,244	86.9%	87.4%
	Total debt	605,296,976	589,843,737		
	Short-term debt + Long-term debt	605,296,976	589,843,737		
Debt-to-Equity Ratio*	Total Stockholders' Equity	696,564,806	674,941,361		

Ratio	Formula	March 2024	December 2023	March 2024	December 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(in Thousands)					
Net Debt-to-Equity Ratio*	Net debt	527,125,301	504,805,103	75.7%	74.8%
	Total Stockholders' Equity	696,564,806	674,941,361		
	Short-term debt	62,371,617	49,871,493		
	Long-term debt (current & noncurrent)	542,925,359	539,972,244		
	Total debt	605,296,976	589,843,737		
	Less:				
	Cash and cash equivalents	69,497,246	74,784,222		
	Short-term investments	466,596	1,426,579		
	Restricted cash	8,207,833	8,827,833		
	Net debt	527,125,301	504,805,103		
Profitability Ratios					
Gross Profit Margin**	Sale of goods & rendering of services - Cost of sales & services	19,505,643	14,271,833	0.26	0.22
	Sale of goods & rendering of services	75,727,546	66,014,198		
	Sale of goods & rendering of services	75,727,546	66,014,198		
	Cost of sales & services	(56,221,903)	(51,742,365)		
	Gross profit	19,505,643	14,271,833		
Net Profit Margin**	Net Profit	8,062,706	7,016,859	0.11	0.11
	Sale of goods & rendering of services	75,727,546	66,014,198		
	Gross profit	19,505,643	14,271,833		
	General and administrative expenses	(11,442,937)	(7,254,974)		
	Net Profit	8,062,706	7,016,859		
Return on Equity**	Net Income to Owners of the Parent	13,072,786	10,218,577	1.9%	1.7%
	Total Stockholders' Equity	696,564,806	614,179,046		
Return on Common Equity***	Net Income to Owners of the Parent (Common)	12,683,557	9,906,525	3.4%	2.9%
	Common Equity Attributable to Owners of the Parent (Average)	378,193,001	346,145,263		
	Net income to owners of the Parent	13,072,786	10,218,577		
	Less: Dividends on preferred stock	(389,229)	(312,052)		
	NIAT to Common	12,683,557	9,906,525		
		March 2024 (Unaudited)	December 2023 (Audited)		
	Equity attributable to owners of the parent	413,544,462	396,538,552		
	Less:				
	Preferred Shares - A	1,200,000	1,200,000		
	Preferred Shares - B	5,800,000	5,800,000		
	Voting Preferred Shares	200,000	200,000		
	Additional paid-in capital - preferred shares	24,173,158	22,074,952		
	Treasury shares - preferred shares	(3,475,549)	(3,475,549)		
		27,897,609	25,799,403		
	Common equity attributable to owners of the Parent	385,646,853	370,739,149		
	Average common equity attributable to owners of the Parent	378,193,001			

Ratio	Formula	(in Thousands)		March 2024 (Unaudited)	December 2023 (Audited)/ March 2023 (Unaudited)	March 2024 (Unaudited)	December 2023 (Audited)/ March 2023 (Unaudited)
		March 2023 (Unaudited)	December 2022(Audited)				
	Equity attributable to owners of the parent	375,021,441	367,062,529				
	Less:						
	Preferred Shares - A	1,200,000	1,200,000				
	Preferred Shares - B	5,800,000	5,800,000				
	Voting Preferred Shares	200,000	200,000				
	Additional paid-in capital - preferred shares	19,696,722	19,696,722				
	Treasury shares - preferred shares	(2,000,000)	(2,000,000)				
		24,896,722	24,896,722				
	Common equity attributable to owners of the Parent	350,124,719	342,165,807				
	Average common equity attributable to owners of the Parent	346,145,263					
Return on Assets**	Net Income	17,374,528	14,190,567			1.1%	0.9%
	Total Assets	1,641,244,072	1,502,227,227				
Price/Earnings Ratio**	Price Per Share	640.00	650.00			31.32	40.69
	Earnings Per Common Share (Basic)	20.44	15.97				
Other Ratio							
Book Value per Share*	Common Equity Attributable to Owners of the Parent	385,646,853	370,739,149			622.20	598.15
	Outstanding Common Shares	619,807	619,807				

* Based on "As at" March 31, 2024 and December 31, 2023 balances.

** Includes both "As at" and "Period ended" March 31, 2024 and 2023 balances.

*** Includes both "As at" and "Period ended" March 31, 2024, December 31, 2023, March 31, 2023, and December 31, 2022 balances.

- 2.1 Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way. The following conditions shall be indicated: whether or not the registrant is having or anticipates having within the next twelve (12) months any cash flow or liquidity problems; whether or not the registrant is in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments; whether or not a significant amount of the registrant's trade payables have not been paid within the stated trade terms.

The Group does not expect any liquidity problems and is not in default of any financial obligations. The Group complied with the existing loan covenants and restrictions as of March 31, 2024.

- 2.2 Any events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation:

- None

- 2.3 Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period:

- None

- 2.4 Any material commitments for capital expenditures (capex), the general purpose of such commitments, and the expected sources of funds for such expenditures.

Parent Company

For 2024, Ayala has budgeted a total of ₱284 billion in capex this year across the Group. Parent-only capex amounted to ₱5.3 billion as of the three-month period ended March 31, 2024 with bulk of the funds used for the requirements of AC Infra / Logistics.

ACEIC

For the three months ended March 31, 2024, ACEIC's paid capital expenditure amounted to ₱7.7 billion.

As of March 31, 2024 (unaudited) and December 31, 2023 (audited), the completion status of ACEIC's significant capital expenditures follow:

Project	Capacity (MW)	Location	% Completion	
			March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
San Marcelino Solar (Phase 3)	200	Zambales, Philippines	2%	<1%
Palauig 2 Solar	300	Zambales, Philippines	51%	31%
Pangasinan Solar	60	Pangasinan, Philippines	89%	60%
Pagudpud Wind	160	Ilocos Norte, Philippines	99%	98%
Stubbo Solar	520	Central Western Tablelands, New South Wales, Australia	43%	23%
New England Solar Farm 1	521	Uralla, New South Wales, Australia	100%*	98%
San Marcelino Solar (Phase 1 and 2)	385	Zambales, Philippines	100%*	98%
Cagayan North Solar (Phase 1)	133	Lal-lo Cagayan, Philippines	100%*	98%

*Projects that are currently under testing and commissioning as of March 31, 2024

ALI

For the year 2024, ALI is budgeting ₱100 billion in capital expenditures. Of the total amount, ₱18.8 billion has been disbursed as of March 31, 2024. ALI will use the capital expenditure for the construction completion of launched residential projects and investment properties as well as land acquisition.

IMI

Capital expenditures amounted to US\$3.4 million for the three months of 2024 versus US\$5.9 million for the same period last year. For the full year of 2024, IMI expects to spend ~\$25 million on capital expenditures for existing operations and new expansion projects.

Globe

For the period ended March 31, 2024, Globe invested ₱13.7 billion in capital expenditure (capex), lower by 22% than for the similar period of 2023. This effort to reduce its capex spending is in line with Globe's continued focus on optimizing capital deployment and bringing free cash flows into positive territory by 2025. Around 91% of this period's capex was allocated for the data requirements to ensure that customers will be able to access essential digital services as well as entertainment options anytime and anywhere.

(Refer to Section – 2 MD&A portion for details).

- 2.5 Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described.

The Parent Company's and its subsidiaries' performance will continue to hinge on the overall economic performance of the Philippines and other countries where its subsidiaries operate. Key economic indicators, interest rate and foreign exchange rate movements will continue to impact the performance of the real estate, banking, telecom, water infrastructure, power generation, electronics manufacturing and automotive groups, including the Parent Company.

AC Group shall continue to align our key strategies and adjust our business models to be able to adapt to changing consumption patterns, consumer behaviors, business and regulatory environment as quickly as possible in order to remain relevant, manage execution and expansion risks and to preserve value in the midst of this pandemic.

2.6 Any significant elements of income or loss that did not arise from the registrant's continuing operations

- None

2.7 There were no material changes in estimates of amounts reported in prior interim period of the current financial year and interim period of the prior financial year, respectively.

- None

2.8 Causes for any material variances

(Increase or decrease of 5% or more in the financial statements)

Balance Sheet Items

As at March 31, 2024 (Unaudited) and December 31, 2023 (Audited)

Cash and cash equivalents and Short-term investments (Notes 4 and 5) – 8% decrease from ₱76,211 million to ₱69,964 million

Decrease due to Group outflows for capital infusions, loan principal, interest, CAPEX, and cash dividends; offset by ALI's ₱5.6 billion proceeds from block sale of AREIT shares net of ₱0.7 billion for redemption of shares (see Note 3); and the Group's inflows from short-term and long-term borrowings, collections of various receivables, dividends from associates, joint ventures, and investments in equity securities. This account is 4% and 5% of total assets as of March 31, 2024 and December 31, 2023, respectively.

Property, plant and equipment (Note 12) – 5% increase from ₱149,055 million to ₱156,267 million

Increase attributable to ACEIC's continued investments in solar and wind farm projects including higher capitalized borrowing costs; offset by IMI and AAC's net disposals, and the Group's period depreciation. This account is 10% and 9% of total assets as of March 31, 2024 and December 31, 2023, respectively.

Short-term debt (Note 15) – 25% increase from ₱49,871 million to ₱62,372 million

Increase due to borrowings of AC, ALI, and AYCFL partly offset by net loan settlements of AC Industrials and AC Infra. This account is 7% and 5% of total liabilities as of March 31, 2024 and December 31, 2023, respectively.

Income tax payable – 31% increase from ₱1,076 million to ₱1,409 million

Increase attributable to higher taxable income of ACEIC and ALI. This account is less than 1% of total liabilities as of March 31, 2024 and December 31, 2023.

Deferred tax liabilities – 5% increase from ₱11,459 million to ₱12,052 million

Increase came from ALI's real estate transactions. This account is 1% of total liabilities as of March 31, 2024 and December 31, 2023.

Other noncurrent liabilities (Note 14) – 5% increase from ₱49,472 million to ₱51,936 million

Increase due to ALI's higher customer deposits this period. This account is 6% and 5% of total liabilities as of March 31, 2024 and December 31, 2023, respectively.

Remeasurement losses on defined benefit plans – 7% decrease from negative (-)₱6,611 million to negative (-)₱6,145 million

Decrease due to net actuarial gains on pension liabilities as result of changes in actuarial assumptions during the period. This account is 1% of total equity as of March 31, 2024 and December 31, 2023.

Fair value reserve of financial assets at FVOCI – 467% increase from negative (-)₱66 million to negative (-)₱376 million

Increase mainly due to ACEIC and BPI's net losses on mark-to-market valuation of its financial assets at FVOCI. This account is below 1% of total equity as of March 31, 2024 and December 31, 2023.

Cumulative translation adjustments (CTA) – 119% increase from ₱3,295 million to ₱7,201 million

Increase due to forex translation (movement in forex) of the Ayala group's business units with US Dollar functional currencies. Closing rate of PHP per USD1.00 was ₱56.24 vs. ₱55.37 as of March 31, 2024 and December 31, 2023, respectively. This account is 1% and below 1% of total equity as of March 31, 2024 and December 31, 2023, respectively.

Income Statement Items

For the Periods Ended March 31, 2024 and 2023 (Both Unaudited)

Sale of goods and rendering of services (Note 18) – 15% increase from ₱66,014 million to ₱75,728 million

Increase due to ACEIC's improved revenues from sale of electricity driven by improvements in net generation and new plants, ALI's higher bookings from residential business, incremental construction project activities, improved mall and hotel operations, AC Logistics' higher import and warehouse revenues; offset by IMI's lower sales locally and in China. As a percentage of total revenue, this account is at 87% and 84% for the periods ended March 31, 2024 and 2023, respectively.

Cost of goods sold and rendering services – 9% increase from ₱51,742 million to ₱56,222 million

Increase resulting from improvements in sales as explained above; impact of generally higher prices for direct costs and overhead of various BUs. As a percentage of total costs and expenses, this account is at 83% and 88% for the periods ended March 31, 2024 and 2023, respectively.

General and administrative expenses (GAE) – 58% increase from ₱7,255 million to ₱11,443 million

Increase mainly from impairment provisions including ₱1.7 billion (₱670 million AC's share) for IMI's investment in VIA (see Notes 1, 7, 11, and 12) and ₱1.1 billion provision for impairment risk on certain investments; higher manpower costs of AC, ACEIC, ALI, and AC Health; and ACEIC's additional professional fees for ongoing projects. As a percentage of total costs and expenses, this account is at 17% and 12% for the periods ended March 31, 2024 and 2023, respectively.

Other income (Note 3) – 319% increase from ₱1,042 million to ₱4,370 million

Increase mainly from the Group's ₱2.5 billion computed dilution gain arising from BPI and Robinsons Bank's merger (see Note 10); ACEIC's gain on sale of shares in the joint ventures for Asian Wind Power 1 and 2; and the Group's lower net foreign exchange losses this period.

Interest and other financing charges – 11% increase from ₱7,180 million to ₱7,946 million

Increase came from AC and ALI's new borrowings during the period partly offset by ACEIC's capitalization of financing costs related to its projects.

Provision for income tax (current and deferred) – 6% decrease from ₱1,801 million to ₱1,688 million

Decrease mainly from AC Industrial's deferred tax asset reversal last year offset by ACEIC and ALI's higher taxable income.

Income attributable to owners of the parent – 28% increase from ₱10,219 million to ₱13,073 million

Increase came from better operating results of subsidiaries ACEIC, ALI, and AC Industrial as well as investee BPI offset by the net loss from IMI. As a percentage of total net income, this account is at 75% and 72% for the periods ended March 31, 2024 and 2023, respectively.

Income attributable to non-controlling interests – 8% increase from ₱3,972 million to ₱4,302 million

Increase came from the improvement in the current period performance of ALI offset by lower contribution from IMI. As a percentage of total net income, this account is at 25% and 28% for the periods ended March 31, 2024 and 2023, respectively.

2.9 Any seasonal aspects that had a material effect on the financial condition or results of operations.

A significant majority of the Group's revenues are derived from its real estate and financial services businesses. Traditionally, these industries have been subject to cyclical risks relating to the broader economic environment. As a result, the Group is subject to cyclical risks and its financial condition may be materially and adversely impacted as a result of any economic slowdown or stagnation in growth in the Philippines.

Furthermore, the receivables and inventories of Ayala Land, Ayala's largest subsidiary, have historically exhibited cyclical trends based on the timing and progress of its projects and their respective stages of development. Historically, such cyclical trends have in turn resulted in similar cyclical trends in the cash flows of Ayala. There is no assurance that Ayala Land's receivables and inventories will not continue to fluctuate in the future, which may adversely impact Ayala's financial condition.

The Investment and Finance Committees review the performance of each business unit at least twice a year: a general review, which covers Ayala's portfolio of businesses; and a specific business unit review. In the latter, the business unit's performance is measured against several metrics including the current budget, the latest medium-term plan and often, against competitors. The objective of these reviews is to refine capital allocation depending on performance, and if needed, suggest changes to the business plans or strategies.

3.0 Any material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

- Refer to Note 23 of the Notes to Unaudited Interim Condensed Consolidated Financial Statements.

3.1 Other material events or transactions during the interim period.

- Refer to Notes 3 and 10 of the Notes to Unaudited Interim Condensed Consolidated Financial Statements.

PART II - OTHER INFORMATION

Other major information about the Group are disclosed in the appropriate notes in the previously filed Audited Consolidated Financial Statements for December 31, 2023 or in the SEC 17-A/ SEC 17-Q and SEC 17-C reports for 2023.

In addition, the Group has the following other major information:

1. On March 12, 2024, the Parent Company's BOD, at its regular meeting, approved the following:
 - a. The election of Ms. Maria Franchette M. Acosta as our Corporate Secretary, OIC-Compliance Officer, Data Protection Officer, and her appointment as Chairman of the Committee of Inspectors of Proxies and Ballots, to replace Mr. Solomon M. Hermosura, who has resigned and transitioned to government service as disclosed on February 26, 2024.
 - b. The following amendments as endorsed by our Risk Management and Related Party Transactions Committee:
 - i. Amendments to the Risk Management and Related Party Transactions Committee Charter to expand the scope of the Committee's oversight responsibility to include sustainability-related risks and opportunities by aligning with the evolving best practice of incorporating material sustainability-related topics in the enterprise-wide risk assessment process and addressing the increasing call for transparency on ESG risk management from various stakeholders.
 - ii. Amendments to the Related Party Transactions Policy which relates to the transfer of responsibilities for the identification, evaluation and monitoring of material related party transactions from AC Risk Management Team to AC Office of Legal Services.
2. On April 26, 2024, at the Parent Company's annual stockholders meeting, the stockholders approved the following:
 - a. Minutes of previous meeting
Resolution No. S-01-2024: "RESOLVED, to approve the minutes of the annual stockholders' meeting held on April 28, 2023."
 - b. Ratification of the acts of the Board of Directors and Officers
Resolution No. S-02-2024: "RESOLVED, to ratify each and every act and resolution, from April 28, 2023 to April 26, 2024 (the "Period"), of the Board of Directors (the "Board") and the Executive Committee and other Board committees exercising powers delegated by the Board, and each and every act of the officers of the Corporation, during the Period, performed in accordance with the resolutions of the Board, the Executive Committee and other Board committees as well as with the By-laws of the Corporation."
 - c. Election of directors
Resolution No. S-03-2024: "RESOLVED, to elect the following as directors of the Corporation to serve as such beginning April 26, 2024 until their successors are elected and qualified:

Jaime Augusto Zobel de Ayala
Cezar P. Consing
Delfin L. Lazaro
Fernando Zobel de Ayala
Rizalina G. Mantaring (Independent Director)
Chua Sock Koong (Independent Director)
Cesar V. Purisima (Independent Director)"
 - d. Election of SyCip Gorres Velayo & Co. as the external auditor of our Company for the year 2024 and fixing of its remuneration
Resolution No. S-04-24: "RESOLVED, as endorsed by the Board of Directors, to approve the election

of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the year 2024 for an audit fee of PhP12,579,840.00, inclusive of value-added tax.”

e. Consolidated Audited Financial Statements for the CY December 31, 2023 and Noting of Annual Report

Resolution No. S-05-2024: “RESOLVED, to approve the consolidated audited financial statements of the Corporation and its subsidiaries as of December 31, 2023, as audited by the Corporation’s external auditor, SyCip Gorres Velayo & Co.”

At its organizational meeting held immediately after the stockholders’ meeting, the Board of Directors considered and approved the following:

- a. Election of Mr. Jaime Augusto Zobel de Ayala as Chairman of the Board;
- b. Election of Chairpersons and Members of the Board and Board-appointed Committees:

Executive Committee

Jaime Augusto Zobel de Ayala	Chairman
Delfin L. Lazaro	Vice Chairman
Cezar P. Consing	Member

Audit Committee

Rizalina G. Mantaring	(independent director)	Chairman
Cesar V. Purisima	(independent director)	Member
Chua Sock Koong	(independent director)	Member

Risk Management and Related Party Transactions Committee

Cesar V. Purisima	(independent director)	Chairman
Rizalina G. Mantaring	(independent director)	Member
Fernando Zobel de Ayala		Member

Corporate Governance and Nomination Committee

Chua Sock Koong	(independent director)	Chairman
Rizalina G. Mantaring	(independent director)	Member
Cesar V. Purisima	(independent director)	Member

Personnel and Compensation Committee

Chua Sock Koong	(independent director)	Chairman
Fernando Zobel de Ayala		Member
Rizalina G. Mantaring	(independent director)	Member

Finance Committee

Delfin L. Lazaro	Chairman
Jaime Augusto Zobel de Ayala	Member
Cezar P. Consing	Member
Fernando Zobel de Ayala	Member

Sustainability Committee

Fernando Zobel de Ayala	Chairman
Cesar V. Purisima	(independent director) Member
Chua Sock Koong	(independent director) Member

Committee of Inspectors of Proxies and Ballots

Maria Franchette M. Acosta	Chairman
Catherine H. Ang	Member
Josephine G. De Asis	Member

- c. Election of Ms. Rizalina G. Mantaring as lead independent director;

d. Election of key officers¹:

Cezar P. Consing	President and Chief Executive Officer
Jose Rene Gregory D. Almendras	Senior Managing Director, Public Affairs Group Head
Alberto M. de Larrazabal	Senior Managing Director, Chief Finance Officer and Finance Group Head
Maria Franchette M. Acosta	Managing Director, Chief Legal Officer, Corporate Secretary, Compliance Officer, Data Protection Officer and Corporate Governance Group Head
Francisco Romero Milan	Managing Director, Chief Human Resource Officer and Corporate Resources Group Head
Karl Kendrick T. Chua	Managing Director, Data Analytics and Artificial Group Head
Catherine H. Ang	Managing Director and Chief Audit Executive
Estelito C. Biacora	Executive Director and Treasurer
Josephine G. De Asis	Executive Director and Controller
Mark Robert H. Uy	Executive Director and Corporate Strategy Group Head
Jaime Z. Urquijo	Associate Director and Chief Sustainability and Risk Officer
Rosario Carmela G. Austria	Assistant Corporate Secretary

- e. The 2024 stock option program pursuant to our Employee Stock Ownership Plan (the "Plan"). The program authorizes the grant to 11 executives, in accordance with the terms of the Plan, stock options covering up to a total of 790,000 common shares at a subscription price of ₱588.29 per share, which is the rounded off volume-weighted average prices of our common shares at the Philippine Stock Exchange over the last 5-day trading days from April 19 to April 25, 2024.

¹ Excluding seconded officers

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant: **AYALA CORPORATION**

By:


JOSEPHINE G. DE ASIS
Authorized Signatory
Comptroller
Ayala Corporation

Date: May 14, 2024