



March 11, 2022

Securities and Exchange Commission
SEC Building, Mandaluyong City

Attention: **Director Vicente Graciano P. Felizmenio, Jr.**
Director, Markets and Securities Regulation Department

The Philippine Stock Exchange, Inc.
6/F Philippine Stock Exchange Tower
5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Philippine Dealing and Exchange Corporation
29/F BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**
Head, Issuer Compliance and Disclosure Department

Mesdames/Gentlemen:

Ayala Corporation reported its net income for the full year of 2021. Ayala Corporation's net profits grew 62 percent to ₱27.8 billion in 2021, primarily driven by realized income from the execution of strategic initiatives in the group, boosted by the improved performance of Ayala Land and BPI.

Please refer to the attached disclosure submitted to the Philippine Stock Exchange.

Very truly yours,

A handwritten signature in black ink, appearing to read 'A. de Larrazabal', written over a horizontal line.

Alberto M. de Larrazabal
Chief Finance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Mar 11, 2022
2. SEC Identification Number
34218
3. BIR Tax Identification No.
000-153-610-000
4. Exact name of issuer as specified in its charter
AYALA CORPORATION
5. Province, country or other jurisdiction of incorporation
PHILIPPINES
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
32F to 35F, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City
Postal Code
1226
8. Issuer's telephone number, including area code
(02) 7908-3000
9. Former name or former address, if changed since last report
NA
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 of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	619,703,615
Preferred B Series 1 Shares	20,000,000
Preferred B Series 2 Shares	30,000,000
Voting Preferred Shares	200,000,000

11. Indicate the item numbers reported herein
Item 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Ayala Corporation AC

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Ayala posts 62 percent earnings growth in 2021

Background/Description of the Disclosure

Ayala Corporation's net profits grew 62 percent to P27.8 billion in 2021, primarily driven by realized income from the execution of strategic initiatives in the group, boosted by the improved performance of Ayala Land and BPI. Ayala posted gains from executed transactions during the year, including the remeasurement of its stake in Manila Water following the sale of secondary shares to Trident Water, the sale of the Ayala group's stake in GNPowder Kauswagan, and the entry of a new investor in Mynt.

Other Relevant Information

Please see attached press release.

Filed on behalf by:

Name	Celeste Jovenir
Designation	Investor Relations Head



AYALA CORPORATION
FY 2021 EARNINGS RELEASE
March 11, 2022

Ayala posts 62 percent earnings growth in 2021

FY21 vs FY20 Highlights

- Ayala Corporation's net profits grew 62 percent to ₱27.8 billion in 2021, primarily driven by realized income from the execution of strategic initiatives in the group, boosted by the improved performance of Ayala Land and BPI.
- Ayala posted gains from executed transactions during the year, including the remeasurement of its stake in Manila Water following the sale of secondary shares to Trident Water, the sale of the Ayala group's stake in GNPowr Kauswagan, and the entry of a new investor in Mynt.

"We continue to see an improvement in the business environment with better mobility and ability of both enterprises and consumers to adjust to disruptions. With the recent de-escalation of quarantine measures to the lowest status, we are hopeful that 2022 will be the start of our country's recovery. The Ayala group aims to continue its investment programs and for 2022, we have allocated up to ₱285 billion in combined capital expenditure and investments to execute on the growth initiatives across our businesses," Ayala President and CEO Fernando Zobel de Ayala said. "We are, however, mindful of the impact of the Russia-Ukraine conflict on our recovery and investment programs. In particular, we are carefully monitoring how the surge in oil prices would affect domestic interest rates, inflation, and the global supply chain," Mr. Zobel noted.

- Ayala's businesses recorded higher net profits during the year:
 - Ayala Land's net income grew 40 percent to ₱12.2 billion on the account of resilient operations, supported by relaxed quarantine restrictions in the fourth quarter of 2021.
 - BPI's net income increased 12 percent to ₱23.9 billion because of lower loan loss provisions and record-high fee income.
 - Globe's net income rose 27 percent to ₱23.7 billion from higher results from all data-related revenues, gain from the deemed sale of investment in Mynt, and the impact of the CREATE law. These offset the impairment costs from the network related damages caused by Typhoon Odette.

- ACEN's net income increased 22 percent to ₱5.3 billion as robust earnings from its international assets supported softness in Philippine operations.
- Excluding gains and other one-offs, Ayala's core net income decreased 10 percent to ₱23.5 billion, mainly driven by weaker net interest income in BPI, higher depreciation expense in Globe, and reduced stake in ACEN following the completion of its capital market issuances and sale of secondary shares to GIC combined with higher financing cost taken up at the AC Energy parent level.

4Q21 vs 4Q20 Highlights

- Ayala's net income grew 46 percent to ₱8.4 billion in the fourth quarter compared to the same period in the previous year, also driven by the abovementioned realized gains.

Real Estate

- Ayala Land's total revenues increased 10 percent to ₱106.1 billion and its net income grew 40 percent to ₱12.2 billion on the account of resilient operations, supported by relaxed quarantine restrictions in the fourth quarter of 2021.
- Property development revenues were up 14 percent to ₱75.9 billion on continuing construction progress and higher bookings.
- Residential sales reservations in 2021 grew 13 percent to ₱92.2 billion largely from the strong demand for horizontal projects in Southern Luzon by Ayala Land Premier and ALVEO. Sales reservations from lot sales alone jumped 36 percent to ₱41.5 billion during the year.
 - Fourth quarter sales take-up posted a five percent growth to ₱22.1 billion compared to the same quarter in 2020.
 - Ayala Land launched a total of 22 projects worth ₱75.3 billion, seven times more in 2020.
- Commercial leasing revenues declined five percent to ₱20.6 billion given limited operations most of the year.
 - Shopping center leasing revenues went down 13 percent to ₱7.9 billion. With improved mobility in the fourth quarter, revenues reached ₱3 billion, double the level generated in the same quarter a year ago.
 - Office leasing income grew five percent to ₱9.9 billion as BPO and HQ operations remained stable throughout the period.
 - Hotels and resorts revenues decreased 12 percent to ₱2.8 billion, improving from the first nine months as resort operations were able to host 35 travel bubbles in the fourth quarter, partially cushioning travel restrictions and lower hotel occupancy earlier in the year.

- Ayala Land's capital expenditures reached ₱64 billion in 2021, more than half of which went to the completion of its residential projects.
- Ayala Land has earmarked ₱90 billion in capital expenditures and is prepared to launch ₱100 billion-worth of residential projects in 2022.
- In January 2022, the Boards of Ayala Corporation and Ayala Land approved the property-for-share swap with each other and Mermac, Inc. Under the transaction, AC and Mermac will transfer five assets to ALL in exchange for 311,580,000 primary common shares at a value of ₱55.80 per share, as validated by a third-party fairness opinion. The acquisition further expands Ayala Land's land bank and commercial assets, which will create value for stakeholders.

Banking

- BPI's net income increased 12 percent to ₱23.9 billion because of lower loan loss provisions and record-high fee income.
- Total revenues decreased four percent to ₱97.4 billion because of softer net interest income and non-interest income.
 - Net interest income was down four percent to ₱69.6 billion as net interest margin contracted by 19 basis points to 3.3 percent, driven by lower yields across most loan portfolios and treasury assets.
 - Non-interest income went down six percent to ₱27.8 billion on the back of lower trading income that was tempered by a 23 percent growth in fee income.
- Total loans rose five percent to ₱1.5 trillion primarily from higher mortgage, credit card, and microfinance loans.
- Total deposits grew 14 percent to ₱2 trillion with CASA and time deposits expanding 10 percent and 28 percent, respectively.
 - CASA ratio stood at 77 percent.
 - Loan-to-deposit ratio ended at 75.5 percent.
- NPL ratio stood at 2.49 percent and NPL coverage ratio settled at 136.1 percent. These improved by 19 basis points and 21 percentage points, respectively.
- Operating expenses increased five percent to ₱50.7 billion because of higher technology cost.
 - Cost-to-income ratio stood at 52.1 percent.
- Total assets grew eight percent to ₱2.4 trillion. Total equity amounted to ₱293.1 billion.
 - Indicative common equity tier 1 ratio stood at 15.8 percent.
 - Indicative capital adequacy ratio stood at 16.7 percent.

- Return on assets was 1.1 percent.
- Return on equity was 8.4 percent.
- In line with the increased demand for banking services in the digital space, BPI created its digital governance framework and launched its 7 Client Engagement Platforms in 2021 to better serve its clients across different segments.
 - On top of its four existing platforms Express Online, BPI Trade, BizLink, and BanKo app, BPI is on track to launch BizKo for its SME partners. BizKo is tailored to the needs of SME clients providing them solutions for payments, payroll, invoicing, billing, and collection.
 - BPI is also working on the sixth and seventh installments of the framework, which are both slated to be launched in the second half of 2022. BPI will also launch its BPI Trade app within the year.

Telco

- Globe's net income rose 27 percent to ₱23.7 billion from higher results from all data-related revenues, gain from the deemed sale of investment in Mynt, and the impact of the CREATE law. These offset the impairment costs stemming from Typhoon Odette.
 - Lower non-operating expenses were mainly due to the gain of ₱4.3 billion from the deemed sale of investment in Mynt, partially offset by the impairment cost of ₱1.2 billion from the network related damages caused by Typhoon Odette. These also include the upside impact of the CREATE law and higher equity share in affiliates.
- Globe's core net income, which excludes the impact of non-recurring charges and foreign exchange and mark-to-market changes, increased nine percent to ₱21.2 billion.
- Total service revenues grew four percent to ₱151.5 billion due to home broadband and corporate data from increased data consumption. Total data revenues accounted for 80 percent of Globe's service revenues compared to the year-ago level of 76 percent.
- Growth in demand for data was evident in the upward momentum of all data-related segments of Globe.
 - Mobile data revenues increased seven percent to ₱77.8 billion.
 - Mobile data traffic jumped 48 percent to 3,733 petabytes.
 - Home broadband revenues grew 10 percent to a record-high ₱29.4 billion.
 - Home broadband subscriber base stood at 3.7 million subscribers as fixed wired subscribers grew by 31 percent, leading to a 26 percent improvement in fixed wired revenues. Fixed wireless subscribers declined 11 percent as users shift out of the fixed wireless service to the more consistent and reliable wired service.
 - Corporate data revenues grew 12 percent to ₱14.2 billion mostly from growth from domestic services and information and communication technology.

- Operating expenses including subsidies increased five percent to ₱76.6 billion due to higher spending to support its aggressive upgrades and expenses related to restoration, repair, and services costs resulting from Typhoon Odette.
- EBITDA increased two percent to ₱74.9 billion due to topline improvement while EBITDA margin slightly contracted to 49 percent because of the impact of Typhoon Odette.
- Aligned with its thrust to expand its data businesses, Globe's CAPEX increased by 54 percent to an all-time high of ₱92.8 billion, representing 61 percent of gross service revenues and 124 percent of EBITDA. About 86 percent went to data-related requirements:
 - Built 1,407 new cell sites nationwide for both 4G LTE and 5G
 - Upgraded over 22,300 mobile sites
 - Expanded 5G coverage to over 2,000 sites
 - Rolled out 1.4 million FTTH lines on the home broadband front
- For 2022, Globe is earmarking ₱89 billion in CAPEX to continue its aggressive network expansion to boost internet quality and coverage in the country.
- Globe is moving towards becoming a digital solutions company, leveraging its core telco business to tap the shifting consumer landscape, which is being heavily influenced by digital adoption. Within its portfolio are high-growth enterprises in fintech, healthtech, adtech, and e-commerce among others.
 - GCash reached positive full year EBITDA and profitability three years ahead of its target. It has 55 million registered users, which drove gross transaction value to increase three times to ₱3.8 trillion in 2021.
 - In healthtech, HealthNow has 800,000 customers, processing 15,000 to 20,000 medicine delivery orders daily. KonsultaMD exhibited strong growth with more than a doubling of revenue, reaching over 1 million members across 50,000 retail outlets nationwide.
 - AdSpark, the largest locally-based ad agency, grew its revenues 32 percent to ₱1.2 billion.
 - RUSH, the leading loyalty solutions provider in the Philippines, doubled its revenue in 2021 and has 3.8 million registered users.

Power

- ACEN's net income increased 22 percent to ₱5.3 billion as robust earnings from its international assets supported softness in Philippine operations.
- Equity earnings from international plants soared 51 percent to ₱4.9 billion, driven by operating capacity with the commencement of operations of new wind farms in Vietnam and solar farms in India.
- Earnings contribution from its Philippine plants decreased 17 percent to ₱3.1 billion as the start of operations of the Palauig and Alaminos solar farms was outweighed by increased cost of purchased

power due to higher spot market prices. Without one-off retroactive feed-in tariff adjustment booked in 2020, earnings from the Philippine assets would have been flat.

- ACEN's attributable output increased 21 percent to 4.6 gigawatt hours, driven by higher operating capacity and increased dispatch of thermal plants.
 - Generation from international plants grew 24 percent because of additional capacity from new wind farms in Vietnams and solar farms in India.
 - Output from Philippine plants was up 20 percent to 2.7 gigawatt hours due to improved utilization of peaking thermal plants, in addition to the start of operations of the Alaminos and Palauig solar farms.
- ACEN has 3,751 MW of attributable capacity in its portfolio (pro forma), of which 87 percent is renewable. 63 percent of the portfolio is already operating.
- In line with its aggressive portfolio expansion in the Philippines, Vietnam, India, and Australia, ACEN invested a total of ₱33.1 billion in capital expenditures in 2021.
 - With various projects and announced acquisitions slated in 2022, ACEN has earmarked a CAPEX budget of ₱55 billion this year.
- In February, ACEN, through its wholly owned subsidiary, AC Energy Vietnam, signed an agreement to acquire a 49 percent stake in Solar NT, which is owned by Thailand's Super Energy Corporation.
 - Upon completion of internal restructuring, Solar NT will fully own and operated 837 MW of solar projects in Vietnam.
 - The investment brings ACEN's attributable international capacity to more than 2,200 MW, of which more than 1,000 MW are in Vietnam.

Balance Sheet Highlights

- Parent level cash stood at ₱20.2 billion.
- Net debt stood at ₱115 billion.
- Parent net debt-to-equity ratio stood at 90 percent.
- Consolidated net debt-to-equity stood at 68 percent.
- 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, was at 6.7 percent.
- Parent blended cost of debt at 4.3 percent ending December 2021, with average remaining life of 19.5 years.

- In 2021, the Ayala group's combined capital expenditure reached ₱228 billion and ₱18 billion at the parent level. Ayala parent capex was channeled mostly to the purchases of shares in Ayala Land.
- For 2022, Ayala has allocated ₱285 billion in group CAPEX, with ₱24 billion earmarked for Ayala parent to fund investment opportunities.

AYALA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31, 2021 and 2020
(Amounts in Thousands)

	December 2021	December 2020
ASSETS		
Current Assets		
Cash and cash equivalents	₱ 90,483,909	₱ 88,653,956
Short-term investments	930,938	822,410
Accounts and notes receivable	145,075,394	137,094,187
Inventories	166,406,837	180,871,941
Other current assets	81,941,737	74,314,892
	484,838,815	461,757,386
Assets under PFRS 5	12,433,522	196,136,570
Total Current Assets	497,272,337	657,893,956
Noncurrent Assets		
Noncurrent accounts and notes receivable	83,301,217	57,382,232
Investments in associates and joint ventures	294,063,019	255,007,953
Investment properties	246,806,097	226,456,967
Property, plant and equipment	96,682,935	94,537,980
Right-of-use assets	20,996,946	19,812,516
Service concession assets	1,481,976	1,556,241
Intangible assets	22,128,005	19,624,573
Deferred tax assets - net	16,294,100	14,634,045
Other noncurrent assets	69,959,308	58,851,529
Total Noncurrent Assets	851,713,603	747,864,036
Total Assets	₱ 1,348,985,940	₱ 1,405,757,992
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt	₱ 34,712,039	₱ 32,439,507
Accounts payable and accrued expenses	168,750,801	177,315,357
Income tax payable	803,495	1,907,146
Current portion of:		
Long-term debt	31,493,713	36,514,381
Lease liabilities	2,110,226	1,445,492
Service concession obligation	40,069	19,880
Other current liabilities	30,184,417	26,596,440
	268,094,760	276,238,203
Liabilities under PFRS 5	-	124,291,482
Total Current Liabilities	268,094,760	400,529,685
Noncurrent Liabilities		
Long-term debt - net of current portion	412,310,822	372,800,369
Lease liabilities - net of current portion	25,503,531	22,672,228
Service concession obligation - net of current portion	60,961	66,338
Deferred tax liabilities - net	9,180,901	9,398,205
Pension liabilities	4,020,623	5,093,406
Other noncurrent liabilities	64,501,574	52,775,650
Total Noncurrent Liabilities	515,578,412	462,806,196
Total Liabilities	783,673,172	863,335,881
Equity		
Equity attributable to owners of the parent company		
Paid-in capital	86,075,527	85,613,944
Share-based payments	44,664	102,619
Remeasurement losses on defined benefit plans	(4,798,349)	(6,351,002)
Fair value reserve of financial assets at fair value through other comprehensive income (FVOCI)	(1,720,601)	40,792
Cumulative translation adjustments	1,137,912	(1,635,505)
Equity reserve	34,262,567	30,741,420
Retained earnings	260,112,458	238,072,873
Treasury stock	(12,382,517)	(6,605,153)
Reserves under PFRS 5	-	(800,218)
	362,731,661	339,179,770
Non-controlling interests	202,581,107	203,242,341
Total Equity	565,312,768	542,422,111
Total Liabilities and Equity	₱ 1,348,985,940	₱ 1,405,757,992

AYALA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Earnings Per Share Figures)

	For the Years Ended December 31	
	2021	2020
CONTINUING OPERATIONS		
REVENUE		
Rendering of services	P 141,578,166	₱ 123,384,171
Sale of goods	84,013,760	70,238,264
Share in net profits of associates and joint ventures	23,384,709	17,615,774
Interest income from real estate	6,801,012	8,602,775
Dividend income	70,921	83,575
	255,848,568	219,924,559
COSTS AND EXPENSES		
Costs of rendering services	118,743,530	97,057,136
Costs of goods sold	57,151,237	47,124,213
General and administrative expenses	30,301,486	32,326,129
	206,196,253	176,507,478
OTHER INCOME (CHARGES) - Net		
Interest income	5,077,847	3,183,823
Other income	15,121,681	6,125,806
Interest and other financing charges	(27,089,924)	(28,014,198)
	(6,890,396)	(18,704,569)
INCOME BEFORE INCOME TAX	42,761,919	24,712,512
PROVISION FOR INCOME TAX		
Current	6,575,514	5,887,920
Deferred	(1,663,819)	(648,740)
	4,911,695	5,239,180
NET INCOME AFTER INCOME TAX	37,850,224	19,473,332
OPERATIONS OF SEGMENT UNDER PFRS 5		
Net income after tax	(1,814,033)	9,797,011
NET INCOME	P 36,036,191	₱ 29,270,343
Net Income Attributable to:		
Owners of the Parent Company	P 27,774,183	₱ 17,141,714
Non-controlling interests	8,262,008	12,128,629
	P 36,036,191	₱ 29,270,343
EARNINGS PER SHARE BEFORE OPERATIONS OF SEGMENT UNDER PFRS 5		
Basic	P 43.33	₱ 17.04
Diluted	P 43.17	₱ 16.96
EARNINGS PER SHARE		
Basic	P 42.58	₱ 25.33
Diluted	P 42.42	₱ 25.24