



November 11, 2021

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 disclosed that its foreign subsidiary, AYC Finance Limited, signed a 10-year Social Bond through a private placement by the International Finance Corporation (“IFC”) for an amount of US\$100 million (the “Social Bond”). The Social Bond will be unconditionally and irrevocably guaranteed by AC.

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 light blue horizontal line.

Alberto M. de Larrazabal
Chief Finance Officer

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 signs 10-year Social Bond with the International Finance Corporation for US\$1000 million

Background/Description of the Disclosure

Ayala Corporation (PSE: AC), one of the largest conglomerates in the Philippines, disclosed today that its foreign subsidiary, AYC Finance Limited, signed a 10-year Social Bond through a private placement by the International Finance Corporation ("IFC") for an amount of US\$100 million (the "Social Bond"). The Social Bond will be unconditionally and irrevocably guaranteed by AC.

The issuance marks the first social bond earmarked for healthcare-related purposes in the Philippines. The proceeds will be used for the sustainable and resilient growth and capacity building of the Ayala Group's healthcare arm, Ayala Healthcare Holdings, Inc. The transaction will be settled in January 2022 based on the prevailing base rate plus a certain spread, subject to the completion of the conditions precedents set forth by IFC.

The Social Bond Program by IFC aligns with the Social Bond Principles published by the International Capital Market Association (ICMA). Sustainalytics was engaged to provide a second party opinion on the Social Bond Framework.

Other Relevant Information

Please refer to the enclosed press release.

Filed on behalf by:

Name	Celeste Jovenir
Designation	Investor Relations Head

Ayala Group issues its first social bond for healthcare investments

MANILA – Ayala Corporation’s (“AC” or “Ayala”) foreign subsidiary, AYC Finance Limited, signed today 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, Ayala Healthcare Holdings, Inc. (“AC Health”). The Social Bond will be unconditionally and irrevocably guaranteed by AC.

The issuance marks the first social bond earmarked for healthcare-related purposes in the Philippines.

“The pandemic exposed the massive underinvestment in the country’s healthcare system, reinforcing our thesis for entering the sector six years ago. The Social Bond supports our strategic priority to scale up AC Health as a new growth platform, underpinned by its commitment to uplift the quality and access to preventive care in the country,” said Fernando Zobel De Ayala, Ayala President and CEO.

“The issuance will strengthen Ayala’s ESG financing capabilities and support growth for businesses that can make concrete social contribution, particularly in the healthcare industry. We look forward to a long-term partnership with IFC in providing quality, and accessible health care for all Filipinos,” said Alberto de Larrazabal, Ayala Chief Finance Officer and Chief Sustainability Officer.

The transaction will be settled in January 2022 based on the prevailing base rate plus a certain spread, subject to the completion of the conditions precedents set forth by IFC. The Social Bond Program by IFC aligns with the Social Bond Principles and Social Loans Principles published by the International Capital Market Association. Sustainalytics was engaged to provide a second party opinion on the Social Bond Framework.

“Addressing health gaps in the Philippines is a critical challenge that has been amplified by the COVID-19 pandemic,” said Rana Karadsheh Haddad, Regional Industry Director, Manufacturing, Agribusiness and Services, Asia and the Pacific at IFC. “Our investment in this social bond from our long-standing client, the Ayala Group, will help strengthen the Philippines’ healthcare system at a crucial time while also helping to develop the market for social bonds, which is becoming an important tool for helping the private sector to manage the socioeconomic impacts of the pandemic and build resilience against future shocks.”

In 2018, Ayala Group deepened its commitment to the social, economic, and environmental well-being of the Filipino by being more deliberate and purposive in identifying areas where it can contribute substantially and help solve global issues. Ayala identified 11 Sustainable Development Goals that are at the heart of its businesses—including good health and well-being for AC Health—with the goal of bridging the Filipino to the year 2030.

Ayala announced last October its commitment to achieve net zero greenhouse gas emissions by 2050, aligning its business strategy with the Paris Agreement’s goal of limiting global warming to 1.5°C compared to pre-industrial levels. It is the first Philippine conglomerate to make such a commitment.

Growing the Healthcare Network

AC Health’s vision is to build an integrated healthcare ecosystem focused on improving healthcare for all. This commitment is a testament to the Ayala Group’s long-standing purpose of improving lives and promoting sustainable development and growth for the Philippines.

Since its inception in 2015, AC Health has gone a long way in addressing the fundamental gaps in accessibility, affordability, and quality of healthcare. AC Health has built an ecosystem that caters to the various healthcare needs of Filipinos.

AC Health's portfolio comprises Generika, a chain of over 700 drugstores that offer quality and affordable generic medicines; Healthway Philippines, a network of primary, multi-specialty, and corporate clinics; the QualiMed Health Network, which operates multi-specialty clinics, a stand-alone ambulatory surgery center, and full-service hospitals; and HealthNow, an all-in-one healthcare app that offers telemedicine consultations, online medicine ordering and delivery, and clinic and diagnostic testing booking. AC Health also has medicine importation and distribution arms, I.E. Medica Inc. and Medethix Inc. ("Medethix").

Last July, AC Health officially broke ground for the construction of Healthway Cancer Care Center, the Philippines' first dedicated specialty cancer hospital. The 100-bed facility, which is expected to be completed in July 2023, will be equipped with 20 chemotherapy chairs, 4 operating theaters, and state of the art diagnostic and therapeutic equipment, optimized for cancer screening, diagnosis, and treatment. AC Health has partnered with Varian-CTSI, a leading oncology service provider, to develop and operate the Healthway Cancer Care Center.

Leading the Ayala Group's COVID-19 Response

When the pandemic struck the Philippines, AC Health proved to be a partner in nation-building by leading the Ayala Group's COVID-19 response initiatives. It rallied its business units to work closely with the DOH, IATF, and local government units in implementing protocols across the Ayala Group and spearheading key milestones, from converting Qualimed sites into COVID-19 referral hospitals, capacitating 8 RT-PCR testing labs, to securing vaccines for employees and other stakeholders.

AC Health also helped secure 1 million doses of COVID-19 vaccines for the Ayala Group via tripartite agreements with the government. To date, it has administered over 570,000 doses of the COVID-19 vaccine to recipients from various LGUs, the Ayala Group, and partner companies across its 25 vaccination sites nationwide.

Medethix, a member of the AC Health group, announced last week its order of 300,000 treatment courses of Molnupiravir, the first oral antiviral medicine to be authorized for the treatment of mild-to-moderate COVID-19 infection. Molnupiravir is expected to democratize COVID-19 treatment due to its affordable price. It will also greatly help ease the burden to the country's healthcare system by providing an additional treatment option to prevent hospitalizations and deaths.

"AC Health's vision is to build an integrated and seamless ecosystem of healthcare. We are proud that this vision has resonated with many stakeholders, including IFC. We are delighted to be partnering with IFC which has been an advocate for affordable and accessible healthcare in developing markets around the world. At Ayala, we truly believe that Filipinos deserve better healthcare, and this social bond will be instrumental to AC Health as we scale-up our services beyond this pandemic," AC Health President & CEO Paolo Borromeo said.

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For more information:

YLA ALCANTARA

Head, Brand and Reputation Management

Ayala Corporation

e-mail – alcantara.ypg@ayala.com