

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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			S	A	M	P	A	L	O	C	,			M	A	N	I	L	A											

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

Atty. Anthony Raymond A. Goquingco	8 735-8686
Contact Person	Company Telephone Number

0 5	3 1
Month	Day
Calandar year	

SEC Form 17- A
Annual Report 2024-2025
FORM TYPE

1 0	1 8
Month	Day
Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.	Amended articles Number/Section

1,529	Total Number of Barrowings	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personel concerned

File Number	LCU
Document I. D.	Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17 - A**

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF THE CORPORATION CODE

1. For the fiscal year ended **May 31, 2025**
2. SEC Identification Number **538**
3. BIR Tax Identification No. **000-225-442**
4. Exact name of registrant as specified in its charter **Far Eastern University,
Incorporated**
5. PHILIPPINES
Province, Country or other jurisdiction of
incorporation or organization
6.

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 (SEC use only)
Industry Classification Code:
7. **Nicanor Reyes Street, Sampaloc, Manila** **1015**
Address of principal office Postal Code
8. **(632) 8849-4000**
Issuer's telephone number including area code
9. **NOT APPLICABLE**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the
RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common Stock, ₱100.00 par value	24,055,763
Bond with Non-Detachable Warrant, ₱1.00 per unit	Not Applicable
11. All securities (common shares) are listed with the Philippine Stock Exchange, Inc.
12. Check whether the registrant:
 - (a) has filed reports required to be filed by Section 17 of the SRC and SRC Rule 17
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 ☐
13. The aggregate market value of the voting stock held by non-affiliates: **None**

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Far Eastern University (FEU), as it is known today, was originally founded in 1928. Far Eastern University, Inc. — the corporate vehicle — was incorporated in 1933. It operates Far Eastern University, the higher education institution. FEU is also the majority shareholder of East Asia Computer Center, Inc. (EACCI); FEU Alabang, Inc.; Far Eastern College Silang, Inc.; FEU High School, Inc.; and Roosevelt College, Inc. (collectively, the “FEU Group of Schools”). It is also a major shareholder in Fern Realty Corporation, a real estate corporation with land holdings in commercial, residential, as well as educational properties. The subsidiaries of FEU in turn make use of “FEU” in their respective business names. EACCI does business under the names and styles of FEU Institute of Technology, FEU Tech, or FIT and FEU Diliman, while Far Eastern College Silang, Inc., does so as FEU Cavite. Roosevelt College, Inc., on the other hand does business under the name FEU Roosevelt.

FEU, Inc., in the schools it operates, adopts a holistic approach to education, taking into consideration both academics and whole-person development, which includes, among others, the students’ social, ethical, and emotional growth. The FEU Group of Schools purposefully endeavors to foster an inclusive, nurturing, safe, and secure space set in beautifully designed campuses conducive for learning.

FEU, Inc., also established partnerships. FEU owns 51% of Edustria, Inc., in a joint venture with the Technological Institute of the Philippines (T.I.P.), Inc. Edustria, Inc., operates a high school under the same name in the Lipa-Malvar area of Batangas province. FEU has also partnered with the Jerudong Park Medical Centre (JPMC) to establish the first private health science college in Brunei Darussalam, the JPMC College of Health Sciences of which it owns 40%. FEU has also invested in Good Samaritan Colleges, Inc. (GSC) an educational institution located in Cabanatuan City, Nueva Ecija with 34% holdings. This will allow both schools to partner together in expanding the educational offerings and operations of GSC in Cabanatuan. And finally, FEU is a 50% owner of Higher Academia, Inc. (HAI), which has been established with Unilab Education to operate a basic education and tertiary facility in San Fernando, Pampanga., In June 2025, HAI started doing business under the name FEU Pampanga.

Brief Discussion of the Business

Mother Company

1. FAR EASTERN UNIVERSITY

The Far Eastern University was founded in 1928 as a private, nonsectarian institution of learning. Guided by the core values of fortitude, excellence, and uprightness, it aims to be a university of choice in Asia. Committed to the highest intellectual, moral, and cultural standards, the university strives to produce principled and professionally competent graduates and nurtures a service-oriented and environment-conscious community that seeks to contribute to the advancement of the global society.

Tuition and other fees, which are the main sources of revenues, are moderate and subject to student consultation. Full and partial scholarship grants are awarded to deserving students.

FEU maintains excellent facilities to support the schooling experience of students. These include, among others, a library with an expanding electronic footprint; various types of laboratories; audio-visual and multi-media rooms including smart classrooms; conference, meeting, and multi-function rooms; an auditorium; gyms and other sports facilities; a clinic; and an information-

technology enabled gate security system. All classrooms are spacious and air-conditioned — the ambient temperature powered campus-wide by an environmentally friendly district-cooling system, the first and apparently still the only one in a Philippine educational campus setting. Enrollment and financial operations are managed on NetSuite, an integrated, cloud-based enterprise resource planning (ERP) platform, while academic activities are organized on the state-of-the-art Canvas learning management system.-

The International Finance Corporation (IFC) has found that FEU graduates enjoy an employability rate of 75%, which is higher than the global average of 70%, which attests to the university's commitment to provide meaningful career opportunities to its students.

The university's high standard of quality is substantiated by numerous recognitions from the Philippine Commission on Higher Education (CHED); accrediting bodies such as the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) and the Philippine Accrediting Association of Schools, Colleges, and Universities (PAASCU); and the World's Universities with Real Impact (WURI). FEU is also Quacquarelli Symonds (QS) recognized. QS is the most widely respected and read quality ranking in educational institutions. The ASEAN University Network — Quality Assurance (AUN-QA) system also granted to FEU an institutional Certification last February 2025, on top of its 18 Programme Assessment certifications.

The CHED first conferred on FEU the autonomous university status on 25 July 2012. Then, adopting the stricter quality-assurance framework of CHED Memorandum Order 46 series of 2012, the commission affirmed the status per CHED Memorandum Order 20 series of 2016, extending its effectivity to 31 May 2019. Subsequently, CHED Memorandum Order 12 series of 2019 reaffirmed the university's autonomy through to 31 March 2021 and CHED Memorandum Order 7 series of 2021 extended it further to 31 May 2023. CHED Memorandum Order 6 series of 2023 called for new autonomous status application, which FEU was again granted until September 2027.

FEU is organized as seven institutes and has an extension campus (in Makati). The baccalaureate, graduate, and certificate programs offered by FEU and its subsidiaries are shown in *Chart 1*. All of these academic program offerings were approved and/or granted permits by the CHED or, in the case of the Juris Doctor program, the Legal Education Board, as well as other relevant government agencies.

Distribution methods of services: Being a higher education institution, Far Eastern University renders education services to students, either in-school or by remote learning modes.

Customers: Students

The university's revenues primarily come from tuition and other fees paid by students.

The % contribution in the educational revenues by each school are as follows:

School	Percent Share of Revenues
FEU Main	50%
EACCI (FEU Tech)	25%
FEU Alabang	8%
FEU Cavite	2%
FEU Highschool	4%
RCI (FEU Roosevelt)	11%

In FEU Main, student fees from the following institutes contributed to education income as follows:

Institute	Percent Share of Revenues
IHSN	39.95%
IABF	19.93%
IAS	21.63%
IARFA	7.91%
ITHM	8.08%
IL	0.74%
IE	1.77%

Competition: Prestigious universities and colleges in the University Belt are FEU's main competition. The university competes with them through its reasonable tuition and other fees, and by the quality of its services as may be gleaned from the state of its physical plant and facilities and the reputation and capabilities of its faculty, among others. In addition, the university provides various scholarship grants, both for merit and need, to students who qualify. A distinctive feature of the university calendar is the annual cultural program prepared by the FEU Center for the Arts, which consists of performances by FEU cultural groups and guest artists, exhibits, lectures, and campus tours, all of which are provided for free.

Whistle-Blowing Policy: Far Eastern University encourages responsible whistle-blowing and provides whistle blowers adequate protection. Irresponsible and indiscriminate accusations, however, are meted corresponding sanctions.

Subsidiaries and Other Related Parties

1. East Asia Computer Center, Inc.

Although incorporated in 1992, East Asia Computer Center, Inc. (EACCI), started doing business under the name and style FEU Institute of Technology (FIT or FEU Tech, for brevity) only in 2014. In March 2018, it began to use the name and style FEU Diliman as well.

a. FEU Institute of Technology

FEU Tech is a private, non-sectarian institution that provides quality education in the fields of engineering and information technology. It is housed in two buildings: the Technology Building of the FEU Manila campus along Nicanor Reyes Street and the 17-story FEU Tech Building on P. Paredes Street. The school's facilities include well-equipped, air-conditioned classrooms, laboratories, and engineering workshops; a library with a large collection of digital media; a covered gym; a 25-meter four-lane swimming pool; study areas for both individual and collaborative work; exhibit areas; and multi-function rooms. Other notable features include scenic elevators; an e-building high-tech security system; and an observation deck that provides a scenic view of the Manila landscape.

In 2018, FEU Tech launched the FEU Innovation Center. The center is a leading ecosystem of learning support, open to all FEU students, alumni, faculty, and employees who aim to incubate their business ideas or social enterprises. It fosters entrepreneurial prospects by providing access to co-working spaces and community of educators, industry mentors, professional service providers, and potential angel investors.

The institute's high standard of quality is substantiated by program accreditations from the ISO and PAASCU and recognition from the WURI. In 2024, FEU Tech was granted Autonomous Status by CHED.

FEU Tech is organized as two colleges. Its course offerings can be found in *Chart 1*.

b. FEU Diliman

FEU Diliman is a private, nonsectarian educational institution with a 10-hectare campus that is located in Mapayapa Village, Quezon City. Its offerings cover the full spectrum of kindergarten, grade school, junior high school, senior high school and college.

For basic education, FEU Diliman delivers an advanced curriculum in English, Science, and Mathematics, which integrates 21st-century-skills development. Students are provided with holistic development through engagement in sports, culture, values formation, and socio-civic activities and programs. Value-added courses are embedded primarily to prepare the FEU Diliman basic education graduates to pursue higher education in the top universities of the country.

For higher education, FEU Diliman is working toward becoming a professional institution that is recognized for the business and information technology fusion of its academic programs. Professional core courses for technical proficiency and an internship for real-world practice form the core of the curriculum. Technology-driven, non-traditional delivery strategies allow higher levels of student engagement and motivation to achieve the intended learning goals. Graduates are envisioned to be technology-empowered, highly qualified, and principled professionals and leaders poised to provide innovative solutions to the challenges of their workplaces.

In 2025, FEU Diliman ranked 51st for Entrepreneurial Spirit in The World University Rankings for Innovation (WURI).

Product: FEU Diliman is composed of a basic education department and two colleges. The offered courses and programs are also provided in *Chart 1*.

2. FEU Alabang, Inc.

Founded on July 21, 2016, FEU Alabang, Inc., carries Far Eastern University's mission to provide quality education to the south of Metro Manila.

It is located at Filinvest City, Alabang, one of the most progressive areas in Southern Metro Manila. Opened in August 2018, the 1.8-hectare campus welcomed students to its 15-story academic building – the Philippines' First EDGE-certified Academic Building – which is equipped with modern classrooms and laboratories as well as a campus accented by lush green spaces and featuring a 200-seat chapel and gymnasium.

Product: FEU Alabang is organized as a senior high school department and three colleges. The programs it offers are indicated in *Chart 1*.

3. Far Eastern College Silang, Inc.

Established in 2009, Far Eastern College Silang, Inc., operates business under the name and style FEU Cavite (FEUC). Located within MetroGate Silang Estates, a gated community in Silang, Cavite, it is the first subsidiary of FEU Inc. to operate outside Metro Manila. FEU Cavite welcomed its first batch of pre-school, grade school, and college students in June 2010, followed by the first cohort of senior high school students in 2016.

In School Year (SY) 2020–2021, FEUC began accepting freshmen for three extension programs of FEU Manila: Bachelor of Arts in Communication, Bachelor of Arts in Political Science, and Bachelor of Science in Medical Technology.

In addition to these, FEU Cavite officially began offering its own native programs: the Bachelor of Science in Nursing in 2023, and the Bachelor of Science in Medical Technology in 2024, establishing these as independent programs under the Allied Health Sciences.

FEU Cavite aspires to be a school of choice in the Southern Tagalog region, guided by its twin goals of nurturing a love for learning among its students and serving as a catalyst for the region's socioeconomic development. It aims to develop values-driven, service-oriented, and future-ready global citizens through a technology-empowered and individualized learning system. Its social mission includes fueling community growth through heritage preservation and environmental stewardship.

Structure: FEU Cavite is organized as two departments, Basic Education and Higher Education. The complete list of academic programs offered is presented in *Chart 1*.

4. FEU High School, Inc.

FEU High School (FEU HS), Inc., was established as a subsidiary of Far Eastern University, Inc., in 2013 in response to Republic Act 10533 (otherwise known as the Enhanced Basic Education Act of 2013), which extended the Philippine basic education program to 13 years, adding Grades 11 and 12 to the secondary education level. Situated inside the FEU Manila campus, FEU HS welcomed its pioneer class of senior high school students in 2016. Starting in SY 2021-2022, FEU High School admitted its first batch of junior high school students.

Guided by the FEU core values, FEU High School provides quality education that prepares its graduates for college, the world of work, and life. Its curriculum is student-centered, values-driven, and competency-laden; its delivery methods are technology-enabled; and its learning activities are project based.

FEU High School's mission is to provide accessible quality education to students from Filipino working-class families, priming them to thrive both in the world of work and in life in the 21st century. Its curriculum is student-centered, values-oriented, and competency-laden, facilitated by technology-enabled methods, and supported by data analytics to enhance student success. Its project-based learning activities develop students to be socially responsible, skill empowered, and future-ready Filipino and global citizens.

FEU High School's vision is to be a top high school that envisions a world in which its graduates, guided by the core values of fortitude, excellence, and uprightness, actively contribute to the pursuit of a more progressive, equitable, and harmonious society.

5. Roosevelt College, Inc.

FEU Roosevelt stands as a testament to the power of education to endure, evolve, and empower generations. With deep roots in Philippine education, the institution began as Marikina Academy in 1933, later becoming Roosevelt College, Inc. (RCI) in 1946. Through decades of political, economic, and social change, the school has remained steadfast in its mission—continuously adapting to meet the needs of learners and communities.

In May 2016, RCI joined the Far Eastern University (FEU) Group of Schools, marking a transformative chapter in its history. With FEU's acquisition of majority ownership and management control, the institution embraced a renewed vision anchored on academic excellence, access, and innovation. In 2019, it officially rebranded as FEU Roosevelt (FEUR)—a dynamic symbol of continuity, progress, and renewed purpose.

Resilience is in the DNA of FEU Roosevelt. From its humble beginnings to its evolution into a multi-campus institution, FEU Roosevelt has consistently provided best-value quality education to Filipino families, particularly those from the socio-economic C and D segments, without compromising on standards. Its enduring presence in Marikina City and the municipalities of Cainta and Rodriguez in Rizal Province reflects both its strategic relevance and community-rootedness.

In times of disruption—be it natural disasters, public health emergencies, or technological shifts—FEU Roosevelt has remained agile. It was among the first in its network to adopt online and blended learning solutions, ensuring uninterrupted education through the most difficult times. Its No Homework Policy in basic education, holistic student support services, and streamlined digital enrollment and payment systems are concrete examples of how the school adapts in meaningful, student-centered ways.

Through all levels, FEU Roosevelt equips students with the resilience, competence and integrity needed in today's complex world. Its curriculum is continuously enriched through industry partnerships, global linkages, and digital certifications, making graduates not just job-ready but life-ready.

Product: FEU Roosevelt is organized as three campuses and offers the full spectrum of academic program offerings from basic education to graduate school. The details of which are provided in *Chart 1*.

6. Fern Realty Corporation

Fern Realty Corporation (FRC) was established in 1984 primarily to assist FEU and eventually its subsidiary schools in their real estate requirements. For this purpose, the corporation acquired properties in Manila, Makati, Quezon City and Silang, Cavite, which are currently leased to the FEU schools. In Silang, it has also constructed dormitory facilities and farm laboratories for the use of students and faculty members and a staff house for officers of FEU Cavite.

FRC is also engaged in developing and acquiring real properties for sale or lease. With Ayala Land, Inc., it co-developed Ferndale Homes in Quezon City and with Moldex Realty Corporation, Fern Parc, a premium subdivision within MetroGate Silang Estate in Silang, Cavite. Its prime condominium units and residential houses in Makati City, Quezon City, and Taguig City are leased to local and foreign corporations and individuals. Two of its townhouses in Diliman, Quezon City are leased to FEU for its coaches and athletes.

Accreditation

Over the years, the FEU Group of Schools have been accredited by leading institutions both locally and internationally. Of note, the World Universities with Real Impact (WURI) has listed FEU Tech in its ranking of Overall Top Universities and other globally relevant categories.

Further, FEU obtained Quality Assurance Certification from ASEAN University Network (AUN-QA) for 18 programmes evaluated from 2021 to 2024. FEU was also given the AUN-QA Institutional Certification last February 2025.

A summary of the different institutional accreditations of the FEU Group of Schools can be found in *Chart 2*.

CHART 1
FEU GROUP OF SCHOOLS
Chart of Courses as of SY 2024-2025

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria Joint Venture of FEU and TIP
	<i>Manila</i>	<i>Makati</i>	<i>Cavite</i>	<i>Alabang</i>	<i>Manila</i>	<i>Diliman</i>	<i>Cainta, Rizal</i>	<i>Marikina</i>	<i>Rodriguez, Rizal</i>	<i>Manila</i>	<i>Lipa City, Batangas</i>
BASIC EDUCATION											
Developmental Kindergarten											
Kindergarten			✓			✓	✓	✓	✓		
Grade School			✓			✓	✓	✓	✓		
Junior High School			✓			✓	✓	✓	✓	✓	✓
SENIOR HIGH SCHOOL											
Accountancy, Business, and Management			✓	✓		✓	✓	✓	✓	✓	✓
General Academic Strand				✓		✓	✓	✓	✓	✓	✓
Humanities and Social Science			✓	✓		✓	✓	✓	✓	✓	✓
Science, Technology, Engineering, Mathematics (STEM)			✓	✓		✓	✓	✓	✓	✓	✓
Sports						✓					
Technical Vocational (Home Economics and Information and Communication)							✓	✓	✓		
Arts and Design Track (Performing Arts, Visual Arts)								✓			
TERTIARY EDUCATION											
Bachelor of Science in Accountancy	✓	✓	✓	✓		✓					

FEU GROUP OF SCHOOLS
Chart of Courses as of SY 2024-2025

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FEU GROUP OF SCHOOLS
Chart of Courses as of SY 2024-2025

[illegible]

FEU GROUP OF SCHOOLS
Chart of Courses as of SY 2024-2025

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria Joint Venture of FEU and TIP
	<i>Manila</i>	<i>Makati</i>	<i>Cavite</i>	<i>Alabang</i>	<i>Manila</i>	<i>Diliman</i>	<i>Cainta, Rizal</i>	<i>Marikina</i>	<i>Rodriguez, Rizal</i>	<i>Manila</i>	<i>Lipa City, Batangas</i>
Bachelor of Science in Exercise and Sports Science major in Fitness and Sports Management	✓										
Bachelor of Secondary Education major in English	✓		✓				✓				
Bachelor of Secondary Education major in Mathematics	✓						✓				
Bachelor of Secondary Education major in Science	✓						✓				
Bachelor of Secondary Education major in Values Education							✓				
Bachelor of Secondary Education major in Filipino							✓				
Bachelor of Secondary Education major in Social Studies							✓				
Bachelor of Early Childhood Education							✓				
Bachelor of Special Needs Education	✓										
Bachelor of Science in Nursing	✓		✓								
Bachelor of Science in Nutrition and Dietetics	✓										
Bachelor of Science in Pharmacy	✓										
Bachelor of Science in Medical Technology	✓		✓								

[illegible]

FEU GROUP OF SCHOOLS
Chart of Courses as of SY 2024-2025

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria Joint Venture of FEU and TIP
	<i>Manila</i>	<i>Makati</i>	<i>Cavite</i>	<i>Alabang</i>	<i>Manila</i>	<i>Diliman</i>	<i>Cainta, Rizal</i>	<i>Marikina</i>	<i>Rodriguez, Rizal</i>	<i>Manila</i>	<i>Lipa City, Batangas</i>
Bachelor of Science in Hospitality Management <i>(Culinary Arts and Kitchen Operations)</i>	✓										
Bachelor of Science in Hospitality Management <i>(Hotel and Resort Operations)</i>	✓										
Bachelor of Science in Hospitality Management <i>(Hotel Industry Analytics)</i>	✓										
Bachelor of Science in Hospitality Management							✓				
COLLEGE OF COMPUTER STUDIES and MULTIMEDIA ARTS											
Bachelor of Multimedia Arts				✓	✓			✓			
Bachelor of Science in Computer Science with specialization in Data Science				✓	✓						
Bachelor of Science in Computer Science with specialization in Software Engineering				✓	✓						
Bachelor of Science in Computer Science with specialization in Artificial Intelligence				✓							
Bachelor of Science in Information Technology with specialization in Animation and Game Development				✓	✓	✓		✓			

FEU GROUP OF SCHOOLS
Chart of Courses as of SY 2024-2025

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria Joint Venture of FEU and TIP
	<i>Manila</i>	<i>Makati</i>	<i>Cavite</i>	<i>Alabang</i>	<i>Manila</i>	<i>Diliman</i>	<i>Cainta, Rizal</i>	<i>Marikina</i>	<i>Rodriguez, Rizal</i>	<i>Manila</i>	<i>Lipa City, Batangas</i>
Bachelor of Science in Information Technology			✓								
Bachelor of Science in Information Technology with specialization in Digital Arts											
Bachelor of Science in Information Technology with specialization in Business Analytics				✓	✓						
Bachelor of Science in Information Technology with specialization in Web and Mobile Applications				✓	✓	✓		✓			
Bachelor of Science in Information Technology with specialization in Cybersecurity				✓	✓	✓					
Bachelor of Science in Information Technology with specialization in Innovation and Business											
COLLEGE OF ENGINEERING											
Bachelor Science in Civil Engineering				✓	✓						
Bachelor of Science in Computer Engineering				✓	✓						
Bachelor of Science in Electrical Engineering				✓	✓						
Bachelor of Science in Electronic Engineering				✓	✓						
Bachelor of Science in Mechanical Engineering				✓	✓						

FEU GROUP OF SCHOOLS
Chart of Courses as of SY 2024-2025

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria Joint Venture of FEU and TIP
	<i>Manila</i>	<i>Makati</i>	<i>Cavite</i>	<i>Alabang</i>	<i>Manila</i>	<i>Diliman</i>	<i>Cainta, Rizal</i>	<i>Marikina</i>	<i>Rodriguez, Rizal</i>	<i>Manila</i>	<i>Lipa City, Batangas</i>
Master of Arts in Education major in Educational Administration	✓						✓				
Master of Arts in Education (English Language and Literature Education Track)	✓										
Master of Arts in Education (Educational Assessment, Measurement, and Evaluation Track)	✓										
Master of Arts in Education (Curriculum Studies Track)	✓										
Master of Arts in Education (Early Childhood Education Track)	✓										
Master of Arts in Education major in Educational Technology							✓				
Master of Arts in Education major in Teaching Early Grades							✓				
Master of Arts in Education major in Guidance and Counselling							✓				
Master in School Guidance and Counselling											
Master of Arts in Education major in English Language and Teaching	✓						✓				
Master of Arts in Education major in Literature and Language Education (English)							✓				

[illegible]

FEU GROUP OF SCHOOLS
Chart of Courses as of SY 2024-2025

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria Joint Venture of FEU and TIP
	<i>Manila</i>	<i>Makati</i>	<i>Cavite</i>	<i>Alabang</i>	<i>Manila</i>	<i>Diliman</i>	<i>Cainta, Rizal</i>	<i>Marikina</i>	<i>Rodriguez, Rizal</i>	<i>Manila</i>	<i>Lipa City, Batangas</i>
Doctor of Philosophy in Education by Research	✓										
Doctor of Philosophy (Science Education Track)	✓										
Doctor of Philosophy in Psychology major in Clinical Psychology	✓										
Doctor of Philosophy in Psychology major in Forensic Psychology	✓										
Doctor of Philosophy in Psychology major in Industrial Psychology	✓										
CERTIFICATE COURSES											
Teacher Certificate Program	✓		✓				✓				

CHART 2
FEU GROUP OF SCHOOLS
Chart of Courses as of SY 2024-2025

SCHOOLS	Local Accreditation		International Assessment	International Memberships	
Far Eastern University (Manila and Makati)	Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA)		ASEAN University Network- Quality Assurance (AUN-QA)	Member, Association of Universities of Asia and the Pacific (AUAP)	
	<i>A. Undergraduate:</i> Level IV - BS Accountancy - BS Applied Mathematics with Information Technology - BS Biology - BS Business Administration - BA Communication - B Elementary Education - BS Psychology - B Secondary Education Level III - BA International Studies - BS Hotel and Restaurant Management - BS Tourism Management - BA Language and Literature	Level I - BA Interdisciplinary Studies Level I - BA Interdisciplinary Studies <i>B. Graduate Studies:</i> Level III - Doctor of Education - MA Psychology - MA Education	- BA Political Science - BA Communication - B Secondary Education - B Elementary Education - BS Architecture - B Fine Arts major in Visual Communication - BA International Studies - BS Applied Mathematics - BS Accountancy - BS Business Administration - BS Psychology - BS Nursing - BS Biology - BA Language and Literature Studies - BS Medical Technology Hotel and Restaurant Management - BS Tourism Management - MA Psychology	Member, Association of Southeast Asian Institutions of Higher Learning (ASAIHL) Member, Southeast and South Asia and Taiwan Universities (SATU) Member, Pacific Asia Travel Association (PATA) Associate Member, ASEAN University Network – Quality Assurance (AUN-QA) Associate Status, International Centre of Excellence in Tourism and Hospitality Education (THE-ICE) Center for Excellence, Asia Pacific Institute for Events Management Int'l (APIEM)	
	Philippine Accrediting Association of Schools, Colleges and Universities (PAASCU)				
	<i>A. Undergraduate:</i> Level III - BS Nursing	<i>B. Graduate Studies:</i> Level I - MA Nursing			
FEU Institute of Technology (Manila)	Philippine Accrediting Association of Schools, Colleges and Universities (PAASCU)		World Universities with Real Impact (WURI)	ASEAN University Network (AUN) Associate Member	
	Level III Re-Accredited Status: - BS Information Technology - BS Computer Science - BS Civil Engineering - BS Computer Engineering Level II - BS Electrical Engineering	Candidate Status: - BS Electronics Engineering - BS Mechanical Engineering - B Multimedia Arts	- Ranked 157th, Global Top 400 Innovative Universities - Ranked 6th, Funding for Sustainability - Ranked 13th, Visionary Leadership - Ranked 10th, University Brand & Reputation		
	PCS Information and Computing Accreditation Board (PICAB)		Philippine Technological Council (PTC) And Certification Board for Engineering and Technology (ACBET)		
	International Accreditation: - BS Computer Science - BS Information Technology		International Accreditation: - BS Civil Engineering - BS Computer Engineering - BS Electronics Engineering - BS Electrical Engineering - BS Mechanical Engineering		

FEU GROUP OF SCHOOLS
Chart of Courses as of SY 2024-2025

SCHOOLS	Local Accreditation		International Assessment	International Memberships	
	International Organization for Standardization ISO 9001:2015 - ISO 9001:2015 Certified (Zero Major and Minor Non-Conformity)				
FEU Diliman	Private Education Assistance Committee (PEAC)		World Universities with Real Impact (WURI)		
	BED (Junior High School and Senior High School - Certified and continued participation in the ESC program with 58 incoming Grade 7 grantees for SY 2024-2025		- Global Top 50 in Ethics and Integrity - Global Top 51 in Entrepreneurial Spirit - Global Top 65 in Technology Development and Application		
	International Organization for Standardization ISO 9001:2015 - February 6-7, 2024, 2nd Surveillance Audit Visit with Zero Major and Minor Non-Conformity				
FEU Cavite	Philippine Accrediting Association of Schools, Colleges and Universities (PAASCU)				
	Candidate Status - Basic Education				
	Private Educational Assistance Committee (PEAC)				
	PEAC Certified (Basic Education and Senior High School)				
FEU Roosevelt	Philippine Accrediting Association of Schools, Colleges and Universities (PAASCU)				
	Applicant Status for Marikina and Cainta Campus Level 2 Reaccredited for Rodriguez Campus				
	Private Educational Assistance Committee (PEAC)				
	PEAC Certified for all campuses				

Employees

The number of employees as of May 31, 2025 are as follows:

University Officials	-	22
Academic and Non-Academic Managers	-	80

Non-Academic:

Supervisor	-	58
Rank-and-File	-	269
Probationary	-	28
Project Based	-	3

Academic:

Lecturer (Full-time equivalent)	-	635
Regular	-	318

Far Eastern University also boasts a diverse employee base with a roughly 50-50 split between male and female employees among its Academic and Non-Academic employees.

The inclusive dates of Collective Bargaining Agreement (CBA) are as follows:

Non-Academic - Employees	-	July 16, 2021 - July 15, 2026
Academic - Faculty	-	September 1, 2021 - August 31, 2026

The labor unions of the employees and the faculty members have never been on strike in the last ten years and pose no threat to strike in the foreseeable future. Employees and faculty members have a harmonious relationship with the Administration.

Other Supplemental Benefits or Incentive Arrangements the Registrant has or will have with its employees:

		Non-Teaching Employee	Faculty
1. Average annual increase in basic salary for two years	1 st Year	Integration of LA/SFA	Integration of LA/SFA
	2 nd Year	3%	3%
2. Yearly Rice Allowance		₱16,500.00	₱16,500.00
3. Yearly Medical Benefit		₱70,000.00	₱60,000.00
		<i>(Plus health card premium deducted from the ₱70,000.00)</i>	<i>Plus health card (premium deducted from the ₱60,000.00)</i>
4. Educational Benefit		For employees and their dependents	For faculty and their dependents
5. One-time Signing Bonus		₱24,000.00	₱24,000.00
6. One-time No Strike Bonus		₱140,000.00	₱150,000.00
7. Others		Various	Various

Item 2. Schedule of Property and Equipment / Investment Properties

	Gross Book Value	Accumulated Depreciation	Net Book Value	Location	Condition
FAR EASTERN UNIVERSITY, INCORPORATED					
(FEU or Parent Company)					
I. PROPERTY AND EQUIPMENT:					
LAND					
Land - FEU Manila Campus (including Lerma, R. Papa Extension, St. Catherine Dormitory and Naldo properties)	351,009,595	P -	P 351,009,595	Manila	Very Good
Land - Education and Admissions Buildings (formerly EAC Main and Annex Buildings)	53,394,726	-	53,394,726	Manila	Very Good
Land - Biluso, Silang	41,733,203	-	41,733,203	Silang, Cavite	Very Good
Land - Lopez	114,601,864	-	114,601,864	Manila	Very Good
	560,739,388	-	560,739,388		
BUILDINGS, AND LAND AND LEASEHOLD IMPROVEMENTS					
Leasehold Improvements (Administration Building, Architecture Building, Nursing Building, Accounts Business and Finance Building, R. Papa Gym and Student Pavilion)	950,203,554	488,055,809	462,147,745	Manila	Very Good
FEUTURE Center (Lerma)	623,994,988	165,156,017	458,838,971	Manila	Very Good
Technology Building	348,656,357	303,088,150	45,568,207	Manila	Very Good
Science Building (SB)	301,341,500	188,279,638	113,061,862	Manila	Very Good
Arts Building	279,980,892	57,406,868	222,574,024	Manila	Very Good
Admissions Building (formerly EAC Main Building)	266,579,526	193,622,707	72,956,819	Manila	Very Good
Nicanor Reyes Hall	198,867,089	127,133,954	71,733,135	Manila	Very Good
FEU Makati Building	180,981,854	129,994,321	50,987,533	Makati City	Very Good
Education Building (formerly EAC Annex Building)	144,130,612	113,783,953	30,346,659	Manila	Very Good
Alfredo Reyes Hall	129,020,943	110,171,264	18,849,679	Manila	Very Good
Campus Pavilion	24,875,853	11,574,168	13,301,685	Manila	Very Good
Architecture Building (formerly Law Building) to SB Covered Walk	3,202,126	2,667,782	534,344	Manila	Very Good
Land Improvements (Grandstand, Pavilion, Covered Walks, Perimeter Fences and Others)	19,716,155	13,140,739	6,575,416	Manila	Very Good
EB to ADB Connecting Bridge	12,973,373	918,947	12,054,426	Manila	Very Good
Building Improvements (Main Campus Building, Education Building, Science Building, Admission Building, Arts Building, and Nicanor Reyes Hall)	73,309,987	2,263,548	71,046,439	Manila	Very Good
Building Improvements (Technology Building)	16,974,385	1,131,626	15,842,759	Manila	Very Good
Building Improvements (Makati Building)	1,672,760	571,526	1,101,234	Makati City	Very Good
Building Improvements (FEUTURE Center)	2,429,805	705,713	1,724,092	Manila	Very Good
Construction in Progress	215,483,390	-	215,483,390	Manila	Very Good
	P 3,794,395,149	P 1,909,666,730	P 1,884,728,419		

		<u>Gross Book Value</u>		<u>Accumulated Depreciation</u>		<u>Net Book Value</u>	<u>Location</u>	<u>Condition</u>
FURNITURE, FIXTURES AND EQUIPMENTS								
Information Technology Equipments	P	388,116,571	P	326,270,049	P	61,846,522	Manila	Very Good
Electrical and Mechanical Equipments		268,639,628		222,330,897		46,308,731	Manila	Very Good
Laboratory Equipments		144,573,997		98,707,093		45,866,904	Manila	Very Good
Furnitures and Fixtures		138,884,861		118,200,147		20,684,714	Manila	Very Good
Transportation Equipments		82,036,718		55,592,295		26,444,423	Manila	Very Good
Musical Instruments		8,199,421		5,116,276		3,083,145	Manila	Very Good
Athletic and Sports Equipments		8,864,814		5,749,737		3,115,077	Manila	Very Good
Museum Collections		3,475,712		-		3,475,712	Manila	Very Good
Tools		1,818,411		1,761,898		56,513	Manila	Very Good
Audio and Video Equipment		3,531,080		1,131,962		2,399,118	Manila	Very Good
Miscellaneous Fixed Assets		104,184,211		103,924,965		259,246	Manila	Very Good
		<u>1,152,325,424</u>		<u>938,785,319</u>		<u>213,540,105</u>		
TOTAL PROPERTY AND EQUIPMENT	P	<u>5,507,459,961</u>	P	<u>2,848,452,049</u>	P	<u>2,659,007,912</u>		
II. INVESTMENT PROPERTIES:								
LAND								
Land - Filinvest Alabang	P	<u>1,076,829,849</u>	P	<u>-</u>	P	<u>1,076,829,849</u>	Muntinlupa City	Very Good
BUILDINGS								
FEU Cavite Building II		275,841,030		154,142,800		121,698,230	Silang, Cavite	Very Good
FEU Cavite Building I		205,592,198		132,320,680		73,271,518	Silang, Cavite	Very Good
FEU Cavite Gym		<u>23,170,854</u>		<u>2,317,085</u>		<u>20,853,769</u>	Silang, Cavite	Very Good
		<u>504,604,082</u>		<u>288,780,565</u>		<u>215,823,517</u>		
TOTAL INVESTMENT PROPERTIES		<u>1,581,433,931</u>		<u>288,780,565</u>		<u>1,292,653,366</u>		
TOTAL FIXED ASSETS OF FEU	P	<u>7,088,893,892</u>	P	<u>3,137,232,614</u>	P	<u>3,951,661,278</u>		

		Gross Book Value	Accumulated Depreciation	Net Book Value	Location	Condition
FERN REALTY CORPORATION (FRC)						
I. INVESTMENT PROPERTIES:						
LAND						
Land - FEU Makati Campus	P	212,850,736	P -	P 212,850,736	Makati City	Very Good
Land - FEU Cavite Campus		113,703,104	-	113,703,104	Silang, Cavite	Very Good
Land - FEU Campus Site I (<i>Administration Building, Nursing Building, Accounts Business and Finance Building, Architecture Building and Open Spaces</i>)		82,805,600	-	82,805,600	Manila	Very Good
Land - FEU Campus Site II (<i>Fern Building, FEU Institute of Technology Building and R. Papa Gym</i>)		67,253,504	-	67,253,504	Manila	Very Good
Land - Ferndale Villas		5,145,000	-	5,145,000	Quezon City	Very Good
Land - Sampaguita Ave., Quezon City		3,714,947	-	3,714,947	Quezon City	Very Good
		<u>485,472,891</u>	<u>-</u>	<u>485,472,891</u>		
LAND IMPROVEMENTS		<u>31,576,953</u>	<u>20,078,324</u>	<u>11,498,629</u>	Various	Very Good
BUILDINGS						
FEU Manila Campus Buildings		43,880,657	23,508,514	20,372,143	Manila	Very Good
Fern Building		43,672,595	20,359,267	23,313,328	Manila	Very Good
R. Papa Gymnasium		30,970,563	12,431,332	18,539,231	Manila	Very Good
FEU Diliman		11,847,059	6,948,154	4,898,905	Quezon City	Very Good
Ferndale Villas (Townhouse)		21,631,259	3,569,158	18,062,102	Quezon City	Very Good
FEU Cavite Dormitory and Staff House		151,816,789	16,286,974	135,529,815	Silang, Cavite	Very Good
Two Roxas Triangle (Condominium Unit)		56,059,452	1,962,081	54,097,371	Makati City	Very Good
Lincoln Tower (Condominium Unit)		28,798,811	2,783,885	26,014,926	Makati City	Very Good
The Proscenium Residences (Condominium Unit)		29,983,855	849,543	29,134,312	Makati City	Very Good
Arca South Residences (Condominium Unit)		12,376,472	1,547,059	10,829,413	Taguig City	Very Good
Fern College (Certain Structures Within Campus)		766,964	122,714	644,250	Quezon City	Very Good
		<u>431,804,476</u>	<u>90,368,680</u>	<u>341,435,796</u>		
BUILDING AND LAND IMPROVEMENTS		<u>60,955,495</u>	<u>39,798,647</u>	<u>21,156,848</u>	Various	Very Good
TOTAL INVESTMENT PROPERTIES	P	<u>1,009,809,815</u>	P <u>150,245,651</u>	P <u>859,564,164</u>		

		<u>Gross Book Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Location</u>	<u>Condition</u>
II. TRANSPORTATION AND OTHER EQUIPMENT (OTHER CURRENT ASSETS)						
Transportation Equipment	P	11,916,897	P 7,198,101	P 4,718,796	Manila	Very Good
Office Furniture and Other Equipment		18,998,789	12,318,248	6,680,541	Manila	Very Good
TOTAL TRANSPORTATION AND OTHER EQUIPMENT		30,915,686	19,516,349	11,399,337		
TOTAL FIXED ASSETS OF FRC	P	1,040,725,501	P 169,762,000	P 870,963,501		

EAST ASIA COMPUTER CENTER, INC. (EACCI)

PROPERTY AND EQUIPMENT:

Building and improvements (<i>FEU Institute of Technology Building</i>)	P	1,340,562,097	P 669,399,411	P 671,162,686	Manila	Very Good
IT and Laboratory Tools, Machineries and Equipments		231,960,610	179,138,709	52,821,901	Manila	Very Good
Furniture and Fixtures		42,689,961	36,333,478	6,356,483	Manila	Very Good
Leasehold Improvements		28,085,532	14,162,889	13,922,643	Manila	Very Good
Construction in Progress		24,829,469	-	24,829,469	Manila / Quezon City	Very Good
TOTAL FIXED ASSETS OF EACCI	P	1,668,127,669	P 899,034,487	P 769,093,182		

FAR EASTERN COLLEGE - SILANG, INC. (FECSI)

PROPERTY AND EQUIPMENT:

Computer Equipments	P	90,520,308	P 78,287,391	P 12,232,917	Silang, Cavite	Very Good
Electrical and Mechanical Equipment		47,766,792	22,025,699	25,741,093	Silang, Cavite	Very Good
Leasehold Improvements		22,259,362	21,869,886	389,476	Silang, Cavite	Very Good
Furnitures and Fixtures		19,501,311	15,271,836	4,229,475	Silang, Cavite	Very Good
Tools, Instruments and Other Equipments		21,939,931	12,059,608	9,880,323	Silang, Cavite	Very Good
Library Books		10,059,019	8,391,539	1,667,481	Silang, Cavite	Very Good
Transportation Equipment		4,460,960	4,223,229	237,731	Silang, Cavite	Very Good
Construction in Progress		850,000	-	850,000	Silang, Cavite	Very Good
TOTAL FIXED ASSETS OF FECSI	P	217,357,684	P 162,129,187	P 55,228,496		

FEU HIGH SCHOOL, INC. (FEU High)

PROPERTY AND EQUIPMENT:

		<u>Gross Book Value</u>		<u>Accumulated Depreciation</u>		<u>Net Book Value</u>	<u>Location</u>	<u>Condition</u>
Information Technology Equipments	P	35,612,483	P	26,656,610	P	8,955,873	Manila	Very Good
Furniture and Fixtures		26,902,265		17,141,654		9,760,611	Manila	Very Good
Leasehold Improvements		16,023,874		12,169,594		3,854,280	Manila	Very Good
Electrical and Mechanical Equipments		5,372,150		4,495,345		876,805	Manila	Very Good
Transportation Equipments		3,721,078		2,064,178		1,656,900	Manila	Very Good
Laboratory Equipments		1,264,854		1,128,953		135,901	Manila	Very Good
Athletic and Musical Instruments		444,586		444,586		-	Manila	Very Good
TOTAL FIXED ASSETS OF FEU High	P	89,341,289	P	64,100,920	P	25,240,370		

FEU ALABANG, INC. (FEUAI)

PROPERTY AND EQUIPMENT:

Building and Improvements (<i>FEU Alabang Building, Chapel and Gymnasium</i>)	P	1,970,349,942	P	607,768,513	P	1,362,581,429	Muntinlupa City	Very Good
Laboratory Tools and Equipment		67,311,649		62,653,446		4,658,203	Muntinlupa City	Very Good
Information Technology and Office Equipment		77,022,689		61,853,510		15,169,179	Muntinlupa City	Very Good
Furniture and Fixtures		31,616,398		29,407,872		2,208,526	Muntinlupa City	Very Good
Leasehold Improvement		12,313,075		7,167,954		5,145,121	Muntinlupa City	Very Good
Construction in Progress		30,226,959		-		30,226,959	Muntinlupa City	Very Good
TOTAL FIXED ASSETS OF FEUAI	P	2,188,840,712	P	768,851,295	P	1,419,989,417		

ROOSEVELT COLLEGE, INC. (RCI)

PROPERTY AND EQUIPMENT:

		<u>Gross Book Value</u>	<u>Depreciation</u>	<u>Net Book Value</u>	<u>Location</u>	<u>Condition</u>
LAND						
Cainta Campus	P	416,133,707	P -	P 416,133,707	Cainta, Rizal	Very Good
Marikina Campus		249,913,151	-	249,913,151	Marikina City	Very Good
Cubao Campus		118,943,594	-	118,943,594	Quezon City	Very Good
Rodriguez Campus		127,231,418	-	127,231,418	Rodriguez, Rizal	Very Good
San Mateo Campus		88,097,221	-	88,097,221	San Mateo, Rizal	Very Good
		<u>1,000,319,091</u>	<u>-</u>	<u>1,000,319,091</u>		
BUILDINGS AND IMPROVEMENTS						
		<u>1,131,011,552</u>	<u>498,742,340</u>	<u>632,269,213</u>	Various Campuses	Very Good
FURNITURE, FIXTURES AND EQUIPMENTS						
Information Technology Equipment		104,270,468	67,267,511	37,002,958		
Electrical and Mechanical Equipment		62,521,006	29,362,076	33,158,930		
Furniture and Fixtures		45,901,085	36,814,806	9,086,278		
Laboratory Equipment		8,258,056	8,034,824	223,233		
Transportation Equipments		6,465,285	3,963,751	2,501,534		
Musical Instruments		2,063,390	2,014,890	48,500		
Miscellaneous Equipment		894,070	878,746	15,324		
Athletic and Sports Equipment		617,711	617,711	-		
		<u>230,991,071</u>	<u>148,954,314</u>	<u>82,036,757</u>	Various Campuses	Very Good
CONSTRUCTION-IN-PROGRES						
		<u>177,194,503</u>	<u>-</u>	<u>177,194,503</u>	Various Campuses	Very Good
TOTAL FIXED ASSETS OF RCI	P	<u>2,539,516,218</u>	<u>P 647,696,654</u>	<u>P 1,891,819,564</u>		

EDUSTRIA, INCORPORATED

PROPERTY AND EQUIPMENT:

LAND

Edustria High School Campus	P	299,679,209	P	-	P	299,809,894	Lipa City, Batangas	Very Good
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FURNITURE, FIXTURES AND EQUIPMENTS

Leasehold Improvements	42,795,020	41,375,446	1,419,574	Lipa City, Batangas	Very Good
Furniture and Fixtures	7,794,140	7,236,813	557,327	Lipa City, Batangas	Very Good
Information Technology Equipment	5,885,501	5,064,928	820,573	Lipa City, Batangas	Very Good
Electrical and Mechanical Equipment	5,576,086	5,206,859	369,226	Lipa City, Batangas	Very Good
Transportation Equipments	2,001,000	1,641,800	359,200	Lipa City, Batangas	Very Good
Laboratory Tools and Equipment	760,943	760,943	-	Lipa City, Batangas	Very Good
Athletic Equipment	20,899	7,464	13,435	Lipa City, Batangas	Very Good
Construction in Progress	3,783,606	-	3,783,606	Lipa City, Batangas	Very Good
	68,617,195	61,294,253	7,322,942		

TOTAL FIXED ASSETS OF EDUSTRIA

P	368,296,404	P	61,294,253	P	307,132,836
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TOTAL PROPERTY AND EQUIPMENT, AND
INVESTMENT PROPERTY

P	9,291,128,643
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PROPERTY LEASED BY FEU FROM FRC:

		Annual Rental	Current Contract Period
Gymnasium	Two (2) storey building made of concrete materials located at R. Papa St., Sampaloc, Manila	12,670,487.16 <i>plus 12% VAT</i>	April 1, 2025 to March 31, 2026
Athletes' Quarters (2F and 3F)	Ground floor (234.44 sq. meters) of a five (5) storey building made of concrete materials located at P. Paredes corner S.H. Loyola Streets, Sampaloc, Manila Portion of 2nd floor (790 sq. meters) of a five (5) storey building made of concrete materials located at P. Paredes corner S.H. Loyola Streets, Sampaloc, Manila	5,928,552.00 <i>plus 12% VAT</i>	June 1, 2025 to May 31, 2026
Isolation Room	4th floor (100 sq. meters) of a five (5) storey building made of concrete materials located at P. Paredes corner S.H. Loyola Streets, Sampaloc, Manila	206,974.40 <i>plus 12% VAT</i>	June 1, 2025 to May 31, 2026
Harvard 66	66 Harvard - (111/185 sq. meters) 3 storey building located at Unit No. 66 Harvard, Ferndale Villas, Brgy. Pasong Tamo, Quezon City	514,285.68 <i>plus 12% VAT</i>	June 1, 2025 to May 31, 2026
Stanford 19	Stanford 19 - (111/185 sq. meters) 3 storey building located at Unit No.19 Stanford, Ferndale Villas, Brgy. Pasong Tamo, Quezon City	514,285.68 <i>plus 12% VAT</i>	June 1, 2025 to May 31, 2026
Toyota Fortuner	2024 Toyota Fortuner 2.4V Wagon, Gray Metallic, Engine No. 2GDD398354, Chasis No. MHFJB3GS7R1106514, Reg.Cert. No. 0050435322, Plate No. NFR6869, Vehicle Type. SUV	321,428.52 <i>plus 12% VAT</i>	June 1, 2024 to May 31, 2025
FEU Makati Campus	Parcel of land (2,186 sq. meters) located at the Makati Central Business District bounded by Sen. Gil Puyat Avenue, Malugay Street and Geronimo Street Makati City.	11,445,312.24 <i>plus 12% VAT</i>	June 1, 2025 to October 31, 2026
FEU Bookstore	A and B - Portion of (42 sq. meters) of Fern Building I, located at 921 E.S.H. Loyola St., Sampaloc, Manila C - Portion of (21 sq. meters) of Fern Building I, located at 921 E.S.H. Loyola St., Sampaloc, Manila D - Portion of (28 sq. meters) of the Ground Floor of the Nursing Building, located at N. Reyes St. Sampaloc, Manila	201,600.00 <i>plus 12% VAT</i>	June 1, 2025 to May 31, 2026
FEU-Manila Buildings:			
Accounts, Business and Finance Buidling <i>(formerly Education Building)</i>	Eight (8) storey building made of concrete materials located at FEU Manila Campus, Nicanor Reyest St., Manila	34,930,145.40 <i>plus 12% VAT</i>	June 1, 2025 to May 31, 2026
Architecture Building <i>(Law Building)</i>	Four (4) storey building made of concrete materials located at FEU Manila Campus, Nicanor Reyest St., Manila		
Administration Building	Four (4) storey building made of concrete materials located at FEU Manila Campus, Nicanor Reyest St., Manila		

**PROPERTY LEASED BY FEU FROM
NICANOR REYEST EDUCATIONAL FOUNDATION, INC.**

		Annual Rental	Contract Date
Sports Facilities	Sports building and football field in FEU Diliman	2,941,680.00 <i>plus 12% VAT</i>	July 1, 2024 to 30-Jun-25
FEU Bookstore	Bookstore space in FEU Diliman Campus	575,426.88 <i>plus 12% VAT</i>	June 1, 2023 to May 31, 2024

PROPERTY LEASED BY FEU FROM FEUI:

		<u>Annual Rental</u>	<u>Contract Date</u>
FEU Bookstore	Bookstore space in FEU Alabang Building ground floor	720,000.00 plus applicable VAT	September 1, 2024 to August 31, 2025

PROPERTY LEASED BY FECSI FROM FEU:

		<u>Annual Rental</u>	<u>Contract Date</u>
FEU - Cavite Buildings	Two (2) concrete buildings located as Silang, Cavite	613,500.00 plus 12% VAT on initial year, yearly rates to be determined annually - or - the amount equivalent to 5% of its gross annual revenues, whichever is higher	August 1, 2024 to July 31, 2025

PROPERTY LEASED BY EACCI (FEU INSTITUTE OF TECHNOLOGY) FROM FEU:

		<u>Annual Rental</u>	<u>Contract Date</u>
Portions of Technology Building	4th to 7th floors and three (3) rooms of the 9th floor of the Technology Building	24,740,452.20 plus 12% VAT	July 1, 2024 to June 30, 2025

PROPERTY LEASED BY FEUI FROM FEU:

		<u>Annual Rental</u>	<u>Contract Date</u>
FEU Alabang Campus	Parcel of land located in Muntinlupa City (FEU Alabang Campus)	16,201,192.08 plus 12% VAT	July 1, 2024 to June 30, 2025

	<u>Amount</u>
Properties intended to be acquired in the next 12 months:	NONE NOT APPLICABLE

Item 3. Legal Proceedings

There are no material litigations or claims pending or threatened against the University or any of its subsidiaries or affiliates or any of their properties, to the best knowledge of the University, that would adversely affect the operations or financial position of the University or any of its subsidiaries or affiliates.

Item 4. Submission of Matters to a Vote of Security Holders

There are no matters submitted to a vote of security holders during the whole fiscal year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrants Common Equity and Related Stockholders Matters

Dividend Declaration for the Fiscal Year Ended May 31, 2025

Cash Dividend

	Date of Declaration	Date of Record	Date of Payment	Amount
₱16.00 per share	September 17, 2025	October 1, 2025	October 17, 2024	₱ 384,892,208
₱16.00 per share	February 18, 2025	March 4, 2025	March 18, 2025	384,892,208
				<u>₱ 769,784,416</u>

Stock Dividend

No stock dividend was declared during the period June 1, 2024 to May 31, 2025.

Dividend Policy

Cash dividend on common shares shall be paid based on the approval of the Board of Trustees up to the amount of the unrestricted retained earnings and available cash, while stock dividend on common shares shall be issued based on the approval of the Board of Trustees, ratified by the stockholders, based on the unrestricted retained earnings up to the unissued authorized capital stock.

Recent Sales of Unregistered Securities

Not a single common share is considered unregistered security. All shares are registered with the Philippine Stock Exchange, Inc. Thus, a checklist of requirements for Sale of Unregistered Securities is not applicable.

The Philippine Stock Exchange, Inc. is the principal market where the corporation's common equity is traded.

Market Prices of Common Stocks (Philippine Stock Exchange, Inc.)

Herewith are the high, low, and closing prices of shares of stock traded from June 2024 to May 2025:

Month	High	Low	Close
2024			
June	₱ 720.00	₱ 631.50	₱ 710.00
July	720.00	652.00	720.00
Aug	720.00	665.50	718.00
Sep	800.00	663.50	750.00
Oct	800.00	690.00	691.50
Nov	715.00	693.00	711.00
Dec	735.00	699.50	735.00
2025			
Jan	795.00	700.00	730.00
Feb	800.00	735.00	799.50
Mar	810.00	736.50	736.50
Apr	947.00	700.00	769.50
May	849.00	800.00	847.50

High and low sale prices for each quarter are as follows:

Quarter	High	Low	Close
From June 1, 2023 to May 31, 2024			
First Quarter	₱ 622.50	₱ 541.83	₱ 568.33
Second Quarter	642.33	553.67	588.83
Third Quarter	598.83	559.17	586.00
Fourth Quarter	650.00	556.00	649.83

Quarter	High	Low	Close
<i>From June 1, 2024 to May 31, 2025</i>			
First Quarter	₱ 720.00	₱ 649.67	₱ 716.00
Second Quarter	771.67	682.17	717.50
Third Quarter	776.67	711.50	754.83
Fourth Quarter	868.67	729.83	768.67

The number of shareholders on record as of May 31, 2025 was One Thousand Five Hundred Twenty Nine (1,529). Common shares issued and outstanding were 24,055,763.

Top 20 FEU Stockholders as of May 31, 2025

Title of Class		Name of Beneficial Owner	No. of Shares and Nature of Beneficial Ownership	Citizenship	Percent of Class
1.	Common	Seyrel Investment and Realty Corporation	6,887,051 – D	Filipino	28.63
2.	Common	Sysmart Corporation	5,275,601 – D	Filipino	21.93
3.	Common	PCD Nominee Corporation (Filipino)	2,209,451 – D	Filipino	9.18
4.	Common	Desrey, Inc.	1,924,956 – D	Filipino	8.00
5.	Common	Enrico Palanca Jose	776,534 – D	Filipino	3.23
6.	Common	ICM Sisters Phil. Mission Board, Inc.	527,352 – D	Filipino	2.19
7.	Common	Aurelio R. Montinola III	458,165 – D	Filipino	1.90
8.	Common	Marco P. Gutang	306,797 – D	Filipino	1.28
9.	Common	Gonzaga-Lopez Enterprises, Inc.	294,668 – D	Filipino	1.22
10.	Common	AMON Trading Corporation	279,975 – D	Filipino	1.16
11.	Common	Jomibel Agricultural Development Corp.	261,170 – D	Filipino	1.09
12.	Common	Syntrix Holdings	219,377 - D	Filipino	0.91
13.	Common	FERN Realty Corporation	152,115 – D	Filipino	0.63
14.	Common	ZARE, Inc.	121,707 – D	Filipino	0.51
15.	Common	Rosario P. Melchor	117,292 – D	Filipino	0.49
16.	Common	Rosario Panganiban-Melchor	107,385 – D	Filipino	0.45
17.	Common	Gianna R. Montinola	106,033 – D	Filipino	0.44
18.	Common	Antonio R. Montinola	105,721 – D	Filipino	0.44
19.	Common	Conсорcia P. Reyes	96,484 – D	Filipino	0.40
20.	Common	The Caridad I. Santos Gifting Trust	81,678 – D	Filipino	0.34

Item 6. Management's Discussion and Analysis

A. Financial and Operating Highlights

The financial position of Far Eastern University, Inc. and its subsidiaries (the "Group") continues to exhibit robust stability and strategic readiness to capitalize on future expansion opportunities. The Group's consolidated financial resources and prudent capital structure provide a solid foundation for FEU to pursue its corporate vision—advancing academic excellence and innovation—while preserving its core mission of delivering accessible, high-quality education.

Over the past three fiscal years, the Group has consistently recorded asset expansion alongside prudent liability management. This has supported the sustained growth of stockholders' equity, underscoring the Group's capacity to generate long-term value for its shareholders.

The Group's sound financial position further demonstrates its ability to honor obligations and commitments as they fall due, whether in the short term or over an extended horizon. This strength not only safeguards operational continuity but also positions FEU to strategically invest in vital institutional enhancements – such as expanding academic offerings, technology-driven learning initiatives, and infrastructure improvements that enhance its competitive standing in the Philippine higher education market.

As of May 31, 2025 and May 31, 2024

Analysis of Consolidated Financial Position

<i>(Amounts in millions)</i>	2025	2024	Increase/ (Decrease)	YoY Change (%)
Total Assets	₱ 19,284.1	₱ 18,520.8	₱ 763.3	4%
Total Liabilities	3,291.4	3,839.4	(548.0)	-14%
Equity	15,992.7	14,681.4	1,311.3	9%

The Group's consolidated total assets stood at ₱19,284.1 million, marking a 4% increase from the previous year attributable to the strong operating performance during the period. Cash and cash equivalents grew markedly by 43% or ₱743.7 million, reaching ₱2,457.1 million. This growth was partly influenced by the revised academic calendar for Basic Education, which advanced the start of enrollment to May 2025, thereby accelerating the inflow of tuition and related fees. A significant portion of excess cash from operating activities at year-end was prudently maintained in short-term deposits to optimize liquidity and safeguard returns.

As of year-end, total investments in financial assets amounted to ₱4,907.5 million, lower by ₱309.3 million or 6% compared to the prior year. The decline was primarily attributable to the disposal of certain debt and equity securities as well as the maturities of investment securities at amortized cost during the period, the proceeds of which were applied toward debt retirement and the ongoing expansion and construction of new facilities at the campuses in Alabang and Rodriguez, Rizal. Despite these reductions, and notwithstanding the market volatility experienced in the fourth quarter of 2025, the Group recognized fair value gains on its investment portfolio at year-end, reflecting prudent portfolio management amid fluctuating market conditions.

The ₱309.8 million increase in non-current assets was primarily due to advances made to various suppliers in relation to the construction of a new school building in Alabang.

Consolidated total liabilities decreased by ₱548.0 million, or 14%, compared to the previous year. Current liabilities fell by 8% to ₱2,574.9 million primarily due to lower trade and other payables, reflecting reduced accruals and a ₱99.7million decrease in dividends payable. This was partially offset by an 189% increase in unearned tuition revenues, driven in part by the early enrollment for Basic Education. Total non-current liabilities also contracted by ₱313.7 million following loan repayments, notwithstanding the drawdown of a new loan to finance the construction of another school building in Rodriguez.

Consolidated total equity registered a continuous upward movement primarily driven by higher earnings during the period.

Analysis of Consolidated Results of Operations

<i>(Amounts in millions)</i>	2025	2024	Increase/ (Decrease)	YoY Change (%)
Revenues	₱ 5,794.6	₱ 5,527.7	₱ 266.9	5%
Operating expenses	3,985.1	3,681.4	303.7	8%
Operating income	1,809.5	1,846.3	(36.8)	-2%
Other income -net	521.6	387.2	134.4	34%
Income before tax	2,331.1	2,233.5	97.6	4%
Net income	2,090.6	2,010.3	80.3	4%

The FEU Group's net income increased by 4% to a new high of ₱2,090.6 million, driven by record revenues despite the higher operating expenses. Educational revenues grew by almost 6% to ₱5,716.6 mainly on account of the growth in student population during the period.

Operating expenses rose by 8% to ₱3,985.1 million from ₱3,681.4 million in the prior year, reflecting the continued investment in core operational areas to support the schools' academic excellence drive. Notable contributors to this increase included academic development costs, data analysis and systems investments including subscriptions to technological tools and databases, building renovation costs all to enhance students' learning experience and faculty teaching experience.

Income before tax amounted to ₱2,331.1 million, representing a 4% increase from the previous year. The Group achieved a corresponding 4% growth in net income after tax, posting a record-breaking ₱2,090.6 million. Earnings before interest and taxes (EBIT) stood at ₱2,416 million, highlighting the Group's sustained operational performance.

As of May 31, 2024 and May 31, 2023

Analysis of Consolidated Financial Position

<i>(Amounts in millions)</i>	2024	2023	Increase/ (Decrease)	YoY Change (%)
Total Assets	₱ 18,520.8	₱ 17,264.6	₱ 1,256.2	7%
Total Liabilities	3,839.5	3,740.3	99.2	3%
Equity	14,681.3	13,524.3	1,157.0	9%

The Group's consolidated total assets as of May 31, 2024 stood at ₱18,520.8 million, increasing by 7% from ₱17,264.6 million as of May 31, 2023. This growth is on account of a year of strong operations, with significant increases in investments and capital expenditures.

Trade and other receivables registered growth, driven by the continued increase in the number of students served, while the required allowance for impairment on such receivables declined, reflecting improved collection efficiency and credit quality. Investments in financial assets rose by 14%, reaching ₱5,216.8 million as of May 31, 2024. This increase was primarily attributable to additional placements, as well as favorable foreign exchange movements and positive fair value adjustments during the period. Meanwhile, the higher balance of the Investment in Associates and Joint Venture account reflects the Group's strategic investment in a newly established joint venture entity, Higher Academia, Inc. (HAI), a partnership with Unilab Education.

Property and equipment and investment properties increased to ₱9,274.5 million from ₱9,110.0 million in the previous year primarily due to acquisitions of land as part of the Group's expansion initiative, additional purchases of furniture and equipment, net of depreciation, and on-going building improvements and constructions. The Group's consolidated total liabilities stood at ₱3,839.5 million, reflecting a 3% increase from ₱3,740.3 million in the previous year. Trade and other payables grew by

29% to ₱2,248.0 million, primarily due to payables to contractors and suppliers for ongoing projects, as well as higher balances in various activity-related funds. Income tax payable increased following the reinstatement of the higher income tax rate in July 2023. Non-current liabilities continued to decline as interest-bearing loans were repaid.

Consolidated total equity sustained its continuous growth trajectory. The increase in Retained earnings represents the higher net income for the year, partially offset by dividends declared during the period.

Analysis of Consolidated Results of Operations

<i>(Amounts in millions)</i>	2024	2023	Increase/ (Decrease)	YoY Change (%)
Revenues	₱ 5,527.7	₱ 4,976.2	₱ 551.5	11%
Operating expenses	3,681.4	3,319.9	361.5	11%
Operating income	1,846.3	1,656.3	190.0	11%
Other income	387.2	290.9	96.3	33%
Income before tax	2,233.5	1,947.2	286.3	15%
Net income	2,010.3	1,887.1	123.2	7%

Educational revenues steered the result from core operations as it registered an 11% growth mainly on account of a higher number of student population and a modest tuition rate increase for new students. A one-time sale of real property by a subsidiary also contributed to the overall increase in gross revenues. The Group's operating income for the year ended May 31, 2024 grew by 11% to ₱1,846.4 million from last year's ₱1,656.3 million.

Operating expenses increased by 11% to ₱3,681.4 million from ₱3,319.9 million in the previous year. The increase was primarily attributed to manpower costs, professional fees, software licenses and subscriptions and depreciation.

Non-core income also contributed to the current year's results. Finance income primarily from investments grew by 106%, offsetting the 25% increase in finance costs arising from higher benchmark rates on bank loans. The growth in investment income was mainly due to interest earned on various investments, favorable movements in fair value, and foreign currency exchange gains resulting from the strengthening of the US Dollar against the Philippine Peso.

Profit before tax reached ₱2,233.5 million, 15% higher than last year's ₱1,947.2 million. Income tax expense surged to ₱223.2 million, a 271% hike from last year's ₱60.1 million as the income tax rate reverted to 10%. The tax relief of a lower tax rate of 1% granted to educational institutions under the CREATE Law was effective from July 2021 to June 2023. EBIT for the year was ₱2,345.0 million.

B. Key Performance Indicators (KPIs)

Financial Indicators

Shown below are the top financial KPIs used to measure the operating performance of the Group:

Indicators	Formula	2025	2024	2023
PROFITABILITY RATIOS				
Return on assets	Net Income / Average Total Assets	11%	11%	11%
Return on equity	Net Income / Average Total Equity	13%	14%	15%
Earnings per share	Net Income / Average Outstanding Shares	₱ 85.94	₱ 81.13	₱ 77.92
LIQUIDITY RATIOS				
Current ratio or Working capital ratio	Total Current Assets / Total Current Liabilities	2.44 : 1	1.88 : 1	2.25 : 1
Acid test ratio or Quick ratio	Cash and cash equivalents + Trade and Other Receivables + Investments in Financial Assets (Current) / Total Current Liabilities	2.28 : 1	1.79 : 1	2.14 : 1
SOLVENCY/FINANCIAL LEVERAGE RATIOS				
Debt-to-asset ratio	Total Liabilities / Total Assets	17%	21%	22%
Equity-to-asset ratio	Total Stockholders' Equity / Total Assets	83%	79%	78%
Debt-to-equity ratio	Total Liabilities / Total Stockholders' Equity	21%	26%	28%
Asset-to-equity ratio	Total Assets / Total Stockholders' Equity	121%	126%	128%
Interest coverage ratio	Earnings Before Interest and Taxes (EBIT) / Interest Charges	27.90	21.04	23.22

Profitability

For the year ended May 31, 2025, the Group posted a net income of ₱2,090.6 million, a 4% increase from the previous year. This income performance resulted in a ROA of 11% consistent with the previous year, while earnings per share increased to ₱85.94.

Liquidity

Current year liquidity was adequate at 2.44 : 1, enhanced by the high level of cash and investments and the reduction in current liabilities.

Solvency/Financial Leverage

The Group maintains reasonable creditor-provided financing to achieve a balanced leverage, with Equity-to-Asset and Debt-to-Asset ratios of 83% and 17%, respectively. Debt-to-Equity ratio was satisfactory at 21%.

Non-Financial Indicators

The Group also looks at certain non-financial KPIs to measure its performance:

Service Standards

In the area of quality assurance, the FEU Group of Schools remains steadfast in its commitment to academic excellence. The Group continues to strengthen the competitiveness and industry relevance of its academic programs by securing appropriate program accreditations from government regulators as well as from reputable local and international accrediting organizations.

While the Group's principal mission is to broaden access to quality education, FEU also places significant emphasis on the research contributions of its faculty members. These scholarly outputs not only reflect the depth of expertise and breadth of interests of the teaching staff but also enrich the academic environment, ensuring that knowledge generated is effectively shared with and benefits the student community.

Service standard is measured by the number of program accreditations and research publications. Specific details of current year program accreditations and other academic recognitions and affiliations are presented in *Part I – Business and General Information* section of this report. Shown below is the comparison of the number of program accreditations and research publications during each period:

Indicators	2025	2024	2023
Major Local Accreditations			
CHED University Status			
Far Eastern University, Inc.	Autonomous	Autonomous	Autonomous
FEU Institute of Technology	Autonomous	Autonomous	-
No. of programs cited as CHED COE and COD	2	2	2
No. of programs accredited by the PACUCOA*	16	23	23
No. of programs accredited by the PAASCU*	21	8	8
Major International Accreditations			
AUN-QA Institutional Certification	Achieved	-	-
No. of programs assessed by the AUN-QA	18	18	14
Research Publications			
No. of published research submissions	162	154	158
International Ranking			
Quacquarelli Symonds (QS) World University - Asia ranking	681 st – 700 th	701 st – 750 th	-
World University rankings for innovation (World Universities with Real Impact or WURI) – FEU Institute of Technology	157 th	72 nd	77 th

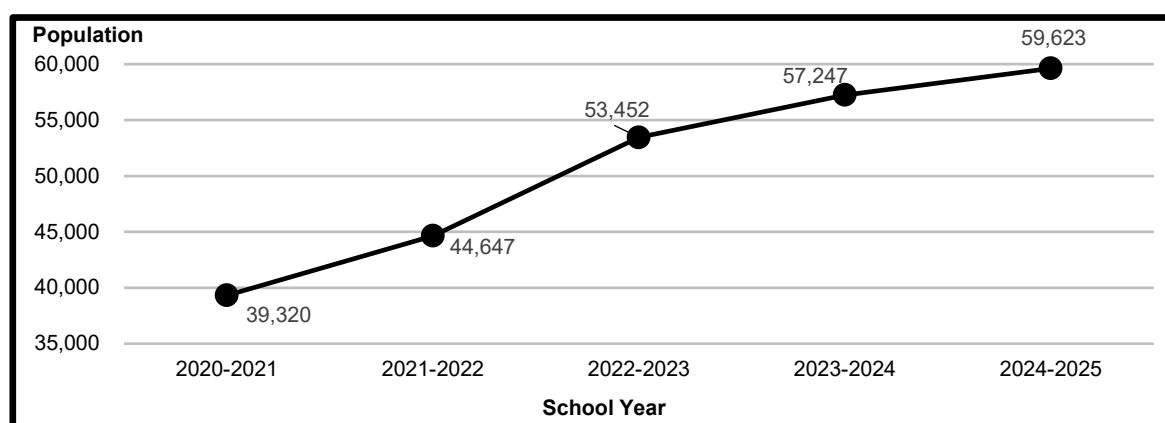
* Seven programs were transferred from PACUCOA to PAASCU.

In February 2025, FEU received institutional accreditation from the ASEAN University Network (AUN), affirming its commitment to academic excellence and aligning its standards with leading universities in the region. This institutional recognition complements the Group's existing 18 program-level AUN-QA accreditations, which affirm the competitiveness of its core academic offerings and opens doors for wider international collaborations.

Market Acceptability

The number of students under the management of the FEU Group of schools continues to grow, reflecting good market acceptability and its performance and organic growth and partnerships.

The graph below shows the Group's first semester enrollment over the past five academic years, demonstrating sustained growth following the strategic partnerships and acquisitions undertaken since SY 2021-2022. This upward trend affirms the FEU Group of Schools' strong position and continued acceptability within the target market, as evidenced by the increase in student enrollment across the period.



Enrollment growth has been supported by a number of strategic initiatives. The FEU Group now offers 117 academic programs, including recently introduced courses or specializations in healthcare, business and artificial intelligence, which are aligned with emerging industry demands. Continuous enhancement of the University's curriculum to address the skills gap in the Philippine workforce will ensure that FEU graduates remain competitive in a rapidly evolving labor market. Accessibility and affordability are part of FEU's mission and hence, for SY 2025 – 2026 no tuition fee increase was implemented.

C. A Look At What Lies Ahead

The Philippine economy is poised to deliver resilient growth in 2026, with gross domestic product (GDP) expansion forecasted between 5.8% to 6.0%, supported by resilient domestic demand, continued infrastructure development, and a stable monetary environment. While external risks such as global trade slowdowns and modest remittance growth remain, the country's macroeconomic fundamentals are expected to provide a favorable backdrop for the education sector.

Government commitment to education continues to strengthen, as reflected in the over ₱1 trillion allocation for the sector in the 2025 national budget. Enrollment in basic education is projected to exceed 27 million learners in the SY 2025–2026, sustaining long-term demand for higher education. Despite this, the industry continues to face challenges, including shortages in teachers and learning resources, as well as the urgent need to modernize academic programs to better prepare graduates for emerging industries.

The higher education landscape is also being reshaped by rapid digitalization. Government initiatives and private sector investments have contributed largely to enhanced connectivity and digital infrastructure. This digital expansion has allowed learners even in remote regions to participate in virtual classrooms and access online learning platforms. In addition, an increasing number of working professionals and adult learners are seeking flexible online education options, driven by the rapidly evolving labor market and the need for continuous upskilling. The Philippine online education market is expected to grow significantly, offering new opportunities for flexible and technology-enabled learning. These developments highlight both the challenges and opportunities for institutions that can adapt and innovate.

Far Eastern University enters fiscal year 2026 with a strong position built on its reputation for academic excellence, prudent financial management, and continued investments in innovation. The University is well-prepared to respond to sector-wide challenges and to take advantage of new opportunities through the following strengths:

- **Established Brand and Academic Reputation** - For nearly a century, FEU has been recognized for delivering quality education that balances academic rigor with industry relevance. This reputation continues to attract students and strengthen the University's standing as one of the country's leading private institutions.
- **Strong Enrollment Base and Network of Campuses** - FEU's diverse network of campuses across Metro Manila and the regions ensures accessibility and growth opportunities, supporting a stable enrollment base even amid a competitive environment.
- **Strategic Investment in Digital and Blended Learning** - FEU has steadily expanded its digital platforms and is prepared to scale further in response to the rapid growth of online education. This positions the University to reach new student segments, including working professionals and learners outside traditional urban centers.
- **Financial Stability and Operational Resilience** - Through disciplined financial management, FEU maintains a solid financial position and sustainable revenue streams. This financial resilience provides the capacity to fund infrastructure development, support academic innovations, and strengthen institutional capabilities.

Moving closer to its 100th year, FEU expects to operate in an environment marked by steady economic expansion, strong government support for education and accelerating digital transformation in the industry. These conditions present both opportunities and challenges, but FEU's long-standing reputation, financial strength, and forward-looking strategy provide a strong foundation for continued growth.

Beyond academics, FEU remains focused on providing a holistic student experience. Investments in campus modernization, student services, and faculty development reinforce its commitment to shaping graduates who embody competence, integrity, and leadership.

By building on its core strengths and pursuing innovation in curriculum, delivery, and partnerships, FEU is well-positioned to sustain its growth trajectory and reinforce its role as a premier institution of higher learning in the Philippines.

D. Other Items

1. During the reporting period, material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons have been disclosed in the financial statements.
2. There are no known events that would result in any default or acceleration of an obligation.
3. Other than those disclosed in the financial statements, there are no other known events that will trigger direct or contingent financial obligation that may be material to the Group.
4. The Group does not foresee any cash flow or liquidity problem in the next 12 months immediately following the report date. The Group and each of the component entities can easily meet all its commitments with its present reserves and expected earnings.
5. There are no significant elements of income or loss from continuing operations, and there are no sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction, other than those disclosed in the financial statements.

6. Seasonal aspects that have material effect on the financial statements:

For the University, and the tertiary levels of FEU Cavite, and RCI, there are three school terms within a fiscal year: Midyear Term (June to July), First Semester (August to December) and Second Semester (January to May).

The first semester has the highest number of students enrolled. For the second semester, the enrollment is approximately 90% of the first semester's enrollment, while the midyear term is the lowest at an approximate of 33%.

For the tertiary levels of FEU Tech and FEU Alabang, there are three regular terms in a fiscal year: First Term (August to November), Second Term (November to March) and Third Term (March to June).

7. The Group's segment information is disclosed in Note 4 of the Consolidated Notes to Financial Statements.

Item 7. Financial Statements and Supplementary Schedules

The audited consolidated financial statements, together with the Statement of Management's Responsibility and the Auditors' Reports, and the applicable supplementary schedules to the consolidated financial statements are attached (found at the last part of this report) and filed as part of this SEC Form 17-A.

The consolidated and separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, on a historical cost basis except for the measurement of certain financial assets and financial liabilities. The preparation of the consolidated and separate financial statements in compliance with PFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the amounts reported in the financial statements and related notes. The estimation and judgements are based upon management's evaluation of relevant facts and context-based-circumstances of the financial statements. Actual results may ultimately vary from those estimates.

The consolidated and separate financial statements are presented in Philippine pesos, the Group's functional currency, and all values represent absolute amounts except when otherwise indicated.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

The external auditor of the Company is the SyCip, Gorres, Velayo & Company (SGV & Co.).

Information on Independent Public Accountant

On 8 October 2024, the Board of Trustees, upon the recommendation of the Audit Committee, approved the appointment of SGV & Co. as the Company's new external auditors. The appointment of SGV & Co. was confirmed and ratified by the stockholders during the Annual Stockholders' Meeting held on 19 October 2024. The lead engagement partner for the fiscal year 2025 is Mr. Shane Dave D. Tanguin.

In compliance with SEC Rule 68 paragraph 3 (b) (iv) (Rotation of External Auditors), and as adopted by the University, external auditors or engagement partners are rotated or changed every five years.

External Audit Fees and Services

Pursuant to the requirements of SEC 18-2024 for the supplemental disclosure of fee-related information of the external auditors in the audited financial statements, the table below sets out the aggregate fees billed to the Company and its subsidiaries for each of the last three fiscal years for professional services rendered by its current and previous external auditors SGV & Co. in 2025, and Punongbayan & Araullo, in 2024 and 2023..

	FY2025	FY2024	FY2023
Audit fees	₱ 4,595,360	₱ 4,774,000	₱ 4,344,032

Audit fees refer to the professional services rendered by external auditors for audit of the consolidated and separate annual financial statements of the Company and its subsidiaries. Such services that are normally provided in connection with statutory and regulatory filings. The fees presented above include VAT and out-of-pocket expenses incidental to the services provided.

Except for the statutory audit, there were no other services provided by SGV & Co. to FEU for the last fiscal year.

Audit services have been approved by the Audit Committee through the internal policies and procedures of approval. The appointments were endorsed to and approved by the Board of Trustees, and then by the stockholders at the annual stockholders' meetings.

Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has not had any material disagreements with its external auditors on accounting principles or practices, financial statement disclosures and the audit scope, timing and procedure for the current and prior periods.

PART III - CONTROL AND COMPENSATION

Item 9. Trustees and Executive Officers

Name	Age	Citizenship	Position	Effectivity
Lourdes R. Montinola	97	Filipino	Chair Emeritus, Board of Trustees	August 2013 to present
Aurelio R. Montinola III	74	Filipino	Chairman, Board of Trustees	August 2013 to present
Juan Miguel R. Montinola	64	Filipino	President and Trustee	August 2023 to present
Michael M. Alba	68	Filipino	Trustee	October 2012 to present
Paulino Y. Tan	79	Filipino	Trustee	June 1991 to present
Sherisa P. Nuesa	70	Filipino	Trustee	October 2021 to present
Jose T. Sio	85	Filipino	Independent Trustee	April 2019 to present
Consuelo D. Garcia	70	Filipino	Independent Trustee	October 2021 to present
Rosario Palanca Blardony	68	Filipino	Independent Trustee	October 2022 to present
Maria Teresa Trinidad P. Tinio	60	Filipino	Senior Vice President for Academic Affairs	June 2011 to present
Anthony Raymond A. Goqingco	50	Filipino	Corporate Secretary and Compliance Officer	April 2020 to present February 2023 to present
Rosanna E. Salcedo	61	Filipino	Chief Finance Officer and Treasurer	August 2023 to present September 2014 to present
Pamela M. Hernandez	48	Filipino	Controller and Chief Risk Officer	April 2023 to present July 2023 to present
Ray Jan P. Roque	52	Filipino	Chief Audit Executive	June 2021 to present
Michael Q. Liggayu	51	Filipino	Quality Management Representative and Data Protection Officer	September 2013 to present July 2017 to present

1. Lourdes R. Montinola, 97, Filipino: Chair Emeritus (August 2013 to present), Chair (June 1989 to August 2013), Far Eastern University, Inc.

Other Corporate Affiliations: Chair, Board of Directors, FERN Realty Corporation; Trustee, FEU-Dr. Nicanor Reyes Medical Foundation, Inc.; and Board Member, MEMORARE-Manila 1945 Foundation, Inc. She is also a Member of HABI: The Philippine Textile Council, Inc.

Dr. Montinola was Chairman of MEMORARE-Manila 1945 Foundation, Inc. until 2017.

Dr. Montinola holds a Bachelor of Arts degree (*cum laude*) from Marymount College, New York, USA (1948) and an MA in Cultural History from the Asean Graduate Institute of Arts (1991). She completed the Management Development Program for College and University Administrators in the Institute for Educational Management, Graduate School of Education, Harvard University, USA (1985). She obtained her PhD in English: Creative Writing from the University of the Philippines (2001).

2. Aurelio R. Montinola III, 74, Filipino: Chairman of the Board of Trustees (August 2013 to present), Vice Chairman (June 1989 to August 2013), Far Eastern University, Inc.

Other Corporate Affiliations: Chairman, Amon Trading Corp., East Asia Computer Center, Inc. (FEU Institute of Technology), Far Eastern College Silang, Inc. (FEU Cavite), Nicanor Reyes Educational Foundation, Inc. (FEU Diliman), FEU High School, Inc., FEU Alabang, Inc., Roosevelt College, Inc. (FEU Roosevelt), and East Asia Educational Foundation, Inc.; Vice Chairman, Philippine Business for Education (PBEd); Director, Good Samaritan Colleges, and BPI Wealth – A Trust Corporation; Independent Director, AIA Philippines Life and General Insurance Company, Inc.

He is currently a Director of Roxas and Company Incorporated, a listed corporation.

He was President of BPI from 2005 to 2013 and was a former President of the Bankers Association of the Philippines and Management Association of the Philippines (MAP).

He graduated with a BS Management Engineering degree at the Ateneo de Manila University in 1973 and received his MBA at Harvard Business School in 1977. He was awarded the Asian Banker Leadership Award for the Philippines in 2005 and 2010 and the MAP Management Man of the Year Award in 2012.

3. Juan Miguel R. Montinola, 64, Filipino: Trustee (July 2023 to present), President (August 2023 to present), Chief Finance Officer (September 2010 to July 2023), and Chief Risk Officer (October 2018 to July 2023), Far Eastern University, Inc.

Other Corporate Affiliations: Chairman, Edustria, Inc., and FEU Health, Welfare and Retirement Fund Plan; Vice Chairman and Treasurer, Amon Trading Corporation; President, East Asia Computer Center, Inc. (FEU Institute of Technology), Far Eastern College Silang, Inc. (FEU Cavite), Nicanor Reyes Educational Foundation, Inc. (FEU Diliman), FEU Alabang, Inc., FEU High School, Inc. and Roosevelt College, Inc. (FEU Roosevelt); Board Member, FERN Realty Corporation and Urban Program for Livelihood Finance and Training; and Member, Executive Committees of many of the organizations where he serves as Director.

Mr. Montinola was Chief Executive Officer and Country Manager of Lafarge Cementi SA, Italy, from 2006 to 2008. He served as President and CEO of Republic Cement Corporation from 1996 to 2006, concurrently as Senior Vice President for Commercial Business from

2002 to 2006, and Senior Vice President for Procurement for Lafarge Cement Services, Inc. from 2001 to 2002.

Prior to 1996, Mr. Montinola held various positions in Republic Cement Corporation and served as a member of the Board of Directors in different organizations.

Mr. Montinola has a Master of Business Administration from the International Institute of Management Development, Switzerland and an AB Economics degree from the College of William & Mary, Virginia, USA.

4. Michael M. Alba, 68, Filipino: Trustee (October 2012 to present) and immediate Past President (October 2012 to July 2023), Far Eastern University, Inc.

His affiliations include, among others: FEU Public Policy Center (President); Philippine Economic Society (Lifetime Member and President, 2007); and Action for Economic Reforms (Fellow). In the FEU Group of Schools, he was President concurrently of East Asia Computer Center, Inc. (FEU Institute of Technology), Far Eastern College Silang, Inc., (FEU Cavite), FEU Alabang, Inc., FEU High School, Inc., Roosevelt College, Inc. (FEU Roosevelt), East Asia Educational Foundation, Inc., and Nicanor Reyes Educational Foundation, Inc. (FEU Diliman). He was also the Chairman of Edustria, Inc., Director of JPMC College of Health Sciences SDN BHD, and Trustee of the Foundation for Information Technology Education and Development, Inc.

He obtained his AB (Economics) degree from the Ateneo de Manila University in 1978, MA (Economics) degree from the University of the Philippines (Diliman) School of Economics in 1987, and PhD (Applied Economics) degree from Stanford University in 1993.

5. Paulino Y. Tan, 79, Filipino: Trustee (June 1991 to present), Far Eastern University, Inc.

Other Corporate Affiliations: At present, Member of the Board of Directors/Trustees of the following companies: Nicanor Reyes Educational Foundation, Inc. (FEU Diliman), East Asia Educational Foundation, Inc., East Asia Computer Center, Inc. (FEU Institute of Technology), Lyceum of Batangas, Lyceum of Laguna, SM Foundation, Inc., Asia Pacific Technology Educational Foundation, Inc. (Asia Pacific College), Asia Pacific Computer Technology Center, Inc., FERN Realty Corporation, Far Eastern College Silang, Inc. (FEU Cavite), FEU High School, Inc., FEU Alabang, Inc., Roosevelt College, Inc. (FEU Roosevelt), and MFI Polytechnic Institute, Inc.

Dr. Tan obtained the Degree of Bachelor of Science in Chemical Engineering from De La Salle University. He obtained both his MS and PhD in Chemical Engineering from the University of Notre Dame, Indiana, USA.

6. Sherisa P. Nuesa, 70, Filipino: Trustee (October 2021 to present), Independent Trustee (2010 to September 2021), Far Eastern University, Inc.

Other Corporate Affiliations: Independent Director, FERN Realty Corporation and the following publicly-listed corporations: Integrated Micro-Electronics, Inc., Manila Water Company, and AREIT Corporation. In May 2024, she was elected as Chairman of the Board of Metro Retail Stores Group, Inc., another publicly listed company where she had served as a Board Adviser. She also serves as Senior Board Adviser of Vicsal Development Corporation.

Ms. Nuesa is also a Board Trustee of the Financial Executives Institute of the Philippines (FINEX) Foundation, and a Board Adviser and co-founder of Justice Reform Initiative (JRI), where she served as Chairman for ten years until 2022.

Her past directorships include Ayala Land Inc. from April 2020 to April 2023, ACEN Corporation (formerly AC Energy Inc.) from 2019 to April 2023; and the President of ALFM Mutual Funds Group for nine years until March 2021. She was also a Trustee of the Institute of Corporate Directors (ICD) for nine years until June 2021, where she held the positions of Treasurer and then Vice Chair.

A former Managing Director of conglomerate Ayala Corporation, she held various senior management positions in Ayala subsidiaries: Ayala Land, Inc., Manila Water Company, and Integrated Micro Electronics Inc. and co-led the Initial Public Offerings (IPOs) of these companies.

She graduated with the degree of Bachelor of Science in Commerce (*summa cum laude*) at Far Eastern University in 1974 and received her Master of Business Administration degree from the Ateneo - Regis Graduate School of Business in 2011. She also attended post-graduate management programs at Harvard Business School and Stanford University.

She received the ING-FINEX CFO of the Year award in 2008 and was one of the FEU Outstanding Alumni Awardees in the same year.

7. Jose T. Sio, 85, Filipino: Independent Trustee (April 2019 to Present), Far Eastern University, Inc.

Other Corporate Affiliations: Chairman Emeritus of the Board of Directors of SM Investments Corporation; Director of Ortigas Land Corporation, Atlas Consolidated Mining and Development Corporation, NLEX Corporation, and China Bank; Trustee of Asia Pacific Technology Educational Foundation, Inc. (Asia Pacific College); Chairman and President of SM Foundation, Inc.; and Adviser to the Board of Directors of BDO Unibank, Inc.

Previous Affiliations: Senior Partner of SGV & Co.; Consultant at T.N. Soong & Co., CPA in Taipei, Taiwan and Audit Associate at Ernst and Whinney, CPA in New York, USA.

Mr. Sio was voted as CFO of the year in 2009 by the Financial Executives of the Philippines (FINEX). In various years, he received Asia's Best CFO Award from Hong Kong-based publications such as Alpha Southeast Asia, Corporate Governance Asia, Finance Asia, and The Asset. In 2018, he received the Asian Corporate Director Award from Corporate Governance Asia. In 2022, he received the Parangal San Mateo Award from the Philippine Institute of Certified Public Accounts (PICPA) Foundation, Inc. In 2023, he was honored by the Professional Regulatory Board of Accountancy with the Accountancy Centenary Award of Excellence.

Mr. Sio is a Certified Public Accountant. He obtained his Bachelor of Science in Commerce Major in Accounting from the University of San Agustin, Iloilo City. He completed his Master of Business Administration Major in Corporate Finance and Management in New York University, New York, USA.

8. Consuelo D. Garcia, 70, Filipino: Independent Trustee (October 2021 to present), Far Eastern University, Inc.

Other Corporate Affiliations: Independent Director of GT Capital Holdings Inc., and Lopez Holdings Corporation, both publicly-listed corporations, and Independent Director of Sunlife Investment Management and Trust Corporation, and of TS EVO PH FINANCE INC., both BSP supervised non-bank financial institutions. She also serves as Independent Director of Philippine Payments Management Inc., a stand-alone, self-governing regulatory structure, ran by the payment industry participants in the country and is a Director of Murrayhill Realty and Development Corporation, a family owned corporation.

Ms. Garcia is also an Independent Trustee of ING Foundation Philippines Inc., and a Member of the Board of Trustees of FINEX Academy. She is a Fellow of the Institute of Corporate Directors and a Member of the Filipina CEO Circle.

She was formerly the Country Manager and Head of Clients of ING Bank N.V. Manila from September 2008 to November 15, 2017 and the Senior Consultant for Challenger and Growth Markets - ING Asia from November 16, 2017 to June 30, 2022 for the roll-out of its retail banking business in the Philippines on an all-digital platform. Ms. Garcia previously worked in SGV and in Bank of Boston, Philippine Branch.

Ms. Garcia is a Certified Public Accountant and she graduated Bachelor of Science in Business Administration, major in Accounting (*magna cum laude*) from University of the East.

9. Rosario Palanca Blardony, 68, Filipino: Independent Trustee (October 2022 to present), Far Eastern University, Inc.

Other Corporate Affiliations: Diagnostic Services Coordinator, Oral Medicine and Oral Pathology, University of Toronto, Faculty of Dentistry.

Ms. Rosario Palanca Blardony was formerly affiliated with The Hospital for Sick Children Toronto, Canada as Administrative Coordinator. She also joined the Far Eastern University, Manila as Lecturer and later Program Head/Associate Professor of the Institute of Accounts, Business and Finance.

She graduated with a degree in Hotel and Restaurant Management at the St. Paul's College, Quezon City, and received her Master in Business Administration from the Ateneo de Manila University in 2005.

10. Maria Teresa Trinidad P. Tinio, 60, Filipino: Senior Vice President for Academic Affairs, (June 2011 to present), Far Eastern University, Inc.

Other Corporate Affiliations: Director, JPMC College of Health Sciences SDN BHD and Good Samaritan College, Inc., and Member of the Board of Trustees for Edustria, Inc. as of August 30, 2023.

PhD Southeast Asian Studies, National University of Singapore; Master of English, major in Literature and Cultural Studies, Ateneo de Manila University with academic units from the New School for Social Research, New York City; AB Humanities, Ateneo de Manila University.

Research focus in Philippine Literature, Sociolinguistics, and the Politics of Language in Southeast Asia. Publications include contributions to the *CCP Encyclopaedia of the Arts*, the *Loyola Schools Review*, *Philippine Studies*, and *The Politics of English in Asia: Language Policy and Cultural Expression in South and Southeast Asia and the Asia Pacific* published by John Benjamins (The Netherlands).

11. Rosanna Esguerra-Salcedo, 61, Filipino: Chief Finance Officer (August 2023 to present), Treasurer (September 2014 to present), Far Eastern University, Inc.

Other Corporate Affiliations: Trustee, East Asia Educational Foundation Inc, (EAEFI) and FEU Health, Welfare and Retirement Fund Plan; Chief Finance Officer and Treasurer, Roosevelt College, Inc. (FEU Roosevelt); Treasurer, Foundation for Information Technology Education (FIT-ED) and FEU High School, Inc.

Before joining FEU, she worked at the Bayan Telecommunications, Inc., where she managed numerous departments: initially as Head of General Accounting and Accounts Payable, then, Budget Department and Revenue Accounting, and as Head of Billing and Collection. She also served as the Head of Treasury and Internal Audit of Mariwasa Manufacturing, Inc. for five years.

Prior to joining the private sector, she worked for SGV & Co. both as an External Senior Auditor and Tax Senior Auditor.

Ms. Salcedo is a Certified Public Accountant. She obtained her BSBA Major in Accounting, *cum laude*, from the University of the East. She also completed her Management Leadership Program at the Asian Institute of Management.

12. Anthony Raymond A. Goquingco, 50, Filipino: Corporate Secretary (April 2020 to present), Compliance Officer (February 2023 to present), Far Eastern University, Inc.

Other Corporate Affiliations: Corporate Secretary of East Asia Computer Center, Inc., FEU Alabang, Inc., Far Eastern College Silang, Inc. ("FEU Cavite"), FEU High School and Foundation for Information Technology Education and Development, Inc.; Assistant Corporate Secretary of FERN Realty; Director of FERN Realty; Trustee and Corporate Secretary, Nicanor Reyes Memorial Foundation; Treasurer of the Georgetown Club of the Philippines.

Atty. Anthony Raymond A. Goquingco has been a member of the legal profession since his admittance to the Philippine Bar in 2003. He has extensive legal experience as a practicing lawyer and has held positions in the Philippine Judicial Academy of the Supreme Court of the Philippines, non-governmental organizations, law firms, and private corporations. Prior to joining the academe, Atty. Goquingco was Associate General Counsel of Aboitiz Equity Ventures, Inc.

Atty. Goquingco joined the academe in 2014 and teaches Obligations and Contracts, Property Law, Negotiations, Special Issues in International Law, and International Moot Court at the Far Eastern University. He also teaches Public and Private International Law at Adamson University's College of Law. In 2016, he was appointed as Associate Dean of the Juris Doctor — Master of Business Administration program of the Institute of Law of the Far Eastern University. He was appointed Associate Dean of the Juris Doctor Program of the Institute in 2018. He was appointed Corporate Secretary of the Far Eastern University in 2020.

Atty. Goquingco graduated from the Ateneo de Manila University with an AB Political Science degree in 1997. He pursued his law studies at the same university graduating in 2002 with a Juris Doctor degree. In 2007, he graduated with distinction from the Georgetown University Law Center in Washington, D.C. with a Master of Laws in International Legal Studies with a Certificate in National Security Law. He specializes in International Business Law, Contract Law, Property Law, Contract Negotiations, International Law, and National Security Law. He is also the author of "Beyond Borders: Examining Special Issues in International Law".

13. Pamela M. Hernandez, 48, Filipino: Chief Risk Officer (July 2023 to present) and concurrent Controller (April 2023 to present), Far Eastern University, Inc.

Other Corporate Affiliation: Ms. Hernandez concurrently serves as a Member of the Board of Directors and as Finance and Administration Director of Edustria, Inc.

She brings over two decades of cumulative professional experience in public accounting, complemented by prior roles in financial and tax consultancy, management accounting and

budgeting, and internal auditing.

A Certified Public Accountant, Ms. Hernandez graduated *cum laude* with a Bachelor of Science in Accountancy from Ateneo de Naga University. She also earned her Master in Management degree, *with commendation*, from the Asian Institute of Management.

14. Ray Jan P. Roque, 52, Filipino: Chief Audit Executive, Far Eastern University, Inc. (June 2021 to present)

Work Experience: Risk Assurance Audit Director at Isla Lipana & Co., Philippine member firm of the PricewaterhouseCoopers global network, Internal Auditor at Lufthansa Technik Philippines, Senior Associate at Joaquin Cunanan & Co.

He graduated with a degree of Bachelor of Science in Accountancy from Philippine School of Business Administration, Manila Campus. He is a Certified Public Accountant by profession.

15. Michael Q. Liggayu, 51, Filipino: Quality Management Representative (September 2013 to present), and Data Protection Officer (July 2017 to present)), Far Eastern University, Inc.

Professional experience includes: Corporate Accountant, Doojin Corporation; Auditor, Sycip, Gorres, Velayo and Company; Management Consultant, Guiao's International Furniture; Internal Auditor, Academic Coordinator and Faculty Member, Angeles University Foundation; Program Head for Accountancy Program, Associate Dean and Accounting Faculty Member of the Institute of Accounts, Business and Finance, Assistant to the Senior Vice President for Academic Affairs, Assistant to the President and Project Manager for Enrollment, and Chief Information Security Officer, Far Eastern University - Manila.

A Certified Public Accountant by profession, Certified Lead Auditor for ISO 9001 and Certified Data Protection Officer (TÜV), Mr. Liggayu graduated with the degree of Bachelor of Science in Accountancy, completed his academic requirements for the degree of Master in Business Administration at the Angeles University Foundation, and completed Data Protection Officer Executive Certificate Program at the Asian Institute of Management.

The term of office of a Trustee is one (1) year or until his/her successor is elected and qualified. The members of the Board of Trustees of the Corporation are elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting, or up to the time their respective successors shall have been elected and qualified.

The officers are appointed or elected annually by the Board of Trustees at its organizational meeting, each to hold office until the next meeting of the Board the following year or until a successor shall have been elected, appointed and qualified.

Significant Employees

The corporation considers its entire work force as significant employees. Everyone is expected to work together as a team to achieve the corporation's goals and objectives.

Family Relationships

Dr. Lourdes R. Montinola, *Chair Emeritus*, is the mother of Mr. Aurelio R. Montinola III, *Chairman*, and Mr. Juan Miguel R. Montinola, *President*.

Training and/or Continuing Education Programs of Trustees/Officers

The continuing education programs for trustees/officers: programs and seminars and roundtables attended during the year are as follows:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Lourdes R. Montinola	December 14, 2022	Data Privacy as Part of Good Corporate Governance	Far Eastern University, Inc.
Aurelio R. Montinola III	November 5, 2024	2024 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit	Institute of Corporate Directors (ICD)
Michael M. Alba	May 29 & 30, 2025	Beyond the Algorithm: Exploring the Cybersecurity and AI Revolution	Institute of Corporate Directors (ICD)
Paulino Y. Tan	July 17 & 18, 2024	Risks and Resilience in the World of AI	Institute of Corporate Directors (ICD)
Sherisa P. Nuesa	September 19, 2024	ICD Global Governance Summit	Institute of Corporate Directors (ICD)
	November 5, 2024	2024 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit	Institute of Corporate Directors (ICD)
	May 29 & 30, 2025	Beyond the Algorithm: Exploring the Cybersecurity and AI Revolution	Institute of Corporate Directors (ICD)
Jose T. Sio	June 18, 2024	Anti-Money Laundering and Counter Terrorism and Proliferation Financing (AML/CTPF) Course for Board of Directors (BOD) and Senior Management (SM)	Bankers Institute of the Philippines, Inc.
	August 27, 2024	2024 Corporate Governance Seminar	Institute of Corporate Directors (ICD)
	September 27, 2024	2024 Annual Corporate Governance Enhancement Session	
Consuelo D. Garcia	July 17 & 18, 2024	Risks and Resilience in the World of AI	Institute of Corporate Directors (ICD)
	October 10, 2024	DISTINGUISHED SPEAKER SERIES: AI in Governance and Leadership	Institute of Corporate Directors (ICD)
	October 28, 2024	CORPORATE GOVERNANCE: Business Continuity, Management, Gen AI and Sustainability Reporting	SGV
	November 29, 2024	ADVANCED CORPORATE GOVERNANCE: Basic AI for Directors, Regional Cybersecurity Trends and Cyber Risk Management	Institute of Corporate Directors (ICD)
	February 27, 2025	GT TALKS: Data Science & AI Roundtable	GT Panel of Speakers
	July 17 & 18, 2024	Risks and Resilience in the World of AI	Institute of Corporate Directors (ICD)
Rosario Palanca Blardony	May 29 & 30, 2025	Beyond the Algorithm: Exploring the Cybersecurity and AI Revolution	Institute of Corporate Directors (ICD)
	April 19 to June 7, 2024	4 th P & A Grant Thornton – FINEX Academy Senior Finance Leadership Program Masterclass in Finance	FINEX Academy

Rosanna E. Salcedo	May 29, 2025	The Philippine Stock Exchange (PSE) Workshop on IFRS Sustainability Standards	Philippine Stock Exchange
Anthony Raymond A. Goquingco	July 17 & 18, 2024	Risks and Resilience in the World of AI	Institute of Corporate Directors (ICD)
	September 19, 2024	ICD Global Governance Summit	Institute of Corporate Directors (ICD)
	May 29 & 30, 2025	Beyond the Algorithm: Exploring the Cybersecurity and AI Revolution	Institute of Corporate Directors (ICD)
Pamela M. Hernandez	July 17 & 18, 2024	Risk and Resilience in the world of AI	Institute of Corporate Directors (ICD)
	December 4, 2024	Risk Beyond 2024 International Conference on ERM	Enterprise Risk Management Academy
	January 8, 2025 (8 Saturdays)	Organizational Development	People Management Association of the Philippines
	May 29 & 30, 2025	Beyond the Algorithm: Exploring the Cybersecurity and AI Revolution	Institute of Corporate Directors (ICD)
	May 30, 2025	Applying the IFRS Sustainability Disclosure Standards	The Philippine Stock Exchange, Inc.
Ray Jan P. Roque	June 12, 2024	Implementing an integrated approach to assurance provision	Wolters Kluwer
	June 19, 2024	The 2024 Standards: Domain II and V - Ethics and Professionalism / Performing Internal Audit Service	Wolters Kluwer
	August 14, 2024	ESG and the role of internal audit	Wolters Kluwer
	August 30, 2024	3 rd General Membership Meeting: Driving Purposeful Change in Internal Audit	The Institute of Internal Auditors Philippines (IIAP)
	September 3, 2024	Gaining more insight at your risk assessments mature	Wolters Kluwer
	December 3, 2024	Skepticism, bias, & Critical Thinking	Wolters Kluwer
	February 13, 2025	Internal Audit Strategy development: A workshop for success	Wolters Kluwer
	May 19, 2025	Navigating Data Privacy Risk in 2025: Strategies for safer digital future	IIAP
	May 26, 2025	Integrating Risk Management with Corporate Audit Strategies	IIAP
	May 28, 2025	Academe Forum 2025: Holistic Growth: Building Tomorrow Today	IIAP

Michael Q. Liggayu	July 31, 2024	Data Privacy 101: Data Privacy Walkthrough Data Privacy 201: Implementing your Data Privacy Program	National Privacy Commission
	August 16, 2024	This Is How We Do It: DPO Sharing Session	National Privacy Commission – Education Sector
	August 20 - September 26, 2024	Data Protection Officer Executive Program	Asian Institute of Management
	September 20, 2024	This Is How We Do It: DPO Sharing Session	National Privacy Commission – Education Sector
	October 9, 2024	Data Privacy Act 401	National Privacy Commission
	November 15, 2024	Understanding the Data Privacy Act, and Data Privacy and related concerns in the Education Sector	National Privacy Commission – Education Sector
	February 21, 2025	Baseline Standards on Propriety, Confidentiality, and Competition	National Privacy Commission – Education Sector
	March 28, 2025	Privacy Agreement: Data Privacy Outsourcing Agreements and Data Sharing Agreements	National Privacy Commission – Education Sector
	April 25, 2025	Personal Data Breach Management	National Privacy Commission – Education Sector
	May 27-28, 2025	Privacy Awareness Week 2025	National Privacy Commission

Number of Meetings and Attendance of the Board of Trustees

Below is the table of attendance of the members of the Board of Trustees in their regular/organizational meetings for the period June 1, 2024 to May 31, 2025 as follows:

[illegible]

Item 10. Executive Compensation

Summary and Principal Position	Year ended	Salary	Bonus*	Other Annual Compensation
Chairman of the Board of Trustees and Chief Executive Officer		- x -	- x -	- x -
President and Chief Operating Officer		- x -	- x -	- x -
Senior Vice President for Academic Affairs		- x -	N/A	- x -
Chief Finance Officer		- x -	N/A	- x -
Chief Information Officer		- x -	N/A	- x -
Chief Legal Counsel		- x -	N/A	- x -
Totals - Actual	2024	32,216,549	3,395,834	5,533,753
Actual	2025	31,244,655	4,000,000	6,225,594
Projected	2026	32,724,462	4,000,000	6,544,892
All other officers and Trustees as a group unnamed		- x -	- x -	- x -
Totals - Actual	2024	30,740,598	16,125,003	4,503,247
Actual	2025	33,266,624	18,000,000	6,627,846
Projected	2026	39,837,969	18,000,000	7,967,594

**Trustees' Annual Bonus*

The compensation presented are actual for the last two (2) completed fiscal years and the estimate for the ensuing fiscal year ending May 31, 2026. The aggregate amount is ₱175,068,881.

Compensation of Directors

Standard Arrangement

The members of the Board of Trustees of the corporation are entitled to a reimbursement of transportation expenses for board/special meetings attended. Non-executive trustees who are members of the Board Committees are paid per diem for attending Board Committee meetings. The members of the Board are also entitled to an annual Director's bonus at the end of the fiscal year in accordance with an approved resolution of the stockholders dated 08 May 1976, while the officers of the corporation are entitled to basic salaries and benefits.

Other Arrangement

There are no other material terms or conditions of employment for contractual executive officers, except those specified in this report.

Voting Trust Holders

The Registrant is not a party to any voting trust agreement. No security holder of the Registrant holds a voting trust or other similar agreements.

No information is available on all outstanding warrants or options held by the members of the Board of Trustees and officers of the corporation.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Beneficial Owners of More Than 5% and 10% Securities as of May 31, 2025

As of May 31, 2025, Far Eastern University does not have on record any person party or entity who beneficially owns more than 5% and 10% of common stock except as set forth in the table below:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Ownership and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Seyrel Investment and Realty Corporation ¹ Ayala Triangle Gardens Tower 2 Paseo de Roxas Cor. Makati Ave, Makati City	Seyrel Investment and Realty Corporation	Filipino	6,887,051	28.63
Common	Sysmart Corporation ³ 426 MKSE, Ayala Avenue Makati City	Sysmart Corporation	Filipino	5,275,601	21.93
Common	Desrey, Incorporated ² Ayala Triangle Gardens Tower 2 Paseo de Roxas Cor. Makati Ave. Makati City	Desrey, Inc.	Filipino	1,924,956	08.00

All of the above are direct beneficial owners of the securities.

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¹ Dr. Lourdes, R. Montinola as President is authorized to vote for the shares of the Corporation.

² Ibid

³ Ms. Teresita T. Sy, Chairman of the Board

Security Ownership of Management

Title of Class	Name of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership	Citizenship	Percent Of Class
Common	Lourdes R. Montinola <i>Chair Emeritus</i>	11,627 – D	Filipino	0.0483
Common	Aurelio R. Montinola III <i>Chairman, Board of Trustees</i>	458,165 – D 10,075 – I	Filipino	1.9046 0.0419
Common	Juan Miguel R. Montinola <i>President and Trustee</i>	0 – D 111,900 – I	Filipino	0.0 0.4652
Common	Michael M. Alba <i>Trustee</i>	1 – D	Filipino	0.0000
Common	Paulino Y. Tan <i>Trustee</i>	1 – D	Filipino	0.0000
Common	Sherisa P. Nuesa <i>Trustee</i>	2,219 – D 262 – I	Filipino	0.0092 0.0011
Common	Jose T. Sio <i>Independent Trustee</i>	14 – D	Filipino	0.0001
Common	Consuelo D. Garcia <i>Independent Trustee</i>	80 – I	Filipino	0.0003
Common	Rosario Palanca Blardony <i>Independent Trustee</i>	1 – D	Filipino	0.0000
Common	Rosanna E. Salcedo <i>Chief Finance Officer and Treasurer</i>	734 – D 9,985 – I	Filipino	0.0031 0.0415
Common	Anthony Raymond A. Goquingco <i>Corporate Secretary and Compliance Officer</i>	940 – D	Filipino	0.0039

Security of Ownership of Management as a Group

Total Shares - 606,004
Percentage - 2.5192%

Item 12. Certain Relationships and Related Transactions

The University has written policies and procedures on related party transactions, endorsed by the Board Committee on Related Party Transactions, that addresses the regulatory requirements of the SEC, and foremost is, used as guiding principles in the Group management's evaluation of transactions with related parties.

During the year, the Group, in its regular conduct of business, has entered into transactions with its related parties, as disclosed in Note 20 to the Consolidated Financial Statements, which is an integral part of this report.

There were no material related party transactions involving the University or any of its subsidiaries with any of its directors, executive officer, or stockholder which owns ten percent (10%) or more of the total outstanding shares and members of their immediate family.

Other than those disclosed in the Consolidated Financial Statements, no other material transactions, without proper disclosures, were undertaken by the Group.

PART IV – SCHEDULES AND OTHER REPORTS

Item 13. Reports on SEC Form 17-C and Quarterly Reports

(a) Exhibit

The exhibits are not applicable to the company nor require any answer.

(b) Reports on SEC Form 17-C

1. On 21 June 2024:

Acquisition of 4,174 FEU shares of stock by FERN Realty Corporation (an FEU subsidiary) and lodged the same with PCD Nominee Corporation (Filipino).

Email submission acknowledged by SEC on 24 June 2024.

2. On 16 July 2024:

Acquisition of 1,200 FEU shares of stock by FERN Realty Corporation (an FEU subsidiary) and lodged the same with PCD Nominee Corporation (Filipino).

Email submission acknowledged by SEC on 16 July 2024.

3. On 17 September 2024:

Declaration of ₱16.00/share cash dividend to all stockholders of record as of 01 October 2024, payable on 17 October 2024, as approved during the Board of Trustees meeting held on 17 September 2024.

Email submission acknowledged by SEC on 18 September 2024.

4. On 08 October 2024:

The Board of Trustees, upon the recommendation of the Audit Committee, approved the change in the external auditor from Punongbayan & Araullo to SGV & Co. at the Board of Trustees' meeting on 08 October 2024. The appointment of the new External Auditor will be submitted for confirmation and ratification by the stockholders in the upcoming Annual Stockholders' Meeting on 19 October 2024.

Email submission acknowledged by SEC on 08 October 2024.

5. On 19 October 2024:

Resolutions adopted and approved in the FEU Annual Stockholders Meeting held on 19 October 2024:

- i. Minutes of the Annual Stockholders Meeting held on 21 October 2023;
- ii. Academic Report of the President for the Academic Year 2023-2024;
- iii. Annual Report covering the operations for the Fiscal Year 2023-2024;
- iv. Approval, ratification and confirmation of the acts and resolutions of the Board of Trustees, Board Management Committees, and Management and other officers of Far Eastern University taken or

adopted since the Annual Meeting of Stockholders last 21 October 2023 until 19 October 2024;

- v. Election of members of the Board of Trustees including independent trustees for the fiscal year 2024-2025;
- vi. Appointment of SGV & Co. as External Auditor for the fiscal year 2024-2025.

Email submission acknowledged by SEC on 21 October 2024.

6. On 19 October 2024:

Matters approved during the Organizational Meeting of the Board of Trustees held on 19 October 2024:

Elected and appointed Corporate Officers and University Officials and Members of Board Committees for the term 2024-2025

Corporate Officers

Lourdes R. Montinola	Chair Emeritus
Aurelio R. Montinola III	Chairman of the Board of Trustees
Juan Miguel R. Montinola	President
Rosanna E. Salcedo	Chief Finance Officer & Treasurer
Anthony Raymond A. Goquingco	Corporate Secretary and Compliance Officer

University Officials

Maria Teresa Trinidad P. Tinio	Senior Vice-President for Academic Affairs
Pamela M. Hernandez	Controller and Chief Risk Officer
Michael Q. Liggayu	Data Protection Officer and Quality Management Representative
Ray Jan P. Roque	Chief Audit Executive

Board Committees

(a) Executive Committee

Aurelio R. Montinola III	Chairman
Juan Miguel R. Montinola	President
Paulino Y. Tan	Member
Sherisa P. Nuesa	Member
Rosanna E. Salcedo	Member

(b) Talent Management Committee

Aurelio R. Montinola III	Chairman
Juan Miguel R. Montinola	President
Paulino Y. Tan	Member
Sherisa P. Nuesa	Member
Rosanna E. Salcedo	Member

(c) Audit Committee

Consuelo D. Garcia	Chairperson
Jose T. Sio	Member
Sherisa P. Nuesa	Member
Paulino Y. Tan	Alternate Member

(d) Joint Risk Management and Related Party Transaction Committee

Jose T. Sio	Chairman
Consuelo D. Garcia	Member
Michael M. Alba	Member
Paulino Y. Tan	Alternate Member

(e) Corporate Governance Committee

Rosario P. Blardony	Chairperson
Jose T. Sio	Member
Consuelo D. Garcia	Member

(f) Nomination Committee

Lourdes R. Montinola	Chairperson
Paulino Y. Tan	Member
Gianna R. Montinola	Member
Rosario P. Blardony	Member

Appointment of Ms. Consuelo D. Garcia as Lead Independent Trustee

Reappointment of all other incumbent Corporate Officers and University Officials of FEU to the current positions respectively held by them for the term 2024-2025, to serve as such until their respective successor is duly appointed and qualified.

Email submission acknowledged by SEC on 21 October 2024.

7. On 03 February 2025:

Acquisition of 170 FEU shares of stock by FERN Realty Corporation (an FEU subsidiary) and lodged the same with PCD Nominee Corporation (Filipino).

Email submission acknowledged by SEC on 03 February 2025.

8. On 18 February 2025:

Declaration of ₱16.00/share cash dividend to all stockholders of record as of 04 March 2025, payable on 18 March 2025, as approved during the Board of Trustees' meeting held on 18 February 2025.

Email submission acknowledged by SEC on 19 February 2025.

9. On 06 May 2025:

Acquisition of 563 FEU shares of stock by FERN Realty Corporation (an FEU subsidiary) and lodged the same with PCD Nominee Corporation (Filipino).

SEC eFast submission acknowledged on 07 May 2025.

10. On 20 May 2025:

Reversal of Nine Hundred Eighty-Five Million Pesos (₱985,000,000.00) of the current approved retained earnings of Far Eastern University, Inc.

Appropriations of retained earnings of Far Eastern University for the fiscal year 31 May 2025 be adjusted to One Billion One Hundred Eighty Seven Million Seven Hundred Thirty Three Thousand One Hundred Pesos (₱1,187,733,100.00) as follows:

Reserves for:	
Subsidiary Expansion Projects	₱ 740,000,000.00
Capital Expenditures	354,000,000.00
Probable Contingency	90,000,000.00
Treasury Shares	3,733,100.00
TOTAL	₱ 1,187,733,100.00
	=====

SEC eFast submission acknowledged on 20 May 2025.

(c) Quarterly Reports:

Ended August 31, 2024 – Acknowledged by SEC on 11 October 2024

Ended November 30, 2024 – Acknowledged by SEC on 13 January 2025

Ended February 28, 2025 – Acknowledged by SEC eFast on 08 April 2025

Item 14. FEU Sustainability Report for School Year 2024–2025**Contextual Information**

Company Details	
Name of Organization	Far Eastern University, Inc.
Location of Headquarters	Nicanor Reyes Street, Sampaloc, Manila
Location of Operations	Nicanor Reyes Street, Sampaloc, Manila
Report Boundary: Legal entities (e.g., subsidiaries) included in this report*	Far Eastern University, Manila
Business Model, including Primary Activities, Brands, Products, and Services	
Reporting Period	Fiscal Year 2024–2025
Highest Ranking Person responsible for this report	Atty Anthony Raymond A. Goquingco, J.D., LL.M. Corporate Secretary

Materiality Process**Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.¹**

The mission of FEU is to provide quality higher education through industry-responsive outcomes-based curricular programs. The institution promotes sustainable and responsive research extension, heritage, and environmental stewardship towards national and global development, most importantly, developing and promoting human development towards nation-building.

The materiality principle was then applied to determine the main sustainability programs that the institution has deemed key in supporting its educational mission and sustainable development.

Updates for those programs that are directed towards sustainability of FEU Main and its subsidiaries.

¹ See [GRI 102-46](#) (2016) for more guidance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount FY 2024 - 2025	Units
Direct economic value generated (revenue)	6,866,061,196	Php
Direct economic value distributed:	5,536,402,478	Php
a. Operating costs	885,828,216	Php
b. Employee wages and benefits	1,973,908,353	Php
c. Payments to suppliers, other operating costs	1,019,952,219	Php
d. Dividends given to stockholders and interest payments to loan providers	904,046,439	Php
e. Taxes given to government	312,688,938	Php
f. Investments to community (e.g., donations, CSR)	439,978,313	Php

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Quality education is driven by hybrid classes, state-of-the-art facilities, best in-class learning platforms, and competitively compensated high qualified faculty. Strong financials of the FEU Group have allowed for the delivery of quality education at par with or better than other top schools. Furthermore, increased revenue has allowed FEU to regularly issue cash dividends to its shareholders.	FEU Community FEU Shareholders	Prudent management governance with emphasis on operational efficiency and strong financials to be able to support the delivery of quality education.
What are the Risks identified?	Which stakeholders are affected?	Management Approach
Face-face classes and its attendant activities disrupted by now more frequent calamity events. Student preference on the other hand for selected online classes which will require innovative and enhanced online delivery for uncompromised learning Lack of qualified faculty in high demand programs.	FEU Community FEU Stakeholders	Development of content and use of delivery platforms to ensure learning is at optimum not only during calamities but also as a regular offering where appropriate. Faculty development program includes not only training but also PhD & MA credentialing opportunities

What are the Opportunities identified?	Which stakeholders are affected?	Management Approach
Growth in specific programs like Nursing and others Growth in Basic Education due to demographics Industry partnerships have identified high employability courses and to provide content	FEU Community FEU Shareholders	Development of nursing faculty and others as part of the 400 Teacher Program Entered into partnerships with education institutions in the Philippines and abroad. Constructed and upgraded campus facilities. Undertaken key industry partnerships.

*Climate-related risks and opportunities²

Governance	Strategy	Risk Management	Metrics and Targets
Organization's governance cover: - actual and potential impacts of climate-related risks and - how the organization identifies these risks - metrics and targets used to assess and manage relevant climate-related risks and opportunities	Define, monitor, and address actual and potential impacts of climate-related risks and opportunities on the businesses, strategy, and financial planning and operations where such information is material.	Prioritize programs that have greater impact to identified climate-related risks and opportunities.	Reduction in carbon emissions, water consumption - Capex investments for efficient cooling, water recuperation, drinking water distribution, and renewable energy production - Reduce energy consumption per student - Recycle water to decrease consumption per student and effluence. - Install alternative building light sources - Install engineering solutions to address extreme climate and tectonic events such as flood gates, seismic sensors in buildings to monitor the impact of earthquakes on structures and reduce downtime after such events. - Increased installed capacity of solar panels
Recommended Disclosures			
Board oversight:			
Provide strategic directions to management to explore technology and approach towards more climate-resilient and sustainable operations.	Invest in sustainability programs as its response to climate resiliency and managed risk as part of its medium -and long-term strategies.	Update the Board on the impact of the sustainability programs as well as new technology and systems.	Positive financial impact derived from cost savings yet reliable operations

Governance	Strategy	Risk Management	Metrics and Targets
Support the budget allocation addressing climate-related risks; solar panels, efficient buildings lessen carbon emissions	Determine budget requirements on the approved programs and identify its sustainability objectives.	Update the Board on the status of these programs, completion dates and impact on sustainability objectives.	Positive impact of the program on completion versus its defined objective.
Engage the services of a sustainability consultant	External consultant to develop and integrate sustainability initiatives as integral to the organization's strategic plan	Update the Board on the final recommendations of the external consultant.	Recommended programs and initiatives integrated into the strategic plan. Formulation of sustainability workplans for each campus / unit.
Management Oversight:			
Continuous review of further improvements towards efficient use of power and light	Define measurable target impact of sustainability programs Identify improvements to current infrastructure for more efficient power and light facilities	Regularly monitor performance of power and light infrastructure to ensure efficient performance	Target defined metrics on the sustainability programs met and/or exceeded.
Integrated approach to operational sustainability across the FEU Group of Schools under the management of the Facilities and Technical Services Department	Explore emerging technology and solutions to further lessen climate risk and operational efficiencies	Establish a standardized Group-wide monitoring and evaluation system	Defined metrics met and/or exceeded.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	97 %	%

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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Faster delivery timelines and no import fees Convenient and timely after sales support, especially for returns and/or replacements Support of the local economy	FEU Community FEU Shareholders	Management adheres to the procurement principle of buying under the terms and conditions beneficial to the university. Local suppliers are accredited, and products and services availed of are assessed based on their quality, price, terms of payment and after sales support. All procurement decisions are based on quotations of at least 3 qualified accredited suppliers.
What are the Risks identified?	Which stakeholders are affected?	Management Approach
Poor quality, late / incomplete deliveries, poor after sales support	FEU Community FEU Shareholders	Local supplier's product quality is checked prior to order and on delivery. Conditions on returns and replacements are included in the order agreements. Local suppliers' performances are assessed on a periodic basis and include feedback from the actual users. This is also considered in the accreditation process.
What are the Opportunities identified?	Which stakeholders are affected?	Management Approach
Establishes closer economic partnerships that open the opportunities for cost reduction versus procuring from international suppliers.	FEU Community FEU Shareholders	Continue accreditation of local suppliers with the objective of establishing long-term relationships with those that meet product quality, price, terms of payment and sales support.

Anti-corruption

***Training on Anti-corruption Policies and Procedures**

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	***	
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	***	
Percentage of directors and management that have received anti-corruption training	***	
Percentage of employees that have received anti-corruption training	***	

*** Anti-corruption principles are stated in the HRD Manual under Employee Decorum and the Student Handbook.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Corruption may occur at various levels in operations and academic processes. If left unchecked, these incidents may adversely impact the financial soundness of FEU. They may also affect the perception of management governance to stakeholders.	FEU Community FEU Stakeholders	Organizational set up to ensure checks and balances for authorizations and approvals Policies and guidelines are defined in the operations and academic processes where opportunities for corruption may occur. These are stated in the Employee Code of Conduct and in the Student Handbook.
What are the Risks identified?	Which stakeholders are affected?	Management Approach
Familiarity among those involved in the operations and academic processes may lead to lessening of controls. Employees are not aware of the anti-corruption policies.	FEU Community FEU Stakeholders	Check and balances are in place. Internal audits on these processes are done on a regular basis. Whistle blower policy also protects those who may report on these incidents. Communication program is in place and annual reminders are communicated through different channels. Key personnel movement resulting from promotions, rotation, and recruitment to avert corruption due to too much familiarity in the control processes in place. Refresher to all employees (teaching & non-teaching) on anti-corruption policy are in place.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Controls in place limit the opportunity for corruption. They also establish a smooth relationship among employees and students.	FEU Community FEU Stakeholders	Streamline processes for efficient and effective operations allowing for more time to determine further process improvements. Update controls in place based on regular reviews of their effectiveness. Increased internal audit review on key processes.

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No incidents in 2024 - 2025	FEU Community FEU Shareholders	Check and balance mechanisms are in place for processes that are susceptible to fraud and corruption.
What are the Risks identified?	Which stakeholders are affected?	Management Approach
Loss of money due to fraud and corruption	FEU Community FEU Shareholders	Regular review on the effectiveness of the check and balance mechanism. • Policy on Sanctions in place. • Whistle Blower policy in place.
What are the Opportunities identified?	Which stakeholders are affected?	Management Approach
Financial soundness	FEU Community FEU Shareholders	Periodic review on the sufficiency of the control process to prevent corruption Internal Audit reviews reveal process weakness which management corrects

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources) Power from hydro plant power provider	6,439,442	kWh
Energy consumption (gasoline)	NA	
Energy consumption (LPG)	NA	
Energy consumption (diesel)	NA	
Energy consumption (electricity)	6,627,961	kWh

Reduction of energy consumption:

Disclosure	Quantity	Units
Energy reduction (gasoline)	NA	GJ
Energy reduction (LPG)	NA	GJ
Energy reduction (diesel)	NA	GJ
Energy increase (electricity)	3,479,331	kWh
Energy reduction (gasoline)	NA	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Power savings initiatives impact power and light expenses as well as contribute to reducing carbon emissions to the environment.	FEU community	Installation of power savings solutions and monitoring that these are kept current and operational • District cooling system (Chilled Water System) • Use of LED lights • Conversion of ARH Building AC from split type to chilled water. • Regular maintenance equipment (chiller plant, ACCUS, elevators, pumps, and motors, etc.) • Maximize natural sunlight by implementing light zoning for every floor • Installation of timer, solar panel for perimeter lights • Rain and condensate water harvesting • Increase solar panel installed capacity from 99kW to 469KW. • Installation of water and electric meter per building in main campus for monitoring purposes · • In addition to Solar PV, it shifted from Meralco to renewable sources GEOP and RCOA which as of April 2025, 98.31% of across the FEU groups. • Utilization of recirculated chilled water – early cut of chillers

		Pilot implementation of sensor-activated lighting along selected hallways
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Cooling system malfunction Unscheduled power outages	FEU community	Preventive and maintenance activities to maintain proper functioning of the chillers are conducted on a regular basis by trained service maintenance personnel. Regular maintenance of Genset and checked monthly.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Continuous expansion of the district colling system to all the buildings in campus for FEU Manila.	FEU community	Efficient equipment operation and scheduling. Completed renovation of ARH building and ongoing construction of ARH extension.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawals	0	Cubic meters
Water consumption	169,735	Cubic meters
Water recycled and reused	9,942	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Efficient water consumption results in cost efficiencies and supports water conservation initiatives.	FEU Community	Fully functional STP as FEU Marikina - Rain and condensate water harvesting - Continuous installation of bidet at restrooms.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Undetected leakage is the primary risk that will increase water consumption.	FEU community	Inspection is run twice a month on all the buildings for water leakages in addition to regular daily monitoring by maintenance and housekeeping staff.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Installation of a sewerage treatment plant will manage down water bill costs and sewerage environmental impact.	FEU Community	Reuse of Sewerage Treatment Plant (STP) effluent. Fully functional of 100% reuse of STP in FEU Marikina.

*Materials used by the organization – NOT APPLICABLE

Disclosure	Quantity	Units
Materials used by weight or volume	NA	
• Renewable	NA	kg/liters
• non-renewable	NA	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	NA	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
NA		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
NA		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
NA		

*Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	12	Ha located in Tanay Rizal
Habitats protected or restored	NA	
IUCN ¹ Red List species and national conservation list species with habitats in areas affected by operations	NA	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
With the protection and management of the property, this can be a learning laboratory for faculty and students on low land terrestrial ecology	FEU Community	Management has invested to fence the area to delineate the property to ensure that it is not disturbed.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Incursion by outsiders / trespassers	FEU Community	To augment the perimeter fence, a 24/7 caretaker and security personnel are in place.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
NA		

Environmental impact management

Air Emissions *GHG*

Expected to drop next year due to sourcing of renewable energy.

Disclosure	Quantity	Units
IDirect (Scope 1) GHG Emissions	NA	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	4,702.12	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	NA	Tonnes CO ₂ e
What is the impact and where does it	Which stakeholders are	Management Approach

¹ International Union for Conservation of Nature

occur? What is the organization's involvement in the impact?	affected?	
Reduction in air emissions impact on carbon footprint.	FEU Community	Continually study and implement newer technologies for lessening CO ₂ air emissions on campus.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

Air pollutants

Last test done for the gensets = July 23, 2020, as per DENR requirement. Another test will be conducted before renewal on 13 April 2027. Gensets are for emergency back-up use only so the air pollutants are very minimal during regular warm-up.

Disclosure	Quantity	Units
NO _x	242.7 mg/Ncm	kg
co	113 mg / Ncm	kg
Persistent organic pollutants (POPs)	NA	kg
Volatile organic compounds (VOCs)	NA	kg
Hazardous air pollutants (HAPs)	NA	kg
Particulate matter (PM)	NA	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The genset is an important power stand-by source in cases of power outage. Compliance to air pollution source installation requirement is therefore important.	FEU Community	Continually comply with DENR regulations to avoid penalties and non-use of the genset. A Pollution Control Officer is designated to monitor and comply with the regulations.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Noncompliance with air pollution rules will result in penalties and restrictions of usage	FEU Community	Accreditation of the Pollution Control Officer who will closely guide the school in its compliance to all the relevant rules
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The accreditation of a designated Pollution Control Officer shall support the school's rollout of its major initiatives with close compliance to relevant rules	FEU Community	Accreditation of Pollution Control Officers and managing head-handling related requirements. Training undertaken by the Pollution Control Officer will be cascaded to the other members of the community so that everyone becomes more involved and actively contributes to Pollution Control outcomes.

Solid and Hazardous Wastes

**Solid Waste –*

Disclosure	Quantity	Units
Total solid waste generated	151,200	kg
Reusable	NA	kg
Recyclable	23,017.50	kg
Total waste generated	47,855	kg
Incinerated	NA	kg
Residuals/Landfilled	NA	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Construction of Materials Recovery Facility (MRF) to properly segregate solid waste.	Feu Community	Regular compliance with DENR regulations.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Lack of proper knowledge in solid waste segregation procedure among janitorial and maintenance staff.	FEU Community	Continuous training of staff on solid waste management, revisit existing processes, and identify and correct oversights.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Creation of comprehensive solid waste management system.	FEU Community	Conduct comprehensive solid waste management analysis and make recommendations for improving the current system.

*Hazardous Waste (chemicals & pathogens from Medical Technology laboratories)
Accredited transporter and treater*

Disclosure	Quantity	Units
Total weight of hazardous waste generated not yet transported	0	kg
Total weight of hazardous waste transported and treated	4,059.60	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Management of hazardous waste, especially from the Medical Technology laboratories, is crucial to maintain the Medical Technology program. This is one of the key courses that FEU is known for due to the excellent performance of its graduates in the board examinations. The health and safety of the FEU community must be maintained, so proper management is important.	FEU Community	Management uses accredited hazardous waste transporters and treaters for the proper handling, transport, and disposal of hazardous waste. Management uses two storage facilities for handling and storing this hazardous waste.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Mishandling of hazardous waste. Fines from non-compliance to DENR regulations	FEU Community	Only accredited service providers are used in disposal management and treatment of hazardous waste. Compliance with DENR requirement of submitting Quarterly Self-Monitoring Report (SMR) and Semi-annual Compliance Monitoring Report (CMR)
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Proper management confirms the health and safety protocol policies of the institution. Public perception that these are in place helps brand awareness for the affected courses.	FEU Community	Continue and further improve compliance where feasible.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	0
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0
No. of cases resolved through dispute resolution mechanism	0	0

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
FEU complies with DENR regulations on air pollution source installations (APSI), water segregation and hazardous waste generator	FEU Community	Management works to comply with the requirements of the regulatory government agencies and adapts best practices where financially feasible.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Failure to understand and comply with regulatory government agency new rules may affect operations.	FEU Community	Continually review laws and regulations and impact on the FEU operations.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Compliance with regulations ensures full use of the campus facilities for classes and daily operations.	FEU community	Commitment of management towards efficient and effective operations

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ⁴	2,967	100%
a. Number of female employees	1,595	54%
b. Number of male employees	1,372	46%
Attrition rate ⁵		
Ratio of lowest paid employee against minimum wage	0	

⁴ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁵ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	14	10
PhilHealth	Y	2	2
Pag-ibig	Y	5	3
Parental leaves	Y	1	0
Vacation leaves	Y	43	34
Sick leaves	Y	23	20
Medical benefits (aside from PhilHealth))	Y	36	34
Housing assistance (aside from Pag-Ibig)	NA	0	0
Retirement fund (aside from SSS)	Y	26	22
Further education support	Y	1	1
Company stock options	NA	0	0
Telecommuting	Y	49	57
Flexible-working Hours	Y	8	16
OTHERS			
Educational Benefits	Y	16	13
Clothing Allowance	Y	58	52
Rice Subsidy	Y	35	37
HMO	Y	37	35
Medical Benefit	Y	36	34
Memorial Benefit	Y	0	0

What is the impact and where this occur? What is the organization's involvement in the impact ?	Which stakeholders are affected?	Management Approach
The stringent recruitment process and efficient hiring process enable employment of the best talents and highly qualified individuals. Competitive salary packages and employee benefits have been one of the reasons employees stay and these	Employees (teaching & non-teaching)	Management ensures a fair, non-discriminatory, and equal opportunity through its hiring process and reasonable and just compensation and benefits for all employees. There are established policies on - Employee recruitment - Personnel hiring and placement

have fostered dedication and commitment among employees. Available scholarships and tuition fee subsidies have motivated the employees to pursue graduate studies that improved their performance. Relevant company benefits have attracted qualified and competent individuals to FEU. Recruitment of the best applicants has been easy. With appealing employee benefits in place, FEU is considered an Employer of choice. The FEU medical benefits are designed as a shared responsibility of both management and employee. For example, for medical benefits, while the institution provides coverage thru its HMO and company provided medical benefit reimbursement, there is an established limit set wherein anything in excess is charged to the account of the employee. This educates the employee to promote proactive wellness instead of just going for medical treatment. Promoting a preventive health mindset helps promote a healthier and productive Filipino citizen.		• Compensation and benefits such as HMO, medical benefits among others • Scholarships, tuition fee subsidies and educational benefits.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
The benefits are enjoyed by employees; the possibility of maximizing the benefits (e.g. medical benefits) without much frugality and conscientiousness may be a risk factor.	Employees (teaching & non-teaching)	Commitment of management to the holistic wellness and well-being of employees, with the following in place: • Implementing rules and regulations for employee benefits • Preventive measures such as wellness programs to lessen use of HMO
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
High employee retention Onboarding of qualified and high potential candidates High job satisfaction and organizational commitment	Employees (teaching & non-teaching)	Management commits to taking good care of its human resources. It conducts regular reviews of company benefits and salary packages through Collective Bargaining Agreements, merit increases and promotion programs. To ensure that compensation benefits

		are at par with the market, benchmarking with industry and job markets is undertaken.
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Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	103,081	hours
a. Female employees	58,544	hours
b. Male employees	44,537	hours
Average training hours provided to employees		
a. Female employees	36	Hours/employee
b. Male employees	32	Hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Learning and development programs participated in by employees have increased their efficiency and productivity in fulfilling their functions. Employee training programs have facilitated higher competency proficiency levels and improved performance. Through various employee engagement programs, potential is developed and honed that results in promotion either a higher position (non-teaching employee) or to an administrative position (faculty). Performance appraisal scores / Teaching performance evaluation scores increase resulting from substantial training programs given.	Employees (teaching & non-teaching)	Management ensures the continuous development of its employees through the following: • Learning & Development Programs • Competency Development Program for non-teaching employees • Implementation of FEU's Performance Management System • Performance Appraisal and Performance Targets • Teaching Performance Evaluation results which are used as a reference for faculty interventions and development programs • Center for Teaching and Learning programs on curriculum mapping and course development
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Attrition Good employees may find other opportunities outside FEU	Employees (teaching & non-teaching)	Commitment of management to ensure high potential employees and existing employees are taken good care of. • Tracking of high potential employees for tenure • Fast /early regularization of outstanding employees and faculty • Rewards and benefits package

What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Identification of ready-now and ready-later employees for promotion and/or for administrative positions. Identification of leadership potentials among employees	Employees (teaching & non-teaching)	Succession plan is in place. High potential employees are continuously coached, mentored and provided trainings.

Labor-Management Relations

Disclosure	Quantity	Units
% Of employees covered with Collective Bargaining Agreements		28%
Employees	207	10%
Faculty	374	18%
Number of consultations conducted with employees concerning employee-related policies	7	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Good labor-management relationship through constant consultations contributes to a more harmonious environment in the workplace.	FEU Management Employees (teaching & non-teaching)	Management maintains and ensures industrial peace in the organization by: • Keeping communication lines between management and employee open through orientation programs, dialogues, and feedback mechanism • On time CBA negotiations • Labor Management Council meetings
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Resistance to change, time constraints and differences in perspectives may affect the labor-management relations	FEU Management Employees (teaching & non-teaching)	Management fosters communication and collaboration with its employees through: • Regular dialogues/meetings • Labor Management Council meetings
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Strong support towards FEU's aspirations and goals Collaboration between management and employees in developing better, efficient, and cost-effective measures	FEU Management Employees (teaching & non-teaching)	Management understands the importance of good labor-management relationships and takes the following approach. • Collective bargaining • Dialogues/meetings • Orientation on new and/or policies • Consultation with employees on new policies, procedures, and programs

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	54%	employees
% of male workers in the workforce	46%	employees
Number of employees from indigenous communities and/or vulnerable sector*	0.44%	employees

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
FEU promotes inclusivity and fair opportunities. Because it affirms diversity in the community, stakeholders feel safe, respected, and accepted. With equal and fair opportunities provided, stakeholders make significant contributions in the classroom and in workspaces.	Employees (teaching & non-teaching) Students	Management ensures inclusivity and equal opportunity by establishing offices, policies programs and activities. • Gender and Development Office • Gender Sensitivity activities • Hiring/employment of vulnerable group such as elderly and people with disabilities • Compliant procedures with the laws on equality and anti-discrimination • All-Gender Restroom Policy (approved by ManCom) • Multi-Faith Room Policy (approved by DDC) • FEU Policy on Diversity and Inclusion within the FEU Community
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Readiness of the community to the presence of diverse groups	Employees (teaching & non-teaching) Students	Management takes different approaches to this and shown below are some of the actions taken to promote diversity and equal opportunities in the organization. • FEU Policy on Diversity and Inclusion within the FEU Community • Changing mindset through gender sensitive programs, and full implementation of Safe Spaces Act

What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Higher innovation and increased creativity. Variety of perspectives and contributions Holistic approach in problem solving and decision making	Employees (teaching & non-teaching) Students	- Fellowship programs - Teambuilding activities - Collaborative projects - Employee hiring and admission of individuals belonging to diverse groups

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours		
No. of work-related injuries	19	#
No. of work-related fatalities	0	#
No. of work-related ill-health	17	#
No. of safety drills	18	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
A safe and hazard-free organization facilitates feelings of security and ensures productivity among employees. The organization is recognized for its commitment to the health and safety of the employees; hence, high reputation on the part of the organization	Employees (teaching & non-teaching) Students	The health and safety of all employees and students is the paramount concern of management. - Occupational Health and Safety Committee (OHS) - Safety Officer - OHS Program and Certified OHS specialist
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Injuries during earthquakes, fire and the like	Employees (teaching & non-teaching) Students	Safety drills and safety protocols in place.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Heightened consciousness on health and safety among stakeholders Increased involvement in the creation of preventive measures to maintain a hazard-free, safe, and secure work environment	Employees (teaching & non-teaching) Students	Monthly meetings of the Occupational Health and Safety Committee are conducted to address health and safety concerns.

Labor Laws and Human Rights

Disclosure	Quantity	Units
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No. of legal actions or employee grievances involving forced or child labor	NA	#
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Do you have policies that explicitly disallows violations of labor laws and human rights (e.g.harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	Hiring policies compliant with Labor Laws
Child labor	Y	Hiring compliant with labor laws
Human Rights	Y	- Anti-Sexual Harassment Policy - FEU Policy on Diversity and Inclusion within the FEU Community - Anti-Bullying Policy - Anti-Cyberbullying Policy

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Policies and guidelines ensure that employee rights are protected and that government labor laws are always observed. Compliance with company policies and government laws minimize the possibility of lawsuits and conflicts with employees	Employees (teaching & non-teaching)	Management complies with all the statutory requirements of the government for smooth operation. Additional policies and guidelines are developed and implemented. - Faculty Manual - Personnel Manual - Student Handbook - Employees Code of Conduct
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Changes in the implementing rules and regulations of government laws	Employees (teaching & non-teaching)	Management is committed to constantly updating policies to ensure that changes in the implementation guidelines of the government are observed. A periodic review of policies and guidelines is also in place
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Update/revise existing policies to align with the current trends and to improve systems in the organization	Employees (teaching & non-teaching)	Committees for policy creation and review

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

*Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	FEU investments policy excludes tobacco, alcohol, coal related extractive industries

Forced labor	Y	In principle and shall be formalized, suppliers are asked that they do not engage in these unfair practices
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Compliance to statutory and regulatory requirements Quality assurance of products, supplies and services	Management	• Accreditation process for Contractor/Service Provider • Accreditation process for Supplier • University Bidding Committee
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Few accredited suppliers and service providers that may result to limited choices for the end users	Management	Efficient sourcing of probable suppliers and service providers with good market reputation
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Cost effectiveness Pool of accredited suppliers and service providers	Management	• Accreditation process for Contractor/Service Provider • Accreditation process for Supplier • University Bidding Committee

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable) *	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Project HOPE: Bread of HOPE SPREAD of HOPE Dishwashing Soap and Fabric Conditioner Making	Manila City Jail Female Dormitory	Persons Deprived of Liberty (PDL)	No	SDG 3 – Good Health & Well Being SDG 8 – Decent Work and Economic Growth	Conduct of the following workshops aimed at expanding the market outside the jail • Baking on new bread products • Spread-making workshops • Training in the development of

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable) *	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Self-sustaining livelihood program					different hygiene products (e.g. shampoo and liquid detergent) As well as ensuring proper financial management, accounting, and auditing of its revolving fund
Project Calatagan: Mushroom Cultivation Program Ongoing income generating livelihood program	Barangay Quilitisan, Calatagan, Batangas	Unemployed coastal community members	No	SDG 8 – Decent Work and Economic Growth	On its start-up phase and closely monitored
iTamTehnolohiya (Technology)	Samahan ng Magkakape ng Lipa Cooperative Department of Health – Eye Center Barangays in the Municipality of San Andres Catanduanes			SDG 3 – Decent Work and Economic Growth	The program refers to human labor productivity. Ensures that communities engage in continually maximizing productivity of human labor. Programs extended to these communities are done via technological advancement, research and development
iTamKalinangan (Learning)	Alternative Learning Students – President Corazon “Cory” C. Aquino National High School Sanguinianiang Kabataan, Barangay 842 Pandacan, Manila			SDG 4 Quality Education SDG 8 Decent Work and Economic Growth	Program focuses on the empowerment of socially and economically marginalized communities by providing them with relevant and skill-based programs that will enhance their integrity, capacity, and knowledge

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable) *	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
	Residents of Singkamas St., Barangay Tumana, Marikina				
Free Legal Assistance Outreach Program	12 Barangays and relevant institutions	Marginalized community members and Persons Deprived of Liberty (PDL)		SDG10 Reduced Inequalities SDG16 Peace, Justice, Strong Institutions	
iTamBahaginan (Giving)	Children Beneficiaries of Gems Heart Outreach Dev't Inc.			SDG 3 Good Health and Well Being	Program ensures that all partner communities and non-partner communities have access to the opportunities that the institute offers
Project Ahon	Paradise Heights (Smokey Mountain) in partnership with Gawad Kalinga	Unemployed mothers	No	SDG 3 Good Health & Well Being	Provide a sustainable source of budget for the community projects (feeding programs, improvement of infrastructure, etc.) by growing crops using hydroponics
Roosevelt Marikina Livelihood Program Dishwashing soap making skills training	Parents and students of Malamday Elementary School; Concepcion Integrated School and Marikina Elementary School (200 community members in 3 Barangays)	Marginalized community members	No	SDG 8 Decent Work and Economic Growth	Provide supplemental livelihood opportunities through skill / capacity building.

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____

Certificates	Quantity	Units
FPIC process is still undergoing	0	#
CP secured	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Community extension programs relevant to the members of FEU partner communities provide them with the following key outcomes. 1. alternative sources of livelihood / income 2. Address the needs of the partner community. 3. Mobilize existing individual and/or community assets / resources in the selection and provision of programs. 4. Gain new knowledge and skills that may empower them and improve quality of life 5. Provide legal services in select Barangays and institutions These programs furthermore support for the attainment of the UN SDGs. Involvement of FEU in these programs are as follows: 1. Experts in FEU provide training / workshops aimed to develop the knowledge and skills of the community members 2. Assist community members in the start-up process through logistics and costs that will eventually generate their revolving fund to continue the program 3. Continuous monitoring, regular evaluation, and impact assessment on the program activities to validate that they meet the expected outcomes and impact as well as for financial management, accounting and auditing purposes.	FEU Community, Partner community members	FEU Group of Schools identify community extension programs that benefit the members of its partner communities. The programs are managed by experts from the faculty core with the support of volunteers from the students, employees and alumni.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
1. Safety and security of volunteers	FEU Community,	Plan and manage program activities to

2. Non-appearance/ lack of volunteers 3. Finding industry partners for big projects	Partner community members	ensure that the risks identified are addressed and minimized.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
1. Good rapport with community leaders 2. Develop volunteerism in the FEU community 3. FEU community changes in perspective from dole-out mentality to programs that support sustainability of partner communities	FEU Community, Members of the partner communities	Interdisciplinary approach to program planning, implementation, and evaluation to ensure that various strengths of the volunteers are harnessed and for a more holistic approach to community development. Ensure continuous strengthening of projects by seeking active involvement and participation of volunteers

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customersatisfaction study (Y/N)?
The different campuses run student surveys, FGDs to get students feedback on their experiences in FEU. This program was conceptualized to reinforce FEU's identity as a educational institution that nurtures its students.	Positive and Negative feedback on discussions topics	N

What is the impact and where does it occur? What is the organization's involvement inthe impact?	Which stakeholders are affected?	Management Approach
Customer experience and satisfaction creates a distinct brand and reputation of FEU Customer feedback provides gainful insights on how to improve the products and services of FEU	Employees (faculty & non-faculty) Students Alumni Applicants Parents & Guardians	• Student surveys • Customer feedback forms • Student evaluation on faculty performance • Feedback from accrediting agencies We have trial systems for complaints and aim to address all but starting with top complaint items.
What are the Risk/sIdentified?	Which stakeholders are affected?	Management Approach

Risk perception and subjectivity of customers	Employees (faculty & non-faculty) Students Alumni Applicants Parents & Guardians	Use of varied mechanisms such as survey forms, focused group discussions, reports, and comments on social media platforms among others to generate and validate customer experience
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Customer experience and feedback are used as reference for policy formulation, program development and program improvement.	Employees (faculty & non-faculty) Students Alumni Applicants Parents & Guardians	- Strategic planning using results of customer/studentsurvey as reference points - Audit of Quality Objectives

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
FEU maintains a uniform brand identity and harmonizes the use of the university name, logos, graphics, and other design assets and collaterals for all schools and organizations that have been given permission to use any, some, or all of the FEU Brands.	FEU Community FEU Stakeholders	FEU has a Brand Manila that contains the specific parameters for the creation, use and revision of the FEU branding, aesthetics, and corresponding design assets. The guidelines may be updated from time to time to address certain requirements as the university expands. All FEU Group of Schools and partner schools need to coordinate with FEU Main, Marketing and Communication Office (MCO) when they have new marketing collaterals.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Misuse of the FEU brand can Create confusion among stakeholders	FEU Community FEU Stakeholders	FEU's main Brand Assets have registered trademarks and copyright/ The Marketing and Communications

• Damage to reputation of the University • Affect operations of the University		Office (MCO) monitors and misuse of the FEU brand identity in unofficial publicity and advertisements whether in print, broadcast or online.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Strengthening Brand Awareness and Recognition	FEU Community FEU Stakeholders	Industry and school partners of FEU can use the brand logo and assets in their own marketing collaterals as long as these adheres to the branding agreement and guidelines. Partnerships are allowed as they give FEU organic publicity mileage.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	NA	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Proper implementation of Information Security and Data Protection Policies encourages trust and confidence in the organization's capability to keep all records confidential and provides assurance in the confidentiality, integrity and availability of personal data	Employees (faculty & non-faculty) Students Alumni Applicants Parents & Guardians	• Data Protection Policy • Forms and systems inclusive of Data Privacy Consent statement • Semestral Updating of Data • Subject Consent Form through the Registrar's Office
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach

Misuse of the FEU brand can • Create confusion among stakeholders. • Damage to the reputation of the University. • Affect operations of the University	FEU Community FEU Stakeholders	FEU's main Brand Assets have registered trademarks and copyright. The Marketing and Communication Office (MCO) monitors any misuse of the FEU brand identity in unofficial publicity and advertisements whether in print, broadcast, or online.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Strengthening Brand Awareness and Recognition	FEU Community FEU Stakeholders	Industry and school partners of FEU can use the brand logo and assets in their own marketing collaterals as long as these adheres to the branding agreement and guidelines. Partnerships are allowed as they give FEU organic publicity mileage.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	NA	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Proper implementation of Information Security and Data Protection Policies encourages trust and confidence in the organization's capability to keep all records confidential and provides assurance in the confidentiality, integrity and availability of personal data.	Employees (faculty & non-faculty) Students Alumni Applicants Parents & Guardians	• Data Protection Policy • Forms and systems inclusive of Data Privacy Consent statement • Semestral Updating of Data • Subject Consent Form through the Registrar's Office
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Likelihood for misuse (unauthorized processing) of information	Employees (faculty & non-faculty) Students Alumni Applicants Parents & Guardians	• Clear declaration of the purpose of the information gathered • Informed Consent
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

Standardization on policies and procedures on customer privacy	Employees (faculty & non-faculty) Students Alumni Applicants Parents & Guardians	Data Protection Policy
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Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts, and losses of data	0	0

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
FEU has automated its key processes of enrollment, accounting, and payroll. A data breach can be a material issue if student private information is compromised.	Employees (faculty & non-faculty) Students Alumni Applicants Parents & Guardians.	Information Technology Services (ITS) manages all technology solutions of the institution and has installed industry standard information security infrastructure; it implements daily vulnerability assessments to protect the institution from cyber security risks. The enrollment and accounting applications are cloud solutions outsourced to NetSuite who adheres to Industry Standards and is SOC certified. For on-premises installed systems, daily vulnerability assessments are run.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Cyber security risks that may compromise student personal information.	Employees (faculty & non-faculty) Students Alumni Applicants Parents & Guardians	Same action as above.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Newer technology solutions can provide stronger and more cost-effective solutions.	Employees (faculty & non-faculty) Students Alumni Applicants Parents & Guardians	Management continually looks for newer technology solutions that may be applied to strengthen the security posture of the institution, including 3 rd -party Security Incident and Event (SEM) systems and services.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and their contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Basic, (K1 to SHS), Tertiary, Graduate and Doctorate Programs	Goal 4: Quality Education Goal 17: Partnership for Goals	Skills mismatch of graduates to industry needs	Programs are drawn and regularly updated that focus on upgrading the curriculum and student development programs to meet the skills set needs of industry. Key initiative is the partnerships with industry who provide input for curriculum and student development programs on personal and technical levels.
	Goal 5: Gender Equality	Readiness of the community to the presence of diverse groups	Management ensures inclusiveness and equal opportunity by establishing offices, policies, programs and activities.
	Goal 6: Clean Water and Sanitation Goal 7: Affordable and Clean Energy Goal 12: Responsible Consumption & Production Goal 13: Climate Action Goal 14: Life Below Water Goal 17: Partnership for Goals	Increased student enrollment will increase consumption as well.	Management continually studies and implement cost saving solutions that help manage consumption even with the increase in student population.
	Goal 3: Good Health & Well-Being Goal 8: Decent Work and Economic Growth	Increased student enrollment will necessitate more facilities, and this may strain the limited space on campus.	Management continually reviews the work and class areas and when needed implement cost viable solutions to address the increase in need. One strategy that FEU is working on it the work anywhere, blended learning (face-face and online classes) aimed to provide relief for the need of space as the FEU Group grows in scale.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Manila, on SEP 03 2025.

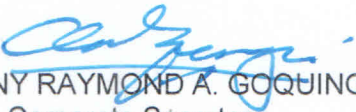
By:


AURELIO R. MONTINOLA III
Chairman, Board of Trustees
and Chief Executive Officer


JUAN MIGUEL R. MONTINOLA
President
and Chief Operating Officer


ROSANNA E. SALCEDO
Chief Finance Officer
and Treasurer

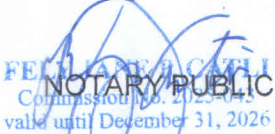

PAMELA M. HERNANDEZ
Chief Risk Officer
and Controller


ANTHONY RAYMOND A. GOQUINGCO
Corporate Secretary
and Compliance Officer

SUBSCRIBED AND SWORN to before me this SEP 03 2025 2025, affiants exhibiting to me their Tax Identification Number, as follows:

<u>Name</u>	<u>Tax Identification Number</u>	<u>Place Issued</u>
Aurelio R. Montinola III	135-558-086	Philippines
Juan Miguel R. Montinola	115-203-243	Philippines
Rosanna E. Salcedo	115-178-175	Philippines
Pamela M. Hernandez	913-381-986	Philippines
Anthony Raymond A. Goquingco	211-219-446	Philippines 

Doc. No. 106
Page No. 23
Book No. II
Series of 2025.


NOTARY PUBLIC
Commission No. 2022-0041
valid until December 31, 2026
Notary Public for and in the City of Manila
Rm. 310, PEA Administration Bldg.,
Nicanor Reyes St., Brgy. 395, District IV
Sampaloc, Manila
Roll No. 70141
(BP Lifetime Member Roll No. 017715, 06.21.2017
MCLE Compliance No. VIII-0003078, 06.30.2023
PTR No. 2097109, 01.08.2024 Manila
TIN-340-171-698



FAR EASTERN UNIVERSITY

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

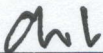
The management of **Far Eastern University, Incorporated and Subsidiaries (the Group)** is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended May 31, 2025, 2024 and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

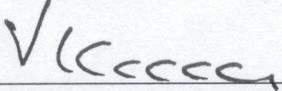
In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the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

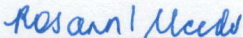
The Board of Trustees is responsible for overseeing the Group's financial reporting process.

The Board of Trustees reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the consolidated financial statements of **Far Eastern University, Incorporated and Subsidiaries** in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


AURELIO R. MONTINOLA III
Chairman of the Board and
Chief Executive Officer


JUAN MIGUEL R. MONTINOLA
President and Chief Operating Officer


ROSANNA E. SALCEDO
Chief Finance Officer and Treasurer

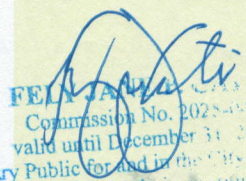
Signed this 19th day of August, 2025.

SUBSCRIBED AND SWORN to before me this SEP 03 2025, 2025, affiants exhibiting their
Tax Identification Numbers (TIN) as follows:

Name	TIN	Place Issued
Aurelio R. Montinola III	135-558-086	Philippines
Juan Miguel R. Montinola	115-203-243	Philippines
Rosanna E. Salcedo	115-178-175	Philippines

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Page No. 22
Book No. II
Series of 2025.

NOTARY PUBLIC


FELIX J. [Signature]
Commission No. 2028-003
valid until December 31, 2026
Notary Public for and in the City of Manila
Rm. 310, FEU Administration Bldg.
Nicanor Reyes St., Brgy. 195, District IV
Sampaloc, Manila
Roll No. 70141
IBP Lifetime Member Roll No. 017715, 06.21.2017
MCLE Compliance No. VIII-0003078, 06.30.2023
PTR No. 2097109, 01.08.2024 Manila
TIN-340-171-690

Nicanor Reyes Street
Sampaloc, Manila
P.O. Box 609 Philippines 1015
(+632) 87777-FEU (338)
(+632) 8849-4000

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

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COMPANY INFORMATION

corpsec@feu.edu.ph	(02) 8735 8686	09605043941
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1,529	3 rd Saturday of October	05/31
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CONTACT PERSON INFORMATION	
NAME	
PHONE	
EMAIL	
ADDRESS	
CITY	
STATE	
ZIP	
COUNTRY	

Rosanna E. Salcedo	corpsecgroup@feu.edu.ph	N/A	0960 504 3941
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CONTACT PERSON'S ADDRESS

21 Maple St. , Greenwoods Executive Village, Pasig City

NOTE 1 In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies



INDEPENDENT AUDITOR'S REPORT

The Board of Trustees and the Stockholders
Far Eastern University, Incorporated and Subsidiaries
Nicanor Reyes Street
Sampaloc, Manila

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Far Eastern University, Incorporated and Subsidiaries (the Group), which comprise the consolidated statement of financial position as at May 31, 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended May 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at May 31, 2025, and their consolidated financial performance and their consolidated cash flows for the year ended May 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to the matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recognition of Tuition and Other School Fees

For the year ended May 31, 2025, the Group's revenue from tuition and other school fees amounted to P5.8 billion, and accounts for 99% of the consolidated revenues. We considered this as a key audit matter due to the materiality of the amount involved, the significant volume of transactions being processed, significant judgments in determining the timing of satisfaction of the performance obligations, and the Group's reliance on its information technology (IT) infrastructure to handle such volume of transactions.

The Group's disclosures, including the policy for revenue recognition and the significant judgments made by management related to revenue recognition, are included in Notes 16, 26 and 27 to the consolidated financial statements.

Audit response

We obtained an understanding of the Group's revenue recognition process on tuition and other school fees, the relevant controls, and the related IT system, including the determination of revenue adjustments, and evaluated the Group's compliance with the requirements of the relevant accounting standard. On a sampling basis, we examined students' enrollment transactions (i.e., through examination of tuition bills) and the scholarship merits and tuition fee discounts during the school year. We performed revenue cut-off procedures, including, among others, examining tuition bill transactions near the period end, and reviewing revenue adjustments subsequent to period end, to determine whether tuition and other school fees are appropriately recognized in the proper period. Furthermore, we analyzed the correlation between revenue, unearned revenue, trade receivables, and cash collections by matching the records between these accounts. We traced the cash collection journals to actual cash collections by reviewing supporting documents, such as deposits and bank transfers.

Other Matter

The consolidated financial statements of the Group as at and for the years ended May 31, 2024 and 2023, which are presented for comparative purposes, were audited by another auditor who expressed an unqualified opinion on these statements on August 20, 2024.



Other Information

Other information consists of the information included in the Philippine SEC Form 17-A for the year ended May 31, 2025 but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and we expect to obtain the Philippine SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended May 31, 2025 after the date of our auditor's report. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, as modified by the application of financial reporting reliefs issued and approved by the Philippine SEC, as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

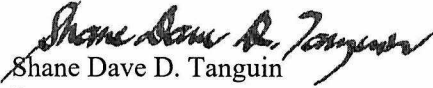
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Shane Dave D. Tanguin.

SYCIP GORRES VELAYO & CO.


Shane Dave D. Tanguin

Partner

CPA Certificate No. 0115818

Tax Identification No. 242-153-393

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-157-2024, October 2, 2024, valid until October 1, 2027

PTR No. 10465390, January 2, 2025, Makati City

August 19, 2025



FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2025
(With Comparative Figures as at May 31, 2024 and 2023)
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<u>A S S E T S</u>				
CURRENT ASSETS				
Cash and cash equivalents	5	P 2,457,067,903	P 1,713,413,164	P 1,698,352,823
Trade and other receivables	6	1,048,376,426	1,139,275,967	1,034,276,359
Financial assets at fair value through profit or loss	7	1,656,817,152	1,644,447,140	1,834,217,950
Financial assets at fair value through other comprehensive income	7	654,696,399	358,572,543	173,575,124
Investment securities at amortized cost	7	17,145,386	75,487,826	86,521,531
Other current assets	10	439,499,288	346,272,889	264,031,592
		<u>6,273,602,554</u>	<u>5,277,469,529</u>	<u>5,090,975,379</u>
Total Current Assets				
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income	7	2,177,793,892	2,736,452,925	2,016,976,191
Investment securities at amortized cost	7	401,026,124	401,796,531	469,112,054
Investment in associates and joint venture	8	440,794,645	442,722,520	160,010,728
Property and equipment	11	9,065,930,751	9,029,081,852	8,906,955,473
Investment properties	9	225,197,892	245,492,935	203,091,499
Goodwill	27	186,487,019	186,487,019	186,487,019
Deferred tax assets - net	21	18,172,441	15,195,132	2,266,468
Other non-current assets	10	495,132,396	186,113,733	228,700,393
		<u>13,010,535,160</u>	<u>13,243,342,647</u>	<u>12,173,599,825</u>
Total Non-current Assets				
TOTAL ASSETS		<u>P 19,284,137,714</u>	<u>P 18,520,812,176</u>	<u>P 17,264,575,204</u>

	Notes	2025	2024	2023
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	13	P 1,825,819,197	P 2,248,014,804	P 1,742,085,805
Interest-bearing loans	14	526,258,503	426,258,503	426,258,503
Deferred revenues	16	131,258,176	45,424,382	72,544,582
Provisions	28	23,533,738	18,647,254	18,647,254
Income tax payable		68,031,311	70,942,883	5,909,839
Total Current Liabilities		2,574,900,925	2,809,287,826	2,265,445,983
NON-CURRENT LIABILITIES				
Lease liabilities	12	12,297,718	-	846,769
Interest-bearing loans	14	632,823,129	959,081,633	1,385,340,137
Post-employment benefit obligation	19	62,544,676	49,625,573	63,116,118
Deferred tax liabilities - net	21	71,883	12,047,871	19,170,165
Other non-current liabilities		8,769,916	9,412,310	6,392,428
Total Non-current Liabilities		716,507,322	1,030,167,387	1,474,865,617
Total Liabilities		3,291,408,247	3,839,455,213	3,740,311,600
EQUITY				
Equity attributable to owners of the parent company				
Capital stock	23	2,406,799,300	2,406,799,300	2,406,799,300
Treasury shares, including shares held by a subsidiary	23	(117,623,662)	(111,711,721)	(78,632,436)
Revaluation reserves	23	15,394,723	5,228,665	(9,225,689)
Other reserves	23	(57,785,452)	(57,785,452)	(57,785,452)
Retained earnings	23			
Appropriated		1,187,733,100	2,172,733,100	1,463,733,100
Unappropriated		9,575,049,461	7,300,650,896	6,834,406,722
Total equity attributable to owners of parent company		13,009,567,470	11,715,914,788	10,559,295,545
Non-controlling interests		2,983,161,997	2,965,442,175	2,964,968,059
Total Equity		15,992,729,467	14,681,356,963	13,524,263,604
TOTAL LIABILITIES AND EQUITY		P 19,284,137,714	P 18,520,812,176	P 17,264,575,204

See Notes to Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED MAY 31, 2025
(With Comparative Figures for the Years Ended May 31, 2024 and 2023)
(Amounts in Philippine Pesos)

	Notes	2025	2024	2023
REVENUES				
Educational	16			
Tuition fees - net		P 5,464,748,385	P 5,147,767,755	P 4,692,506,459
Other school fees		<u>251,893,697</u>	<u>254,593,488</u>	<u>226,778,126</u>
		5,716,642,082	5,402,361,243	4,919,284,585
Rental	9	<u>21,983,447</u>	<u>27,497,503</u>	<u>21,055,337</u>
		5,738,625,529	5,429,858,746	4,940,339,922
IMPAIRMENT LOSS				
ON FINANCIAL ASSETS	6	(72,030,624)	(36,406,764)	(55,629,679)
OPERATING EXPENSES	17	(3,913,088,021)	(3,644,943,551)	(3,264,251,021)
OTHER OPERATING INCOME	18	<u>56,028,119</u>	<u>97,852,595</u>	<u>35,855,920</u>
OPERATING INCOME		1,809,535,003	1,846,361,026	1,656,315,142
FINANCE INCOME	18	346,870,000	376,479,466	182,725,715
FINANCE COSTS	18	(110,415,180)	(127,704,912)	(101,803,329)
OTHER INCOME	8, 13, 20	<u>285,110,424</u>	<u>138,433,510</u>	<u>209,990,123</u>
INCOME BEFORE TAX		2,331,100,247	2,233,569,090	1,947,227,651
TAX EXPENSE	21	(<u>240,544,260</u>)	(<u>223,242,919</u>)	(<u>60,162,102</u>)
NET INCOME		<u>P 2,090,555,987</u>	<u>P 2,010,326,171</u>	<u>P 1,887,065,549</u>
Net Income Attributable to:				
Owners of the parent company	24	P 2,054,318,021	P 1,940,338,894	P 1,866,741,062
Non-controlling interests		<u>36,237,966</u>	<u>69,987,277</u>	<u>20,324,487</u>
		<u>2,090,555,987</u>	<u>P 2,010,326,171</u>	<u>P 1,887,065,549</u>
Earnings Per Share				
Basic and Diluted	24	<u>P 85.94</u>	<u>P 81.13</u>	<u>P 77.92</u>

See Notes to Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MAY 31, 2025
(With Comparative Figures for the Years Ended May 31, 2024 and 2023)
(Amounts in Philippine Pesos)

	Notes	2025	2024	2023
NET INCOME		P 2,090,555,987	P 2,010,326,171	P 1,887,065,549
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified subsequently to profit or loss				
Net fair value losses (gains) reclassified to profit or loss on debt securities classified as financial assets at fair value through other comprehensive income	7	(3,539,605)	(1,672,178)	1,816,727
Net fair value gains (losses) during the year	7	7,777,352	16,513,840	25,313,000
Tax effect		(423,775)	(148,416)	(271,297)
		<u>3,813,972</u>	<u>14,693,246</u>	<u>26,858,430</u>
Item that will not be reclassified subsequently to profit or loss				
Net fair value gains (losses) on equity securities classified as financial assets at fair value through other comprehensive income	7	31,835,649	581,083	(26,377,156)
Gains (losses) on remeasurement of post-employment benefit plan	19	(13,997,317)	5,357,746	(5,537,030)
Tax effect		(1,783,833)	(59,388)	319,142
		<u>16,054,499</u>	<u>5,879,441</u>	<u>(31,595,044)</u>
Other Comprehensive Income (Loss) - net of tax		<u>19,868,471</u>	<u>20,572,687</u>	<u>(4,736,614)</u>
TOTAL COMPREHENSIVE INCOME		P 2,110,424,458	P 2,030,898,858	P 1,882,328,935
Total Comprehensive Income Attributable to:				
Owners of the parent company		P 2,064,484,079	P 1,954,793,248	P 1,862,873,663
Non-controlling interests		<u>45,940,379</u>	<u>76,105,610</u>	<u>19,455,272</u>
		<u>P 2,110,424,458</u>	<u>P 2,030,898,858</u>	<u>P 1,882,328,935</u>

See Notes to Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MAY 31, 2025
(With Comparative Figures for the Years Ended May 31, 2024 and 2023)
(Amounts in Philippine Pesos)

Attributable to Owners of the Parent Company												
	Notes	Capital Stock	Treasury Shares, including shares held by a subsidiary	Revaluation Reserves	Other Reserves	Appropriated	Retained Earnings Unappropriated	Total	Total	Non-controlling Interests	Total Equity	
Balance at June 1, 2024	P	2,406,799,300	(P 111,711,721)	P 5,228,665	(P 57,785,452)	P 2,172,733,100	P 7,300,650,896	P 9,473,383,996	P 11,715,914,788	P 2,965,442,175	P 14,681,356,963	
Transactions with owners												
Acquisition of treasury stock	23	-	(5,911,941)	-	-	-	-	(5,911,941)	-	(5,911,941)		
Cash dividends	23	-	-	-	-	-	(764,919,456)	(764,919,456)	(764,919,456)	(28,220,557)	(793,140,013)	
		-	(5,911,941)	-	-	-	(764,919,456)	(764,919,456)	(770,831,397)	(28,220,557)	(799,051,954)	
Appropriations of retained earnings												
Appropriation during the year	23	-	-	-	-	2,000,000	(2,000,000)	-	-	-	-	
Reversal of appropriations during the year	23	-	-	-	-	(987,000,000)	987,000,000	-	-	-	-	
		-	-	-	-	(985,000,000)	985,000,000	-	-	-	-	
Total comprehensive income												
Net income for the year	7, 19	-	-	-	-	-	2,054,318,021	2,054,318,021	2,054,318,021	36,237,966	2,090,555,987	
Other comprehensive income		-	-	10,166,058	-	-	-	-	10,166,058	9,702,413	19,868,471	
		-	-	10,166,058	-	-	2,054,318,021	2,054,318,021	2,064,484,079	45,940,379	2,110,424,458	
Balance at May 31, 2025	P	2,406,799,300	(P 117,623,662)	P 15,394,723	(P 57,785,452)	P 1,187,733,100	P 9,575,049,461	P 10,762,782,561	P 13,009,567,470	P 2,983,161,997	P 15,992,729,467	
Balance at June 1, 2023	P	2,406,799,300	(P 78,632,436)	P 9,225,689	(P 57,785,452)	P 1,463,733,100	P 6,834,406,722	P 8,298,139,822	P 10,559,295,545	P 2,964,968,059	P 13,524,263,604	
Transactions with owners												
Acquisition of treasury stock	23	-	(33,079,285)	-	-	-	-	(33,079,285)	-	(33,079,285)		
Cash dividends	23	-	-	-	-	-	(765,094,720)	(765,094,720)	(765,094,720)	(75,631,494)	(840,726,214)	
		-	(33,079,285)	-	-	-	(765,094,720)	(765,094,720)	(798,174,005)	(75,631,494)	(873,805,499)	
Appropriations of retained earnings												
Appropriation during the year	23	-	-	-	-	850,000,000	(850,000,000)	-	-	-	-	
Reversal of appropriations during the year	23	-	-	-	-	(141,000,000)	141,000,000	-	-	-	-	
		-	-	-	-	709,000,000	(709,000,000)	-	-	-	-	
Total comprehensive income												
Net income for the year	7, 19	-	-	-	-	-	1,940,338,894	1,940,338,894	1,940,338,894	69,987,277	2,010,326,171	
Other comprehensive income		-	-	14,454,354	-	-	-	-	14,454,354	6,118,333	20,572,687	
		-	-	14,454,354	-	-	1,940,338,894	1,940,338,894	1,954,793,248	76,105,610	2,030,898,858	
Balance at May 31, 2024	P	2,406,799,300	(P 111,711,721)	P 5,228,665	(P 57,785,452)	P 2,172,733,100	P 7,300,650,896	P 9,473,383,996	P 11,715,914,788	P 2,965,442,175	P 14,681,356,963	

		Attributable to Owners of the Parent Company											
	Notes	Capital Stock	Treasury Stock - at Cost	Revaluation Reserves	Other Reserves	Appropriated	Unappropriated	Total	Total	Non-controlling Interests	Total Equity		
Balance at June 1, 2022		P 2,406,799,300	(P 76,660,836)	(P 5,358,290)	(P 57,785,452)	P 1,184,853,389	P 5,917,341,539	P 7,102,194,928	P 9,369,189,650	P 2,914,656,711	P 12,283,846,361		
Transactions with owners													
Acquisition of treasury stock	23	-	(1,971,600)	-	-	-	-	-	(1,971,600)	-	(1,971,600)		
Additional investment	23	-	-	-	-	-	-	-	-	73,500,000	73,500,000		
Cash dividends	23	-	-	-	-	-	(670,796,168)	(670,796,168)	(670,796,168)	(42,643,924)	(713,440,092)		
		-	(1,971,600)	-	-	-	(670,796,168)	(670,796,168)	(672,767,768)	30,856,076	(641,911,692)		
Appropriations of retained earnings													
Appropriation during the year	23	-	-	-	-	360,379,711	(360,379,711)	-	-	-	-		
Reversal of appropriations during the year	23	-	-	-	-	(81,500,000)	81,500,000	-	-	-	-		
		-	-	-	-	278,879,711	(278,879,711)	-	-	-	-		
Total comprehensive income (loss)													
Net income for the year		-	-	-	-	-	1,866,741,062	1,866,741,062	1,866,741,062	20,324,487	1,887,065,549		
Other comprehensive loss	7, 19	-	-	(3,867,399)	-	-	-	-	(3,867,399)	(869,215)	(4,736,614)		
		-	-	(3,867,399)	-	-	1,866,741,062	1,866,741,062	1,862,873,663	19,455,272	1,882,328,935		
Balance at May 31, 2023		P 2,406,799,300	(P 78,632,436)	(P 9,225,689)	(P 57,785,452)	P 1,463,733,100	P 6,834,406,722	P 8,298,139,822	P 10,559,295,545	P 2,964,968,059	P 13,524,263,604		

See Notes to Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2025
(With Comparative Figures for the Years Ended May 31, 2024 and 2023)
(Amounts in Philippine Pesos)

	Notes	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax		P 2,331,100,247	P 2,233,569,090	P 1,947,227,651
Adjustments for:				
Depreciation and amortization	17	596,218,687	586,000,800	558,676,028
Interest income	18	(256,954,193)	(195,026,435)	(111,795,653)
Interest expense	18	84,946,527	111,430,392	87,634,134
Other investment income from financial assets at fair value through profit or loss (FVTPL) and other comprehensive income (FVOCI) - net	7, 18	(83,493,242)	(81,978,784)	(54,849,138)
Impairment loss on receivables	6	72,030,624	36,406,764	55,629,679
Fair value loss (gain) from financial assets at FVTPL	7, 18	(52,999,380)	(42,109,638)	27,703,458
Unrealized foreign exchange (gains) losses - net	18	46,576,815	(57,364,609)	(43,486,176)
Gain on sale of investment property	9, 18	(7,486,783)	(84,832,396)	(16,307,952)
Share in net loss (income) of associates and joint venture	8	4,045,416	(3,609,227)	659,066
Reversal of impairment loss on investments	7, 18	-	-	(298,206)
Operating income before working capital changes		2,733,984,718	2,502,485,957	2,450,792,891
Increase in trade and other receivables		29,666,859	(133,273,167)	(200,851,227)
Decrease (increase) in other assets		(104,629,983)	(144,544,245)	20,171,118
Increase (decrease) in trade and other payables		(471,897,533)	417,599,447	163,436,971
Increase (decrease) in deferred revenues		85,833,794	(27,120,200)	(640,594)
Increase (decrease) in post-employment benefit obligation		321,518	(8,186,376)	7,826,210
Increase in provisions		4,886,484	-	-
Increase (decrease) in other non-current liabilities		(642,394)	3,019,882	(2,477,530)
Cash generated from operations		2,277,523,463	2,609,981,298	2,438,257,839
Income taxes paid		(252,881,804)	(124,551,101)	(62,049,934)
Net Cash From Operating Activities		2,024,641,659	2,485,430,197	2,376,207,905
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposals and maturities of investment securities:				
Financial assets at FVTPL	7	3,063,568,223	2,807,353,515	2,902,772,889
Financial assets at FVOCI	7	2,155,870,404	1,108,119,295	1,925,183,300
Investment securities at amortized cost	7	63,009,836	168,336,647	233,476,198
Acquisition of investment securities:				
Financial assets at FVTPL	7	(2,478,067,839)	(2,550,373,868)	(2,900,985,287)
Financial assets at FVOCI	7	(1,821,600,863)	(1,974,439,274)	(2,363,887,208)
Investment securities at amortized cost	7	(10,000,000)	(82,952,764)	(140,781,864)
Acquisition of property and equipment	11	(1,040,030,277)	(677,507,425)	(817,113,812)
Interest received	7	340,447,435	277,005,219	166,942,997
Decrease (increase) in advances to suppliers and developers	10	(303,142,404)	43,492,636	31,433,663
Proceeds from disposal of investment property	9	9,151,785	121,751,787	11,666,493
Acquisition of investment properties	9	(6,700,600)	(109,940,581)	(21,236,829)
Decrease (increase) in advances to related parties	20	(27,592,766)	(8,002,803)	7,963,598
Investment in associates and joint venture	8	(4,886,759)	(280,000,000)	(160,669,794)
Proceeds from disposal of property and equipment	11	4,267,340	-	-
Dividend received from an associate	8	2,769,218	897,435	-
Net Cash Used in Investing Activities		(52,937,267)	(1,156,260,181)	(1,125,235,656)
<i>Balance carried forward</i>		P 1,971,704,392	P 1,329,170,016	P 1,250,972,249

	Notes	2025	2024	2023
<i>Balance brought forward</i>		P 1,971,704,392	P 1,329,170,016	P 1,250,972,249
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	23, 22	(764,688,107)	(732,675,417)	(665,749,569)
Repayments of interest-bearing loans	14, 22	(226,258,504)	(426,258,504)	(473,163,265)
Interest paid	14, 18, 22	(85,437,772)	(112,888,660)	(75,205,044)
Repayment of lease liability	12, 22	(10,853,300)	(11,422,506)	(11,166,275)
Acquisition of treasury shares	23	(5,911,941)	(33,079,285)	(1,971,600)
Additional investment of non-controlling interest in a subsidiary	23	-	-	73,500,000
Net Cash Used in Financing Activities		(1,093,149,624)	(1,316,324,372)	(1,153,755,753)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(134,900,029)	2,214,697	1,015,002
NET INCREASE IN CASH AND CASH EQUIVALENTS		743,654,739	15,060,341	98,231,498
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>1,713,413,164</u>	<u>1,698,352,823</u>	<u>1,600,121,325</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>P 2,457,067,903</u>	<u>P 1,713,413,164</u>	<u>P 1,698,352,823</u>

Supplementary Information on Non-cash Investing and Financing Activities:

- 1) The Group declared cash dividends totaling P793.1 million in 2025, P840.7 million in 2024 and P713.4 million in 2023, of which P435.3 million, P406.9 million and P298.8 million, respectively, were not paid in the year of declaration (see Notes 13 and 23).
- 2) The Group reclassified certain property and equipment amounting to P459.2 million, P13.3 million and P3.2 million in 2025, 2024 and 2023, respectively (see Note 11).
- 3) In 2025, the Group recognized additional right-of-use asset and lease liability amounting to P30.9 million (see Note 11).
- 4) In 2025, the Group acquired property and equipment amounting to P1.1 billion (see Note 11). The unpaid portion of the acquisition amounted to P14.0 million is presented as part of Trade and Other Payables in the 2025 statement of financial position (see Note 13).

See Notes to Consolidated Financial Statements.

**FAR EASTERN UNIVERSITY, INCORPORATED
AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT MAY 31, 2025
(With Comparative Figures as of and for the Years Ended May 31, 2024 and 2023)
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Background of the University

Far Eastern University, Incorporated (the University or FEU or Parent Company) is a 97-year-old Philippine-based proprietary educational institution founded in June 1928 and registered with the Philippine Securities and Exchange Commission (SEC) on October 27, 1933 and became a publicly-listed corporation with the Philippine Stock Exchange (PSE) on July 11, 1986.

The University is a nonsectarian institution of learning, embracing equal opportunity, inclusivity and diversity. FEU is comprised of seven institutes as follows, each handling distinct courses and programs of study:

- Institute of Accounts, Business and Finance;
- Institute of Architecture and Fine Arts;
- Institute of Arts and Sciences;
- Institute of Education;
- Institute of Health Sciences and Nursing;
- Institute of Law; and
- Institute of Tourism and Hotel Management

FEU has been designated an Autonomous Status by the Commission on Higher Education (CHED) on July 25, 2012. In September 2024 the CHED confirmed that the University has retained its Autonomous Status for the years 2024 to 2027. Among the University's flagship programs are the Teacher Education and Business Administration which are recognized by the CHED as Center of Excellence and Center of Development, respectively.

On top of its existing highly accredited programs by local bodies such as the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) and the Philippine Accrediting Association of Schools, Colleges, and Universities (PAASCU), FEU further strengthened its standing with international recognition. In February 2025, the ASEAN University Network – Quality Assurance (AUN-QA) granted FEU the Institutional Assessment Certification, in addition to its 18 existing Program Assessment certifications.

As at May 31, 2025, 2024 and 2023, the University holds interest in subsidiaries, associates and a joint venture presented below:

Company Name	Percentage of Effective Ownership		
	2025	2024	2023
Subsidiaries:			
East Asia Computer Center, Inc. (EACCI)	100.0%	100.0%	100.0%
Far Eastern College – Silang, Inc. (FECSI)	100.0%	100.0%	100.0%
FEU Alabang, Inc. (FEUAI)*	100.0%	100.0%	100.0%
FEU High School, Inc. (FEU High)	100.0%	100.0%	100.0%
Roosevelt College, Inc. (RCI)	97.7%	97.7%	97.4%
Roosevelt College Educational Enterprises (RCEE)**	97.7%	97.7%	97.4%
Edustria, Inc. (Edustria)	51.0%	51.0%	51.0%
Fern Realty Corporation (FRC)	38.2%	38.2%	38.2%
Associates:			
JPMC College of Health Sciences SDN BHD (JCHS)	40.0%	40.0%	40.0%
Good Samaritan Colleges, Inc. (GSC)	34.0%	34.0%	34.0%
Joint Venture – Higher Academia, Inc. (HAI)	50.0%	50.0%	-

**In 2024 and 2023, the University held 100% ownership of FEUAI. In 2025, EACCI acquired shares in FEUAI representing 50% of FEUAI's total shares. The University retains control over FEUAI through its 50% direct ownership and 50% indirect ownership via its interest in EACCI. As of May 31, 2025, the University's effective ownership in FEUAI remains at 100%.*

*** Indirectly through the University's ownership of RCI which holds 100% ownership interest in RCEE*

All the subsidiaries, GSC and HAI were incorporated and are operating in the Philippines, while JCHS was incorporated and is operating in Brunei Darussalam.

The Parent Company and its subsidiaries are collectively referred to herein as the Group.

Except FRC, which is a real estate company leasing most of its investment properties to the University and other related parties, all other directly owned subsidiaries, associates and joint venture are operating as educational institutions offering basic education, senior high school and/or tertiary and postgraduate courses of study. RCEE, prior to the cessation of its operations in 2017, was engaged in selling educational school supplies and food items in campuses of RCI.

1.2 Other Corporate Information

The registered offices and principal places of business of the University and its subsidiaries are as follows:

FEU, FRC and	
FEU High	- Nicanor Reyes Street, Sampaloc, Manila
EACCI	- P. Paredes Street, Sampaloc, Manila
FEUAI	- Lot 1, Corporate Woods cor. South Corporate Avenues, Woods District, Filinvest City, Alabang, Muntinlupa City
FECSI	- Metrogate Silang Estates, Silang, Cavite
RCI	- J. P. Rizal Street, Malanday, Marikina City

RCEE	-	Roosevelt College Compound, Sumulong Highway, Cainta, Rizal
Edustria	-	Block R & T, Lima Technology Center, Brgy. Bugtong ng Pulo, Lipa City, Batangas
JCHS	-	Block 2C East Wing, Ong Sum Ping Condominium Jalan Ong Sum Ping, Bandar Seri Begawan BA1311, Brunei Darussalam
GSC	-	Burgos Avenue, Cabanatuan City, Nueva Ecija
HAI	-	McArthur Highway, San Isidro City of San Fernando, Pampanga

The University also has a campus in Makati City, which offers programs mainly in Law, Accountancy and Business Administration.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The University prepares these consolidated financial statements as required under Philippine Financial Reporting Standards (PFRS) Accounting Standards and is available for public use.

2.1 Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards are adopted by the Financial Sustainability and Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

2.2 Presentation of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents the consolidated statement of comprehensive income separate from the consolidated statement of profit or loss.

The Group presents three comparative periods for the consolidated statement of financial position regardless of whether the Group has or does not have retrospective restatement of items in its consolidated financial statements or reclassifies items in the consolidated financial statements.

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments and improvements to existing standards effective in fiscal year 2025 that are relevant to the Group. The Group has not adopted early any standards, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new pronouncements did not have any significant impact on the Group's financial performance or position.

3.1 *Effective in Fiscal Year 2025 that are Relevant to the Group*

The Group adopted the following amendments and improvements to existing standards, which are mandatorily effective for annual periods beginning on or after June 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements, Classification of Liabilities as Current or Non-current
PFRS 16 (Amendments)	:	Leases, Lease Liability in a Sale and Leaseback
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements

Discussed below are the relevant information about these pronouncements.

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the consolidated financial statements.
- (ii) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The Group has no sale and leaseback transactions.

- (iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the consolidated financial statements.

3.2 Effective Subsequent to Fiscal Year 2025 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to fiscal year 2025, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions.

- (i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)
- (ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.
- (iv) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

None of these are expected to have a significant impact on the Group's consolidated financial statements.

4. SEGMENT INFORMATION

4.1 *Business Segments*

The Group is organized into different business units based on separate entities' operational significance and timing of academic operations for purposes of management assessment of each segment. In identifying its operating segments, management generally assesses each FEU school's contribution to the Group's operations and groups these entities. The Group's main reportable operating segment are as follows:

- (a) *FEU Main* – principally refers to the academic operations of the Parent Company, being the largest semestral entity;
- (b) *Trimestral Schools* – subsidiary schools that primarily offer engineering and information technology programs, and which operates on a trimestral academic calendar. This includes EACCI and FEUAI; and,
- (c) *Other Schools* – subsidiary schools with significant operations in senior high school and basic education programs, which is composed of FECSE, FEU High, RCI and Edustria.

This is the basis of the Group in its decision-making as reported to its strategic steering committee.

The Group also reports on geographical segments, based on two major geographical areas where FEU schools are located, i.e., within the National Capital Region (NCR) and Outside NCR.

4.2 *Segment Assets and Liabilities*

Segment assets include all operating assets used by a segment and consist primarily of operating cash and cash equivalents, trade and other receivables, financial assets at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI), investment securities at amortized cost, investment properties and property and equipment.

Segment assets do not include deferred tax assets and other assets which are not allocated to any segment's assets.

Segment liabilities include all operating liabilities as presented in the consolidated statements of financial position, except for deferred tax liabilities.

4.3 *Intersegment Transactions*

Segment revenues, expenses and performance include revenues and purchases between segments. Such revenues and purchases are eliminated in consolidation.

4.4 Analysis of Segment Information

The Group's business segments, analyzed based on operational significance and timing of academic operations, for the years ended May 31, 2025, 2024 and 2023 are presented in the succeeding pages (in thousands).

<i>(Amounts in PHP)</i>	FEU Main	Trimestral Schools	Other Schools	Total
<u>May 31, 2025</u>				
Segment revenues				
From external customers	2,852,621	1,898,728	985,777	5,737,126
Intersegment revenues	44,044	-	-	44,044
Total revenue	2,896,665	1,898,728	985,777	5,781,170
Operating expenses excluding depreciation and amortization and impairment loss	(1,816,564)	(833,078)	(606,393)	(3,256,035)
	1,080,101	1,065,650	379,384	2,525,135
Depreciation and amortization	(301,543)	(252,940)	(177,522)	(732,005)
Impairment loss	(3,564)	(12,965)	(33,964)	(50,493)
Finance income	255,039	200,844	6,187	462,070
Finance cost	(203,422)	(18,059)	(23,940)	(245,421)
Other income	191,280	116,826	36,024	344,130
Income before tax	1,017,891	1,099,356	186,169	2,303,416
Tax expense	(86,689)	(115,600)	(23,180)	(225,469)
Segment net income	931,202	983,756	162,989	2,077,947
Segment assets	9,996,742	8,425,956	4,040,826	22,463,524
Segment liabilities	2,604,689	1,493,876	1,076,789	5,175,354
<u>May 31, 2024</u>				
Segment revenues				
From external customers	2,836,725	1,712,856	871,437	5,421,018
Intersegment revenues	43,500	-	-	43,500
Total revenue	2,880,225	1,712,856	871,437	5,464,518
Operating expenses excluding depreciation and amortization and impairment loss	(1,732,945)	(734,599)	(553,626)	(3,021,170)
	1,147,280	978,257	317,811	2,443,348
Depreciation and amortization	(319,426)	(250,930)	(151,076)	(721,432)
Impairment loss	(6,846)	(16,217)	(13,344)	(36,407)
Finance income	422,556	158,158	9,663	590,377
Finance cost	(219,558)	(21,117)	(33,561)	(274,236)
Other income	98,681	76,264	21,989	196,934
Income before tax	1,122,687	924,415	151,482	2,198,584
Tax expense	(84,664)	(86,793)	(20,234)	(191,691)
Segment net income	1,038,023	837,622	131,248	2,006,893
Segment assets	10,620,084	6,991,679	4,350,530	21,962,293
Segment liabilities	3,427,305	713,514	1,497,716	5,638,535

<i>(Amounts in PHP)</i>	FEU Main	Trimestral Schools	Other Schools	Total
May 31, 2023				
Segment revenues				
From external customers	2,824,088	1,379,888	729,581	4,933,557
Intersegment revenues	41,799	-	-	41,799
Total revenue	2,865,887	1,379,888	729,581	4,975,356
Operating expenses excluding depreciation and amortization and impairment loss	(1,588,889)	(605,135)	(481,012)	(2,675,036)
	1,276,998	774,753	248,569	2,300,320
Depreciation and amortization	(303,418)	(253,218)	(141,473)	(698,109)
Impairment loss	(5,139)	(30,628)	(14,612)	(50,379)
Finance income	296,571	95,229	8,370	400,170
Finance cost	(192,067)	(25,507)	(31,411)	(248,985)
Other income	144,738	129,187	24,477	298,402
Income before tax	1,217,683	689,816	93,920	2,001,419
Tax expense	(29,037)	(12,264)	(2,009)	(43,310)
Segment net income	1,188,646	677,552	91,911	1,958,109
Segment assets	10,598,100	6,011,224	3,826,685	20,436,009
Segment liabilities	3,665,249	628,968	1,585,465	5,879,682

The Group's geographical segment, which is based on the location of all the Group's school campuses for the years ended May 31, 2025, 2024 and 2023 follows (in thousands):

<i>(Amounts in PHP)</i>	NCR	Outside NCR	Total
May 31, 2025			
Segment revenues			
From external customers	4,987,383	749,743	5,737,126
Intersegment revenues	44,044	-	44,044
Total revenues	5,031,427	749,743	5,781,170
Operating expenses excluding depreciation and amortization and impairment loss	(2,790,992)	(465,043)	(3,256,035)
	2,240,435	284,700	2,525,135
Depreciation and amortization	(609,250)	(122,755)	(732,005)
Impairment loss	(20,254)	(30,239)	(50,493)
Finance income	459,247	2,823	462,070
Finance cost	(223,041)	(22,380)	(245,421)
Other income – net	325,581	18,549	344,130
Income before tax	2,172,718	130,698	2,303,416
Tax expense	(202,289)	(23,180)	(225,469)
Segment net income	1,970,429	107,518	2,077,947
Segment assets	18,749,032	3,714,492	22,463,524
Segment liabilities	4,182,281	993,073	5,175,354

<i>(Amounts in PHP)</i>	<u>NCR</u>	<u>Outside NCR</u>	<u>Total</u>
May 31, 2024			
Segment revenues			
From external customers	4,792,475	628,543	5,421,018
Intersegment revenues	<u>43,500</u>	<u>-</u>	<u>43,500</u>
Total revenues	4,835,975	628,543	5,464,518
Operating expenses excluding depreciation and amortization and impairment loss	<u>(2,602,082)</u>	<u>(419,088)</u>	<u>(3,021,170)</u>
	2,233,893	209,455	2,443,348
Depreciation and amortization	(623,179)	(98,253)	(721,432)
Impairment loss	(26,799)	(9,608)	(36,407)
Finance income	589,538	839	590,377
Finance cost	(244,914)	(29,322)	(274,236)
Other income – net	<u>176,813</u>	<u>20,121</u>	<u>196,934</u>
Income before tax	2,105,352	93,232	2,198,584
Tax expense	<u>(177,181)</u>	<u>(14,510)</u>	<u>(191,691)</u>
Segment net income	<u>1,928,171</u>	<u>78,722</u>	<u>2,006,893</u>
Segment assets	<u>18,026,626</u>	<u>3,935,667</u>	<u>21,962,293</u>
Segment liabilities	<u>4,349,704</u>	<u>1,288,831</u>	<u>5,638,535</u>
May 31, 2023			
Segment revenues			
From external customers	4,433,144	500,413	4,933,557
Intersegment revenues	<u>41,799</u>	<u>-</u>	<u>41,799</u>
Total revenues	4,474,943	500,413	4,975,356
Operating expenses excluding depreciation and amortization and impairment loss	<u>(2,320,304)</u>	<u>(354,732)</u>	<u>(2,675,036)</u>
	2,154,639	145,681	2,300,320
Depreciation and amortization	(608,709)	(89,400)	(698,109)
Impairment loss	(42,545)	(7,834)	(50,379)
Finance income	395,399	4,771	400,170
Finance cost	(224,554)	(24,431)	(248,985)
Other income – net	<u>293,862</u>	<u>4,540</u>	<u>298,402</u>
Income before tax	1,968,092	33,327	2,001,419
Tax expense	<u>(41,656)</u>	<u>(1,654)</u>	<u>(43,310)</u>
Segment net income	<u>1,926,436</u>	<u>31,673</u>	<u>1,958,109</u>
Segment assets	<u>17,000,935</u>	<u>3,435,074</u>	<u>20,436,009</u>
Segment liabilities	<u>4,461,600</u>	<u>1,418,082</u>	<u>5,879,682</u>

4.5 Reconciliation

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements (in thousands):

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues			
Total segment revenues	5,781,170	5,464,518	4,975,356
Elimination of intersegment revenues	(44,044)	(43,500)	(41,799)
Unallocated corporate revenues	<u>1,500</u>	<u>8,841</u>	<u>6,783</u>
Revenues as reported in consolidated profit or loss	<u>5,738,626</u>	<u>5,429,859</u>	<u>4,940,340</u>
Profit or loss			
Segment net income	2,077,947	2,006,893	1,958,109
Elimination of intersegment transactions	(75,966)	(145,823)	(146,804)
Unallocated corporate net income	<u>88,575</u>	<u>149,256</u>	<u>75,761</u>
Group net profit as reported in consolidated profit or loss	<u>2,090,556</u>	<u>2,010,326</u>	<u>1,887,066</u>
Assets			
Segment assets	22,463,524	21,962,293	20,436,009
Elimination of intercompany accounts	(5,191,532)	(5,387,108)	(4,973,264)
Unallocated corporate assets	1,825,659	1,759,140	1,615,343
Goodwill	<u>186,487</u>	<u>186,487</u>	<u>186,487</u>
Total Assets	<u>19,284,138</u>	<u>18,520,812</u>	<u>17,264,575</u>
Liabilities			
Segment liabilities	5,175,354	5,638,535	5,879,682
Elimination of intercompany accounts	(2,001,255)	(1,944,366)	(2,220,205)
Unallocated corporate liabilities	<u>117,309</u>	<u>145,286</u>	<u>80,835</u>
Total Liabilities	<u>3,291,408</u>	<u>3,839,455</u>	<u>3,740,312</u>

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash on hand and in banks	953,165,617	571,373,159	926,931,899
Short-term placements	<u>1,503,902,286</u>	<u>1,142,040,005</u>	<u>771,420,924</u>
	<u>2,457,067,903</u>	<u>1,713,413,164</u>	<u>1,698,352,823</u>

Cash in banks generally earn interest based on daily bank deposit rates. Short-term placements are made for varying periods of up to three months depending on the immediate cash requirements of the Group.

These placements earn effective annual interest as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Peso placements	5.5% to 6.4%	5.4% to 6.4%	1.4% to 6.3%
US Dollar placements	4.5%	4.5%	-

Interest income earned from cash and cash equivalents are presented as part of Finance Income in the consolidated statements of profit or loss (see Note 18.1). The related interest receivable from placements as at May 31, 2025, 2024 and 2023 is presented as part of Accrued interest under the Trade and Other Receivables account in the consolidated statement of financial position (see Note 6).

6. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Non-related parties:				
Tuition and other school fees		1,106,461,683	1,010,723,897	960,862,285
Rental receivables		40,062,119	78,542,116	109,768,148
		<u>1,146,523,802</u>	<u>1,089,266,013</u>	<u>1,070,630,433</u>
Receivable from related parties	20.1, 20.2	<u>47,450,297</u>	<u>67,482,466</u>	<u>43,568,614</u>
Others:				
Accrued interest	5, 7, 10	45,297,604	47,688,755	12,801,858
Advances to officers and employees		21,829,054	34,226,733	56,339,748
Miscellaneous		14,063,685	106,741,178	79,901,182
		<u>81,190,343</u>	<u>188,656,666</u>	<u>149,042,788</u>
Allowance for impairment		<u>(226,788,016)</u>	<u>(206,129,178)</u>	<u>(228,965,476)</u>
		<u>1,048,376,426</u>	<u>1,139,275,967</u>	<u>1,034,276,359</u>

Non-related parties' rental receivables relate to FRC's receivables.

Advances to officers and employees consist of unsecured and noninterest-bearing advances which are subject to liquidation within 15 days from the earlier date between the release of the advances and the event to which the advances are utilized.

A significant portion of miscellaneous receivables pertain to amounts due from brokers related to the Group's trust funds as well as various receivables from non-related parties.

A reconciliation of the allowance for impairment on receivables at the beginning and end of each of the reporting period is shown below:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	206,129,178	228,965,476	201,806,294
Receivables written-off during the year	(51,371,786)	(59,243,062)	(30,015,106)
Impairment losses during the year	72,030,624	36,406,764	55,629,679
Recovery of previously written-off receivables	<u>-</u>	<u>-</u>	<u>1,544,609</u>
Balance at end of year	<u>226,788,016</u>	<u>206,129,178</u>	<u>228,965,476</u>

The allowance for impairment of receivables is composed of the following:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Tuition and other fees	153,946,577	158,678,245	183,214,595
Related parties	44,927,485	41,140,381	34,189,923
Others	<u>27,913,954</u>	<u>6,310,552</u>	<u>11,560,958</u>
	<u>226,788,016</u>	<u>206,129,178</u>	<u>228,965,476</u>

All of the Group's receivables, which are subject to credit risk exposure [see Note 15.2(b)] have been reviewed for impairment.

During the years ended May 31, 2025, 2024 and 2023, tuition and other school fees receivables were assessed for impairment and corresponding impairment losses were recognized as Impairment Loss on Financial Assets in the consolidated statement of profit or loss.

7. FINANCIAL ASSETS

7.1 *Financial Assets at FVTPL*

The types of investments classified under financial assets at FVTPL as of May 31 are shown below:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Unit Investment Trust Fund (UITF)	834,259,488	814,536,532	952,489,807
Quoted equity securities	<u>822,557,664</u>	<u>829,910,608</u>	<u>881,728,143</u>
	<u>1,656,817,152</u>	<u>1,644,447,140</u>	<u>1,834,217,950</u>

The breakdown of financial assets at FVTPL as to currency denomination is as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
Local	1,167,490,394	879,759,630	1,072,378,532
Foreign	489,326,758	764,687,510	761,839,418
	<u>1,656,817,152</u>	<u>1,644,447,140</u>	<u>1,834,217,950</u>

An analysis of the movements in the carrying amounts of the Group's investments is presented below:

<i>(Amounts in PHP)</i>	2025	2024	2023
Balance at beginning of year	1,644,447,140	1,834,217,950	1,830,571,990
Disposals	(2,481,499,874)	(2,807,353,515)	(2,902,772,889)
Additions	2,478,067,839	2,550,373,868	2,900,985,287
Foreign currency gains (losses) - net	(37,197,333)	25,099,199	33,137,020
Fair value gains (losses) - net	52,999,380	42,109,638	(27,703,458)
Balance at end of year	<u>1,656,817,152</u>	<u>1,644,447,140</u>	<u>1,834,217,950</u>

Investment income or losses from FVTPL financial assets, which include dividend income and gain or loss on disposal have been reinvested as part of additions to financial assets at FVTPL. In 2025, 2024 and 2023, the total investment income, including changes in fair values amounted to P133.6 million, P130.0 million and P14.8 million, respectively, and is presented separately as Other investment income from financial assets at FVTPL under Finance Income in the consolidated statement of profit or loss (see Note 18.1).

The related outstanding interest is presented as part of Accrued interest under the Trade and Other Receivables account in the consolidated statement of financial position (see Note 6).

7.2 Financial Assets at FVOCI

As of May 31, the Group's financial assets at FVOCI are classified in the consolidated statement of financial position as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
Current	654,696,399	358,572,543	173,575,124
Non-current	<u>2,177,793,892</u>	<u>2,736,452,925</u>	<u>2,016,976,191</u>
	<u>2,832,490,291</u>	<u>3,095,025,468</u>	<u>2,190,551,315</u>

The types of investments classified under financial assets at FVOCI as of May 31 are shown below:

<i>(Amounts in PHP)</i>	2025	2024	2023
Quoted debt securities:			
Government	2,010,120,861	2,226,338,163	1,843,281,939
Corporate	772,325,173	789,547,559	275,760,324
	2,782,446,034	3,015,885,722	2,119,042,263
Equity securities:			
Quoted corporate shares	46,344,257	75,939,746	69,059,052
Golf club shares	3,700,000	3,200,000	2,450,000
	50,044,257	79,139,746	71,509,052
	2,832,490,291	3,095,025,468	2,190,551,315

Government securities bear annual interest rates ranging from 1.95% to 12.13% in 2025 and 2.0% to 12.1% in 2024 and 2023. Corporate bonds bear interest rates ranging from 2.1% to 7.4% in 2025, 2.0% to 6.4% in 2024, and 2.1% to 7.8% in 2023. These securities were not used as collaterals for any borrowings of the Group.

The breakdown of financial assets at FVOCI as to currency denomination is as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
Local	2,091,711,933	2,252,278,830	1,706,858,809
Foreign	740,778,358	842,746,638	483,692,506
	2,832,490,291	3,095,025,468	2,190,551,315

Analyses of the movements in the carrying amounts of the Group's financial assets at FVOCI are presented below:

<i>(Amounts in PHP)</i>	2025	2024	2023
Balance at beginning of year	3,095,025,468	2,190,551,315	1,746,367,050
Additions	1,821,600,863	1,974,439,274	2,363,887,208
Disposals	(2,155,870,404)	(1,108,119,295)	(1,925,183,300)
Unrealized foreign currency gains - net	56,907,811	22,885,656	4,735,311
Fair value gains - net	14,826,553	15,268,518	745,046
Balance at end of year	2,832,490,291	3,095,025,468	2,190,551,315

The total investment income from financial assets at FVOCI, which includes interest income, dividend income, gain or loss on disposal, and realized fair value gains or losses totaling P127.7 million, P110.5 million, and P58.7 million for the years ended May 31, 2025, 2024 and 2023, respectively, has been reinvested as part of additions to financial assets at FVOCI and is presented separately as Interest income from financial assets at FVOCI and as Other investment income from financial assets at FVOCI under Finance Income in the consolidated statement of profit or loss (see Note 18.1). The related outstanding interest is presented as part of Accrued interest under the Trade and Other Receivables account in the consolidated statement of financial position (see Note 6).

The total fair value changes from equity securities resulted in gains amounting to P35.3 million and P0.6 million for the years ended May 31, 2025 and 2024, and a loss amounting to P26.4 million for the year ended May 31, 2023, and are presented as an item that will not be reclassified subsequently to profit or loss in the consolidated statement of comprehensive income. The total fair value changes from debt securities resulted in losses amounting to P2.3 million and P1.7 million in 2025 and 2024, respectively, and a gain amounting to P1.8 million in 2023, and are presented as an item that will be reclassified to profit or loss in the consolidated statement of comprehensive income.

7.3 Investment Securities at Amortized Cost

As of May 31, the Group's investment securities at amortized cost are classified in the consolidated statement of financial position as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
Current	17,145,386	75,487,826	86,521,531
Non-current	401,026,124	401,796,531	469,112,054
	418,171,510	477,284,357	555,633,585

These consist of investments in corporate bonds denominated in Philippine pesos and US dollars which bear fixed interest rates ranging 2.1% to 6.8% per annum in 2025, and from 2.1% to 7.8% per annum in 2024 and 2023. These debt securities have maturities ranging from one to 10 years.

The breakdown of quoted investment securities at amortized cost as to currency denomination is as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
Local	307,022,510	336,019,998	438,158,761
Foreign	111,149,000	141,264,359	117,474,824
	418,171,510	477,284,357	555,633,585

An analysis of the movements in the carrying amount of the Group's investment securities at amortized cost for the years ended May 31, 2025, 2024, and 2023 is presented below:

<i>(Amounts in PHP)</i>	2025	2024	2023
Balance at beginning of year	477,284,357	555,633,585	643,262,043
Maturities	(63,009,836)	(168,336,647)	(233,476,198)
Additions	10,000,000	82,952,764	140,781,864
Unrealized foreign currency gains (losses) - net	(5,781,931)	7,165,057	4,598,843
Amortization of premium (discount) - net	(321,080)	(130,402)	467,033
Balance at end of year	<u>418,171,510</u>	<u>477,284,357</u>	<u>555,633,585</u>

The allowance for impairment loss on investment securities at amortized cost amounting to P0.3 million was reversed in 2023.

Net amortization of premium amounting to P0.3 million for the year ended May 31, 2025, and premium amounting to P0.1 million and discount amounting to P0.5 million for the years ended May 31, 2024, and 2023, respectively, are offset against Interest income from investment securities at amortized cost (see Note 18.1).

7.4 Financial Instruments Measurement at Fair Value

The foregoing tables show the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statement of financial position on a recurring basis as of:

<i>(Amounts in PHP)</i>	Level 1	Level 2	Level 3	Total
<u>May 31, 2025</u>				
Financial assets at FVOCI:				
Debt securities:				
Government	2,010,120,862	-	-	2,010,120,862
Corporate	772,325,172	-	-	772,325,172
Equity securities	46,344,257	-	-	46,344,257
Golf club shares	-	3,700,000	-	3,700,000
Financial assets at FVTPL:				
Equity securities	822,557,664	-	-	822,557,664
UTF	-	834,259,488	-	834,259,488
Investment securities at amortized cost	<u>418,171,510</u>	<u>-</u>	<u>-</u>	<u>418,171,510</u>
	<u>4,069,519,465</u>	<u>837,959,488</u>	<u>-</u>	<u>4,907,478,953</u>

<i>(Amounts in PHP)</i>	Level 1	Level 2	Level 3	Total
<u>May 31, 2024</u>				
Financial assets at FVOCI:				
Debt securities:				
Government	2,226,338,163	-	-	2,226,338,163
Corporate	789,547,559	-	-	789,547,559
Equity securities	75,939,746	-	-	75,939,746
Golf club shares	-	3,200,000	-	3,200,000
Financial assets at FVTPL:				
Equity securities	829,910,608	-	-	829,910,608
UITF	-	814,536,532	-	814,536,532
Investment securities at amortized cost	474,520,710	-	-	474,520,710
	<u>4,396,256,786</u>	<u>817,736,532</u>	<u>-</u>	<u>5,213,993,318</u>
<u>May 31, 2023</u>				
Financial assets at FVOCI:				
Debt securities:				
Government	1,843,281,939	-	-	1,843,281,939
Corporate	275,760,324	-	-	275,760,324
Equity securities	69,059,052	-	-	69,059,052
Golf club shares	-	2,450,000	-	2,450,000
Financial assets at FVTPL:				
Equity securities	881,728,143	-	-	881,728,143
UITF	-	952,489,807	-	952,489,807
Investment securities at amortized cost	552,843,346	-	-	552,843,346
	<u>3,622,672,804</u>	<u>954,939,807</u>	<u>-</u>	<u>4,577,612,611</u>

There were neither transfers between levels nor changes in levels of classification of instruments in all the years presented.

7.5 Carrying Amounts and Fair Value by Category

The carrying amounts and fair values of financial assets and financial liabilities measured at fair value and an investment carried at amortized cost but whose fair value is required to be disclosed are shown below:

		2025		2024		2023	
(Amounts in PHP)	Notes	Carrying Values	Fair Values	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets							
At FVOCI:	7.2						
Debt securities		2,782,446,034	2,782,446,034	3,015,885,722	3,015,885,722	2,119,042,263	2,119,042,263
Equity securities		46,344,257	46,344,257	75,939,746	75,939,746	69,059,052	69,059,052
Golf club shares		3,700,000	3,700,000	3,200,000	3,200,000	2,450,000	2,450,000
		<u>2,832,490,291</u>	<u>2,832,490,291</u>	<u>3,095,025,468</u>	<u>3,095,025,468</u>	<u>2,190,551,315</u>	<u>2,190,551,315</u>
At FVTPL:	7.1						
Equity securities		822,557,664	822,557,664	829,910,608	829,910,608	952,489,807	952,489,807
UITF		834,259,488	834,259,488	814,536,532	814,536,532	881,728,143	881,728,143
		<u>1,656,817,152</u>	<u>1,656,817,152</u>	<u>1,644,447,140</u>	<u>1,644,447,140</u>	<u>1,834,217,950</u>	<u>1,834,217,950</u>
At Amortized Cost:							
Investments – Debt securities	7.3	418,171,510	464,898,784	477,284,357	474,520,710	555,633,585	552,843,346
		<u>4,907,478,953</u>	<u>4,954,206,227</u>	<u>5,216,756,965</u>	<u>5,213,993,318</u>	<u>4,580,402,850</u>	<u>4,577,612,611</u>
Financial Liabilities							
At amortized cost –							
Interest-bearing loans	14	1,159,081,632	1,166,537,860	1,385,340,136	1,127,376,045	1,811,598,640	1,455,329,950

Except for the financial assets and financial liabilities presented above, the Group has other financial assets or financial liabilities that are not carried at fair value but are required to be disclosed at fair value as of May 31, 2025, 2024 and 2023. Management determined that the carrying amounts of the other financial instruments that are carried at amortized costs are equal to or approximate their fair values.

See Note 26.4 for a description of the accounting policies for each category of financial instruments. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 15.

8. INVESTMENT IN ASSOCIATES AND JOINT VENTURE

This account consists of the following:

(Amounts in PHP)	2025	2024	2023
Associates:			
Investment in JCHS	62,319,348	84,457,558	85,066,802
Investment in GSC	101,662,608	81,914,398	74,943,926
Joint venture –			
Investment in HAI	<u>276,812,689</u>	<u>276,350,564</u>	<u>-</u>
	<u>440,794,645</u>	<u>442,722,520</u>	<u>160,010,728</u>

A reconciliation of the carrying amount of investment in associates and joint venture at beginning and end of the reporting period is shown below:

<i>(Amounts in PHP)</i>	JCHS	GSC	HAI	Total
Balance at June 1, 2024	84,457,558	81,914,398	276,350,564	442,722,520
Acquisition cost	-	-	4,886,759	4,886,759
Share in net income (loss) for the year	(22,138,210)	22,517,428	(4,424,634)	(4,045,416)
Dividend declaration	-	(2,769,218)	-	(2,769,218)
Balance at May 31, 2025	62,319,348	101,662,608	276,812,689	440,794,645
Balance at June 1, 2023	85,066,802	74,943,926	-	160,010,728
Acquisition cost	-	-	280,000,000	280,000,000
Share in net income (loss) for the year	(609,244)	7,867,907	(3,649,436)	3,609,227
Dividend declaration	-	(897,435)	-	(897,435)
Balance at May 31, 2024	84,457,558	81,914,398	276,350,564	442,722,520
Acquisition cost	90,669,794	70,000,000	-	160,669,794
Share in net income (loss) for the year	(5,602,992)	4,943,926	-	(659,066)
Balance at May 31, 2023	85,066,802	74,943,926	-	160,010,728

The share in the net income of investments in associates and joint venture are included as part of Other Income in the consolidated statement of profit or loss.

A reconciliation of the summarized financial information to the carrying amount of the investments in associates and joint venture as of May 31, 2025, 2024 and 2023 is shown below:

<i>(Amounts in PHP)</i>	JCHS	GSC	HAI
2025:			
Net assets	151,537,037	271,811,280	553,625,378
Proportion of ownership interest	40%	34%	50%
Ownership share in net assets	60,614,815	92,415,835	276,812,689
Nominal goodwill	-	9,246,773	-
Valuation adjustment	1,704,533	-	-
	62,319,348	101,662,608	276,812,689
2024:			
Net assets	212,746,950	213,728,309	552,701,128
Proportion of ownership interest	40%	34%	50%
Ownership share in net assets	85,098,780	72,667,625	276,350,564
Nominal goodwill	-	9,246,773	-
Valuation adjustment	(641,222)	-	-
	84,457,558	81,914,398	276,350,564

<i>(Amounts in PHP)</i>	<u>JCHS</u>	<u>GSC</u>
2023:		
Net assets	214,270,061	193,226,920
Proportion of ownership interest	40%	34%
Ownership share in net assets	85,708,024	65,697,153
Nominal goodwill	-	9,246,773
Valuation adjustment	(641,222)	-
	<u>85,066,802</u>	<u>74,943,926</u>

Both the associates and the joint venture are private companies. No quoted prices are available for their shares of stock.

8.1 Investment in JCHS

In July 2022, by virtue of an Investment Agreement, the University and Jerudong Park Medical Centre Sendirian Berhad (JPMC) of Brunei agreed to invest a total of Brunei Dollar (BND) 5.5 million in JCHS, with the University and JPMC having equity ownerships of 40% and 60%, respectively. JCHS was incorporated to operate a private tertiary school of health sciences in Brunei Darussalam, wherein the University will provide technical management services. In February 2023, the University paid in full its investment in JCHS.

8.2 Investment in GSC

GSC is an educational institution that offers junior and senior high school, tertiary, and graduate school courses. In August 2022, with the approval of its Board of Trustees (BOT), the University entered into an Investment Agreement for the acquisition of 77,273 common shares of GSC, representing 34% equity ownership. In October 2022, the University paid in full its investment in GSC.

8.3 Investment in HAI

In October 2023, the University and MGHI Holdings, Inc. (MGHI) entered into a Shareholders' Agreement to invest a total of P600.0 million in HAI, with the University and MGHI both investing P300.0 million for an equal equity ownership, or 50% each. Accordingly, HAI was incorporated with its primary purpose to establish, maintain, operate and administer an educational institution.

In the same month, the University made its initial investment in HAI amounting to P280.0 million. Except for the remaining investment commitment amounting to P20.0 million, which represents half of the unsubscribed capital of P40.0 million, the Group does not have any commitments made to HAI as at May 31, 2025.

On June 17, 2025, the University's BOT approved an additional equity investment of P11.4 million in HAI. This investment will result in the acquisition of 114,286 common shares in HAI. Following the transaction, the University's total shareholding will increase to 2,014,286 shares, representing 51% of HAI's total outstanding capital. As of August 19, 2025, no definitive subscription agreement has been signed, pending finalization.

8.4 Financial Information of Associates and Joint Venture

Presented below are the Associates' and Joint Venture's summary of financial information based on the most recent unaudited financial statements as of and for the years ended May 31, 2025, 2024 and 2023.

<i>(Amounts in PHP)</i>	<u>JCHS</u>	<u>GSC</u>	<u>HAI</u>
2025:			
Total current assets	86,416,235	98,862,848	8,032,867
Total non-current assets	372,857,362	231,980,718	548,121,234
Total current liabilities	30,898,158	44,031,198	2,528,723
Total non-current liabilities	276,838,402	15,001,088	-
Revenues	90,161,101	246,336,822	44,298,134
Net income (loss)	(55,345,526)	66,227,730	(8,849,268)
2024:			
Total current assets	238,291,265	94,944,179	19,679,588*
Total non-current assets	408,814,663	188,328,839	533,539,276
Total current liabilities	47,601,265	44,233,102	517,736*
Total non-current liabilities	386,757,713	25,311,607	-
Revenues	14,601,121	145,516,805	-
Net income (loss)	(16,198,811)	27,391,792	(7,298,872)
2023:			
Total current assets	210,588,194	113,457,353	-
Total non-current assets	3,904,251	117,545,204	-
Total current liabilities	222,384	31,360,100	-
Total non-current liabilities	-	6,415,537	-
Revenues	17,004,183	108,908,127	-
Net income (loss)	(14,007,481)	27,811,440	-
Other comprehensive income	-	561,979	-

*HAI's total current assets relate only to cash. Also, the joint venture does not have any other financial liabilities as of May 31, 2025 except for accrued expenses which are payable in cash.

As of May 31, 2025, 2024 and 2023, management believes that the carrying amounts of the investment in associates are fully recoverable.

9. INVESTMENT PROPERTIES

The gross carrying amounts and accumulated depreciation and amortization of investment properties at the beginning and end of each of the reporting period are shown below and in the succeeding page:

<i>(Amounts in PHP)</i>	<u>Land</u>	<u>Land Improvements</u>	<u>Building and Improvements</u>	<u>Construction in Progress</u>	<u>Total</u>
May 31, 2025					
Cost	81,438,530	31,576,953	551,208,625	-	664,224,108
Accumulated depreciation and amortization	-	(20,078,324)	(418,947,892)	-	(439,026,216)
Net carrying amount	<u>81,438,530</u>	<u>11,498,629</u>	<u>132,260,733</u>	<u>-</u>	<u>225,197,892</u>

<i>(Amounts in PHP)</i>	Land	Land Improvements	Building and Improvements	Construction in Progress	Total
May 31, 2024					
Cost	83,103,532	24,956,710	543,257,580	-	651,317,822
Accumulated depreciation and amortization	-	(16,558,735)	(389,266,152)	-	(405,824,887)
Net carrying amount	<u>83,103,532</u>	<u>8,397,975</u>	<u>153,991,428</u>	<u>-</u>	<u>245,492,935</u>
May 31, 2023					
Cost	83,103,532	25,179,014	456,712,639	-	564,995,185
Accumulated depreciation and amortization	-	(12,904,958)	(348,998,728)	-	(361,903,686)
Net carrying amount	<u>83,103,532</u>	<u>12,274,056</u>	<u>107,713,911</u>	<u>-</u>	<u>203,091,499</u>

A reconciliation of the carrying amounts of investment properties at the beginning and end of each reporting period are shown below:

<i>(Amounts in PHP)</i>	Land	Land Improvements	Building and Improvements	Construction in Progress	Total
Balance at June 1, 2024, net of accumulated depreciation and amortization	83,103,532	8,397,975	153,991,428	-	245,492,935
Additions	-	6,700,600	-	-	6,700,600
Disposals	(1,665,002)	-	-	-	(1,665,002)
Reclassifications	-	-	17,188,815	-	17,188,815
Depreciation and amortization charges for the year	-	(3,599,946)	(38,919,510)	-	(42,519,456)
Balance at May 31, 2025, net of accumulated depreciation and amortization	<u>81,438,530</u>	<u>11,498,629</u>	<u>132,260,733</u>	<u>-</u>	<u>225,197,892</u>
Balance at June 1, 2023, net of accumulated depreciation and amortization	83,103,532	12,274,056	107,713,911	-	203,091,499
Additions	-	277,696	109,662,885	-	109,940,581
Disposals	-	(500,000)	(36,419,391)	-	(36,919,391)
Reclassifications	-	-	13,301,447	-	13,301,447
Depreciation and amortization charges for the year	-	(3,653,777)	(40,267,424)	-	(43,921,201)
Balance at May 31, 2024, net of accumulated depreciation and amortization	<u>83,103,532</u>	<u>8,397,975</u>	<u>153,991,428</u>	<u>-</u>	<u>245,492,935</u>

<i>(Amounts in PHP)</i>	Land	Land Improvements	Building and Improvements	Construction in Progress	Total
Balance at June 1, 2022, net of accumulated depreciation and amortization	83,103,532	6,440,363	129,659,877	894,574	220,098,346
Additions	-	7,921,524	29,530,300	92,957	37,544,781
Disposals	-	-	(11,666,493)	-	(11,666,493)
Reclassifications	-	987,531	(3,188,941)	(987,531)	(3,188,941)
Depreciation and amortization charges for the year	-	(3,075,362)	(36,620,832)	-	(39,696,194)
Balance at May 31, 2023, net of accumulated depreciation and amortization	<u>83,103,532</u>	<u>12,274,056</u>	<u>107,713,911</u>	<u>-</u>	<u>203,091,499</u>

In 2022, the construction of certain building improvements in Silang, Cavite and Quezon City were completed; hence, the accumulated cost of construction amounting to P0.9 million was reclassified to Building and improvements.

In 2025 and 2024, the Group recognized gain on sale from the disposal of investment property amounting to P7.5 million and P84.8 million, respectively, presented as part of Other Operating Income in the 2025 and 2024 consolidated statement of profit or loss (see Note 18.3). The total proceeds from such sales amounted to P9.2 million and P121.8 million for 2025 and 2024.

In the normal course of business, the Group reclassifies investment properties to property and equipment upon commencement of occupation of entities within the Group. Likewise, certain property and equipment are reclassified back to investment properties when the properties are leased out to third parties.

9.1 Related Income and Direct Expenses

The total rental income earned by the Group from its investment properties amounting to P22.0 million, P27.5 million and P21.1 million for the years ended May 31, 2025, 2024 and 2023, respectively, are presented as Rentals in the Revenues section of the consolidated statement of profit or loss. The direct operating expenses, which include property insurance, depreciation and amortization, and real property taxes incurred by the Group relating to investment properties, are presented as part of Insurance, Depreciation and amortization and Taxes and licenses under Operating Expenses in the consolidated statement of profit or loss (see Note 17).

9.2 Fair Values of Investment Properties

The fair values (which at Level 3) of the Group's investment properties presented below are determined on the basis of the latest appraisals performed by an independent appraiser in July 2024 covering the year ended May 31, 2025 and in November 2023 covering the years ended May 31, 2025 and 2024, and in February 2022 covering the year ended May 31, 2023.

The valuation process was conducted by an independent appraiser, with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations, to some extent in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location with an average of 5% to 10% adjustment.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Land	604,611,170	606,684,771	553,262,103
Building and improvements	143,759,360	162,389,403	210,689,650
At appraised values	<u>748,370,530</u>	<u>769,074,174</u>	<u>763,951,753</u>

There were no known events that may have devalued the property from its most recent appraisal.

10. OTHER ASSETS

The breakdown of this account is as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current:			
Prepaid expenses	131,874,895	82,879,809	73,231,110
Real estate held-for-sale	123,437,126	118,782,542	118,782,542
Short-term investments	109,863,728	86,138,456	22,897,882
Inventories	47,906,598	37,447,650	23,820,136
Input value-added tax (VAT)	37,098,364	36,817,583	47,048,387
Others	24,183,443	19,071,715	13,116,401
	<u>474,364,154</u>	<u>381,137,755</u>	<u>298,896,458</u>
Allowance for impairment of input VAT	<u>(34,864,866)</u>	<u>(34,864,866)</u>	<u>(34,864,866)</u>
	<u>439,499,288</u>	<u>346,272,889</u>	<u>264,031,592</u>
Non-current:			
Advances to suppliers and developers	468,540,785	165,398,381	208,891,017
Refundable deposits	21,379,585	18,541,875	17,635,899
Long-term investments	3,694,963	3,694,963	3,694,963
Others	5,212,026	2,173,477	2,173,477
	<u>498,827,359</u>	<u>189,808,696</u>	<u>232,395,356</u>
Allowance for impairment of long-term investments	<u>(3,694,963)</u>	<u>(3,694,963)</u>	<u>(3,694,963)</u>
	<u>495,132,396</u>	<u>186,113,733</u>	<u>228,700,393</u>

Real estate held-for-sale represents the inventory of the Group's lots and townhouse units for sale located in Silang, Cavite and Ferndale Villas in Quezon City. In 2025, the Group sold a real estate property costing P0.5 million and repurchased the same for P5.2 million. The Group recognized a gain on sale of certain real estate property amounting to P16.3 million in 2023 (nil in 2025 and 2024), which is presented as part of Other Operating Income in the consolidated statement of comprehensive income (see Note 18.3).

Management assessed that the carrying values of these assets are lower than their net realizable values considering present market values; hence, no impairment loss is recognized in fiscal years 2025, 2024 and 2023.

Short-term investments consist of time deposit or special savings deposit accounts. These investments, which earn interest ranging from 3.0% to 6.0% for 2025, 1.1% to 6.4% for 2024, and 1.1% to 5.0% for 2023, have maturities beyond three months but within one year from the end of each reporting period. The related accrued interest is presented as part of the Trade and Other Receivables account in the consolidated statement of financial position (see Note 6).

Inventories consist of merchandise inventory items relating to the University's bookstore.

Advances to suppliers pertain to advances made by the Group to its suppliers for various projects, which will be applied as payment for progress billings of the contractors and suppliers. Advances to developers represent the amount paid for FRC's condominium units purchased at pre-selling stage that are not yet ready for occupancy or fully constructed at the end of the reporting periods.

Long-term investments refer to investments that earn effective interest rates ranging from 2.13% to 7.4% and are maturing beyond one year from the date of placement as of the end of each reporting period.

11. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of each of the reporting period are as follows:

<i>(Amounts in PHP)</i>	<u>Land</u>	<u>Building and Improvements</u>	<u>Furniture and Equipment</u>	<u>Miscellaneous Equipment</u>	<u>Construction in Progress</u>	<u>Right-of-use Assets</u>	<u>Total</u>
May 31, 2025							
Cost	3,341,732,582	8,589,081,972	1,494,255,404	661,717,294	433,182,306	30,891,882	14,550,861,440
Accumulated impairment loss	-	(2,804,402)	-	-	-	-	(2,804,402)
Accumulated depreciation and amortization	-	(3,779,500,942)	(1,170,953,694)	(522,232,459)	-	(9,439,192)	(5,482,126,287)
Net carrying amount	<u>3,341,732,582</u>	<u>4,806,776,628</u>	<u>323,301,710</u>	<u>139,484,835</u>	<u>433,182,306</u>	<u>21,452,690</u>	<u>9,065,930,751</u>
May 31, 2024							
Cost	3,225,836,774	7,938,581,599	1,380,855,486	527,034,290	521,942,119	48,169,853	13,642,420,121
Accumulated impairment loss	-	(2,804,402)	-	-	-	-	(2,804,402)
Accumulated depreciation and amortization	-	(3,052,753,809)	(1,065,585,732)	(444,024,473)	-	(48,169,853)	(4,610,533,867)
Net carrying amount	<u>3,225,836,774</u>	<u>4,883,023,388</u>	<u>315,269,754</u>	<u>83,009,817</u>	<u>521,942,119</u>	<u>-</u>	<u>9,029,081,852</u>
May 31, 2023							
Cost	3,212,523,179	7,907,614,322	1,237,268,662	455,493,790	117,144,337	48,169,853	12,978,214,143
Accumulated impairment loss	-	(2,804,402)	-	-	-	-	(2,804,402)
Accumulated depreciation and amortization	-	(2,663,611,071)	(959,342,768)	(407,506,997)	-	(37,993,432)	(4,068,454,268)
Net carrying amount	<u>3,212,523,179</u>	<u>5,241,198,849</u>	<u>277,925,894</u>	<u>47,986,793</u>	<u>117,144,337</u>	<u>10,176,421</u>	<u>8,906,955,473</u>

A reconciliation of the carrying amounts of property and equipment at the beginning and end of periods ended May 31, 2025, 2024 and 2023 is shown below and in the succeeding page.

<i>(Amounts in PHP)</i>	Land	Building and Improvements	Furniture and Equipment	Miscellaneous Equipment	Construction in Progress	Right-of-use Assets	Total
Balance at June 1, 2024, net of accumulated depreciation and impairment	3,225,836,774	4,883,023,388	315,269,754	83,009,817	521,942,119	-	9,029,081,852
Additions	115,895,808	232,757,609	147,488,025	84,159,505	442,837,849	30,891,882	1,054,030,678
Disposals	-	(25,075)	(4,226,905)	(15,360)	-	-	(4,267,340)
Reclassifications from (to) – net	-	51,850,388	(5,140,036)	25,672,102	(531,597,662)	-	(459,215,208)
Depreciation and amortization charges for the year	-	(360,829,682)	(130,089,128)	(53,341,229)	-	(9,439,192)	(553,699,231)
Balance at May 31, 2025 net of accumulated depreciation and amortization	<u>3,341,732,582</u>	<u>4,806,776,628</u>	<u>323,301,710</u>	<u>139,484,835</u>	<u>433,182,306</u>	<u>21,452,690</u>	<u>9,065,930,751</u>
Balance at June 1, 2023, net of accumulated depreciation and impairment	3,212,523,179	5,241,198,849	277,925,894	47,986,793	117,144,337	10,176,421	8,906,955,473
Additions	13,313,595	44,268,724	143,586,824	71,540,500	404,797,782	-	677,507,425
Reclassifications from (to) – net	-	(13,301,447)	-	-	-	-	(13,301,447)
Depreciation and amortization charges for the year	-	(389,142,738)	(106,242,964)	(36,517,476)	-	(10,176,421)	(542,079,599)
Balance at May 31, 2024 net of accumulated depreciation and amortization	<u>3,225,836,774</u>	<u>4,883,023,388</u>	<u>315,269,754</u>	<u>83,009,817</u>	<u>521,942,119</u>	<u>-</u>	<u>9,029,081,852</u>

<i>(Amounts in PHP)</i>	Land	Building and Improvements	Furniture and Equipment	Miscellaneous Equipment	Construction in Progress	Right-of-use Assets	Total
Balance at June 1, 2022, net of accumulated depreciation and impairment	2,870,412,735	5,393,572,246	184,683,094	59,304,582	76,799,658	20,818,961	8,605,591,276
Additions	342,110,444	210,629,533	181,947,853	25,405,223	57,020,759	-	817,113,812
Reclassifications from (to) – net	-	19,865,021	-	-	(16,676,080)	41,278	3,230,219
Depreciation and amortization charges for the year	-	(382,867,951)	(88,705,053)	(36,723,012)	-	(10,683,818)	(518,979,834)
Balance at May 31, 2023 net of accumulated depreciation and amortization	<u>3,212,523,179</u>	<u>5,241,198,849</u>	<u>277,925,894</u>	<u>47,986,793</u>	<u>117,144,337</u>	<u>10,176,421</u>	<u>8,906,955,473</u>

Construction in progress pertains to the costs incurred for the on-going construction of the school building of RCI in Rizal and various on-going building additions and improvements of EACCI and the University in Manila.

RCI capitalized borrowing costs amounting to P2.9 million in 2025 (nil in 2024 and 2023), representing the actual borrowing costs incurred on loans obtained to fund the construction project (see Note 18.2). Capitalization rates used in determining the amount of interest charges qualified for capitalization is 0.7% in 2025.

As of May 31, 2025, 2024 and 2023, certain fully depreciated assets with acquisition cost of P2,132.3 million, P1,910.9 million, and P1,828.9 million, respectively, are still being used in the Group's operations.

As at May 31, 2025, 2024 and 2023, none of the Group's property and equipment are used as collateral for any of the Group's interest-bearing loans and borrowings.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the consolidated statement of financial position.

	<u>Number of right-of-use assets leased</u>	<u>Range of remaining term</u>	<u>Average remaining lease term</u>	<u>Number of leases with extension options</u>	<u>Number of leases with termination options</u>
2025					
Building and lot	2	-	-	2	2
2024					
Building and lot	2	-	-	2	2
2023					
Building and lot	2	1-3 years	1 year	2	2

As at May 31, 2025, 2024 and 2023, none of the Group's right-of-use assets are used as collateral for any of the Group's interest-bearing loans and borrowings.

The amount of depreciation on property and equipment and right-of-use assets is presented as part of Depreciation and amortization presented under Other Operating Expenses (see Note 17).

12. LEASES

The Group has leases for certain school building and facilities and lot. With the exception of leases of low-value underlying assets, Right-of-use Assets and the current portion of lease liabilities are presented under Property and Equipment and Trade and Other Payables, respectively (see Notes 11 and 13). The non-current portion of lease liabilities, on the other hand, has been presented separately in the consolidated statement of financial position.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an extension of the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over offices, the Group must keep those properties in a good state of repair and return the properties in good condition at the end of the lease. Further, the Group must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

12.1 Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as at May 31, 2025, 2024 and 2023 as follows:

<i>(Amounts in PHP)</i>	Note	2025	2024	2023
Current	13	10,184,140	2,443,276	13,019,013
Non-current		12,297,718	-	846,769
		22,481,858	2,443,276	13,865,782

The rollforward analysis of lease liabilities as at and for the years ended May 31, 2025, 2024 and 2023 are as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
Balance at June 1	2,443,276	13,865,782	25,032,057
Additions	30,891,882	-	-
Interest expense	1,403,853	465,871	1,147,975
Interest paid	(1,403,853)	(1,739,872)	(2,669,818)
Lease payments	(10,853,300)	(10,148,505)	(9,644,432)
Balance at May 31	22,481,858	2,443,276	13,865,782

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at May 31, 2025, 2024 and 2023 is presented below and in the succeeding page:

<i>(Amounts in PHP)</i>	Within 1 year	1 to 2 years	Total
2025			
Lease payments	11,190,682	12,706,551	23,897,233
Finance charges	(1,006,542)	(408,833)	(1,415,375)
Net present value	10,184,140	12,297,718	22,481,858

<i>(Amounts in PHP)</i>	Within 1 year	1 to 2 years	Total
2024			
Lease payments	2,909,147	-	2,909,147
Finance charges	(465,871)	-	(465,871)
Net present value	2,443,276	-	2,443,276
2023			
Lease payments	13,542,981	852,080	14,395,061
Finance charges	(523,968)	(5,311)	(529,279)
Net present value	13,019,013	846,769	13,865,782

The use of extension and termination options gives the Group added flexibility in the event it identifies more suitable premises in terms of cost and/or location, or determines that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

12.2 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for leases of low-value assets and short-term leases. Payments made under such leases are expensed on a straight-line basis and are presented as part of Rental under Operating Expenses in the consolidated statement of profit or loss (see Note 17).

Future cash outflows on these low-value assets are not significant to warrant close monitoring and reporting.

12.3 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P20.0 million, P11.9 million and P12.5 million in 2025, 2024 and 2023, respectively. Interest expense in relation to lease liabilities amounted to P1.4 million, P0.5 million and P1.4 million for the years ended May 31, 2025, 2024 and 2023, respectively, and is presented as part of Interest expense under Finance Costs in the consolidated statement of profit or loss (see Note 18.2).

13. TRADE AND OTHER PAYABLES

This account consists of:

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Non-related parties:				
Accrued expenses	14	508,065,982	811,808,701	574,259,565
Dividends payable	22,			
	23.4(b)	435,342,284	406,890,377	298,839,580
Trade payables		330,046,037	296,559,045	205,877,520
National Service Training Program (NSTP) and other funds		151,307,660	179,843,491	120,586,909
Amounts due to students		139,252,519	139,946,110	82,457,770
Deposits payable		113,836,134	315,574,022	321,938,695
Retention payable		13,702,627	12,263,576	31,108,278
Lease liabilities	12.1	10,184,140	2,443,276	13,019,013
		1,701,737,383	2,165,328,598	1,648,087,330
Related parties –				
Due to related parties	20.8	23,257,950	24,387,586	26,156,878
Others:				
Withholding and other taxes payable		78,308,271	44,890,641	31,573,439
Miscellaneous		22,515,593	13,407,979	36,268,158
		100,823,864	58,298,620	67,841,597
		1,825,819,197	2,248,014,804	1,742,085,805

Accrued expenses include the Group's accrual for salaries, employee benefits, professional fees, interest, utilities, rentals and various contracted services, among others.

Deposits payable are amounts held by the Group on behalf of students and third parties for various specific purposes relating to an activity or event. Long-outstanding deposits payable are routinely assessed for status of utilization and ascertained whether no future obligations will be called against it.

In 2025, 2024 and 2023, certain deposit payables, accruals, funds and other liabilities amounting to P80.4 million, P71.5 million, and P94.7 million, respectively, were reversed and recognized as income because the purpose for which the amounts were held or accrued have already been fulfilled. The related gains are presented as part of Other Income in the consolidated statement of profit or loss.

As of May 31, 2025, 2024 and 2023, retention payable includes the portion of the consideration given for the acquisition of RCI which is retained by the University to ensure compliance by the selling shareholders of RCI to certain terms of the share purchase agreement. This amounts to P5.4 million as of May 31, 2025 and 2024, and P22.9 million as of May 31, 2023, and is currently set aside for the eventual settlement. On the other hand, the remaining portion of retention payable pertains to the amounts owed to the Group's contractors of its ongoing construction projects (see Note 11).

Amounts due to students represent excess payments of tuition and miscellaneous fees that are refundable to them.

The NSTP trust funds collected from students amounted to P43.0 million, P42.3 million and P58.7 million for the years ended May 31, 2025, 2024 and 2023, respectively. As of May 31, 2025, 2024 and 2023, the remaining balance is presented as part of NSTP and other funds in the consolidated statement of financial position.

14. INTEREST-BEARING LOANS

The Group's interest-bearing loans as of May 31, 2025, 2024 and 2023 are as follows:

(Amounts in PHP)

Original Principal Amount	Outstanding Principal Balance (in Million pesos)			Interest Charges (in Million Pesos)			Accrued Interest (in Million Pesos)			Current Interest Rate	Security	Maturity Date	Principal Repayment
	2025	2024	2023	2025	2024	2023	2025	2024	2023				
542.9	232.7	336.1	439.5	19.9	26.8	20.1	1.9	2.7	3.2	6.58%	Unsecured	July 2027	Quarterly
500.0	214.3	309.5	404.8	18.4	24.6	18.5	1.7	2.4	2.9	6.58%	Unsecured	July 2027	Quarterly
425.0	182.1	263.1	344.0	15.6	20.9	15.7	1.5	2.1	2.5	6.58%	Unsecured	July 2027	Quarterly
300.0	128.6	185.7	242.9	10.5	15.2	13.1	1.0	1.5	1.4	6.49%	Unsecured	July 2027	Quarterly
100.0	100.0	-	-	-	-	-	-	-	-	6.38%	Unsecured	June 2025	-
100.0	100.0	-	-	2.3	-	-	0.2	-	-	6.46%	Unsecured	May 2032	Quarterly
150.0	64.3	92.8	121.4	5.5	7.4	5.6	0.5	0.7	0.9	6.58%	Unsecured	July 2027	Quarterly
120.0	51.4	74.3	97.1	4.4	5.9	4.4	0.4	0.6	0.7	6.58%	Unsecured	July 2027	Quarterly
100.0	42.9	62.0	81.0	3.5	5.1	4.4	0.3	0.5	0.5	6.49%	Unsecured	July 2027	Quarterly
50.0	21.4	30.9	40.5	1.7	2.5	2.2	0.2	0.2	0.2	6.49%	Unsecured	July 2027	Quarterly
50.0	21.4	30.9	40.5	1.7	2.5	2.2	0.2	0.2	0.2	6.49%	Unsecured	July 2027	Quarterly
	1,159.1	1,385.3	1,811.7	83.5	110.9	86.2	7.9	10.9	12.5				

Interest-bearing loans are presented in the consolidated statement of financial position as at May 31, 2025, 2024 and 2023 as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current	526,258,503	426,258,503	426,258,503
Non-current	632,823,129	959,081,633	1,385,340,137
At appraised values	<u>1,159,081,632</u>	<u>1,385,340,136</u>	<u>1,811,598,640</u>

All of the Group's interest-bearing loans and borrowings are clean loans; no assets are used and/or required as collaterals as of May 31, 2025, 2024 and 2023.

The total interest incurred by the Group on all of these loans, which are already exclusive of the capitalized borrowing costs on the property and equipment of the Group, are presented as part of Interest expense under Finance Costs in the consolidated statement of profit or loss (see Notes 11 and 18.2), while any outstanding interest payable is recognized as part of Accrued expenses under the Trade and Other Payables account in the consolidated statement of financial position (see Note 13).

Loans obtained with a local commercial bank are subject to loan covenants effective for the years ended May 31, 2025, 2024 and 2023, respectively, which require the Group to maintain a debt service coverage ratio of at least 1.2x and debt-to-equity ratio of not more than 2:1. As of May 31, 2025, 2024 and 2023, the Group has complied with its loan covenants.

15. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to certain financial risks in relation to financial instruments. Its main purpose for its dealings in financial instruments is to fund operational and capital expenditures. BOT has overall responsibility for the establishment and oversight of the Group's risk management framework. It has a risk management committee headed by an independent trustee that is responsible for developing and monitoring the Group's policies, which address risk management areas.

Management is responsible for monitoring compliance with the Group's risk management policies and procedures and for reviewing the adequacy of these policies in relation to the risks faced by the Group.

The Group does not engage in trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Group is exposed are described in the succeeding pages.

15.1 Market Risk

(a) Foreign Currency Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange risk arise from certain cash and cash equivalents, financial assets at FVTPL, financial assets at FVOCI and investment securities at amortized cost that are primarily denominated in United States (US) dollars.

Financial assets denominated in US dollars, translated into Philippine pesos at the closing rate as of May 31, are presented below:

<i>(Amounts in PHP)</i>	2025	2024	2023
Short-term exposure – Financial assets	963,944,349	1,692,814,352	1,328,172,974
Long-term exposure – Financial assets	1,020,881,192	141,005,521	117,328,002

The following table illustrates the sensitivity of the Group's profit or loss before tax with respect to changes in Philippine peso against US dollar exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous periods (for the years ended May 31, 2025, 2024 and 2023) at a 95% confidence level.

	2025			2024			2023		
	Reasonably possible change in rate	Effect in profit before tax	Effect in equity	Reasonably possible change in rate	Effect in profit before tax	Effect in equity	Reasonably possible change in rate	Effect in profit before tax	Effect in equity
Php – US Dollar	9.12%	85,278,430	76,750,587	9.50%	174,252,437	156,827,193	12.29%	177,692,731	159,923,458

Exposures to US dollar exchange risk vary during the year depending on the volume of foreign currency denominated transactions. Nonetheless, the analysis above is considered to be representative of the Group's currency risk.

(b) Interest Rate Risk

The Group is exposed to interest rate risk through its cash and cash equivalents, short and long-term debt securities investments, and interest-bearing loans as of end of each reporting period, which are subject to variable interest rates, and are shown below. All other financial assets and financial liabilities have fixed interest rates.

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Cash and cash equivalents	5	2,457,067,903	1,713,413,164	1,698,352,823
Financial assets at FVOCI	7.2	2,782,446,034	3,015,885,722	2,119,042,263
Investment securities at amortized cost	7.3	418,171,510	477,284,357	555,633,585
Short-term investments	10	109,863,728	86,138,456	22,897,882
Interest-bearing loans	14	(1,159,081,632)	(1,385,340,136)	(1,811,598,640)
		4,608,467,543	3,907,381,563	2,584,327,913

The table shown in the succeeding page illustrates the sensitivity of profit or loss before tax for the periods with regard to the Group's interest-bearing financial instruments. These percentages have been determined based on the average market volatility rates, using standard deviation, in the periods ended May 31, 2025, 2024 and 2023, estimated at 95% level of confidence. The sensitivity analysis is based on the Group's financial instruments held at May 31, 2025, 2024 and 2023.

(Amounts in PHP)	2025		2024		2023	
	Reasonably possible change in rate	Effect on profit before tax	Reasonably possible change in rate	Effect on profit before tax	Reasonably possible change in rate	Effect on profit before tax
Cash and cash equivalents	+/-0.89%	21,914,757	+/-0.64%	10,888,940	+/-0.45%	7,686,732
Financial assets at FVOCI	+/-0.53%	14,662,550	+/-0.66%	19,834,775	+/-0.42%	8,927,387
Investment securities at amortized cost	+/-0.53%	2,203,622	+/-0.66%	3,138,988	+/-0.42%	2,340,848
Short-term investments	+/-0.75%	856,250	+/-1.02%	879,070	+/-0.48%	110,689
Long-term investments	+/-0.53%	-	+/-0.66%	-	+/-0.42%	-
Interest-bearing loans	+/-0.53%	(6,107,968)	+/-0.66%	(9,111,058)	+/-0.42%	(7,632,147)
		<u>33,529,211</u>		<u>25,630,715</u>		<u>11,433,509</u>

(c) *Other Price Risk*

The Group's exposure to price risk arises from its investments in equity securities, which are classified as part of the Financial Assets at FVOCI and Financial Assets at FVTPL accounts in the consolidated statement of financial position. These consist of publicly listed equity securities which are carried at fair value.

Management monitors its equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis.

For equity securities listed in the Philippines, an average volatility has been observed for the years ended May 31, 2025, 2024 and 2023 which are shown on the table below.

(Amounts in PHP)	Effect on Total Comprehensive Income					
	+/-%	2025	+/-%	2024	+/-%	2023
Financial assets at FTVPL	8.21%	67,490,887	4.99%	41,379,613	5.40%	47,648,022
Financial assets at FVOCI	8.21%	3,802,548	4.99%	3,786,380	5.40%	3,731,907

Certain investments are considered medium to long-term strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments. The investments are continuously monitored to ensure that returns of these equity instruments are timely utilized or reinvested in the Group's favor.

15.2 Credit Risk

Credit risk represents the loss that the Group would incur if the counterparty fails to perform its contractual obligations.

The Group is mainly exposed to credit risk relating to its tuition and other school fees receivables due primarily to the student's possible inability to pay and to fully settle his or her unpaid balance of tuition fees and other charges which are owed to the Group based on installment payment schemes. The Group has established controls and procedures to minimize risks of non-collection. The Group's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.

Other than the foregoing, the Group is not exposed to significant credit risk and has no significant exposure to any individual customer or counterparty, nor it has any other concentration of credit risk arising from counterparties in similar business activities, geographic region or economic parties.

With respect to credit risk arising from debt instruments, the Group's maximum exposure is equal to the carrying amount, before any allowances for impairment, of these instruments.

The maximum exposure to credit risk at the end of the reporting period is as follows:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	5	2,457,067,903	1,713,413,164	1,698,352,823
Trade and other receivables - net	6	1,026,547,372	1,105,049,234	977,936,611
Financial assets at FVOCI	7.2	2,782,446,034	3,015,885,722	2,119,042,263
Investment securities at amortized cost	7.3	418,171,509	477,284,357	555,633,585
Short-term investments	10	109,863,728	86,138,456	22,897,882
Refundable deposits	10	21,379,585	18,541,875	17,635,899
		<u>6,815,476,131</u>	<u>6,416,312,808</u>	<u>5,391,499,063</u>

a. Cash and Cash Equivalents and Short-term Placements

The credit risk for cash and cash equivalents and short-term placements is considered negligible or the probability of default from these reputable banks is remote.

Cash in banks are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P1 million per depositor per banking institution, as provided for under Republic Act R.A. No. 9576, *Amendment to Charter of PDIC*.

For cash and cash equivalents and financial assets of similar nature, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments.

It is the Group's policy to measure ECL on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on lifetime ECL.

As at May 31, 2025, 2024 and 2023, management assessed that the allowance for ECL on these financial instruments is not material.

b. Trade and Other Receivables

The Group's trade and other receivables include tuition fees and other school receivables, rental receivables and other miscellaneous receivables.

The Group applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for tuition fees and other receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The loss rates are based on actual credit-impaired student accounts or those which are outstanding for at least two terms and have not enrolled for the succeeding term. In practice and considering the nature of its business, particularly with respect to its educational activities, the Group writes off such balances as collection becomes more unlikely as the concerned students did not return for enrollment. The Group also assesses impairment of tuition fees and other receivables on a collective basis as they possess shared credit risk characteristics. The historical loss rates, which are expressed as the relationship between the credit-impaired accounts and the related recognized tuition fees, are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the students to settle the receivables. The Group assessed that the expected loss rates for tuition fees and other receivables are a reasonable approximation of the loss rates for these financial assets.

The Group incorporates forward-looking information (FLI) into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The most relevant macro-economic variable used in the measurement of ECL is consumer spending as at May 31, 2025, 2024 and 2023 based on the correlation of historical loss rates and FLI.

For the years ended May 31, 2025, 2024 and 2023, the Group recognized total impairment losses amounting to P72.0 million, P36.4 million, and P55.6 million, respectively. A reconciliation of the allowance for ECL as at May 31, 2025, 2024 and 2023 to the opening loss allowance is presented in Note 6.

As at May 31, 2025, 2024 and 2023, the weighted average loss rate, adjusted with FLI, used in the measurement of ECL is at 9.3%, 15.3%, and 18.1%, respectively.

On the other hand, to calculate the ECL of rental receivables, these have been grouped based on shared credit risk characteristics and the days past due (age buckets). The rental receivables which relate to both third party and related party receivables have substantially the same risk characteristics. The Group has therefore concluded that the expected loss rates for all rental receivables, whether from third party or related party, are the same. The expected loss rates are based on the payment profiles of sales over a period of 36 months before May 31, 2025, 2024 and 2023, respectively, and the corresponding historical credit losses experienced within such period. The Group has identified the Philippine inflation rate to be the most relevant factor and has accordingly adjusted the historical loss rates based on expected changes in this factor. There are no past due rental receivables for the years ended May 31, 2025, 2024 and 2023.

On that basis, there is no additional loss allowance recognized based on management's assessment as of May 31, 2025, 2024 and 2023, as the expected credit losses are assessed to be insignificant to the Group's consolidated financial statements.

c. Debt Instruments Classified as Financial Assets at FVOCI and Amortized Cost

Debt securities measured at amortized cost and at FVOCI are considered to have low credit risk, and therefore, the loss allowance during the period is determined to be equivalent to 12 months ECL. Management considers "low credit risk" for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

In assessing the ECL, management used external benchmark information like probability of default (PD) rates as published by external credit rating agencies. Applicable loss rate per debt instrument depends on the credit rating by letter grade as assessed by the external rating agencies. For issuers of securities that were not rated by external rating agencies, credit rating based on country or location are used as benchmark.

The loss allowance is as follows:

(Amounts in PHP)

<u>University Internal Credit Rating</u>	<u>External Credit Rating</u>	<u>ECL Rate</u>	<u>Estimated Gross Carrying Amount at Default</u>	<u>Allowance</u>
<u>2025</u>				
<i>Investment Securities at Amortized Cost</i>				
Performing	AAA	0.00%	151,363,951	-
Underperforming	BB – BBB+	0.00% - 0.21%	266,807,650	-
<i>Financial Assets at FVOCI</i>				
Performing	AA+ – AAA	0.00%	287,190,663	-
Underperforming	BBB- – BBB+	0.00% - 0.09%	<u>2,545,299,627</u>	<u>2,311,566</u>
			<u>3,250,661,891</u>	<u>2,311,566</u>

(Amounts in PHP)

University Internal Credit Rating	External Credit Rating	ECL Rate	Estimated Gross Carrying Amount at Default	Allowance
<u>2024</u>				
<i>Investment Securities at Amortized Cost</i>				
Performing	A – AAA	0.00%	18,786,927	-
Underperforming	BB – BBB+	0.00% - 0.21%	-	-
<i>Financial Assets at FVOCI</i>				
Performing	A – AAA	0.00%	30,000,000	-
Underperforming	BBB+	0.00% - 0.09%	1,024,993,604	876,130
			<u>1,073,780,531</u>	<u>876,130</u>
<u>2023</u>				
<i>Investment Securities at Amortized Cost</i>				
Performing	A – AAA	0.00%	228,154,723	-
Underperforming	BB – BBB+	0.00% - 0.21%	101,226,068	-
<i>Financial Assets at FVOCI</i>				
Performing	A – AAA	0.00%	154,396,504	-
Underperforming	BBB+	0.00% - 0.09%	1,849,006,723	667,349
			<u>2,332,784,018</u>	<u>667,349</u>

d. *Refundable Deposits*

Management has assessed that these financial assets have low probability of default since these relate to continuing lease contracts and any outstanding deposit balance can be applied against future monthly rentals. Also, these are no longer discounted since management believes that the effect of discounting is not material to the consolidated financial statements.

15.3 Liquidity Risk

The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and ensures that future cash collections are sufficient to meet them in accordance with internal policies. The Group invests in cash placements when excess cash is obtained from operations.

As at May 31, 2025, 2024 and 2023, the Group's financial liabilities (excluding lease liabilities – see Note 12) have contractual maturities which are presented below:

(Amounts in PHP)	Current		Non-current	
	Within 6 Months	6 to 12 Months	1 to 5 Years	Total
2025				
Trade and other payables	605,677,712	88,862,875	734,608,907	1,429,149,494
Interest-bearing loans	349,411,515	239,021,867	698,438,114	1,286,871,496
Refundable deposits (presented under Other Non-current Liabilities)	20,000	267,589	2,708,414	2,996,003
	<u>955,109,227</u>	<u>328,152,331</u>	<u>1,435,755,435</u>	<u>2,719,016,993</u>
2024				
Trade and other payables	2,178,736,577	24,387,586	-	2,203,124,163
Interest-bearing loans	255,692,496	248,882,377	1,035,695,469	1,540,270,342
Refundable deposits (presented under Other Non-current Liabilities)	-	-	18,541,875	18,541,875
	<u>2,434,429,073</u>	<u>273,269,963</u>	<u>1,054,237,344</u>	<u>3,761,936,380</u>
2023				
Trade and other payables	1,549,787,052	27,119,392	-	1,576,906,444
Interest-bearing loans	260,165,093	254,463,779	1,515,045,029	2,029,673,901
Refundable deposits (presented under Other Non-current Liabilities)	-	-	17,635,899	17,635,899
	<u>1,809,952,145</u>	<u>281,583,171</u>	<u>1,532,680,928</u>	<u>3,624,216,244</u>

The contractual maturities presented above reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

15.4 Offsetting of Financial Assets and Financial Liabilities

The Group's cash in bank, which is presented as part of the Cash and Cash Equivalents account, and portion of Short-term investments under the Other Current Assets – net account in the consolidated statement of financial position (see Notes 5 and 10) are subject to offsetting, enforceable master netting arrangements and similar agreements as at May 31, 2025, 2024 and 2023, such as loan agreements, as presented below.

(Amounts in PHP)	Gross Amounts Recognized in the Consolidated Statement of Financial Position		Net Amount Presented in the Consolidated Financial Statement of Position	Related Amounts not Set-off in the Consolidated Statement of Financial Position		Net Amount
	Financial liabilities	Financial assets instruments		Financial Instruments	Cash Collateral Received	
May 31, 2025						
Interest-bearing loans	<u>314,285,714</u>	<u>-</u>	<u>314,285,714</u>	<u>-</u>	<u>-</u>	<u>314,285,714</u>
May 31, 2024						
Interest-bearing loans	<u>1,385,340,136</u>	<u>-</u>	<u>1,385,340,136</u>	<u>(847,213,004)</u>	<u>-</u>	<u>538,127,132</u>

(Amounts in PHP)	Gross Amounts Recognized in the Consolidated Statement of Financial Position		Net Amount Presented in the Consolidated Financial Statement of Position	Related Amounts not Set-off in the Consolidated Statement of Financial Position		
	Financial liabilities	Financial assets instruments		Financial Instruments	Cash Collateral Received	Net Amount
May 31, 2023						
Interest-bearing loans	1,811,598,640	-	1,811,598,640	(223,115,007)	-	1,588,483,633

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the Group and counterparties (i.e., depository bank) allows for net settlement of the relevant financial assets and financial liabilities (i.e., interest-bearing loans) when both elect to settle on a net basis.

All other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (i.e., related parties) will have the option to settle all such amounts on a net basis through the approval by both parties' BOT or BOD. As such, the Group's outstanding receivables from and payables to the same related parties, if any, can potentially be offset to the extent of their corresponding outstanding balances.

16. EDUCATIONAL REVENUES

The details of net tuition and other school fees presented in the consolidated statement of profit or loss are as follows:

(Amounts in PHP)	2025	2024	2023
Tuition fees	5,904,175,509	5,540,124,722	5,071,732,840
Less discounts:			
Scholarship	370,958,516	333,792,271	324,861,543
Cash	52,839,554	47,972,213	43,283,316
Family	15,629,054	10,592,483	11,081,522
	439,427,124	392,356,967	379,226,381
	5,464,748,385	5,147,767,755	4,692,506,459
Other school fees:			
Senior high school miscellaneous fees	74,912,881	78,885,869	80,799,192
Graduation and commencement fees	36,737,201	31,658,877	14,287,225
Various registration fees	23,759,551	40,457,871	21,042,464
Identification cards	18,690,171	20,767,359	14,257,486
Entrance fees	16,313,558	16,806,786	19,613,169
Transcript fees	16,150,645	15,589,787	14,237,313
Certification fees	15,575,330	12,138,686	10,548,996
Diplomas	11,537,987	12,971,175	19,088,864
Developmental fees	7,415,057	6,210,500	5,414,500
Miscellaneous	30,801,316	19,106,578	27,488,917
	251,893,697	254,593,488	226,778,126
	5,716,642,082	5,402,361,243	4,919,284,585

Miscellaneous fees include various fees such as insurance fees, laboratory fees, subject fees and other miscellaneous fees, which are required to be paid together with the tuition fees upon student enrollment.

16.1 Core Revenue Stream

The Group presents below the disaggregation of its core revenue for each reportable segment for the years ended May 31, 2025, 2024 and 2023. The Group recognizes revenues over time for tuition fees and point in time for other fees as follows:

<i>(Amounts in PHP)</i>		Business Segments			Total
Year	Nature	FEU Main	Trimestral Schools	Other Schools	
2025	Tuition fees – net	2,782,661,697	1,807,875,229	874,211,459	5,464,748,385
	Other school fees	58,849,665	83,802,464	109,241,568	251,893,697
	Total	2,841,511,362	1,891,677,693	983,453,027	5,716,642,082
2024	Tuition fees – net	2,763,852,230	1,660,047,373	723,868,152	5,147,767,755
	Other school fees	63,408,359	45,955,078	145,230,051	254,593,488
	Total	2,827,260,589	1,706,002,451	869,098,203	5,402,361,243
2023	Tuition fees – net	2,748,719,663	1,329,376,399	614,410,397	4,692,506,459
	Other school fees	68,358,214	45,844,565	112,575,347	226,778,126
	Total	2,817,077,877	1,375,220,964	726,985,744	4,919,284,585

16.2 Unearned Tuition Fees

For the years ended May 31, 2025, 2024 and 2023, the Group, except FRC, has collected advance tuition fee payments from students who enrolled for the next school term which amounted to P131.3 million, P45.4 million, and P72.5 million, respectively. These collections are presented as Deferred Revenues in the consolidated statement of financial position. These will be recognized as revenue once the performance obligation of the schools within the Group has been rendered, which is usually within 12 months of receipt.

17. OPERATING EXPENSES

Operating expenses consist of:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Salaries and employee benefits	19, 20.6	1,973,908,353	1,841,326,394	1,656,022,524
Depreciation and amortization	9, 11, 20.3	596,218,687	586,000,800	558,676,028
Professional fees		227,587,757	178,934,232	129,524,845
Outside services		222,276,928	209,132,399	161,702,349
Utilities		184,575,890	174,837,959	168,934,160
Licenses and subscriptions		168,746,173	156,372,756	121,428,023
Supplies and materials		146,062,230	146,979,745	121,417,239
Repairs and maintenance		93,339,989	107,101,854	101,011,717
Taxes and licenses		72,144,678	51,112,642	43,027,049
Trainings and seminars		68,118,046	60,037,464	55,943,326
Public relations and promotions		35,615,249	23,005,191	22,634,294
Transportation and travel		32,525,296	38,294,594	28,622,839
Rental	12.2	23,267,916	8,633,930	13,909,517
Director's bonus		20,841,961	19,291,713	14,000,000
Insurance		11,053,877	13,142,943	22,647,895
Research		3,350,580	1,095,089	3,695,273
Others		33,454,411	29,643,846	41,053,943
		<u>3,913,088,021</u>	<u>3,644,943,551</u>	<u>3,264,251,021</u>

18. OTHER OPERATING INCOME, FINANCE INCOME AND FINANCE COSTS

18.1 Finance Income

This consists of the following:

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Interest income from:				
Financial assets at FVOCI	7.2	124,735,545	116,490,862	46,319,696
Short-term investments	10	70,189,030	43,183,019	25,908,862
Cash and cash equivalents	5	45,234,794	20,036,249	17,393,250
Investment securities at amortized cost	7.3	16,794,824	15,316,305	21,074,042
Installment sales		-	-	1,099,803
Other investment income (loss) from:				
Financial assets at FVTPL	7.1	133,569,894	130,033,624	14,753,802
Financial assets at FVOCI	7.2	2,922,728	(5,945,202)	12,391,878
Foreign exchange gain (loss) – net		(46,576,815)	57,364,609	43,486,176
Reversal of impairment loss	7.3	-	-	298,206
		<u>346,870,000</u>	<u>376,479,466</u>	<u>182,725,715</u>

18.2 Finance Costs

This account is broken down into the following:

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Interest expense from:				
Interest-bearing loans	14	83,542,674	110,906,425	86,281,311
Lease liabilities	12.3	1,403,853	523,967	1,352,823
Others		25,468,653	16,274,520	14,169,195
		<u>110,415,180</u>	<u>127,704,912</u>	<u>101,803,329</u>

Other finance cost pertains to bank service charges for maintaining tuition collection facilities with depository banks, services provided by investment trust managers, wire transfer transactions, foreign currency payment transactions to suppliers, among others.

18.3 Other Operating Income

This account is broken down into the following:

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Gain on sale of investment and real properties	9, 10	7,486,783	84,832,396	16,307,952
Others		48,541,336	13,020,199	19,547,968
		<u>56,028,119</u>	<u>97,852,595</u>	<u>35,855,920</u>

Gain on sale of investment and real properties relate to revenues recognized by FRC from its sale of lots and completed townhouses classified as investment properties and real estate held for sale.

Other operating income relates to incidental non-school related revenue streams of the Group.

19. EMPLOYEES' HEALTH, WELFARE AND RETIREMENT FUND

(a) *Characteristics of the Defined Contribution and Defined Benefit Plans*

(i) *The University, FECSI, EACCI, FEUAI, and FEU High*

As discussed in Note 26.13, the University, FECSI, EACCI, FEUAI and FEU High maintain tax-qualified, funded and contributory retirement plans, which fall under a defined contribution type of retirement plan, covering regular teaching and non-teaching personnel members. The University, FECSI, EACCI, FEUAI and FEU High's retirement plans were maintained since 1967, 2013, 2017, 2018, and 2019, respectively.

The respective retirement funds are under the administration of the following organizations (the Funds), through their respective Boards of Governors.

FEU	-	FEU Health Welfare and Retirement Fund (FEUHWRF)
FECSI	-	FEU Cavite Health Welfare and Retirement Fund (FEUCHWRF)

EACCI and FEUAI* - Comprehensive Benefits Plan policy issued by Insular Life Assurance Co. Ltd. (Benefits Policy)

**previously under Private Education Annuity Association (PERAA).*

Contributions to these funds are in accordance with the defined contribution established by the Retirement Board, which is the sum of the employees' and the University, FECSI, EACCI, FEUAI and FEU High's contributions.

As a policy, any contributions made by the University, FECSI, EACCI, FEUAI and FEU High in the past years that were subsequently forfeited resulting from resignations of covered employees prior to the vesting of their retirement pay can be applied to reduce employer contributions in the succeeding years.

(ii) *FRC*

FRC have not yet established a formal post-employment plan. However, it accrues the estimated cost of post-employment benefits, actuarially determined, required by the provisions of RA No. 7641. It has the discretion when to fund the minimum post-employment benefits calculated; however, upon retirement of qualified employees, funds must be readily available for payment of employees' retirement benefits.

(iii) RCI

RCI has a defined benefit plan which provides a lump sum benefit based on final salary and years of service, subject to certain eligibility conditions. The benefit valued in this valuation report pertains to the higher of the retirement plan benefits of the school and the minimum retirement benefit as prescribed in RA 7641. Effective November 2023, the retirement fund of the School is under the administration of The Insular Life Assurance Co. Ltd.(the Funds), through their Board of Governors.

Retirement expense presented as part of Salaries and employee benefits under Operating Expenses in the consolidated statement of profit or loss amounted to P144.1 million, P115.6 million and P111.9 million for the years ended May 31, 2025, 2024 and 2023, respectively (see Note 17).

(b) *Explanation of Amounts Disclosed in the Consolidated Financial Statements*

Actuarial valuations are obtained: (i) to determine the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan (for FECSI and FEU High); and, (ii) to update the retirement benefit costs for the others. For the University, EACCI and FEUAI, significant contributions to its fund, which consist of employees' contribution of 5% of basic salary, and the counterpart employers' contribution which is equivalent to 20% for the University and 12% for EACCI and FEUAI, both based on basic salary, are determined to be sufficient to meet the estimated cost of post-employment benefits as required by the provisions of RA No. 7641.

All amounts presented below and in the succeeding pages are based on the actuarial valuation reports obtained from an independent actuary for the years ended May 31, 2025, 2024 and 2023 (for FECSI, FEU High, and RCI).

The post-employment benefit obligation amounting to P62.5 million, P49.6 million, and P63.1 million as of May 31, 2025, 2024 and 2023, respectively, pertains to FECSI, EACCI, FRC, and RCI's defined benefit liability, which is presented under non-current liabilities in the consolidated statement of financial position.

The movements in the present value of the net post-employment benefit obligation recognized in the books are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	49,625,573	63,116,118	49,808,248
Current service cost and/or accruals made	(2,698,471)	(10,481,364)	5,485,423
Interest expense	1,620,257	2,348,565	2,285,417
Remeasurements – actuarial losses (gain) arising from:			
Changes in financial assumptions	10,735,186	(4,011,847)	(737,500)
Experience adjustments	3,262,131	(1,345,899)	6,274,530
Balance at end of year	<u>62,544,676</u>	<u>49,625,573</u>	<u>63,116,118</u>

The components of amounts recognized in profit or loss (as part of Employee benefits under Other Operating Expenses) and in other comprehensive income in respect of the post-employment defined benefit plan are shown below:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<i>Reported in profit or loss:</i>			
Current service cost	(2,698,471)	(10,481,364)	5,485,423
Interest expense	<u>1,620,257</u>	<u>2,348,565</u>	<u>2,285,417</u>
	<u>1,078,214</u>	<u>(8,132,799)</u>	<u>7,770,840</u>
<i>Reported in other comprehensive income –</i>			
Actuarial gains (losses) from:			
Changes in financial assumptions	(10,735,186)	4,011,847	737,500
Experience adjustments	<u>(3,262,131)</u>	<u>1,345,899</u>	<u>(6,274,530)</u>
	<u>(13,997,317)</u>	<u>5,357,746</u>	<u>(5,537,030)</u>

In determining the amounts of post-employment obligation in accordance with PAS 19 (Revised), the following significant actuarial assumptions were used:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<u>RCI, EACCI, FECSI and FEUAI (2023); FEU, RCI, FECSI and FEU High (2024); RCI, EACCI, FECSI, EACCI, FEU High (2025)</u>			
Discount rates	5.69% - 6.56%	6.78% - 6.96%	5.87% - 6.18%
Salary growth rate	3.00% - 5.00%	3.00% - 4.00%	3.50% - 5.00%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 are as follows:

RCI	-	18 years both for males and females
FECSI	-	25 years for males and 20 years for females
FEU High	-	27 years for both males and females

These assumptions were developed by management with the assistance of an independent actuary. Discount factor is determined close to the end of the reporting period by reference to the interest rates of a zero-coupon government bond with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The defined contribution plans of FEU, FECSI, EACCI, FEUAI and FEU High are also accounted for as a defined benefit plan with minimum guarantee in accordance with the Philippine Interpretations Committee (PIC) Interpretation on PAS 19 (Revised). The fair value of the plan assets which comprise all contributions including interest income earned less benefits payments approximates the defined contribution liability, thus management opted not to recognize further any overfunding of the obligation for the years ended May 31, 2025, 2024 and 2023.

For the other entities with existing retirement plan, their respective unfunded retirement benefit obligation is insignificant to the consolidated balances in all years presented, hence, not reported herein, but are fully disclosed in their respective separate financial statements.

The movements in the fair value of plan assets are presented below:

<i>(Amounts in PHP)</i>	2025	2024	2023
Balance at beginning of year	1,167,920,004	1,020,654,604	928,204,363
Actual contributions	88,470,214	155,874,183	108,895,216
Remeasurement loss	(19,175,776)	(1,062,729)	-
Interest income	61,690,153	63,034,004	30,466,306
Benefits paid	(36,184,546)	(70,580,058)	(46,911,281)
Balance at end of year	<u>1,262,720,049</u>	<u>1,167,920,004</u>	<u>1,020,654,604</u>

The movements in the present value of the retirement benefit obligation are as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
Balance at beginning of year	1,217,545,577	1,083,770,722	978,012,611
Current service cost	85,771,743	144,207,712	115,084,191
Interest expense	63,310,410	65,382,569	32,751,723
Benefits paid	(36,184,546)	(70,580,058)	(46,911,281)
Actuarial loss (gain)	(5,178,459)	(5,235,368)	4,833,478
Balance at end of year	<u>1,325,264,725</u>	<u>1,217,545,577</u>	<u>1,083,770,722</u>

(c) *Risks Associated with the Retirement Plan*

The plan exposes the University, RCI, FECSI, EACCI, FEUAI and FEU High to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) *Investment and Interest Risks*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan.

Currently, the plan has relatively balanced investment in cash and cash equivalents, equity securities and debt securities.

Currently, the University's plan is significantly composed of equity securities and debt securities. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the University's long-term strategy to manage the plans efficiently. FECSI, on the other hand, has investments in cash and cash equivalents and loans.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, the asset-liability matching strategy of the University, FECSI, EACCI, FEUAI, RCI and FEU High and the timing and uncertainty of future cash flows related to the retirement plan are described below and in the succeeding pages.

(i) *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of respective report dates:

(Amounts in PHP)	Impact on Post-employment Benefit Obligation		
	Change in Assumption	Increase/ (Decrease) in Assumption	Increase/ (Decrease) in Assumption
<u>May 31, 2025</u>			
<i>RCI:</i>			
Discount rate	+/-1.0%	(124,527)	134,676
Salary growth rate	+/-1.0%	149,131	(253,904)
<i>FECSI:</i>			
Discount rate	+/-1.0%	(136,247)	156,839
Salary growth rate	+/-1.0%	159,441	(140,302)
<i>FEU High:</i>			
Discount rate	+/-1.0%	(1,206)	1,988
Salary growth rate	+/-1.0%	1,986	(1,219)

(Amounts in PHP)	Impact on Post-employment Benefit Obligation		
	Change in Assumption	Increase/ (Decrease) in Assumption	Increase/ (Decrease) in Assumption
<u>May 31, 2024</u>			
<i>RCI:</i>			
Discount rate	+/-1.0%	(124,527)	59,593
Salary growth rate	+/-1.0%	149,131	(285,664)
<i>FEC SI:</i>			
Discount rate	+/-1.0%	(146,735)	168,159
Salary growth rate	+/-1.0%	173,086	(153,229)
<i>FEU High:</i>			
Discount rate	+/-1.0%	(356,827)	428,749
Salary growth rate	+/-1.0%	438,066	(372,271)
<u>May 31, 2023</u>			
<i>RCI:</i>			
Discount rate	+/-1.0%	(124,527)	83,916
Salary growth rate	+/-1.0%	149,131	(283,700)
<i>FEC SI:</i>			
Discount rate	+/-1.0%	(224,937)	260,280
Salary growth rate	+/-1.0%	265,413	(232,926)
<i>EACCI:</i>			
Discount rate	+/-0.5%	(144,075)	215,457
Salary growth rate	+4.0%/-7.0%	505,972	(6,590,998)
<i>FEU AI:</i>			
Discount rate	+/-0.5%	(36,151)	47,088
Salary growth rate	+4.0%/-7.0%	115,601	(1,513,546)
<i>FEU High:</i>			
Discount rate	+/-1.0%	(302,823)	391,739
Salary growth rate	+/-1.0%	399,894	(312,953)

The sensitivity analysis shown in the previous page is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the University through its Retirement Board, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds) with maturities that match the benefit payments as they fall due and in the appropriate currency. The University actively monitors how the duration and the expected yield of the investments match the expected cash outflows arising from the retirement obligations.

In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

There has been no change in the University's strategies to manage its risks from previous periods.

Currently, FECSI, EACCI, FEUAI, FEU High and RCI have no specific matching strategy between the plan assets and the plan liabilities.

(iii) Funding Arrangements and Expected Contributions

While there is no minimum funding requirement in the country for defined benefit plans, the size of the fund, bearing that it is significantly under a defined contribution regime, is also sufficient to cover the vested benefits of the higher between the RA No. 7641 or the Group's retirement plan itself, when a significant number of employees are expected to retire in 13 to 20 years' time.

The University, FECSI, EACCI, FEUAI, and FEU High expects to make contributions to its plan in accordance with the defined contribution established by the Retirement Board of its respective Funds during the next reporting period.

The latest available audited statements of financial position of the University's Fund, which comprised of both employer and employee share contributions, show the following as of December 31:

<i>(Amounts in PHP)</i>	2025	2024	2023
Assets			
Cash and cash equivalents	196,131,164	121,638,678	108,583,575
Receivables - net	97,288,741	65,432,324	46,516,917
Investment in debt securities:			
Government securities	513,491,362	488,188,039	416,474,205
Corporate bonds and other debt instruments	56,225,599	94,654,887	105,676,905
Investment inequity securities:			
Corporate share	381,025,281	316,363,279	319,880,997
UITF	91,948,742	119,623,105	127,717,207
Others	182,900	177,456	35,038
	1,336,293,789	1,206,077,768	1,124,884,844
Liabilities	(55,474,514)	(53,023,059)	(50,474,498)
Net assets available for plan benefits	1,280,819,275	1,153,054,709	1,074,410,346

The University's Funds' plan assets are invested in various types of financial assets that are maintained in trust funds under credible trustee-banks under control by the Fund through its Board of Governors.

The subsidiaries' plan assets that are lodged with the FEUCHWRFP, PERAA and Benefits Policy have a fair value of P184.2 million, P202.8 million, and P107.8 million as of May 31, 2025, 2024 and 2023, respectively.

20. RELATED PARTY TRANSACTIONS

The Group's related parties include related parties under common management, key management personnel and others. The following are the Group's transactions with such related parties:

(Amounts in PHP)	Notes	2025		2024		2023		Terms	Conditions
		Amount of Transaction	Outstanding Receivable (Payable)	Amount of Transaction	Outstanding Receivable (Payable)	Amount of Transaction	Outstanding Receivable (Payable)		
Related Parties Under Common Management:									
Advances to related parties	20.1	(17,584,960)	19,148,877	18,963,016	37,019,990	(6,848,785)	19,171,787	Due and demandable; noninterest-bearing	Unsecured; not-impaired
Reimbursement of expenses	20.2	2,173,901	27,959,843	3,673,885	25,785,942	3,902,819	20,997,244	Due and demandable; noninterest-bearing	Unsecured; not-impaired
Lease liabilities	20.3	(1,599,360)	-	(1,739,873)	(1,599,360)	(2,669,815)	(3,339,233)	Interest bearing	Not applicable
Right-of-use asset	20.3	-	-	(2,330,598)	-	(2,796,718)	2,330,598	Not applicable	Not applicable
Management fees	20.4	44,711,665	286,153	42,671,147	14,600,000	50,821,753	3,639,788	Due and demandable; noninterest-bearing	Unsecured; not-impaired
Due to related parties	20.8	(1,129,636)	(23,257,950)	(1,769,292)	(24,387,586)	(962,514)	(26,156,878)	Due and demandable; noninterest-bearing	Unsecured
Retirement Funds:	20.5								
Retirement plan assets		-	1,164,967,572	-	1,174,264,663	-	981,315,933	Not applicable	Not applicable
Reimbursement of expenses	20.2	(4,334,957)	341,577	1,276,951	4,676,534	894,724	3,399,583	Due and demandable; noninterest-bearing	Unsecured; not-impaired
Others –									
Key management personnel compensation	20.6	241,126,860	-	190,311,680	-	168,748,443	-	Not applicable	Not applicable

In 2025, 2024 and 2023, the Group reviewed its receivables from related parties and, accordingly, assessed for impairment. Except for those receivables provided with corresponding allowance [see Note 20.1(a) and (d)], no impairment loss was deemed necessary to be recognized for all other receivables in all years presented.

The Related Party Transactions (RPT) Committee, which meet regularly and as necessary, review proposed RPT within the materiality threshold to determine whether or not the transaction is on terms no less favorable to the Group than terms available to any unconnected third party under the same or similar circumstances. On favorable review, the RPT Committee endorse transactions to the BOT for approval.

All material related party transactions shall be approved by at least two-thirds vote of the BOT, with at least a majority of the independent directors voting to approve the material related party transactions. In case a majority of the independent directors' is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. Transactions amounting to 10% or more of the consolidated total resources based on the latest audited consolidated financial statements entered into with related parties are considered material.

20.1 *Noninterest-bearing Advances*

(a) *Advances of the University to a Related Party*

The University grants unsecured and noninterest-bearing advances, which are due and demandable to FEU Public Policy Center Foundation, Inc. (FEUPPCFI), a related party under common management of the Group in furtherance of certain research-related advocacy, for working capital purposes.

Summarized below are the outstanding receivables from these advances as of May 31, 2025, 2024 and 2023 recorded as part of Receivables from related parties (see Note 6) under Trade and Other Receivables account in the consolidated statement of financial position (see Note 6):

<i>(Amounts in PHP)</i>	2025	2024	2023
Balance at beginning of year	12,584,963	9,501,803	6,875,803
Additional advances during the year	1,276,960	3,083,160	2,626,000
Balance at end of year	13,861,923	12,584,963	9,501,803

On a year-on-year basis, management assessed the near-term recoverability of advances in relation to viability of projects undertaken by FEUPPCFI, as of May 31, 2025, 2024 and 2023 the entire amount of receivable is doubtful of immediate collection, therefore, full allowance for impairment on these receivables were recognized as part of Impairment Loss on Financial Assets in the consolidated statement of profit or loss.

(b) *Advances between EACCI and East Asia Educational Foundation, Inc. (EAEFI)*

EACCI granted EAEFI cash advances for working capital requirements and other purposes. These advances are noninterest-bearing, unsecured and payable in cash upon demand. As of May 31, 2025, the outstanding advances to EAEFI amounting to P0.1 million, which are presented as part of Receivables from related parties under the Trade and Other Receivables account in the consolidated statement of financial position (see Note 6).

(c) *Advances between EACCI and Nicanor Reyes Educational Foundation, Inc. (NREFI)*

During the years ended May 31, 2025, 2024 and 2023, certain tuition and other school fees for the respective accounts of EACCI or NREFI were interchangeably digitally remitted by students. Subsequently, these collections were appropriately transmitted to the entities to which the related receivables are due. The receivable and payable accounts are unsecured, noninterest-bearing and payable in cash immediately upon demand. The outstanding receivable amounting to P1.3 million, P20.4 million, and P4.8 million as of May 31, 2025, 2024 and 2023, respectively, is presented as part of Receivables from related parties under the Trade and Other Receivables account in the consolidated statement of financial position (see Note 6).

(d) *Advances of RCI to its Related Party*

RCI grants noninterest-bearing and unsecured advances to RCEE, Roosevelt College Scholarship Foundation and Roosevelt College Center for Teacher Education, related parties under common management, for working capital purposes. These advances are generally collectible in cash and are due upon demand or through offsetting arrangement. The outstanding balance from these transactions amounting to P3.9 million as of May 31, 2025 and P3.8 million of May 31, 2024 and 2023, are presented as part of Receivables from related parties under the Trade and Other Receivables account in the consolidated statement of financial position (see Note 6).

20.2 Reimbursement of Expenses

During the year ended May 31, 2025, 2024 and 2023, the University billed its related entities for the reimbursement of amounts it initially advanced to third party suppliers and service providers for certain expenses and various allocated expenses, at cost. These expenses pertain to those incurred in the normal course of operations of the University and its related entities, which include legal fees, various supplies, use of facilities, and salaries and benefits of seconded employees, among others.

Moreover, the University made initial payments to its retired employees which is then billed to its retirement fund and recorded as part of Receivables from related parties under Trade and Other Receivables in the consolidated statement of financial position (see Note 6).

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Related Parties under Common Management:			
FEU Public Policy Center Foundation, Inc.	27,555,017	24,760,166	19,882,431
JCHS	316,527	316,527	292,193
NREFI	71,543	38,653	-
GSC	16,756	670,596	822,620
	<u>27,959,843</u>	<u>25,785,942</u>	<u>20,997,244</u>
Retirement Funds:			
FEUHWRF	341,577	4,676,534	3,399,585

20.3 Lease of Building from NREFI

The University has lease agreement with NREFI for its lease of facilities. The lease agreements are long-term and renewable.

Upon adoption of PFRS 16, the Group, as a lessee, recognized right-of-use asset and lease liabilities. Amortization of the right-of-use asset arising from these transactions amounting to P2.3 million and P2.8 million in 2024 and 2023, respectively, (nil in 2025) and is presented as part of Depreciation and amortization under Other Operating Expenses in the consolidated statement of profit or loss (see Note 17). Total interest expense on lease liabilities amounting to P0.1 million, and P0.2 million for the years ended May 31, 2024 and 2023, respectively, (nil in 2025) and is presented as part of Interest expense on lease liabilities under Finance Costs in the consolidated statement of profit or loss (see Note 18.2). The outstanding balances arising from these transactions as at May 31, 2025, 2024 and 2023, are presented as part of right-of-use asset under Property and Equipment, and Lease Liabilities (current portion under Trade and Other Payables) in the consolidated statement of financial position.

20.4 Management Fees

In 2022, EACCI entered into an agreement with NREFI, a related party under common management, to manage and handle the offering of its Bachelor of Science in Business Administration program and shoulder all expenses related to managing the program. NREFI has agreed to pay EACCI management fees equivalent to 90% of the net tuition earned from the program. Total fees earned in 2025, 2024 and 2023 amounted to P44.7 million, P42.7 million and P50.8 million, respectively. Management fees are presented as part of Other Income in the consolidated statements of profit or loss. Outstanding receivables amounting to P0.3 million, P14.6 million and P3.6 million as of May 31, 2025, 2024 and 2023, respectively, is presented as part of Miscellaneous receivables under Trade and Other Receivables in the consolidated statements of financial position (see Note 6).

20.5 Retirement Funds

The University, FECSI, EACCI, FEUAI, FEU High and RCI's retirement funds are under the administration of their respective funds, through their respective Board of Governors [see Note 19(a)]. The fair value of the Group's retirement plan assets amounted to P1,165.0 million in 2025, P1,174.3 million in 2024, and P981.3 million in 2023 [see Note 19(b)]. The University, FECSI, EACCI, FEUAI, FEU High and RCI have no transactions with the retirement plans other than contributions and benefit payments in all periods presented.

None of the retirement plan assets are invested in or provided to the University, FECSI, EACCI, FEUAI, FEU High, RCI, their related parties, and to their officers in the form of advances or loans.

The retirement funds neither provide any guarantee nor surety for any obligation of the University, FECSI, EACCI, FEUAI, FEU High and RCI.

20.6 Key Management Personnel Compensation

Total remunerations of the Group's key management personnel for the years ended May 31, 2025, 2024 and 2023, which are presented as part of Salaries and Employee benefits under Other Operating Expenses in the consolidated statement of profit or loss (see Notes 17 and 19), are as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
Short-term benefits	196,380,532	168,984,196	150,904,250
Post-employment benefits	44,746,328	21,327,484	17,844,193
	<u>241,126,860</u>	<u>190,311,680</u>	<u>168,748,443</u>

20.7 Financial Guaranty for Subsidiaries' Loans

In March 2017 and January 2018, the BOT approved that for and in consideration of the loan or credit facilities obtained by any subsidiary of the University, in which the University owns at least 75% of the outstanding voting capital stock of such subsidiary, from a certain local commercial bank, the University gives its full consent and authority to act as surety up to P500.0 million for the subsidiary's obligations arising from any loan or availments from any credit facilities granted by the said local bank in favor of the subsidiary, as well as any renewals, increases, extensions of existing obligations obtained by or which may hereafter be obtained by the subsidiary from the local bank, whether direct or indirect, principal or secondary.

The outstanding balance of RCI's loans from the said local bank amounted to P314.3 million as of May 31, 2025, P309.5 million as of May 31, 2024 and P404.8 million as of May 31, 2023 (see Note 14).

20.8 Others

In July 2014, FRC's declaration of stock dividend resulted in 291 fractional shares amounting to P0.3 million, which FRC opted to treat as treasury shares.

In 2019, FRC's BOD approved the proposal to increase its par value from P1,000 to P10,000, resulting to fractional shares for stockholders owning less than ten shares. The unsecured, non-interest bearing outstanding liability amounting to P23.3 million as of May 31, 2025, P24.4 million as of May 31, 2024 and P26.2 million as of May 31, 2023 are presented as part of Due to related parties under Trade and Other Payables account in the consolidated statement of financial position (see Note 13).

21. INCOME TAXES

Under Philippine laws, the taxable income from operations related to school activities and passive investment income of private and proprietary (stock) educational institutions is subject to a tax of 10%. However, if 50% or more of the institution's total gross income is from unrelated business activities, the regular corporate income tax (RCIT) of 25% will apply effective after July 2021 to the entire taxable income instead of the 10% preferential rate. Except FRC, which is subject to RCIT, all the schools within the group qualified to continue to avail of the 10% preferential rate given their respective revenue profile. In addition, they are also not covered by the minimum corporate income tax provision of the new tax code.

In March 2021, RA No. 11534 or the *Corporate Recovery and Tax Incentives for Enterprises Act* (CREATE) has been passed into law which provides for a reduced tax rate of proprietary schools to 1% from the previous 10%, effective July 2021 until June 2023.

Also in December 2021, RA No. 11635, *An Act Clarifying the Income Taxation of Proprietary Educational Institutions, Amending for the Purpose Section 27 (B) of the NIRC of 1997, As Amended*, was enacted such that proprietary schools were clarified to apply 1% reduced tax rate as originally intended by CREATE.

The schools within the Group used the reduced 1% income tax rate for the fiscal year ended May 31, 2023.

In June 2023, BIR issued Revenue Memorandum Circular No. 69-2023, *Reversion of Rates of Percentage Tax, Minimum Corporate Income Tax, and Regular Corporate Income Tax on Proprietary Educational Institutions and Not for Profit Hospitals, Pursuant to RA No. 11534*, which reverted the income tax rate of the schools within the Group to 10% effective July 1, 2023. Consequently, and in accordance with the requirements of PAS 12, *Income Taxes*, the schools within the group measured their deferred tax assets and liabilities at 10% as of May 31, 2025, 2024 and 2023.

The major components of tax expense reported in the consolidated statement of profit or loss are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current tax expense:			
Special rate at 10% in 2025			
9.3% in 2024			
1.0% in 2023	209,289,056	172,771,902	18,365,351
RCIT at 25%	30,725,705	32,829,825	20,816,314
Final tax at 20% and 15%	15,482,795	25,879,367	20,245,367
	255,497,556	231,481,094	59,427,032
Deferred tax expense (income)			
arising from the origination and			
reversal of temporary differences	(14,953,297)	(8,238,175)	735,070
	240,544,260	223,242,919	60,162,102

A reconciliation of tax on pretax income computed at the applicable statutory rates to tax expense reported in consolidated profit or loss is presented below:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Tax on pretax income at 10 % and 1%	257,334,003	263,424,549	19,472,276
Adjustments for income subjected to:			
Final tax	4,748,092	11,164,798	17,321,617
Tax effects of:			
Non-taxable income	(27,568,836)	(47,028,966)	(4,136,053)
Effect of change in deferred tax rate		(10,149,364)	8,748,352
Non-deductible expenses	9,977,157	15,910,102	3,639,409
Excess of optional standard deduction over			
itemized deductions	(7,383,270)	(10,095,764)	(1,649,606)
Reversal of previously recognized DTA/			
recognition of DTA	5,046,170	-	-
Unrecognized Net Operating Loss Carry			
Over (NOLCO)	(1,017,407)	135,403	-
Unrecognized deferred tax asset on allowance			
for impairment	-	4,826,406	-
Others	(591,649)	(4,944,245)	16,766,107
	240,544,260	223,242,919	60,162,102

The net deferred tax assets and net deferred tax liabilities of the Group, as of May 31, 2025, 2024 and 2023, relate to the following:

<i>(Amounts in PHP)</i>	Consolidated Statement of					
	Financial Position			Profit or Loss		
	2025	2024	2023	2025	2024	2023
Deferred tax assets:						
Accrued rent expense	4,968,214	10,025,165	-	(5,056,951)	(10,025,165)	-
NOLCO	-	7,114,772	1,630,212	(7,114,772)	(5,612,698)	(171,772)
Allowance for impairment losses on trade and other receivables – net	19,913,202	9,899,619	576,920	17,607,892	(4,595,262)	(5,913)
Unrealized foreign currency gains (losses)	4,017,603	(3,688,156)	-	8,545,378	3,688,156	-
Unrealized fair value gains (losses)	(3,581,075)	(3,616,305)	-	35,230	3,616,305	-
Post-employment benefit	12,053,328	931,299	59,336	5,291,359	-	-
Prepaid expenses	(6,512,765)	(5,471,262)	-	(1,041,503)	-	-
Lease Liabilities	457,030	-	-	457,030	-	-
Unearned rental income	(13,143,096)	-	-	(962,275)	-	-
Deferred tax assets – net	<u>18,172,441</u>	<u>15,195,132</u>	<u>2,266,468</u>			
Deferred tax expense (income)				<u>17,761,388</u>	<u>(12,928,664)</u>	<u>(177,685)</u>
Deferred tax liabilities:						
Accrued rent receivable	-	(13,588,805)	(22,240,561)	-	2,685,818	(1,851,868)
Post-employment benefit	(2,194,930)	6,443,831	5,684,256	(2,808,091)	759,575	(833,897)
Prepaid expenses	-	(5,471,262)	(2,571,797)	-	(2,899,465)	(844,471)
Unearned rental income	-	1,407,984	332,292	-	1,075,692	(178,949)
Unrealized foreign currency gains (losses)	-	(839,619)	(3,565,220)	-	(1,016,555)	6,834,960
Accrual of expenses	-	-	11,060,838	-	(1,035,673)	(2,107,838)
Allowance for impairment losses on trade and other receivables – net	2,123,047	-	7,823,887	-	(3,408,773)	374,148
Unrealized fair value losses	-	-	2,822,438	-	(6,438,742)	(479,330)
DTL resulting from reversal of temporary decrease in tax rates	-	-	(18,516,298)	-	18,516,298	-
Deferred tax liabilities – net	<u>(71,883)</u>	<u>(12,047,871)</u>	<u>(19,170,165)</u>			
Deferred tax expense				<u>(2,808,091)</u>	<u>8,238,175</u>	<u>912,755</u>
Deferred tax expense (income) – net				<u>14,953,297</u>	<u>(4,690,489)</u>	<u>735,070</u>

RCI's deferred tax expense amounting to P2.4 million, P2.3 million and P4.0 million relates to the remeasurement of post-employment benefit plan during the years ended May 31, 2025, 2024 and 2023, respectively, and is recognized as a component of tax expense reported in the consolidated statement of comprehensive income.

The net deferred tax assets of the University are not allowed to be offset against net deferred tax liabilities of other subsidiaries, or vice versa, for purposes of consolidation.

Presented below are the details of NOLCO of FECSI and Edustria:

(Amounts in PHP)

Period Incurred	Original Amount	Expired Balance	Applied Amount	Remaining Balance	Valid Until
May 31, 2025	47,945,858	-	-	47,945,858	2028
May 31, 2024	57,227,156	-	-	57,227,156	2027
May 31, 2023	58,032,853	-	-	58,032,853	2026
May 31, 2022	52,335,822	-	-	52,335,822	2025
May 31, 2021	60,922,423	-	-	60,922,423	2026
	276,464,112	-	-	276,464,112	

The companies within the Group that were not entitled to avail of the preferential rate of 10% is subject to MCIT, which is computed at 2% of gross income as defined under the tax regulations, or RCIT, whichever is higher.

(Amounts in PHP)

	2025		2024		2023	
	Tax Base	Tax Effect	Tax Base	Tax Effect	Tax Base	Tax Effect
FECSI:						
NOLCO	20,726,235	2,072,624	7,114,772	711,477	8,343,562	834,356
Allowance	429,378	42,938	208,492	20,849	283,404	28,240
for impairment						

No deferred tax assets were recognized by certain subsidiaries since management of the respective subsidiaries believes that no sufficient taxable profit will be realized against which deferred tax assets can be applied within the prescriptive period.

22. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of liabilities arising from various financing activities in fiscal years 2025, 2024 and 2023:

(Amounts in PHP)	Interest-bearing Loans (see Note 14)	Lease Liabilities (see Note 12)	Dividends Payable (see Note 13)	Accrued Interest (see Note 14)	Total
Balance at June 1, 2024	1,385,340,136	2,443,276	406,890,377	10,970,822	1,805,644,611
Cash flows from financing activities:					
Repayment of loans	(226,258,504)	-	-	-	(226,258,504)
Repayment of lease liabilities	-	(10,853,300)	-	-	(10,853,300)
Dividends paid	-	-	(764,688,107)	-	(764,688,107)
Interest paid	-	(1,403,853)	-	(84,033,919)	(85,437,772)
Non-cash financing activities:					
Additional lease liabilities	-	30,891,882	-	-	30,891,882
Interest amortization in lease liabilities	-	1,403,853	-	-	1,403,853
Dividend declaration	-	-	793,140,014	-	793,140,014
Accrual of interest	-	-	-	80,876,895	80,876,895
Balance at May 31, 2025	1,159,081,632	22,481,858	435,342,284	7,813,798	1,624,719,572

<i>(Amounts in PHP)</i>	Interest-bearing Loans (see Note 14)	Lease Liabilities (see Note 12)	Dividends Payable (see Note 13)	Accrued Interest (see Note 14)	Total
Balance at June 1, 2023	1,811,598,640	13,865,782	298,839,580	12,429,090	2,136,733,092
Cash flows from financing activities:					
Repayment of loans	(426,258,504)	-	-	-	(426,258,504)
Repayment of lease liabilities	-	(11,422,506)	-	-	(11,422,506)
Dividends paid	-	-	(732,675,417)	-	(732,675,417)
Interest paid	-	(523,967)	-	(112,364,693)	(112,888,660)
Non-cash financing activities:					
Interest amortization in lease liabilities	-	523,967	-	-	523,967
Dividend declaration	-	-	840,726,214	-	840,726,214
Accrual of interest	-	-	-	110,906,425	110,906,425
Balance at May 31, 2024	<u>1,385,340,136</u>	<u>2,443,276</u>	<u>406,890,377</u>	<u>10,970,822</u>	<u>1,805,644,611</u>
Balance at June 1, 2022	2,284,761,905	25,032,057	251,149,057	5,422,110	2,566,365,129
Cash flows from financing activities:					
Repayment of loans	(473,163,265)	-	-	-	(473,163,265)
Repayment of lease liabilities	-	(11,166,275)	-	-	(11,166,275)
Dividends paid	-	-	(665,749,569)	-	(665,749,569)
Interest paid	-	(1,352,823)	-	(73,852,221)	(75,205,044)
Non-cash financing activities:					
Interest amortization in lease liabilities	-	1,352,823	-	-	1,352,823
Dividend declaration	-	-	713,440,092	-	713,440,092
Accrual of interest	-	-	-	80,859,201	80,859,201
Balance at May 31, 2023	<u>1,811,598,640</u>	<u>13,865,782</u>	<u>298,839,580</u>	<u>12,429,090</u>	<u>2,136,733,092</u>

23. EQUITY

23.1 Capital Stock

As of May 31, 2025, the University's authorized capital stock consists of 50,000,000 shares with par value of P100 per share, of which 24,055,763 shares were issued and outstanding, net of 37,331 treasury shares.

Below is the ownership structure of the University's outstanding shares as of May 31, 2025, 2024 and 2023.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Number of shares held by related parties	15,243,974	15,084,775	15,103,494
Number of shares held by the public	<u>8,811,789</u>	<u>8,824,417</u>	<u>8,852,870</u>
	<u>24,055,763</u>	<u>23,909,192</u>	<u>23,956,364</u>

**Net of those held as Treasury Stock (see 23.2)*

As at May 31, 2025, 2024 and 2023, the public owns 36.63%, 36.91% and 36.95%, respectively, of the University's listed shares.

As at May 31, 2025, there are 1,455 holders of the listed common shares owning at least one board lot.

All shares of the University are listed on the PSE, there had been no follow-on listing since the initial listing in 1986 at an offer price of P100. The closing price of the University's listed shares was P840.0, P699.5 and P533.0 per share as at May 31, 2025, 2024 and 2023, respectively.

23.2 Treasury Stock

This account includes the University's common shares held and acquired by FRC on various dates during the respective reporting periods. It consists of 189,446 shares as of May 31, 2025, 183,902 shares as at May 31, 2024, and 136,730 shares as at May 31, 2023.

The Group acquired shares amounting to P5.9 million, P33.1 million and P2.0 million in 2025, 2024 and 2023, respectively.

A portion of the University's retained earnings is restricted from dividend declaration up to the cost of treasury stocks, excluding the amount acquired and held by FRC as this is considered as a cross-holding as of the end of the reporting period.

23.3 Revaluation Reserves and Other Reserves

The components and reconciliation of items of other comprehensive income (loss) presented in the consolidated statement of changes in equity at their aggregate amount under Revaluation Reserves account, are shown below and in the succeeding page:

<i>(Amounts in PHP)</i>	Financial Assets at FVOCI (see Note 7.2)	Retirement Benefit Obligation (see Note 19)	Total
Balance as of June 1, 2024	10,318,874	(5,090,209)	5,228,665
Remeasurements of retirement benefit obligation	-	(13,668,380)	(13,668,380)
Fair value loss on financial assets at FVOCI	24,964,000	-	24,964,000
Tax effect	(2,496,400)	1,366,838	(1,129,562)
Other comprehensive income (loss)	22,467,600	(12,301,542)	10,166,058
Balance as of May 31, 2025	32,786,474	(17,391,751)	15,394,723
Balance as of June 1, 2023	(6,020,176)	(3,205,513)	(9,225,689)
Remeasurements of retirement benefit obligation	-	(1,866,036)	(1,866,036)
Fair value loss on financial assets at FVOCI	16,177,277	-	16,177,277
Tax effect	161,773	(18,660)	143,113
Other comprehensive income (loss)	16,339,050	(1,884,696)	14,454,354
Balance as of May 31, 2024	10,318,874	(5,090,209)	5,228,665

<i>(Amounts in PHP)</i>	Financial Assets at FVOCI (see Note 7.2)	Retirement Benefit Obligation (see Note 19)	Total
Balance as of June 1, 2022	(7,493,558)	2,135,268	(5,358,290)
Remeasurements of retirement benefit obligation	-	(5,287,902)	(5,287,902)
Fair value loss on financial assets at FVOCI	1,458,794	-	1,458,794
Tax effect	14,588	(52,879)	(38,291)
Other comprehensive income (loss)	1,473,382	(5,340,781)	(3,867,399)
Balance as of May 31, 2023	(6,020,176)	(3,205,513)	(9,225,689)

Other reserves refer to the amount attributable to the parent company arising from change in the ownership of NCI in RCI in 2017.

23.4 Retained Earnings

Significant transactions affecting Retained Earnings are shown below:

(a) Appropriation of Retained Earnings

As of May 31, 2025, 2024 and 2023, the University's Appropriated Retained Earnings consists of appropriations for:

	2025	2024	2023
Property and investment acquisition	740,000,000	1,417,000,000	567,000,000
Purchase of equipment and improvements	354,000,000	662,000,000	803,000,000
Contingencies	90,000,000	90,000,000	90,000,000
Treasury stock	3,733,100	3,733,100	3,733,100
	<u>1,187,733,100</u>	<u>2,172,733,100</u>	<u>1,463,733,100</u>

As projects and capital expenditures are annually revisited and would involve several projects, timeline with level of exactness is not defined, instead are recalibrated year on year.

The changes in Appropriated Retained Earnings are shown below:

	2025	2024	2023
Balance at beginning of year	2,172,733,100	1,463,733,100	1,184,853,389
Purchase of equipment and improvements	(677,000,000)	(141,000,000)	360,379,711
Property and investment acquisition	(308,000,000)	850,000,000	(81,500,000)
	<u>1,187,733,100</u>	<u>2,172,733,100</u>	<u>1,463,733,100</u>

(b) *Dividend Declaration*

The University's BOT approved the following dividend declarations during the years ended:

	Declaration	Date of Record	Payment/Issuance	Amount in PHP
<u>May 31, 2025</u>				
Cash dividend of P16 per share	September 18, 2024	October 1, 2024	October 17, 2024	382,459,728
Cash dividend of P16 per share	February 19, 2025	March 4, 2025	March 18, 2025	382,459,728
				<u>764,919,456</u>
<u>May 31, 2024</u>				
Cash dividend of P16 per share	September 19, 2023	October 3, 2023	October 13, 2023	382,547,360
Cash dividend of P16 per share	February 20, 2024	March 5, 2024	March 20, 2024	382,547,360
				<u>765,094,720</u>
<u>May 31, 2023</u>				
Cash dividend of P14 per share	September 20, 2022	October 4, 2022	October 14, 2022	335,398,084
Cash dividend of P14 per share	February 21, 2023	March 7, 2023	March 21, 2023	335,398,084
				<u>670,796,168</u>

Unclaimed checks related to dividends declared as of May 31, 2025, 2024 and 2023 are presented as Dividends payable under the Trade and Other Payables account in the consolidated statement of financial position (see Note 13).

23.5 Subsidiaries with Material Non-controlling Interest (NCI)

In prior years, the University acquired controlling interest over a number of entities which are consolidated by the Group. The ownership stake of the minority interest are presented as Non-controlling Interest (NCI) in the consolidated statement of financial position and consolidated statement of changes in equity. The NCI is measured at P2,983.2 million, P2,965.4 million and P2,965.0 million as of May 31, 2025, 2024 and 2023, respectively.

These controlled entities declared dividends, of which the share of the minority interest amounted to P28.2 million in 2025, P75.6 million in 2024 and P42.6 million in 2023.

(a) *FRC*

As of May 31, 2025, 2024 and 2023, the University holds ownership interest of 38.18% in FRC. Management considers that the University has de facto control over FRC even though it holds less than 50% of the voting shares of stock of FRC, because it is exposed or has right to variable returns through its power over FRC [see Notes 1.1 and 27.1(g)]. The accumulated NCI of FRC amounted to P1,708.3 million, P1,140.8 million and P1,087.14 million as of May 31, 2025, 2024 and 2023, respectively.

A summary of financial information of FRC as of and for the years ended May 31, 2025, 2024 and 2023 before intragroup eliminations are shown below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current assets	539,304,527	328,158,045	430,787,516
Non-current assets	1,286,354,499	1,430,982,137	1,184,555,717
Current liabilities	68,879,920	107,858,900	46,990,974
Non-current liabilities	47,428,984	37,427,315	33,844,347
Total equity	1,708,350,122	1,613,853,967	1,534,507,912
Total revenue	193,264,327	231,709,412	154,995,259
Net profit for the year	80,634,598	138,349,913	57,168,147
Other comprehensive income (loss) for the year	16,173,497	4,832,827	(2,603,166)
Total comprehensive income for the year	96,808,095	143,182,740	54,564,981
Net profit allocated to NCI	49,848,308	85,527,916	35,329,915
Net cash from operating activities	85,797,436	96,328,413	82,647,408
Net cash used in investing activities	(21,631,337)	(78,184,077)	(43,893,097)
Net cash used in financing activities	(41,389,401)	(20,350,627)	(19,421,033)
Net increase (decrease) in cash and cash equivalents	22,776,698	(2,206,291)	19,333,278

(b) EACCI and FEUAI

Prior to 2017, EACCI issued its newly authorized preferred shares to EAEFI, a related party under common management. In 2020 and 2019, EACCI also issued additional authorized preferred shares to NREFI, a related party under common management. Total cost of preferred shares issued and outstanding amounts to P1.2 billion as of May 31, 2025, 2024 and 2023.

In 2021, 2020 and 2019, FEUAI issued its newly authorized preferred shares to EAEF. Total cost of preferred shares issued and outstanding amounts to P750.0 million as of May 31, 2025, 2024 and 2023.

Both non-controlling interests in EACCI and FEUAI relate to non-voting shares.

EACCI and FEUAI's preferred shares have the following features:

- Holder of the preferred stock have no pre-emptive right to subscribe to any or all issues or other disposition of shares of common stock or preferred stock of EACCI or FEUAI, including treasury stock, if any;
- Subject to availability of retained earnings and sufficient cash as may be determined by EACCI's BOT or FEUAI's BOD, holders of the preferred stock are entitled to receive, out of unrestricted retained earnings of the EACCI or FEUAI, non-cumulative dividends at the rate of 2.5% per annum based on the issue value of each share, payable annually on such date as may be determined by the EACCI's BOT or FEUAI's BOD from time to time;
- Preferred stock shall be non-voting (except in instances specifically provided by law) and non-participating as to the payment of dividends;

- (d) Preferred stock may be redeemed at the option of the issuer regardless of the existence of unrestricted retained earnings at an issue price equal to the issue value and under terms and conditions as determined by the EACCI's BOT or FEUAI's BOD; and,
- (e) In the event of any voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of EACCI or FEUAI's operations, the holders of preferred stock shall have preference and priority as to the net assets of EACCI or FEUAI or proceeds thereof over the holders of common stock.

During the years ended May 31, 2025, 2024 and 2023, the BOT of EACCI declared cash dividends to all of their stockholders. Accordingly, the holders of its preferred stocks received P30.0 million from each of the said declarations in 2025, 2024 and 2023.

A summary of financial information of FEUAI and EACCI as of and for the years ended May 31, 2025, 2024 and 2023, before intragroup eliminations are shown below and in the succeeding page (in thousands).

(Amounts in PHP)

	<u>EACCI</u>	<u>FEUAI</u>
<u>May 31, 2025</u>		
Current assets	3,985,266	912,731
Non-current assets	2,100,672	1,427,288
Current liabilities	938,373	200,799
Non-current liabilities	1,105,577	187,500
Total equity	4,980,361	1,951,719
Total revenue	1,425,856	472,871
Net income for the year	807,456	176,301
Other comprehensive income (loss) for the year	6,054	-
Total comprehensive income for the year	813,510	176,301
Net cash from operating activities	1,155,312	298,076
Net cash used in investing activities	(299,813)	(318,726)
Net cash used in financing activities	(200,453)	(20,649)
Net increase in cash and cash equivalents	<u>655,046</u>	<u>(41,299)</u>

<i>(Amounts in PHP)</i>	<u>EACCI</u>	<u>FEUAI</u>
<u>May 31, 2024</u>		
Current assets	2,291,364	617,051
Non-current assets	2,573,664	1,509,600
Current liabilities	323,376	167,621
Non-current liabilities	222,516	-
Total equity	4,319,136	1,959,030
Total revenue	1,284,468	428,389
Net income for the year	727,257	110,366
Other comprehensive income (loss) for the year	21,632	-
Total comprehensive income for the year	748,889	110,366
Net cash from operating activities	633,663	262,625
Net cash used in investing activities	(387,521)	(18,852)
Net cash used in financing activities	<u>(224,526)</u>	<u>187,082</u>
Net increase in cash and cash equivalents	<u>21,616</u>	<u>430,855</u>
<u>May 31, 2023</u>		
Current assets	1,579,166	155,078
Non-current assets	2,668,331	1,608,649
Current liabilities	252,371	111,431
Non-current liabilities	264,834	-
Total equity	3,730,292	1,651,965
Total revenue	1,041,998	337,890
Net income for the year	616,109	61,445
Other comprehensive income (loss) for the year	(489)	-
Total comprehensive income for the year	615,620	61,445
Net cash from operating activities	705,167	225,497
Net cash used in investing activities	(94,162)	(12,721)
Net cash used in financing activities	<u>(264,151)</u>	<u>(147,928)</u>
Net increase in cash and cash equivalents	<u>346,854</u>	<u>64,848</u>

(c) Edustria

Upon incorporation of Edustria, the Parent Company subscribed to 255.0 million shares at P1.0 par value, representing 51% of the 500.0 million total issued and outstanding shares of Edustria, of which 70% was settled. In 2023, the remaining 30% of the total subscribed shares of Edustria amounting to P150.0 million was paid by the Parent Company and NCI according to their respective percentage shares.

The NCI of Edustria, amounting to P151.2 million as of May 31, 2025 and P168.8 million as of May 31, 2024, and P187.7 million as of 2023, is presented as part of Non-controlling Interest in the consolidated statement of financial position.

A summary of financial information of Edustria as of and for the years ended May 31, 2025, 2024 and 2023, before intragroup eliminations are shown below:

<i>Amounts in PHP</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current assets	26,386,012	28,513,848	60,523,058
Non-current assets	332,974,308	319,391,494	335,497,422
Current liabilities	14,059,497	3,366,522	12,131,892
Non-current liabilities	12,297,718	-	843,916
Total equity	308,503,105	344,538,820	383,044,672
Total revenue	8,397,323	4,328,063	8,082,398
Net loss and total comprehensive loss for the year	(36,035,716)	(38,505,852)	(36,484,632)
Net loss allocated to NCI	(17,641,110)	(18,867,867)	(17,877,470)
Net cash used in operating activities	(11,869,673)	(18,135,924)	(14,533,835)
Net cash used in investing activities	(4,203,168)	(4,050,603)	(297,576,091)
Net cash from (used in) financing activities	13,842,207	(10,148,505)	140,355,568
Net decrease in cash and cash equivalents	(2,230,634)	(32,335,032)	(171,754,358)

24. EARNINGS PER SHARE

Earnings per share (EPS) amounts were computed as follows:

<i>Amounts in PHP</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net profit attributable to owners of the parent company	2,054,318,022	1,940,338,894	1,866,741,062
Divided by weighted average number of shares outstanding, net of treasury stock of 189,446 as of May 31, 2025, 183,902 as of May 31, 2024, and 136,730 as of May 31, 2023	23,903,861	23,916,803	23,956,863
Basic and diluted EPS	85.94	81.13	77.92

The weighted average number of shares outstanding as of May 31, 2025, 2024 and 2023 is computed below:

	Number of Shares	Months Outstanding	Weighted Number Of Shares
Balance at June 1, 2024	23,909,192	12	286,910,304
Purchase of treasury stock during the period –			
June 2024	(4,174)	12	(50,088)
July 2024	(1,200)	11	(13,200)
February 2025	(170)	4	(680)
	<u>23,903,648</u>		286,846,336
Balance at May 31, 2025			
Divided by total months during the year			<u>12</u>
Weighted average number of shares outstanding as of May 31, 2025			<u>23,903,861</u>
Balance at June 1, 2023	23,956,364	12	287,476,368
Purchase of treasury stock during the period –			
June 2023	(1,560)	12	(18,720)
August 2023	(45,576)	10	(455,760)
November 2023	(36)	7	(252)
	<u>23,909,192</u>		287,001,636
Balance at May 31, 2024			
Divided by total months during the year			<u>12</u>
Weighted average number of shares outstanding as of May 31, 2024			<u>23,916,803</u>
Balance at June 1, 2022	23,957,648	12	287,491,776
Purchase of treasury stock during the period –			
October 2022	(1,000)	8	(8,000)
January 2023	(284)	5	(1,420)
	<u>23,956,364</u>		287,482,356
Balance at May 31, 2023			
Divided by total months during the year			<u>12</u>
Weighted average number of shares outstanding as of May 31, 2023			<u>23,956,863</u>

The University has no potential dilutive common shares as of May 31, 2025, 2024 and 2023; accordingly, the diluted EPS is the same as the basic EPS in all the years presented.

25. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group aims to provide returns on equity to shareholders while managing operational and strategic objectives. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtain debt financing.

The Group defines capital as paid-in capital stock and retained earnings, both appropriated and unappropriated. Other components of equity such as treasury stock and revaluation reserves are excluded from capital for purposes of capital management. The BOT has overall responsibility for monitoring of capital in proportion to risks. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business, operation and industry.

The University monitors capital on the basis of debt-to-equity ratio, which is calculated as total liabilities excluding deferred revenues divided by total adjusted equity (comprised of capital stock and retained earnings) attributable to owners of the parent company. Capital for the reporting periods under review is summarized below:

<i>Amounts in PHP</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total adjusted liabilities	3,160,150,071	3,794,030,831	3,667,767,018
Total adjusted equity attributable to owners of the parent company	<u>13,169,581,862</u>	<u>11,880,183,296</u>	<u>10,704,939,122</u>
Debt-to-equity ratio	<u>0.24 : 1.00</u>	<u>0.32 : 1.00</u>	<u>0.34 : 1.00</u>

The Group's goal in capital management is to maintain a lower liability compared with its adjusted equity or debt-to-equity structure ratio of not more than 1.00 : 1.00. This is in line with the Group's bank covenants related to its borrowings, which requires the Group to maintain debt-to-equity ratio of not more than 2.00 : 1.00 and debt service coverage ratio of at least 1.2x (see Note 14).

The Group has complied with its covenant obligations, including maintaining the required debt-to-equity ratio and debt service coverage ratio for all the years presented.

There was no significant change in the Group's approach to capital management during the year.

26. MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

26.1 *Basis of Consolidation*

The Group's consolidated financial statements comprise the accounts of the University and its subsidiaries as enumerated in Note 1.1, after the elimination of intercompany transactions.

The following subsidiaries prepare their financial statements for their respective reporting periods using consistent accounting principles as that of the University:

<u>Subsidiaries:</u>	<u>Reporting Period*</u>
FRC	March 31, 2025
RCEE	March 31, 2025
FECSI	May 31, 2025
FEU High	May 31, 2025
RCI	May 31, 2025
Edustria	May 31, 2025
EACCI	June 30, 2025*
FEUAI	June 30, 2025*

**included in the Group's May 31, 2025 consolidated balances*

These subsidiaries follow their respective school years (i.e., trimestral and semestral), hence, the use of different reporting dates (non-coterminous year-ends) as compared with that of the University.

The University accounts for its investments in subsidiaries and NCIs as follows:

(a) *Investments in Subsidiaries*

Subsidiaries are entities over which the University has control. The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

The acquisition method is applied to account for acquired subsidiaries (see Note 26.2).

(b) *Investment in Associates and a Joint Venture*

Investments in associates and joint venture are initially recognized at cost and subsequently accounted for using the equity method from the date on which the entity becomes an associate or when the joint venture entity is established.

(c) *Transactions with NCIs*

The Group's transactions with NCIs that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the Group in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share in the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments in NCIs result in gains and losses which the Group also recognizes in equity.

26.2 Business Combinations

Business acquisitions are accounted for using the acquisition method of accounting.

The University recognized goodwill arising from the acquisition of RCI in May 2016. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition, except for lease liabilities which are measured based on the present value of the remaining lease payments as if the acquired lease were a new lease at acquisition date and right-of-use assets which are measured at an amount equal to the recognized lease liability, adjusted to reflect favorable or unfavorable lease terms compared with market terms. For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

26.3 Segment Reporting

In identifying its operating segments, management generally follows the Group's service lines as disclosed in Note 4, which represents the main services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

26.4 Financial Instruments

(a) *Financial Assets*

(i) *Classification, Measurement and Reclassification of Financial Assets*

The Group's financial assets include financial assets at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss.

Financial Assets at Amortized Cost

Where the business model is to hold assets to collect contractual cash flows, the Group assesses whether the financial instruments' cash flows represent Solely Payments of Principal and Interest (SPPI). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement [see Note 27.1(e)]. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Financial Assets at FVOCI

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified as FVTPL. The Group has designated certain equity instruments as at FVOCI on initial recognition.

Financial Assets at FVTPL

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

(ii) *Impairment of Financial Assets*

The Group applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all tuition and other school fee receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets.

For debt instruments measured at FVOCI and at amortized cost, the allowance for credit losses is based on the ECL associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since the origination of the financial asset. In such case, a lifetime ECL for a Purchased or Originated Credit Impaired (POCI) asset is recognized, and the allowance for credit losses is based on the change in the ECL over the life of the asset. The Group recognized a loss allowance for such losses at each reporting date.

The Group's definition of credit risk and information on how credit risk is mitigated by the Group are disclosed in Note 15.2.

(b) *Financial Liabilities*

Financial liabilities, which includes interest-bearing loans, trade and other payables (except tax-related liabilities, Deposits payable and NSTP trust fund), and Refundable deposits (presented under Other Non-current Liabilities) are recognized when the Group becomes a party to the contractual terms of the instrument.

26.5 Real Estate Held-for-Sale

Acquisition costs of raw land intended for sale, including other costs and expenses incurred to effect the transfer of title of the property as well as related property development costs, are accumulated in this account.

Real estate held-for-sale is carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete and the estimated costs necessary to make the sale.

26.6 Property and Equipment

Property and equipment, except land, are carried at acquisition cost or construction cost less subsequent depreciation and any impairment losses. Land held for use in administration is stated at cost less any impairment losses.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets as follows:

Building and improvements	20 years
Furniture and equipment	3 to 6 years
Miscellaneous equipment	5 years

Leasehold improvements are amortized over the estimated useful lives of 20 years or the remaining term of the lease, whichever is shorter.

Construction in progress represents assets currently under development and is carried at cost, less of any impairment. Cost includes construction expenditures, directly attributable costs, and borrowing costs incurred during the construction period. These assets are not depreciated until they are completed and available for their intended use.

26.7 Investment Properties

Investment properties of the Group, including those held by the parent entity, are carried at cost less accumulated depreciation and impairment, if any. These primarily consist of buildings and improvements, depreciated using the straight-line method over an estimated useful life of 20 years.

Investment properties also include construction in progress, such as condominium units of FRC, which are stated at cost. This includes construction costs, applicable borrowing costs, and other directly attributable expenses.

26.8 Revenue and Expense Recognition

Revenue arises mainly from: (i) educational and related activities such as tuition and other school fees, income from sale of books and other merchandise, rental income from real estate and school campus' food concessionaires; and (ii) investment-related transactions such as investment income, dividend income from Financial Assets at FVTPL and at FVOCI, interest income and others.

The management determined that the revenues arising from educational and related activities are within the scope of PFRS 15, while rental income is covered by PFRS 16 (see Note 26.9). Investment-related revenues are subject to the provisions of PFRS 9 (see Note 26.4).

The Group enters into transactions involving the tuition fees and other school fees and other school-related activities such as sale of school merchandise and books, and sale of real estate. There are no significant judgments used in determining the transaction price and the amount allocated to the performance obligations. Developing the knowledge and enhancing the abilities of the students represent promises to transfer a series of distinct service that are substantially the same and that have the same pattern of transfer to the customer; therefore, the services rendered represent one performance obligation that is satisfied over time. The transaction price of the single performance obligation is recognized as revenue as the performance obligation is satisfied, which is usually throughout the school year or the semestral/trimestral period, whichever is applicable. With respect to the sale of school merchandise and books, the obligation is satisfied when the goods, particularly the merchandise and books are delivered to the customers. Hence, revenue is recognized at a point in time. As for real estate sales, the obligation is satisfied at the point the control over the properties is transferred by the FRC to the buyers.

In addition, the following specific recognition criteria must also be met before revenue is recognized [significant judgments in determining the timing of satisfaction of the following performance obligations are disclosed in Note 27.1(b)]:

- (a) *Educational revenues* – Revenue is recognized in profit or loss over the corresponding school term. Tuition fee received in advance and applicable to a school term after the reporting period is not recognized in profit or loss until the next reporting period and is presented as part of Deferred Revenues account in the consolidated statement of financial position. Payment for tuition fees is due upon enrollment, which is before the school year starts, and can be made either in full payment or installment.

Revenues from NSTP trust fund are recognized upon fulfillment of conditions attached to the fund and/or extent that the related expenses have been incurred. Restricted funds for which restrictions and conditions have not yet been met are classified as NSTP and other funds (liability) recorded as part of the Trade and Other Payables account in the consolidated statement of financial position.

- (b) *Sale of books and other educational-related merchandise* – Revenue is recognized at a point in time when the control of the goods have been passed to the buyer. This is generally when the customer has acknowledged delivery of goods. The sale of this merchandise is made for the Group's students. Payment for the transaction price is due immediately at the point of purchases and recorded as part of Other income – net presented in the consolidated statements of profit or loss.
- (c) *Other fees* – This pertains to but not limited to transcripts, certification and graduation fees and fees for diplomas and identification cards. Revenue is recognized at the point in time when the related academic document is made available to requestors. Official receipts for the services are issued once request from students have been fulfilled.
- (d) *Real estate sales* – This pertains to sale of lots and completed townhouses of FRC. Revenue is recognized at the point the control to the property is passed to the customer, that is, when the property is transferred to the buyer as part of Other operating income in the consolidated statement of profit or loss.

In obtaining customer contracts, the Group incurs incremental costs. As the expected amortization period of these costs, if capitalized, would be less than one year, the Group uses the practical expedient in PFRS 15 and expenses such costs as incurred. The Group also incurs costs in fulfilling contracts with customers. However, as those costs are within the scope of other financial reporting standards, the Group accounts for those costs in accordance with the applicable PFRS Accounting Standards.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date such cost and expenses are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset.

26.9 Leases

The Group accounts for its leases as follows:

(a) Group as Lessee

Subsequent to initial recognition, the Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) Group as Lessor

The University applies judgment in determining whether a lease contract is a finance or operating lease.

26.10 Impairment of Non-financial Assets

The Group's property and equipment, investment properties, investments in associates and a joint venture and certain other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is tested for impairment annually.

26.11 Events after the Reporting Period

Subsequent events that provide further evidence of conditions existing at the reporting date are incorporated into the Group's consolidated financial statements. Non-adjusting events, which arise after the reporting date and do not affect the financial position as of that date, are disclosed in the notes to the consolidated financial statements when considered material.

26.12 Earnings per Share

The Group presents earnings per share data for its common shares in the consolidated financial statements in accordance with PAS 33, Earnings per Share. Basic earnings per share is computed by dividing the net income attributable to equity holders of the parent by the weighted average number of common shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. The Group has no dilutive potential common shares; thus, basic and diluted earnings per share are the same for all periods presented.

26.13 Income Taxes

The Group also complies with the requirements of Revenue Regulations No. 15-2010, which mandate disclosures of taxes, duties, and license fees paid or accrued during the year. Income tax expense includes current and deferred taxes.

Current tax is based on taxable income for the year using applicable tax rates. Deferred tax is recognized on temporary differences between financial and tax reporting, using the balance sheet liability method. Deferred tax assets are recognized when it is probable that future taxable income will allow recovery. Taxes related to items in other comprehensive income or equity are recognized accordingly.

26.14 Retirement Benefit Obligations

The Group provides post-employment benefits to employees through defined benefit plan and defined contribution plan subject to a minimum guarantee required by R.A. 7641, *The Retirement Pay Law*, which is accounted for as defined benefit plan. Such application of the minimum guarantee prescribed by RA 7641 is based on the interpretations issued by the Philippine Interpretations Committee (PIC) in its Question and Answer on PAS 19 – *Accounting for Employee Benefits Under a Defined Benefit Contribution Plan Subject to the Requirements of R.A. 7641*.

The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required age with the required credited year of service based on the provisions of RA 7641.

Accordingly, the Group accounts for its retirement obligations at each reporting date under the higher of the defined benefit obligation relating to the minimum guarantee and the sum of defined contribution liability and the present value of any excess of the projected defined benefit obligation over projected defined contribution obligation.

The defined benefit obligation and the present value of the excess of the projected defined benefit obligation over the defined contribution obligation are calculated by a qualified independent actuary using the projected unit credit method. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

The defined contribution liability, on the other hand, is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income.

The Group complies with Republic Act No. 7641, Retirement Pay Law, which mandates retirement benefits for qualified private sector employees in the absence of a formal retirement plan. Employees who have rendered at least five years of service and reach the age of 60 (optional) or 65 (compulsory) are entitled to a minimum retirement pay equivalent to one-half month salary for every year of service. This includes 15 days' pay, one-twelfth of the 13th month pay, and the cash equivalent of five days of service incentive leave.

Where formal retirement plans exist, the Group ensures that benefits provided are equal to or greater than those required under RA No. 7641. For entities without formal plans, actuarial valuations are performed to estimate the obligation, and funding is made available upon employee retirement.

27. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

27.1 Critical Management Judgements in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation. Presented below and in the succeeding pages are the judgments that have the most significant effect on the amounts recognized in the consolidated financial statements.

(a) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of buildings, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Group did not include the renewal period as part of the lease term for leases of university buildings because the terms are renewable upon the mutual agreement of the parties.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(b) Determination of Timing of Satisfaction of Performance Obligations

The management determines that its revenue from tuition fees shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the students. This demonstrates that the customers simultaneously receive and consume the benefits as the Group performs its obligation.

With respect to revenues from sale of merchandise and books and various other school-related fees, the management deems that revenues shall be recognized at a point in time as control over the goods, particularly the merchandise, books and requested documents is transferred to the customers upon delivery.

With respect to sale of lots and completed townhouses, the Group satisfies the performance obligation at the point in time when the property is transferred to the customer (i.e., upon acknowledgment of the customer).

(c) *Determination of ECL on Tuition and Other Fee Receivables*

The Group uses a provision matrix to calculate ECL for tuition and other fee receivables. The loss rates are based on actual credit-impaired student accounts or those which are outstanding for two semesters and have not enrolled for the succeeding term [see Note 15.2(b)].

The Group's management intends to calibrate on an annual basis the matrix to consider the historical credit loss experience with forward-looking information. Details about the ECL on the Group's tuition fees and other receivables are disclosed in Notes 15.2(b) and 6.

(d) *Application of ECL to Investment Securities at Amortized Cost and Financial Assets at FVOCI*

The Group uses a general approach to calculate ECL for all debt instruments at FVOCI and amortized cost. The allowance for credit loss is based on the ECLs associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since origination of the financial instrument, in such case, a lifetime ECL for the instrument is recognized.

The Group has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(e) *Evaluation of Business Model Applied in Managing Financial Instruments*

The Group manages its financial assets based on business models that maintain an adequate level of financial assets to match its expected cash outflows.

In determining the classification of a financial instrument under PFRS 9, the Group developed business models which reflect how it manages its portfolio of financial instruments. The Group's business models need not be assessed at entity level or as a whole but shall be applied at the level of a portfolio of financial instruments and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument under PFRS 9, the Group evaluates in which business model a financial instrument or a portfolio of financial instruments belong to, taking into consideration the objectives of each business model established by the Group as those relate to the Group's investment, or trading strategies.

(f) *Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model*

In determining the classification of financial assets under PFRS 9, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria.

In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

In addition, PFRS 9 emphasizes that if more than an infrequent sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.

(g) *Determination of Control of Entities in which the University Holds Less than 50%*

Management considers that the University has de facto control of FRC even though it holds less than 50% of the ordinary shares and voting rights in the latter. Although the University holds less than 50% of the voting shares of stock of FRC, it has control over FRC because it is exposed or has right to variable returns from its involvement with FRC and it has the ability to affect those returns through its power over FRC. It is able to do this primarily because the University has the power to cast the majority of votes at meetings of the BOD and elect officers of FRC. Accordingly, FRC is recognized as a subsidiary of the University (see Note 1.1).

(h) *Determination of Control of Entities in which the University holds 50%*

Management believes that the University maintains control over FEUAI despite holding only 50% of its ordinary shares and voting rights. This control is achieved through the University's 50% direct ownership and an additional 50% indirect ownership via its interest in EACCI, resulting in an effective 100% ownership of FEUAI.

(i) *Distinction between Investment Properties and Owner-managed Properties*

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity.

Owner-managed properties generate cash flows that are attributable not only to the property but also to other assets used in the process of providing educational services. Some properties comprise a portion that is held to earn rental or for capital appreciation, and another portion that is held for use in the supply of services or for administrative purposes. If a portion can be sold separately (or leased out separately under finance lease), the Group accounts for such portion separately. If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

(j) *Distinction between Real Estate Held for Sale and Investment Properties*

Real estate held for sale comprise of lots that are held for sale in the ordinary course of business (see Note 10). Meanwhile, investment properties (see Note 9) comprised of land and buildings which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Group considers management's intention over these assets in making its judgement.

(k) *Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 28.

27.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are presented below and in the succeeding pages.

(a) *Estimation of Allowance for Impairment of Financial Instruments*

The measurement of the allowance for ECL on financial assets at FVOCI and at investment securities at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses).

Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 15.2.

The Group uses a provision matrix to calculate ECL for its trade receivables which are based on the Group's historical observed default rates. The Group's management intends to calibrate on an annual basis the matrix to consider the historical credit loss experience with forward-looking information.

(b) *Determination of Fair Value Measurement for Financial Instruments*

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

The carrying values of the Group's Financial Assets at FVTPL and at FVOCI and the amounts of fair value changes recognized during the years on those assets are disclosed in Note 7.

(c) *Estimation of Useful Lives of Investment Properties and Property and Equipment*

The Group estimates the useful lives of investment properties and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of investment properties, and property and equipment are presented in Notes 9 and 11, respectively. Based on management's assessment as at May 31, 2025, 2024 and 2023, there is no change in the estimated useful lives of the assets during those years. Actual results, however, may vary due to changes in factors mentioned above.

(d) *Determination of Fair Value of Investment Properties*

Investment properties are measured using the cost model. The fair value disclosed in Note 9 is determined by the Group based on the appraisal report prepared by independent appraisers using the relevant valuation methodology as discussed in Note 9.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

The principal assumptions underlying management's estimation of fair value are those related to the receipt of contractual rentals, expected future market rentals and appropriate discount rates. These valuations are regularly compared to actual to market yield data, and actual transactions by the Group and those reported by the market.

A significant change in these elements may affect the prices and the value of the assets. As of May 31, 2025, 2024 and 2023, the Group determined that there were no significant circumstances that may affect the fair value determination of investment properties.

(e) *Estimation of Impairment of Non-financial Assets*

The Group's policy on estimating the impairment of non-financial assets is discussed in detail in Note 26.10. Though management believes that the assumptions used in the estimation of recoverable amounts are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Based on management's assessment, no impairment loss is required to be recognized on the Group's investment properties, property and equipment, goodwill and certain other non-financial assets as for the years ended May 31, 2025, 2024 and 2023.

As at the acquisition date of RCI on May 12, 2017, the fair value of the University's share in RCI's net identifiable assets amounted to P621.8 million resulting in the recognition of goodwill amounting to P186.5 million. The goodwill arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the University and RCI. The goodwill recognized is subject to annual impairment testing (see Notes 26.2 and 26.10).

For purposes of assessing impairment, the Group determined the value in use of the CGU (that is, RCI) to which the carrying value of goodwill is compared. This methodology is in accordance with PAS 36, *Impairment of Assets*. The management considers that the benefits of acquisition accrue to the University as a whole and not to a specific business unit nor department only.

In determining the value in use, discounted cash flows method was used. Some of the key assumptions that have been considered which have significant impact on the results of the determination of the value in use are as follows:

- RCI will continue as a going concern entity and will have sufficient financial resources to finance its working capital requirements to achieve its projected forecast and to support its business needs;
- RCI's performance forecasts for the next five years from the end of each reporting period;
- In estimating the terminal value of the CGU, long-term growth rate of 1.0% as of May 31, 2025 and 0.8% as of May 31, 2024 and 2023 was used; and,
- In discounting the projected free cash flows, the weighted average cost of capital of 10.28%, 6.95% and 7.19% was used in 2025, 2024 and 2023, respectively.

For the years ended May 31, 2025, 2024 and 2023, the Group has assessed that the recoverable amount of the goodwill of P5.4 billion, P5.8 billion and P5.2 billion, respectively, exceeds its carrying amount. Accordingly, no impairment loss is required to be recognized in 2025, 2024 and 2023.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of goodwill to materially exceed its recoverable amount.

(f) Determination of Recoverability of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Management assessed that the deferred tax assets as at May 31, 2025, 2024 and 2023 are fully recoverable and will be fully utilized within the prescribed periods, except for the related benefits of NOLCO and other temporary differences of certain subsidiaries which are not recognized, because it expects that the Group will generate sufficient taxable profits in the future against which the assets can be applied (see Note 21).

(g) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, expected rate of return on plan assets, salary rate increase and employee turnover rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment defined benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 19(b).

28. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Group:

28.1 Capital Commitments

As of May 31, 2025, 2024 and 2023, FRC has commitments of about P445.1 million, P20.9 million and P36.3 million, respectively, for the condominium units acquired at pre-selling stage that are currently under construction.

28.2 Operating Lease Commitments

(a) *Group as Lessor*

FRC is a lessor under various operating lease agreements with several non-related parties for a period of one to 30 years. FRC also receives customer and security deposits relevant to its leasing activities as a lessor which is recognized under Other Non-current Liabilities in the consolidated statement of financial position.

Future minimum rental receivables which are collectible within one year, excluding contingent rental, under these operating leases amounts to P46.0 million, P8.8 million, and P6.8 million as of May 31, 2025, 2024 and 2023, respectively.

(b) Group as Lessee

The Group is a lessee under operating lease agreements covering rentals of event venues, transportation vehicles and small items of equipment used for various students' and employees' activities. The terms of the lease vary but do not exceed one year.

28.3 Construction Commitments

The Group enters into commitments for its ongoing construction of certain school buildings and other facilities. As of May 31, 2025, 2024 and 2023, the unfulfilled portion of these commitments amounted to P570.1 million, P178.2 million and P63.5 million, respectively.

28.4 Others

As of May 31, 2024, the Group has no record of any litigation not being contested or any that the Group has accepted any liability in relation to labor cases and other civil cases.

There are other contingencies that arise in the normal course of business that are not recognized in the Group's consolidated financial statements. Though Management believes that losses, if any, arising from these commitments and contingencies will not materially affect its financial statements, the University opted to appropriate portion of its retained earnings to cover for such contingencies [see Note 23.4(a)].

The Group has entered into transactions which resulted to obligations that will probably result to an outflow of economic resources. Accordingly, the management has recognized the probable losses as Provisions in its consolidated statement of financial position. However, as allowed by relevant Accounting Standards, the Group did not disclose the nature and details of its provisions because it may prejudice the interest and position currently being taken by the Group.

29. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements of the Group as of and for the year ended May 31, 2025 (including the comparative consolidated financial statements as of and for the years ended May 31, 2024 and 2023) were authorized for issue by the University's BOT on August 19, 2025.

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL SCHEDULES**

The Board of Trustees and the Stockholders
Far Eastern University, Incorporated and Subsidiaries
Nicanor Reyes Street
Sampaloc, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Far Eastern University, Incorporated and Subsidiaries (the Group) as at and for the year ended May 31, 2025, included in this Form 17-A, and have issued our report thereon dated August 19, 2025. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.


Shane Dave D. Tanguin

Partner

CPA Certificate No. 0115818

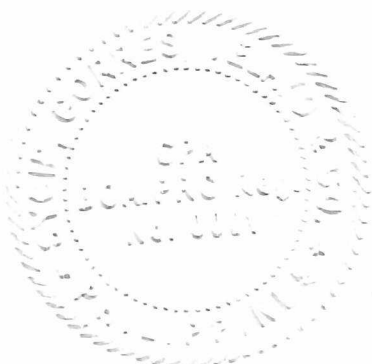
Tax Identification No. 242-153-393

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-157-2024, October 2, 2024, valid until October 1, 2027

PTR No. 10465390, January 2, 2025, Makati City

August 19, 2025

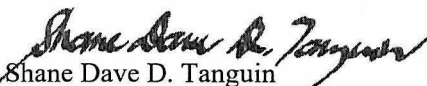


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Trustees and the Stockholders
Far Eastern University, Incorporated and Subsidiaries
Nicanor Reyes Street
Sampaloc, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Far Eastern University, Incorporated and Subsidiaries (the Group) as at and for the year ended May 31, 2025, and have issued our report thereon dated August 19, 2025. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at May 31, 2025 and for the year ended May 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.


Shane Dave D. Tanguin
Partner

CPA Certificate No. 0115818

Tax Identification No. 242-153-393

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

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PTR No. 10465390, January 2, 2025, Makati City

August 19, 2025



FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
INDEX TO SUPPLEMENTAL SCHEDULES
MAY 31, 2025

Statement of Management's Responsibility for the Consolidated Financial Statements

**Independent Auditor's Report on the SEC Supplementary Schedules Filed Separately
from the Basic Financial Statements**

Supplementary Schedules to Consolidated Financial Statements (Form 17-A, Item 7)

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FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

<i>Name of Issuing Entity and Association of Each Issue</i>	<i>Number of Shares or Principal Amount of Bonds and Notes</i>		<i>Amounts Shown on the Statements of Financial Position</i>	<i>Income Received and Accrued</i>
<i>Bank of the Philippine Islands (BPI) Trust Account:</i>				
Government Securities				
FXT10-72	P	7,000,000	P	7,034,546
FXT1069		4,000,000		4,131,278
FXT2023		13,400,000		13,685,177
FXT2014		3,000,000		3,147,160
FXT25-8		4,900,000		5,467,640
FXT2025		4,000,000		4,576,381
FXT2027		5,000,000		5,133,280
FXT1068		4,400,000		4,649,362
FXT17-67		2,000,000		2,038,661
FXT25-6		3,700,000		4,362,898
RTB5-18		5,000,000		5,065,486
FXT10-71		5,000,000		5,123,948
FXT5-78		5,000,000		5,043,556
FXT17-64		5,000,000		4,772,811
FXT17-65		5,000,000		4,760,920
FXT17-71		2,000,000		2,012,017
FXT1067		6,590,000		6,248,606
RTB5-14		5,000,000		4,917,252
FXT2511MR		2,438,971		2,059,275
FXT1060MR		544,188		541,937
RTB5-15		1,000,000		988,861
FXT25-7		350,000		388,120
BPI-NOTES		200,000		11,102,469
UBP - BOND		200,000		11,014,656
RDB-BOND		200,000		11,555,716
BPID-TDT		400,000		22,298,000
US-TBILL		100,000		5,522,368
Corporate Bonds				
SMPH-BOND	P	11,000,000	P	10,982,506
ALI BOND		11,000,000		10,810,121
AC BOND		4,900,000		4,803,747
AP-BOND		5,000,000		4,855,393
CNVRG-BOND		3,800,000		3,739,782
APC-BONDM		2,000,000		1,955,636
RLC-BOND		1,300,000		1,290,211
SMIC-BOND		1,300,000		1,267,124
FLI-BOND		6,000,000		5,993,721
Equity Securities				
<i>Common Shares</i>				
SM		20,037	P	16,730,895
BDO		83,972		13,654,410
BPI		112,980		15,143,817
SMPH		534,580		12,054,779
ALI		382,773		8,803,779
ICT		26,880		10,672,300
TEL		5,340		6,493,440
AC		13,055		7,571,900
JFC		19,550		4,359,650
JGS		58,502		1,168,870
GLO		3,253		5,757,810
MBT		104,572		7,691,271
AEV		35,410		1,221,645
GTCAP		5,010		2,578,560
MER		10,400		5,720,000
PGOLD		21,300		660,300
CNPF		110,500		4,414,475
			P	124,697,901

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

<i>Name of Issuing Entity and Association of Each Issue</i>	<i>Number of Shares or Principal Amount of Bonds and Notes</i>	<i>Amounts Shown on the Statements of Financial Position</i>	<i>Income Received and Accrued</i>
<i>Preferred Shares</i>			
APB2R	6,000	P 15,000,000	
ACPB3	10,000	20,000,000	P 35,000,000
Unit Investment Trust Fund (UITF)			
GOVT.ETF	2,465	P 1,839,050	
IWDA.ETF	2,949	18,515,470	
STF UITF	119,171	20,942,101	
IGOV.ETF	790	3,127,484	
PGUSTIA	9,375	6,788,364	
PIMGBAI	3,215	6,509,719	
BPI USSTF	473	9,169,234	
STF UITF (USD)	17	330,654	P 67,222,076
Totals for BPI Trust Account (FEU)		P 430,260,599	
<i>Bank of the Philippine Islands (BPI) Trust Account:</i>			
Government Securities			
RTB5-18	P 106,500,000	P 107,812,734	
RTB5-16	50,000,000	49,994,480	
RTB5-13	50,000,000	49,870,817	
FXT25-8	37,900,000	42,111,335	
FXT1068	30,300,000	31,804,554	
FXT2025	30,000,000	34,055,818	
FXT2014	23,300,000	24,407,765	
FXT1069	18,000,000	18,547,217	
FXT13-01	20,000,000	19,920,077	
FXT7-67	17,000,000	17,311,252	
FXT25-6	13,100,000	15,441,788	
FXT10-71	12,200,000	12,461,392	
RDB-BOND	9,943,182	10,238,653	
FXT5-78	10,000,000	10,077,180	
FXT1067	8,180,000	7,733,489	
FXT15-1	5,000,000	5,168,360	
FXT7-65	5,000,000	4,765,161	
FXT2023	2,300,000	2,341,147	
FXT25-7	350,000	387,845	
FXT10-73	3,000,000	3,017,154	
ROP	15,384,615	15,894,163	
ROP	16,758,242	17,507,082	
ROP	15,384,615	15,458,844	
Corporate Bonds			
AC-BOND	65,455,951	1,372,978	
ACEN-BOND	57,700,000	13,639,498	
AEV BOND	56,000,000	21,633,928	
ALI BOND	4,655,493	8,706,749	
ALI BOND 3.09%	21,800,000	4,973,077	
ALI BOND 5.095%	17,582,933	5,017,058	
AP-BOND	13,800,000	4,858,173	
BDO-BOND	2,250,000	49,974,250	
BPI-BOND	8,800,000	109,594,413	
CNVRG-BND	3,240,000	3,742,326	
FDC-BOND	5,000,000	8,771,473	
FLI-BND	5,000,000	56,161,350	
JFC-\$BOND	5,000,000	11,507,656	
MBT-NOTE	3,800,000	17,330,093	
RLC BOND 2025	8,800,000	2,096,949	
RLC BOND 2027	2,200,000	2,181,668	
SMCGP-BND	2,100,000	1,945,987	
SMIC-BOND 3.81704%	8,069,845	1,268,619	
SMPH-BOND	1,400,000	42,909,372	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

<i>Name of Issuing Entity and Association of Each Issue</i>	<i>Number of Shares or Principal Amount of Bonds and Notes</i>	<i>Amounts Shown on the Statements of Financial Position</i>	<i>Income Received and Accrued</i>
Corporate Bonds			
EDC -BOND	3,240,000	6,480,000	
SMPH-BOND	14,900,000	23,100,000	
TFS-NOTE	2,250,000	9,000,000	
BDO-BOND	15,455,951	79,035,579	
BPI-NOTES	4,655,493	28,049,541	
Equity Securities			
<i>Common Shares</i>			
SM	32,705	P 28,518,760	
BPI	196,552	25,551,760	
BDO	167,192	25,547,090	
ICT	48,750	20,036,250	
SMPH	972,800	22,812,160	
ALI	548,720	14,815,440	
AC	27,430	15,635,100	
TEL	8,835	10,752,195	
JFC	19,730	4,261,680	
AEV	59,240	2,067,476	
JGS	29,293	585,274	
MBT	193,970	14,062,825	
MER	18,680	10,059,180	
WLCON	769,300	6,923,700	
GLO	5,934	9,980,988	
FGEN	69,300	1,247,400	
CNPF	182,700	7,353,675	
<i>Bank of the Philippine Islands (BPI) Trust Account:</i>			
<i>Preferred Shares</i>			
ACPAR	8,000	P 20,080,000	
ACPB3	10,000	20,160,000	
ACPB4	2,500	5,055,000	
ACENB	3,000	3,210,000	
<i>Mutual Funds</i>			
PGUSTIA	10,150	P 7,461,593	
PIMGBAI	3,950	8,199,345	
AGGG.ETF	32,829	8,314,262	
GOVT.ETF	1,870	2,420,647	
IGOV.ETF	1,440	3,496,065	
IWDA.ETF	4,015	26,610,568	
QQQ.ETF	175	5,437,929	
JPAEDQD	2,292	1,669,621	
WSEENUH	645	1,068,654	
Unit Investment Trust Fund (UITF)			
STF UITF	251,308	P 44,304,814	
BPI USSTF	928	18,238,822	
US-TBILL		107,204,406	
Totals for BPI Trust Account (EACCI)		P 1,532,821,722	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

<i>Name of Issuing Entity and Association of Each Issue</i>	<i>Number of Shares or Principal Amount of Bonds and Notes</i>	<i>Amounts Shown on the Statements of Financial Position</i>	<i>Income Received and Accrued</i>
<i>Banco De Oro (BDO) Trust Account:</i>			
Government Securities			
RETAIL TREASURY BOND (R5-15) IMA	47,000,000	46,474,913	
FXTN 7-62 (IMA-TX)	200,000	18,057,486	
RETAIL TREASURY BOND (R5-17) IMA	85,000,000	85,732,022	
FXTN 10-64 (IMA-TX)	21,800,000	22,415,127	
FXTN 10-63 (TX) IMA	17,000,000	17,174,487	
FXTN 07-71 IMA-TX	10,000,000	10,060,090	
FXTN 10-72 IMA-TX	60,000,000	60,296,131	
FXTN 7-67 (IMA-TX)	18,000,000	7,135,514	
FXTN 10-73 (TX) IMA-FVOCI	7,000,000	20,129,277	
FXTN 07-69 (TX) IMA	10,500,000	10,538,247	
RETAIL TREASURY BOND 15-1 (TX-VTA)	5,500,000	5,534,689	
FXTN 20-14 (TX-IMA)	1,600,000	209,834	
FXTN 20-11 (TX) IMA	20,000,000	1,631,681	
RETAIL TREASURY BOND 10-05 (TX-IMA)	1,000,000	978,229	
ROP 26 (USD)	465,000	26,161,457	
ROP 28N (USD)	1,135,000	63,663,485	
ROP 30 VTA-TX (USD)	350,000	19,435,048	
ROP 32 (USD)	425,000	19,924,657	
ROP 33 (USD)	1,090,000	60,706,149	
Corporate Bonds			
Converge ICT Solutions FRB (IMA-TX)	P 4,900,000	P 4,894,728	
AEV Fixed Rate Bonds (IMA-TX)	8,000,000	5,198,263	
ALI Fixed Rate Bonds (IMA-TX)	3,000,000	2,993,919	
Robinsons Land Corp FRB (IMA-TX)	2,600,000	3,697,802	
Aboitiz Equity (IMA-TX)	1,000,000	999,666	
BDO Fixed Rate ASEAN Bonds IMA	5,000,000	4,996,720	
Aboitiz Power Corp Bonds (IMA-TX)	1,000,000	997,973	
<i>Banco De Oro (BDO) Trust Account (continuation):</i>			
Equity Securities			
Common Shares			
SM	23,168	P 19,345,280	
SMPH	462,325	10,425,429	
BDO	112,733	18,150,013	
ALI	249,481	5,738,063	
AC	12,774	7,408,920	
ICT	50,240	20,598,400	
BPI	101,768	14,155,929	
AP	82,890	2,901,150	
URC	57,536	4,861,792	
MBT	100,233	7,151,487	
GLO	1,000	1,770,000	
TEL	2,552	3,103,232	
RLC	149,540	1,952,992	
MER	15,240	8,382,000	
GTCAP	4,099	2,229,856	
JFC	18,325	4,086,475	
RRHI	53,300	2,014,740	
AEV	74,210	2,560,245	
SECB	140	8,960	
AREIT	169,670	6,795,284	
MREIT	125,700	1,719,576	
PGOLD	47,090	1,459,790	
RCR	745,260	4,903,811	
FILRT	175,500	558,090	
ACEN	72,792	185,620	
JGS	26,100	521,478	
CNVRG.	86,220	1,737,333	
MONDE	103,500	786,600	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

<i>Name of Issuing Entity and Association of Each Issue</i>	<i>Number of Shares or Principal Amount of Bonds and Notes</i>	<i>Amounts Shown on the Statements of Financial Position</i>	<i>Income Received and Accrued</i>
<i>Preferred Shares</i>			
DD	49,000	P	4,799,550
UITF			
BDO-TRUST & INV	16,369	P	28,864,398
BDO Global Equity Index Feeder Fund (BDO GEIFF)	3,204		34,316,290
BDO DOLLAR MONEY MARKET FUND	968		8,614,346
BDO US Equity Index Feeder Fund (BDO USEIFF)	599		5,296,837
Totals for BDO Trust Account (FEU)		P	757,441,562
<i>Banco De Oro (BDO) Trust Account:</i>			
Government Securities			
FXTN 5-77 (IMA-TX)	P 12,000,000	P	11,832,319
FXTN 7-71 (IMA-TX)	10,000,000		10,039,604
FXTN 10-63 (IMA-TX)	18,000,000		18,173,147
FXTN 10-64 (IMA-TX)	18,700,000		19,221,780
FXTN 10-72 (IMA-TX)	50,000,000		50,142,231
FXTN 10-73 (IMA-TX)	20,000,000		20,114,349
FXTN 7-62 (IMA-TX)	45,000,000		45,126,333
FXTN 7-68 (IMA-TX)	50,000,000		51,690,626
RETAIL TREAS BOND (R5-16) TX IMA	65,000,000		64,992,784
RETAIL TREAS BOND (R5-17) TXIVOCI	215,000,000		216,691,465
RETAIL TREASURY BOND 15-1 (TX-IMA)	2,540,000		2,554,863
Corporate Bonds			
Aboitiz Equity Ventures (TXI)	P 3,000,000	P	2,998,998
Aboitiz Power Corp Bonds (TX-I)	1,000,000		997,973
Aboitiz Power Corp Bonds (TX-I)	2,800,000		2,794,324
Aboitiz Power Corp Bonds (TX-I)	30,300,000		30,238,582
Aboitiz Power Corp Bonds (TX-I)	1,000,000		997,973
Aboitiz Power Corp Bonds (TX-I)	60,200,000		60,077,975
Aboitiz Equity Ventures (TXI)	15,800,000		15,794,723
Ayala Corp. Fixed Rate Bond (TX)	800,000		798,378
Ayala Land Corp Bond Trnche2 (I)	3,900,000		3,892,095
BDO Fixed Rate			4,996,720
Converge ICT Solutions FRB	5,900,000		5,893,652
NLEX Corp 7yr (IMA-TX)- HTC	1,620,000		1,617,371
Robinsons Land (RLC0626TXITC)	2,100,000		2,098,753
SMC Series J Bonds	4,400,000		4,380,803
ROP 26	1,050,000		59,682,958
ROP 28N	1,261,000		71,620,275
ROP 32	400,000		19,145,214
ROP 33	1,260,000		71,659,296
Equity Securities			
<i>Common Shares</i>			
SMI	30,140	P	26,282,080
INT	44,845		18,431,295
AYA L	294,100		7,940,700
SMPH	465,110		10,906,830
BDO	99,227		15,161,886
AYA C	14,055		8,011,350
MBT	96,394		6,988,565
FILINVEST REIT	2,953,400		9,450,880
BPI	109,558		14,242,540
PLD	5,085		6,188,445
URC	47,620		4,264,371
GLO	1,255		2,110,910
APC	86,040		3,519,036
JFC	22,080		4,769,280
RL COM	389,830		2,892,539
AC EC	174,095		450,906

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

<i>Name of Issuing Entity and Association of Each Issue</i>	<i>Number of Shares or Principal Amount of Bonds and Notes</i>	<i>Amounts Shown on the Statements of Financial Position</i>	<i>Income Received and Accrued</i>
<i>Banco De Oro (BDO) Trust Account:</i>			
MEC	11,233	P	6,048,971
ROB L	79,524		1,081,526
AEV	44,640		1,557,936
ROB R	37,460		1,451,575
CITI	780,000		2,737,800
MREIT	143,400		1,993,260
MEG	346,880		683,354
AREIT	100,520		4,121,320
PGOLD	34,490		1,241,640
GTCAP	3,629		2,083,046
SECB	13,980		960,426
CPF	32,640		1,313,760
CONV	104,520		2,033,959
JGS	80,000		1,598,400
MNC	388,770		2,876,898
WILCON	61,900		557,100
UITF			
BDO-TRUST & INV	19,694	P	36,666,650
BDO-TRUST & INV (USD)	3,977		41,198,484
Totals for BDO Trust Account (EACCI)		P	1,122,083,279
<i>HSBC Account:</i>			
UITF			
SEI GBL MSTR FD PLC - GBL EQTY USD	66,383	P	92,247,305
SEI GBL MSTR FD PLC - US CORE FX INC	43,696		51,152,038
VINTAGE 2018 CARLYLE LP A USD	500,000		30,767,338
PIMCO INCOME E USD MCSH	53,476		28,081,171
SEI GBL MSTR FD PLC - GBL OPP FX INC USD	22,404		26,202,673
SEI GBL MSTR FD PLC - GBL FX INC FD USD	25,670		25,700,779
HSBC DIVERSIFIED LOAN SCSP RAIF A USD	500,000		4,454,775
SEI GBL MSTR FD PLC - GBL MGD VOL FD USD H	19,088		20,234,267
SEI GBL MSTR FD PLC - SML CAP SEL FD	30,451		18,841,881
SCHRODER ISF GLOBAL CREDIT INCOME A USD MCS	2,901		13,955,189
SEI GBL MSTR FD PLC - HGH YLD FX INC USD	4,489		14,612,186
SEI GBL MSTR FD PLC - EMRG MKTS DBT FD USD	7,902		14,439,766
SEI GBL MSTR FD PLC - EMRG MKTS EQTY USD	5,917		13,975,877
AB SICAV I LOW VOLATILITY EQ AD	8,576		12,282,067
Totals for HSBC Account (FEU)		P	366,947,311

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

<i>Name of Issuing Entity and Association of Each Issue</i>	<i>Number of Shares or Principal Amount of Bonds and Notes</i>	<i>Amounts Shown on the Statements of Financial Position</i>	<i>Income Received and Accrued</i>
<i>Other Investment Accounts</i>			
Equity Securities (BPI Securities)			
<i>Commons Shares</i>			
CEU	2,727,608	P 39,332,107	
FILRT	685,000	2,178,300	
IPO	2,800	16,100	
PHN	1,000	18,200	
Total		P 41,544,707	
UITF (BPI)			
BGF GLO DYN EQUITY FN NON DIS A2	17,720	P 35,007,682	
AB SICAV I-LOW VOL EQ-AD USD	22,460	32,164,720	
JAN HND BAL A USD IN	38,910	29,629,058	
BGF GLOBAL ALLOCATION FN NON DIS A2	6,700	31,018,469	
IGF US Equity (iSHARES GLOBAL INFRASTRUCTURE)	5,400	17,760,357	
IXG US Equity (iSHARES GLOBAL)	3,100	18,815,084	
MORGAN STANLEY INVESTMENT FUNDS	700	9,201,270	
BPI SHORT TERM UITF (owned by FRC)	8,353	1,457,870	
BPI SHORT TERM UITF	1,122	193,824	
BPI US DOLLAR SHORT TERM FUND (owned by FRC)	371	7,341,123	
Total		P 182,589,457	
Corporate Bonds (BPI)			
BDO-BOND (owned by FRC)	1,210,000	P 67,614,646	
US-TBILL USD (owned by FRC)	1,827,000	103,790,067	
ACPM Callable (owned by FRC)	500,000	24,754,481	
US-TNOTE (owned by FRC)	1,053,000	60,371,679	
SMIC-\$BND (owned by FRC)	1,000,000	57,413,668	
MBT-NOTE (owned by FRC)	310,000	17,400,463	
MBT-NOTE (owned by FRC)	5,000,000	5,000,000	
ACPM	200,000	11,149,000	
BPI Notes(owned by FRC)	200,000	11,393,220	
JFC-BOND (owned by FRC)	200,000	11,203,093	
Total		P 370,090,316	
Chinabank			
Century 4.8467% Bond		P 100,000,000	
Total		P 100,000,000	
Others			
Club Share - Anvaya Cove Beach and Nature Club	1	2,000,000	
Club Share - Spa and Lodge at Tagaytay Highlands	1	1,100,000	
Club Share - Tagaytay Highlands The Country Club	1	600,000	
Total		P 3,700,000	
Grand Totals		P 4,907,478,953	P 255,895,589

Note:

The financial assets in this schedule is presented in the 2025 consolidated statement of financial position as follows.

Financial assets at fair value through profit or loss	P 1,656,817,152
Financial assets at fair value through other comprehensive income	2,832,490,291
Investment securities at amortized cost	418,171,510
	P 4,907,478,953

[illegible]

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule C - Amounts Receivable from Related Parties Which are Eliminated During the Consolidation of Financial Statements
MAY 31, 2025

<i>Name and Designation of Debtor</i>	<i>Balance at Beginning of Period</i>	<i>Additions</i>	<i>Deductions</i>		<i>Current</i>	<i>Non-Current</i>	<i>Balance at End of Period</i>
			<i>Amounts Collected</i>	<i>Amounts Written-Off</i>			
FEU							
Reimbursement of expenses	P 165,934,614	-	(P 2,634,396)	P -	P 163,300,218	p -	P 163,300,218
Rental receivable	2,687,750	44,044,259	(37,898,862)	-	8,833,147	-	8,833,147
Dividend receivables	50,000,000	141,889,441	(191,889,441)	-	-	-	-
	<u>P 218,622,364</u>	<u>P 185,933,700</u>	<u>(P 232,422,699)</u>	<u>P -</u>	<u>P 172,133,365</u>	<u>p -</u>	<u>P 172,133,365</u>
FRC							
Rental receivable	<u>P 15,080,049</u>	<u>P 143,676,064</u>	<u>(P 96,868,680)</u>	<u>p -</u>	<u>P 61,887,433</u>	<u>P -</u>	<u>P 61,887,433</u>
FECSI							
Transfer of fixed asset	-	P -	-	P -	P -	P -	P -
	2,692,936	-	2,402,804	-	5,095,740	-	5,095,740
Reimbursement of expenses	<u>P 2,692,936</u>	<u>P -</u>	<u>P 2,402,804</u>	<u>p -</u>	<u>P 5,095,740</u>	<u>P -</u>	<u>P 5,095,740</u>
EACCI							
Reimbursement of expenses	<u>P 2,326,929</u>	<u>P 5,308,306</u>	<u>(P 358,550)</u>	<u>P -</u>	<u>P 7,276,685</u>	<u>p -</u>	<u>P 7,276,685</u>
FEU High							
Collections from students	<u>P -</u>	<u>P 110,000</u>	<u>-</u>	<u>P -</u>	<u>P 110,000</u>	<u>P -</u>	<u>P 110,000</u>
FEUAI							
Reimbursement of expenses	<u>P 186,230</u>	<u>p -</u>	<u>P 54,726</u>	<u>p -</u>	<u>P 240,956</u>	<u>p -</u>	<u>P 240,956</u>

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule D - Intangible Assets / Other Assets
MAY 31, 2025

Description	Balance at Beginning of Period	Additions (Disposals or Deductions) at Cost	Deductions		Other Changes	Balance at End of Period
			Charged to Cost and Expenses	Charged to Other Accounts	Additions (Deductions)	
Intangible Asset						
Goodwill	P 186,487,019	P -	P -	P -	P -	P 186,487,019
Other Current Assets						
Real estate held-for-sale	P 118,782,542	P 4,654,584	P -	P -	P -	P 123,437,126
Short-term investments	86,138,456	23,725,272	-	-	-	109,863,728
Prepaid expenses	82,879,809	48,995,086	-	-	-	131,874,895
Inventories	37,447,650	10,458,948	-	-	-	47,906,598
Input value-added tax (VAT) - net	1,952,717	35,145,647	-	(34,864,866)	-	2,233,498
Others	19,071,715	5,111,728	-	-	-	24,183,443
	P 346,272,889	P 128,091,265	p -	(P 34,864,866)	p -	P 439,499,288
Other Non-current Assets						
Advances to developers and suppliers	P 165,398,381	P -	p -	P 303,142,404	P -	P 468,540,785
Refundable deposits	18,541,875	2,837,710	-	-	-	21,379,585
Others	2,173,477	6,733,512	-	(3,694,963)	-	5,212,026
	P 186,113,733	P 9,571,222	P -	P 299,447,441	p -	P 495,132,396

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule E - Long Term Debt
MAY 31, 2025

<i>Title of Issue and Type of Obligation</i>		<i>Amount Authorized by Indenture</i>	<i>Amount Shown Under Caption "Current Portion of Long Term Debt" in Related Balance Sheet</i>	<i>Amount Shown Under Caption "Long Term Debt" in Related Balance Sheet</i>
Term Loan				
	PN 800050201994 (Interest-bearing loan)	P 542,857,143	P 103,401,361	P 129,251,701
	PN 800050203813 (Interest-bearing loan)	500,000,000	95,238,095	119,047,619
	PN 800050196305 (Interest-bearing loan)	425,000,000	80,952,381	101,190,476
	PN 800050197641 (Interest-bearing loan)	150,000,000	28,571,429	35,714,286
	PN 800050199879 (Interest-bearing loan)	120,000,000	22,857,141	28,571,428
	PN 800050196532 (Interest-bearing loan)	300,000,000	57,142,857	71,428,571
	PN 800050197816 (Interest-bearing loan)	100,000,000	19,047,619	23,809,524
	PN 800050486959 (Interest-bearing loan)*	100,000,000	-	100,000,000
	PN 800050203487 (Interest-bearing loan)	50,000,000	9,523,810	11,904,762
	PN 800050203756 (Interest-bearing loan)	50,000,000	9,523,810	11,904,762
SUB TOTAL - TERM LOAN			P 426,258,503	P 632,823,129
Credit Line				
	PN NO. 800050487218 (Interest-bearing loan)**	100,000,000	100,000,000	-
SUB TOTAL - CREDIT LINE			P 100,000,000	-
GRAND TOTAL			P 526,258,503	P 632,823,129

***Note 1** : RCI's availment of a NEW Term Loan , initial installment payment by Nov 2027 (2.5 years Grace period)

****Note 2** : FEU credit line availment (short term); for conversion to term loan on October 2024

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule F - Indebtedness to Related Parties
MAY 31, 2025

<i>Name of Related Party</i>	<i>Balance at Beginning of Year</i>	<i>Balance at End of Year</i>
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-- Nothing to report --

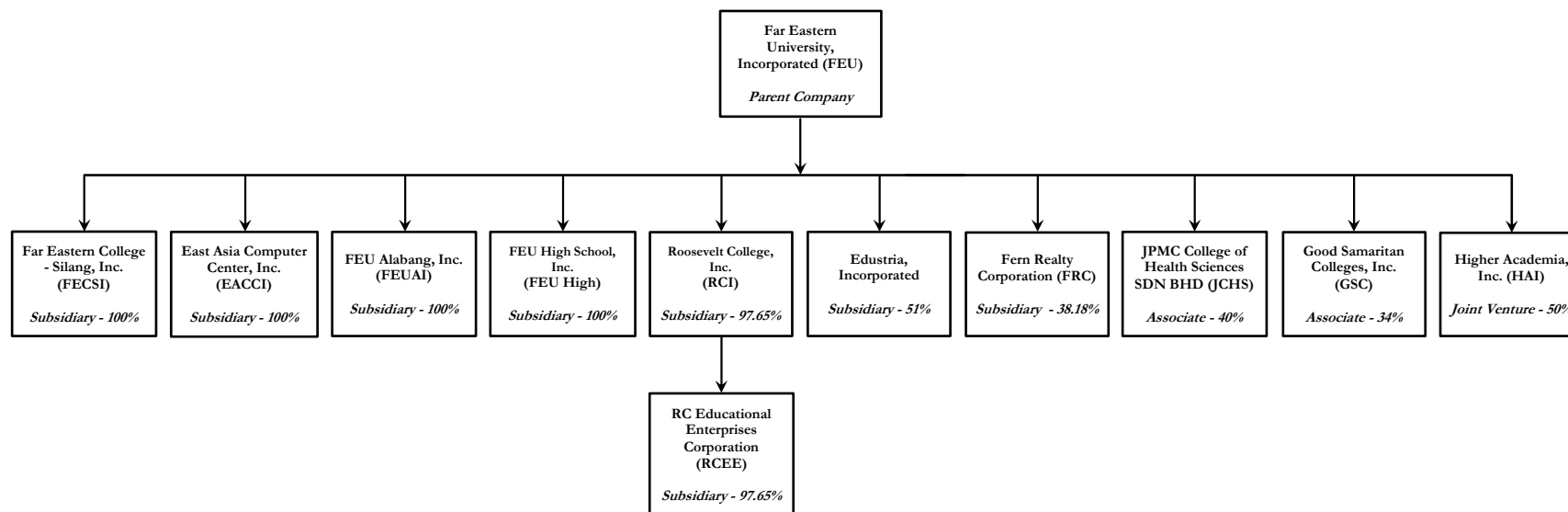
FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule H - Capital Stock
MAY 31, 2025

<i>Title of Issue</i>	<i>Number of Shares Authorized</i>	<i>Number of Shares Issued and Outstanding as Shown Under Related Balance Sheet Caption</i>	<i>Number of Shares Reserved for Options, Warrants, Conversion and Other Rights</i>	<i>Number of Shares Held by Related Parties</i>	<i>Directors, Officers and Employees</i>	<i>Others</i>
Common shares - P100 par value	50,000,000	24,055,763	-	14,627,997	615,977	8,811,789

FAR EASTERN UNIVERSITY, INCORPORATED
Nicanor Reyest St., Sampaloc, Manila
Reconciliation of Retained Earnings Available for Dividend Declaration
MAY 31, 2025

Unappropriated Retained Earnings at Beginning of Year		P 2,575,954,117
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earning Appropriation/s	985,000,000	
Effect of restatements or prior-period adjustments	-	
Others	-	985,000,000
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(769,784,416)	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others	-	(769,784,416)
Unappropriated Retained Earnings at Beginning of Year, as adjusted		2,791,169,701
Add/Less: Net Income (Loss) for the Current Year		931,202,239
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	40,517,046	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	32,871,634	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS	-	
Sub-total		73,388,680
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	32,432,681	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total		32,432,681
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market loss) of financial instrument at FVTPL	32,546,741	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	
Sub-total		32,546,741
Adjusted Net Income/Loss		3,713,962,682
Add: Category D: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total		-
Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares) categories	136,390	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total		136,390
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		P 3,714,099,072

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Map Showing the Relationships Between and Among the University and Its Related Parties
MAY 31, 2025



Note:

Percentages indicated pertain to FEU's effective ownership over the respective related parties, which are also disclosed in the consolidated financial statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Supplemental Schedule of Financial Soundness Indicators
For the Year Ended May 31, 2025
(With Comparative Figures for the Years Ended May 31, 2024 and 2023)

Indicators	Formula	Ratios / Percentages/ Amounts		
		2025	2024	2023
Current ratio	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$	2.44	1.88	2.25
Acid test ratio	$\frac{\text{Cash and cash equivalents} + \text{Trade and other receivables - net} + \text{Investments}}{\text{Total Current Liabilities}}$	2.31	1.79	2.14
Debt-to-asset ratio	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	0.17	0.21	0.22
Equity-to-asset ratio	$\frac{\text{Total Equity}}{\text{Total Assets}}$	0.83	0.79	0.78
Debt-to-equity ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	0.21	0.26	0.28
Assets-to-equity ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	1.21	1.26	1.28
Interest coverage ratio	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$	28.44	21.04	23.22
Return on equity	$\frac{\text{Net Profit}}{\text{Total Equity}}$	14%	14%	15%
Return on assets	$\frac{\text{Net Profit}}{\text{Total Assets}}$	11%	11%	11%
Earnings per share	$\frac{\text{Net Profit}}{\text{Average outstanding shares}}$	P 85.94	P 81.13	P 77.92

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Supplementary Schedule of External Auditor Fee-Related Information
For the Year Ended May 31, 2025
(With Comparative Figures for the Year Ended May 31, 2024)

	<u>2025</u>	<u>2024</u>
Total Audit Fees	P 4,595,360	P 4,774,000
Non-audit service fees:		
Other assurance service	774,500	-
Tax service	-	-
All other service	-	-
Total Non-Audit Fees	<u>774,500</u>	<u>-</u>
Total Audit and Non-audit Fees	<u>P 5,369,860</u>	<u>P 4,774,000</u>