



20  
23

FEU

ANNUAL  
REPORT





## VISION

Guided by the core values of Fortitude, Excellence, and Uprightness  
Far Eastern University aims to be a university of choice in Asia.

## MISSION

Far Eastern University provides quality higher education  
through industry-responsive and outcomes-based  
curricular programs.

FEU produces globally competitive graduates  
who exhibit the core values of fortitude,  
excellence, and uprightness.

FEU promotes sustainable and responsive research,  
extension, heritage and environment stewardship  
towards national and global development.



**20**  
**23** **ANNUAL**  
**REPORT**

FEU

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## FROM THE CHAIRMAN

Finally, we are back to normal post-pandemic times.

FEU was a leader in moving back to mostly face-to-face learning, and to opening up its campuses for healthy student social interaction.

Enrollment was strong at 51,000 students. Financial results across the FEU Group of Schools remained healthy, with a 20% increase in revenue and a 23% increase in Net Income to P 1.9 billion.

Our theme this year is Continuity and Progress.

### STRATEGIC PLAN

Despite two pandemic years, we are generally on track with our 2028 Strategic Plan.

For Distinctiveness with a Purpose, we have key programs in place for digital, academic, and administrative systems, beautiful and vibrant campuses, climate resiliency, and cybersecurity.

For Sustainability, we meet financial and renewable energy goals, while focusing on Succession Planning for our Top Talent and a 400 new Teacher development program.

On the academic side, we expect to retain our CHED autonomous status and now have 14 ASEAN University Network - Quality Assurance (AUNQA) accredited programs. We also exceed our internal goals for PhDs and Masters among our faculty members.

### FINANCIAL RESULTS

Educational revenues increased by 20%, leading to a corresponding 20% increase in Total Revenue to P 5 billion. Net Income grew 23% to P 1.9 billion.

Balance sheet remained healthy with P 17.3 billion in Consolidated Assets, and a 28% Debt/Equity ratio.

FEU manages 2,556 employees group wide, on a two thirds Academic, one third Administrative basis.

### ACADEMIC

Our outgoing President, Dr. Michael Alba, will elaborate on this in his final President's Report.

During his 11-year Presidency, FEU grew significantly, from 3 campuses in 2012 to 10 campuses and 3 joint ventures today.

We rebranded in an eye-catching and conspicuous way, and we now call ourselves the FEU Group of Schools with a "Be Brave" mantra.

Noteworthy were Dr. Alba's crisis management skills in shepherding us through the K-12 transition, the COVID-19 pandemic, and the post-pandemic phase.

Through these all, FEU operated normally, set up Senior High Schools, had among the best-prepared Online Teachers, and was the first to resume primarily face-to-face learning in activity-filled campuses.

FEU added two programs assessed by the ASEAN University Network - Quality Assurance (AUNQA) for a total of 14 programs. Additional programs are lined up for accreditation in SY 2023-24, with Institutional Assessment as the next accomplishment.



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**EDUCATION IS A  
TRANSFORMATIVE  
EXPERIENCE, AND FEU  
WILL DO ITS SHARE TO  
DELIVER A VALUE ADDED  
FEU-TURE LEARNING  
EXPERIENCE FOR OUR  
51,000 STUDENTS!**

On government licensure exams, FEU has consistently shown passing rates above the national average. Top notchers include Nursing with a 97% passing rate.

Our partnerships with JPMC College of Health Sciences in Brunei and Good Samaritan Colleges in Nueva Ecija had creditable first year of operations together.



## STUDENT ACCOMPLISHMENTS

We are proud of the performances of our graduates who were among the Top 10 - Kristine Bernadette Ilao for Medical Technology; Alec Maverick Cruz, Cedrick John Tayson, and Euhannah Karla Bacolod in Accountancy; Jazel Gayona and Ruth Quiestas for Teachers; Patricia Beatrice Dela Cena for Nursing; and John Kirt Baguio for Civil Engineering.

Notable were Philippine Quill Awards of the International Association of Business Communication. Internationally, we had entries in the Goldspire International Film Festival, the Kookai International Film Festival, the Work Film Carnival 2023, and the New Jersey Film awards.

Our students were also awarded Ethics Champ at a Money Market Association of the Philippines Assessment Review. They won the grand prize at the Vision Petron National Student Competition and the UAAP Season 84 Logo Design competition.



Vision Petron National Student Competition Winning Entry:  
*"Ang Tele-Vision ni Future Anim-Ator Kid"*

Health Science and Nursing students won the best Oral Presentation at the 4th Sigma Asia Region conference in Dumaguete, and emerged champion of the 41st Philippine Association of Medical Technologies quiz show. A graduate student won as Outstanding Researcher and Innovative Teacher at the Philippine Association of Professional Teachers and Researchers, Inc.

## INFRASTRUCTURE

The FEU Manila Arts building renovation was completed; this includes a pioneer climbing wall which was inaugurated in September 2023.

Our Chief Information Officer formulated a Technology Resiliency Roadmap standardizing and networking our 10 campus network. This is a major step in institutionalizing FEU's digitalization journey towards administrative efficiency and helpful student customer service.

## CULTURE

Far Eastern University was declared a National Cultural Treasure by the National Commission for Culture and the Arts (NCCA) through Museum Declaration 1-2018. Specifically cited were six buildings, the bronze Vicente Manansala outdoor sculptures, and the Carlos "Botong" Francisco inner works in the FEU Chapel.

## FEU SCORES A RARE GOLDEN TREBLE IN UAAP FOOTBALL





FEU Chorale was awarded by the National Commission for Culture and Arts at the 15th Gawad Ani ng Dangal last February 22, 2023



The FEU Dance Company received the Meritorious Performance Award from *Sayaw Pinoy*, second place in the Dance Supremacy Kings and Queens street dance competition, and runner-up in the UAAP Season 85 Ballroom Formation Dance Competition. In turn, the FEU Chorale was an NCCA recipient of the 15th *Gawad Ani ng Dangal*, or “Harvest of Honors.”



Six buildings in FEU are National Cultural Treasures as declared by the NCCA through Museum Declaration-1-2018



Women's Football Team

## SPORTS

FEU won 9 UAAP championships, including a rare treble in Men's Football, Women's Football, and Boys' Football.

Other championships included Boys' and Girls' Chess, Boys' Basketball, Boys' Volleyball, Boys 3x3 Basketball, and Boys' Beach Volleyball.

FEU also finished a very close second in the Cheerdance Competition. Equally satisfying was seeing 55 student-athletes graduate with college degrees from FEU Manila.



## SUSTAINABILITY AND COMMUNITY EXTENSION

Our financial results continue our track record of Economic Sustainability.

We continue to make steady improvements in the Environmental and Climate Change mitigation space.

Aside from existing significant renewable energy sourced power in FEU Manila and solar installations in FEU Roosevelt, FEU Alabang won a coveted EDGE certification from the IFC denoting a “Green” building.

Also significant was a pivot towards more Social and Corporate Extension projects. FEU partners with the Manila City Jail female dormitory for a Bread of HOPE bakery and after care program for their health, psychological, literacy, and livelihood needs. Project Calatagan in Mindoro is an ongoing Mushroom Cultivation Program, while *iTamTechnolohiya* (Technology) supports coffee, health eye care, and barangays in Catanduanes.



## AWARDS AND ACHIEVEMENTS

“A Guide to Gingers of Sorsogon” authored by Rudolph Valentino Docot and edited by Dr. Sandra Yap emerged winner of the 2022 *Gintong Aklat Awards*’ Science and Technology category.

World Universities with Real Impact (WURI) ranked FEU Tech as 77th Innovative University.

The Institute of Corporate Directors awarded FEU a Golden Arrow in its annual ASEAN Corporate Governance Scorecard (ACGS) ceremony.





FEU Alabang has been recognized as the country's first EDGE-certified academic building

## LOOKING FORWARD

**“Educational Reform”** in the country is badly needed given our well-publicized disastrous international test scores.

At the national level, we have an Edcom2 Second Congressional Commission on Education to review policy, as well as a DepEd initiative to simplify focus areas and curriculum in the Basic Education space. At the FEU level, we will be using this school year to review our own curriculum to make it more responsive to industry and student needs and to help in the United Nations Sustainable Development Goal 4 – inclusive and equitable quality education for all.

**“Talent Management”** will continue to be a core priority as we grow. We practice a policy of mostly internal promotion and selective hiring, and this has paid off with a new President, CFO, Corporate Affairs, Executive Directors and six new deans with impressive credentials. This remains a key component to FEU providing meaningful careers for its faculty and employees.

**“Continuity and Progress”** epitomize what we do. Accessible, Affordable Quality Education has always been our mantra, and we have made steady improvements in the traditional space. Today, we must move forward to enhance twenty first century skills inclusive of critical thinking, digital fluency, effective communication, and transferable job specific skills for continuous self satisfying employment.



**JUAN MIGUEL 'MIKE' LUZ<sup>†</sup>**  
Former Research Fellow of the FEU Public Policy Center and a Trustee of FEU Roosevelt and FEU High School

## SPECIAL THANKS

We salute and remember former Department of Education (DepEd) Undersecretary Juan Miguel Luz, for his insightful comments as former Trustee in the FEU Roosevelt and FEU High School.

We thank Dr. Michael Alba for his 11 years of excellent stewardship, academic improvement, and business expansion for the FEU Group of Schools.

We welcome Mr. Juan Miguel Montinola as FEU's 12th President. Among others, he has been CFO for the past 13 years and is a principal contributor to both the 2015-2020 and 2028 Strategic Plans. We are confident that he will be successful espousing the FEU Values of Fortitude, Excellence, and Uprightness.

Finally, we thank our FEU stakeholders – our students, their parents, our employees, our Board of Trustees, our shareholders, our regulators, and our alumni for guiding us through this volatile world.

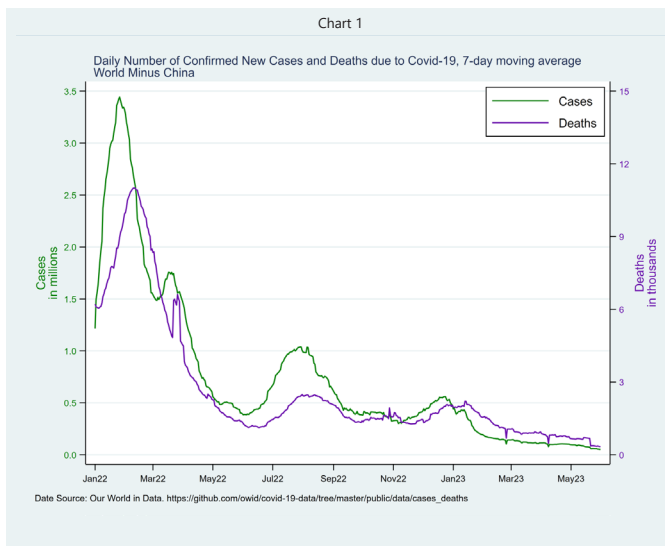
Education is a transformative experience, and FEU will do its share to deliver a value-added FEU-ture Learning experience for our 51,000 students!

Be Brave!

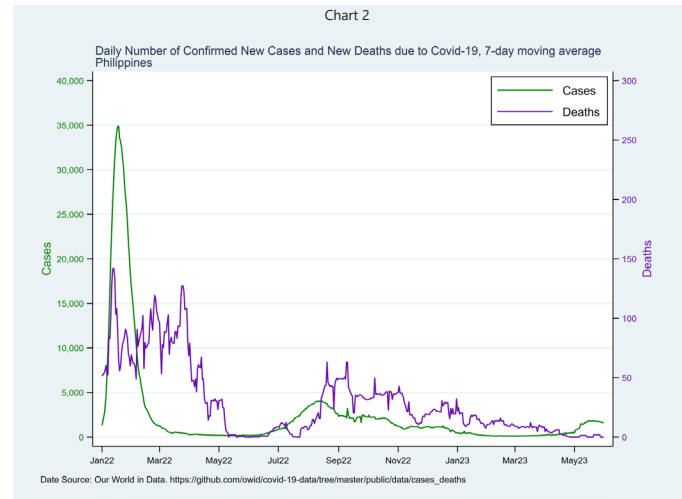
Aurelio Reyes Montinola, III  
**Chairman, Board of Trustees**  
October 2023

## FROM THE PRESIDENT

The “fever” from the global COVID-19 pandemic finally broke in 2022. With millions of people having gained some degree of natural immunity from earlier infection episodes and ramped-up inoculations in many countries using highly effective vaccines that had been developed in record time, in the world outside China the numbers of confirmed new cases and new deaths rapidly declined (Chart 1), even as new, more contagious variants of the SARS-CoV-2 virus continued to emerge.



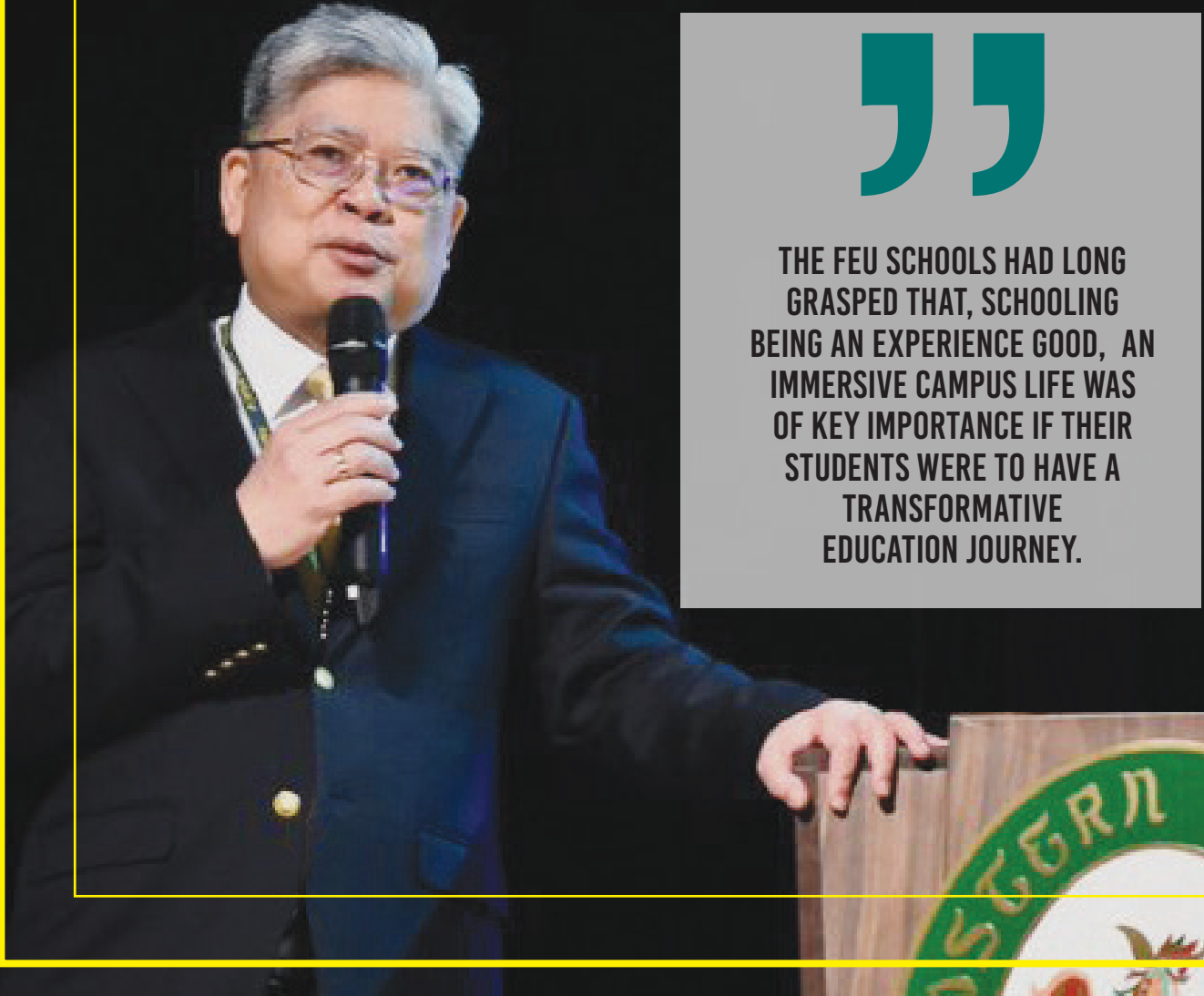
The Philippines more or less followed this global trend. By June 2022 to May 2023 (the reference fiscal year of this report), the country’s COVID-19 disease burden had arguably eased: not only were there significantly fewer confirmed new cases and deaths (Chart 2), anecdotal evidence indicated a much reduced severe-illness incidence, with hospital admissions and intensive-care-unit bed occupancy no longer taxing the country’s medical care resources.



Quick to recognize the shifting winds, the FEU Group of Schools was among the first educational institutions in the country to fully open its campuses and re-normalize in-person schooling. Although well prepared for the remote learning set-up necessitated by the pandemic, the FEU schools had long grasped that, schooling being an experience good,<sup>1</sup> an immersive campus life was of key importance if their students were to have a transformative education journey. Perhaps for this reason – in the first week of classes, students happily, tearfully, boisterously celebrated being physically back on school grounds – groupwide enrollment in School Year (SY) 2022–2023 grew a decent 15%, even after having rebounded by 14.% the previous school year. As a result, the student population of the FEU Group of Schools reached the 51,000 level for the first time in decades.

<sup>1</sup> In economics, an experience good (or service) is defined as one in which at the point of sale buyers do not know the impact on them – in other words, the quality – of the consumption experience. Moreover, the quality of this experience varies across individuals, depending on their acceptance of the good’s proffers.





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**THE FEU SCHOOLS HAD LONG GRASPED THAT, SCHOOLING BEING AN EXPERIENCE GOOD, AN IMMERSIVE CAMPUS LIFE WAS OF KEY IMPORTANCE IF THEIR STUDENTS WERE TO HAVE A TRANSFORMATIVE EDUCATION JOURNEY.**

### **QUALITY ASSURANCE AND DISTINCTIVE INITIATIVES**

Each school refocused on its particular mission in the spectrum of FEU’s strategic plans to maximize its contributions to both the Group’s aspirations (e.g., produce graduates who demonstrate fortitude, excellence, and uprightness, and who are empowered to live meaningful lives and have good career trajectories) and the country’s human resource and education-related societal ambitions (e.g., maximize the demographic dividend and nurture citizenship values).

Far Eastern University (FEU Manila), the flagship institution, continued to steadfastly project academic excellence, to be true to its credentials as an autonomous university – one of only 68 private higher education institutions

(HEIs) to be so conferred in the 2019 (the latest) issuance of the Philippine Commission on Higher Education (CHED) – with 14 of its academic programs successfully assessed by the ASEAN University Network and all except the new offerings certified by either the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) or the Philippine Accrediting Association of Schools, Colleges, and Universities (PAASCU). Moreover, its teacher education programs are a CHED Center of Excellence and its business administration program a CHED Center of Development. Its Institute of Tourism and Hotel Management (ITHM) also has a four-star Center of Excellence accreditation from the Asia-Pacific Institute for Events Management.

To further safeguard this reputation, in SY 2022–2023 FEU Manila effected a major structural change. The Institute of Nursing and the Department of Medical Technology of the Institute of Arts and Sciences were brought together to form the Institute of Health Sciences and Nursing (IHSN), to combine the faculties of the two health sciences and, prospectively, Nutrition and Pharmacy.

In addition, FEU Manila initiated activities that emphasized pedagogy. Drawing on the expertise of its Institute of Education, the Group's heritage campus prepared the faculty to return to face-to-face classes with FEU Craft, a four-day training program that reviewed the principles of FEU's teaching-learning pedagogy and drew implications for student-centered practices in the new normal as differentiated from those during the pandemic years.

To lay the foundations for improving the quality of its training programs, the Academic Development Office beefed up its potential facilitators for both FEU Manila and FEU High School on how to design and implement a training matrix.

Contributing to the enhancement of the FEU schooling experience, Information Technology Services (ITS) developed the Tams Easy Assist Hub (TEAH). TEAH provides a single, online access point for FEU stakeholders to submit all manner of issues and concerns and applies a consistent and systematic approach to handling these, thereby improving the quality of customer services and significantly shortening the average response times of public-facing offices.



### FEU and Bay River College – Canada signing of internship collaboration

Front row (L-R): Senior Vice President for Academic Affairs Dr. Maria Teresa Trinidad P. Tinio, President Dr. Michael M. Alba, Bay River College President Dr. Arshad Mahmood and ITHM Dean Dr. Joy Sheelah B. Era



The Institute of Accounts, Business, and Finance (IABF) and the ITHM, for their part, entered into partnerships with schools in other countries to provide avenues for their students (and faculty) to gain international perspectives, thus enriching their schooling experience. IABF affiliated with Douglas College in Vancouver, British Columbia.

ITHM's students were afforded the opportunity to fulfil their internship requirements at Bay River College (BRC) in Calgary, Alberta. Doing



so earns them professional certifications from the American Hotel and Lodging Educational Institute as well as a BRC diploma.

Possibly due to this academic excellence distinction, FEU Manila was awarded by the CHED an International Professional Education grant. The Innovations in Teaching and Learning toward Industry 4.0 and Smart Nation project is a still ongoing capacity-building program for Philippine higher education with FEU Manila as its host institution and Singapore's Nanyang Polytechnic International as its partner training institution.

FEU Institute of Technology (FIT), the information-technology and engineering arm of the FEU Group, located in Manila, Diliman and Alabang, made notable gains in accreditation and digital transformation. FEU Tech, the Manila campus, ranked 77th in the 2023 Global Top 100 Innovative Universities list of the World University Rankings for Innovations WURI, from 98th in 2022. By category FEU Tech ranked 13th in the Fourth Industrial Revolution, 20th in crisis management, 24th in entrepreneurial spirit, and 47th in ethical value.

FIT developed a major, possibly game-changing Education Innovation Technology Hub (EDITH), a network portal that provides one access point

for all information systems that support the academic needs of students.

On quality assurance, FEU Tech has five of its eight academic programs that are already PAASCU-accredited, four of which are at Level III (Level IV highest). Work towards highest accreditation levels for all programs is ongoing.

BS Computer Science and BS Information Technology are currently compliant (until 2028) with the standards of the Philippine Computer Society Information and Computing Accreditation Board (PICAB), the accrediting agency representing the Philippines in the Seoul Accord. Moreover, as of SY 2022–2023 BS Civil Engineering, BS Computer Engineering, BS Electrical Engineering, BS Electronics Engineering, and BS Mechanical Engineering were compliant with the Washington Accord standards.

For the FEU Group of schools, basic education is offered in FEU High School, FEU Diliman, FEU Alabang, FEU Roosevelt, and FEU Cavite. The noteworthy innovation was the integration of computer programming in the curriculum. The CLICK program is anchored on the following learning objectives: **Coding** to develop critical and creative thinking skills, **Logic or linear thinking** as an approach to problem solving,

Innovativeness, Character building (especially grit and integrity), and Knowledge-based learning. It is intended to attune both teachers and students to 21st century skills through coding.

Python is exclusively used to cover programming basics; flowcharting; games/applications development; databases; SQL keywords; and data processing/manipulation, analytics, and visualization.

In regard to FEU Roosevelt, the significant achievement was a 25% enrolment increase for SY 2021–2022 which was then followed by a 43.1% increase for SY 2022–2023. This development allowed its campuses to enjoy the benefits of scale economies for the first time in a long time – an example of which is a new, multi-story school building in the Marikina campus that was officially opened in February 2022.

## PERFORMANCE IN LICENSURE EXAMS

FEU Manila's first-time examinees continued to do relatively well in Elementary (100%) and Secondary-Level Teaching (83.33%), Nursing (97.82%), and Psychology (100%). However, results in other programs were below FEU's standards implying that teaching and learning in these disciplines were adversely affected by the pandemic. Comprehensive analysis of the results has been deliberated and holistic improvement measures including earlier interventions to underperforming students at onset of their first major subject will be undertaken.

FEU Tech's first-time examinees in the engineering disciplines appear to have likewise been affected by the pandemic. Similar improvement measures are in place.

On the flip side, to be commended was FEU Alabang's inaugural performance in the licensure exam for Mechanical Engineering. Twelve of 13 examinees (or 92.3%) successfully hurdled the August 2023 exam, upstaging FEU Tech's passing rate.



## RESEARCH PUBLICATIONS

The FEU Group research submissions improved by 10% overall to 160 published articles in Scopus- or ISI/WoS- indexed journals but still below the aspired number. FEU Manila's output declined, which was however more than offset by the submissions of FEU Tech and FEU Diliman.

## COMMUNITY EXTENSION SERVICES

FEU as an HEI is by its nature a teaching and learning organization, it develops parallel monitoring and evaluation activities so that the impact of community extension projects may be measured, and others such as nongovernmental organizations may learn from the documentation of such projects.

The CES Projects in SY 2022–2023 include:

- Project HOPE (Harnessing Offenders' Personal Empowerment): This tripartite partnership with female persons deprived of liberty (PDLs) and the jail. The programs in Project Hope





support the aspirations of SDG 2: zero hunger, SDG 11: sustainable cities and communities, SDG 4: quality education, SDG 8: reduced inequalities and a good citizenship program for those to be released.

- Project Mangyan: Adopted because of the Mangyan's cultural and ecological connection with the tamaraw, which is the FEU mascot, this project is meant to uplift the lives and improve the living conditions of the indigenous peoples in Occidental Mindoro. The program supports the aspirations of SDG 2: zero hunger, SDG 8: promote inclusive and

sustainable economic growth, SDG 3: promote good health and well-being and SDG 6: clean water and sanitation for all.

- Project SAM (San Agustin Museum): This collaboration with the museum is intended to address the protection of the world's cultural and natural supporting the aspirations of SDG 11: sustainable cities and communities.



**THE FEU GROUP OF SCHOOLS IS BACK ON COURSE TO ITS PRE-PANDEMIC TRAJECTORY. ITS AMBITION IS UNDIMMED, ITS FUTURE BRIGHT AS EVER.**



## THIRD PARTY ENGAGEMENTS

FEU having contracted the World Bank Group's International Finance Corporation in three projects in April 2022, the consultancy work began in the early months of SY 2022–2023 and continues in earnest in the D4TEP (Digitalization for Tertiary Education Program), which aims to provide the FEU Group of Schools with a roadmap of its digital transformation journey, as well as in Vitae, a 360° assessment that is intended to improve the employability of FEU graduates.

In the EDGE (or Excellence in Design for Greater Efficiencies) initiative, a major milestone was quickly reached when FEU Alabang was awarded the green-building certificate on 9 May 2023, the first academic building in the country to receive the distinction. That the honor was obtained within a few months was a testimony to FEU's having already firmly committed to making its business model, infrastructure and school grounds, and practices and processes sustainable, innovative, and climate-change resilient.

## CONCLUDING REMARKS

In SY 2022–2023 the FEU Group of Schools was among the very first HEIs to reopen its gates for in-person schooling in order to enable students to experience the vibrant campus life that FEU strongly believes is key to students having a transformative schooling journey.

With COVID-19 in retreat, the schools refocused on their missions and, to execute them, pursued academic excellence projects, improved the quality of teaching and learning, developed education-technology and curriculum innovations, improved customer services, raised enrollment levels, attested to sustainability and climate-resilience endeavors, among others. The undertakings were necessary and urgent given the evidence that remote learning during the pandemic years had adversely affected quality standards. The various exertions have initiated positive turns in the direction of recent trends.

The FEU Group of Schools is back on course to its pre-pandemic trajectory. Its ambition is undimmed, its future bright as ever.





## A FINAL WORD

As perhaps readers already know, this is my last president's report. I retired on 31 July 2023, and have been succeeded by President Juan Miguel R. Montinola. Serving as the 11th president of Far Eastern University for ten years and nine months has been the high point of my life, even as that tenure spanned a most challenging decade that saw a surfeit of legislative, regulatory, and public-health shocks to the education sector.

I thank Chair Emeritus Dr. Lourdes R. Montinola, Chair Aurelio R. Montinola III, and the trustees of the various boards of the FEU schools for their trust and support as well as the top management officials, the various deans, academic and non-academic managers with whom I "toiled in the trenches". I also express deep gratitude for the staff of the Chair's and President's Offices, who were my office co-workers and with whom I interacted daily.

To Tamaraw Nation, please know that I did – and still am doing – my level best to carry the flag for FEU. May our beloved university live long and prosper. Far Eastern Onward!

*Michael M. Alba*

Dr. Michael M. Alba  
President





# STRONG PARTNERSHIPS



Far Eastern University (FEU) achieved a significant milestone by signing a memorandum of understanding (MOU) with the University of Zagreb, Croatia, becoming the first academic institution in the Philippines to partner with the Republic of Croatia.

30

No. of International Partners

10

of which were forged in 2022-2023



Altinbas University, Turkey  
Bay River College, Canada  
Hungkuang University, Taiwan  
Ming Chi University of Technology, Taiwan  
Ontario College of Arts and Design OCAD, Canada  
OP Jindal Global University, India  
Suvarnaghumi Institute of Technology, Thailand  
University of Zagreb, Croatia  
Atma Jaya Catholic University, Indonesia  
Universitas Ciputra Surabaya, Indonesia



# DIGITALIZATION OF SERVICES

FEU is leveraging Microsoft's Rapid Application Builder Platform to be able to create applications faster and cost-effective.

## APPS



One-Stop-Shop Mobile application for Student Services



Events Registration and eTicketing



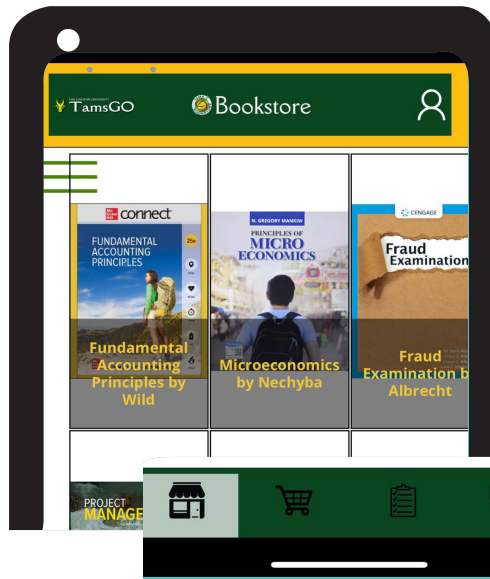
UNIVERSITY HEALTH SERVICES

Covid 19 Vaccination Registration with gate-barring integration



CAFE ALFREDO ORDERING SYSTEM

Online ordering of Cafe Alfredo's food



TAMS BOOKSTORE

Online ordering of FEU Bookstore



FEU TAMS WIFI PORTAL

## OTHER SERVICES



QR CODE



CGMC APPLICATION



FEU SDC ONLINE COUNSELING TELEWELLBEING



STUDENT COUNCIL ELECTION



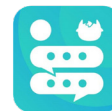
TAMS SERVICEDECK



WRP



FAR EASTERN UNIVERSITY LIBRARY SERVICES



TEAH







# SUSTAINABILITY



# FEU's Commitment to Sustainability: Nurturing Communities, Advancing Education, and Leading by Example



FEU is committed to its mission of promoting and pursuing sustainability and environmental stewardship on a national and global scale. The university actively engages in activities and programs that nurture its community stakeholders and the environment, all while providing wholistic education, creating safe and inclusive workspaces, and ensuring efficient operations. In doing so, FEU aligns with the 2030 Sustainability Development Goals.





## ECONOMIC

The university's strong financial position allows it to continue delivering quality education in a post-pandemic setting and adapt to evolving needs. FEU is well-prepared for the changing landscape of education and technology, ensuring accessible and high-quality education for its constituents.

## ENVIRONMENT

FEU's strategic focus and investments in efficiency resulted to highly efficient district cooling system, totalling 11 out of 12 buildings. Sound maintenance and operating systems, along with energy audits and protocols, maximize efficiency. The use of a Building Management System in the FEUture Building sets a benchmark for efficiency.

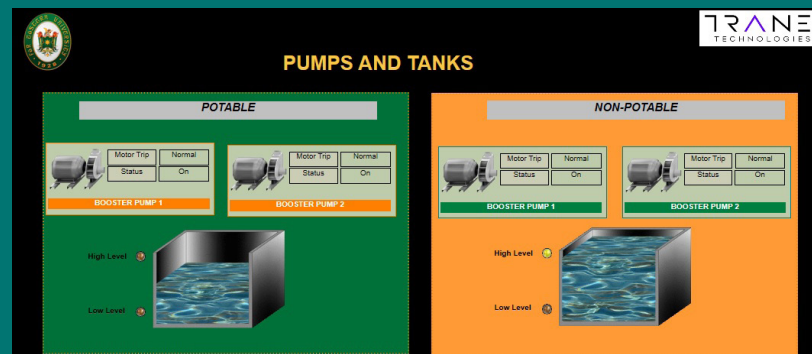
These interventions have reduced power consumption by 6.99% compared to previous full face to face period (SY 2019–2020) and despite a 6.57% increase in student enrollment. This translates to significant cost savings and a substantial reduction in carbon emissions, equivalent to the sequestration of 17,074 mature trees. Furthermore, 35% of the energy used comes from clean, renewable sources.

FEU is also expanding its solar energy capacity, with plans to add 369KW capacity in Marikina and Silang, Cavite.

Additionally, the university complies with the Department of Environment and Natural Resources (DENR) regulations on proper waste management and has diverted 22,000 kgs of

recyclable waste from landfills. FEU is actively addressing food waste in the campus through partnerships, particularly with Soil Mate. This collaboration involves piloting the conversion of food waste from ITHM's Café Alfredo into bokashi organic fertilizers, with plans to expand this sustainable food waste reduction scheme to other campus food outlets.

On water consumption, FEU has harvested over 6,400 cubic meters of rainwater and air conditioning condensate for recycling, resulting in substantial cost savings.







## SOCIAL

FEU is dedicated to "investing in people" and fostering a safe, inclusive, fair, and just environment for its students, faculty, and staff. The university has implemented mechanisms to promote the overall well-being of its constituents and address incidents that violate established norms and policies. These policies and mechanisms include:

- Gender development and sensitivity activities
- Compliance with equality and antidiscrimination laws
- Employment of vulnerable groups, such as the elderly and people with disabilities
- All-gender restroom and multi-faith room policies
- FEU's policy on diversity and inclusion within the community
- Equal opportunities in hiring and advancement. FEU also prioritizes employee development, providing extensive training hours for both female and male employees.

Outside its campuses, FEU, through its Community Extension Services, spearheads numerous programs that support host communities and beyond. These initiatives aim to enhance the skills and livelihood opportunities for individuals, including those who are deprived of liberty (Project Hope), as well as indigenous communities (Project Mangyan).



## GOVERNANCE

FEU was awarded the ASEAN Corporate Governance Scorecard with a Golden Arrow Award by the Institute of Corporate Directors (ICD) based on the criteria of the Philippine Code of Corporate Governance in 2022. This is confirmation that FEU continually reviews its Corporate Governance policies, manual and guidelines, with a focus that these are ingrained in day-day operations. In alignment with its sustainability goals, FEU's governance policies promote responsible investments. The university's leadership has instituted an investment policy that excludes sectors such as tobacco, alcohol, coal, and related industries, which are deemed inconsistent with the Sustainable Development Goals (SDGs). This conscious effort ensures that FEU's investments contribute positively to human well-being, communities, and the environment.

President Juan Miguel R. Montinola (second from the left) receives the Golden Arrow Award







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**FEU Group of Schools was among the very first HEIs to reopen its gates for in-person schooling in order to enable students to experience the vibrant campus life that FEU strongly believes is key to students having a transformative schooling journey**

**–President Michael M. Alba**



# BOARD OF TRUSTEES





**Lourdes R. Montinola, 95, 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, Nicanor Reyes Memorial Foundation, FEU-Dr. Nicanor Reyes Medical Foundation, Inc.; and Board Member, The English Speaking Union and MEMORARE-Manila 1945 Foundation, Inc. She is also a Member of the Oriental Ceramic Society and 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 and an MA in Cultural History from the Asean Graduate Institute of Arts. She completed the Management Development Program for College and University Administrators in the Institute for Educational Management, Graduate School of Education, Harvard University, USA. She obtained her PhD in English: Creative Writing from the University of the Philippines.



**Aurelio R. Montinola III, 72, 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., Far Eastern College Silang, Inc. (FEU Cavite), Nicanor Reyes Educational Foundation, Inc., FEU High School, Inc., FEU Alabang, Inc., Roosevelt College, Inc., East Asia Educational Foundation, Inc., Ramon Magsaysay Award Foundation, and National Golf Association of the Philippines; Vice Chairman, Philippine Business for Education Foundation (PBED); Director, AIA Philippines Life and General Insurance Company, Inc. and Good Samaritan Colleges. 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 is currently a Director of the Bank of the Philippine Islands and Independent Director of Roxas and Company Incorporated, both listed corporations.

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 2005 and 2010 Asian Banker Leadership Award for the Philippines and the MAP Management Man of the Year Award in 2012.



**Michael M. Alba, 66, Filipino:** President (October 2012 to July 2023); Trustee (October 2012 to present), Far Eastern University, Inc.

In the FEU Group of Schools, he was President concurrently of East Asia Computer Center, Inc., Far Eastern College Silang, Inc., (FEU Cavite), FEU Alabang, Inc., FEU High School, Inc., Roosevelt College, Inc., East Asia Educational Foundation, Inc., and Nicanor Reyes Educational Foundation, Inc. He is also the Chairman of Edustria, Inc.; Trustee of the Foundation for Information Technology Education and Development and Director of JPMC College of Health Sciences SDN BHD. His affiliations include, among others: FEU Public Policy Center (President); Philippine Association of Colleges and Universities (Board Member); Coordinating Council of Philippine Educational Associations (Trustee, 2020-2022); Philippine Economic Society (Lifetime Member and President, 2007); Action for Economic Reforms (Fellow); Management Association of the Philippines (Member), and Leadership Council of Sustainability Development Solutions Network, Philippines (Member 2020-2023).

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.



**Antonio R. Montinola**, 70, Filipino: Trustee, Far Eastern University, Inc. (November 2013 to July 2023)

Other Corporate Affiliations: President and Director FERN Realty Corporation and Monti-Rey, Inc.; President, AMON Trading Corp.; Director, Far Eastern College Silang, Inc. (FEU Cavite); and Trustee, FEU Educational Foundation, Inc.

Sports Affiliations: Member, Board of Managing Directors, Universities Athletic Association of the Philippines (UAAP), Manila Golf Club, Tagaytay Midlands Golf Club, and The Rockwell Club; Team Manager, FEU Tamaraws.

He worked with Procter & Gamble and Jardine Davies, Inc. in the Philippines and with General Mills Corp., based in Minneapolis, Minnesota, USA.

Mr. Montinola holds an AB Economics Degree (honors course) from Ateneo de Manila University (1973) and an MBA from Stanford University, Palo Alto, California, USA (1978).



**Paulino Y. Tan**, 77, 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 Educational Foundation, Inc., East Asia Educational Foundation, Inc., East Asia Computer Center, Inc., Lyceum of Batangas, Lyceum of Laguna, SM Foundation, Inc., Asia Pacific Technology Educational Foundation, 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., Foundation for Information Technology Education and Development, Inc., 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.



**Sherisa P. Nuesa**, 68, 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. She also serves as a Senior Adviser to the Boards of Vicsal Development Corporation and Metro Retail Stores Group, Inc.

Ms. Nuesa is also a Board Trustee of the NextGen Organization of Women Corporate Directors (NOWCD) and a Board Adviser and co-founder of Justice Reform Initiative, where she served as Chairman for ten years until 2022 and Vice-Chair until May 2023.

Her past directorships include Ayala Land, Inc. (April 2020 to April 2023), ACEN CORPORATION (formerly AC Energy Inc., 2019 to April 2023), and the ALFM Mutual Funds Group, where she served as President 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 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 also in 2008.



**Jose T. Sio**, 83, 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., Belle Corporation, and Premium Leisure Corporation.

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 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.



**Consuelo D. Garcia**, 68, 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. She also serves as Independent Director of Sunlife Investment Management and Trust Corporation and ING Foundation Philippines, Inc.

Ms. Garcia is also a Member of the Board of Trustees of the FINEX Academy and the Financial Executives Institute of the Philippines (FINEX) where she serves as Liaison Director to the Finex Capital Markets Development Committee and to the Information, Communications and Technology Committee; and member of the Capital Markets Development Council, and a Fellow of the Institute of Corporate Directors.

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. Ms. Garcia previously worked in SGV and in Bank of Boston, Philippine Branch.

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



**Rosario Palanca Blardony**, 66, Canadian: 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.

# EXECUTIVE COMMITTEE

## 2022-2023



**Aurelio R. Montinola III**  
Chairman

**Michael M. Alba**  
Member

**Paulino Y. Tan**  
Member

**Sherisa P. Nuesa**  
Member

**Juan Miguel R. Montinola**  
Member

# 2023 FINANCIAL HIGHLIGHTS





# 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, 2023, 2022 and 2021 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.

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

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 15th day of August, 2023.

**AUG 15 2023**

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2023, 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

Doc. No. 122  
Page No. 24  
Book No. I  
Series of 2023.

**ATTY. FELY JANE P. CATILI**  
NOTARY PUBLIC - CITY OF MANILA  
Notary Commission No. 2023-153  
Valid Until December 31, 2024  
Roll of Attorney's No. 70141  
IBP Lifetime Member Roll No. 017715, 06.21.2017  
PTR No. 0868582, 01.16.2023  
MCLE Compliance No. VII-0013891, 03.29.2022  
TIN-340-171-897  
Rm.310, FEU Administration Bldg.  
Nicanor Reyes St., Sampaloc, Manila

## Report of Independent Auditors

**Punongbayan & Araullo**  
20<sup>th</sup> Floor, Tower 1  
The Enterprise Center  
6766 Ayala Avenue  
1200 Makati City  
Philippines

T +63 2 8988 2288

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

### **Opinion**

We have audited the consolidated financial statements of Far Eastern University, Incorporated (the University) and subsidiaries (together hereinafter referred to as the Group), which comprise the consolidated statements of financial position as at May 31, 2023, 2022 and 2021 and the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended May 31, 2023, and the notes to consolidated financial statements, including a summary of significant accounting policies.

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, 2023, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended May 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS).

### **Basis for Opinion**

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' 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 audits 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.

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Certified Public Accountants  
Punongbayan & Araullo (PGA) is the Philippine member firm of Grant Thornton International Ltd.

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[grantthornton.com.ph](http://grantthornton.com.ph)

Offices in Cavite, Cebu, Davao  
BOA/ PRC Cert of Reg. No. 0002  
SEC Accreditation No. 0002

### **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.

#### **Recognition of Tuition and Other School Fees**

##### *Description of the Matter*

Tuition and other school fees amounted to P4.9 billion, which accounts for 99% of the total revenues of the Group for the year ended May 31, 2023, as shown in the Group's consolidated statements of profit or loss and in Note 16 to the consolidated financial statements. It involves significant volume of transactions and the Group is dependent on its information technology infrastructure in processing such voluminous transactions. Relative to this, any potential misstatements on tuition and other school fees could be material to the consolidated financial statements. Growth in tuition and other school fees is also one of the key measures used to assess the Group's performance. We therefore identified the recognition of tuition and other school fees as a significant risk requiring special audit consideration.

The Group's policy for revenue recognition and significant judgements used by management related to revenue recognition are more fully described in Notes 26 and 27 to the consolidated financial statements.

##### *How the Matter was Addressed in the Audit*

Our audit procedures included, among others, the following:

- Obtaining an understanding of the tuition and other school fees revenue recognition policy of the Group and the related processes and controls, and evaluating the Group's compliance with the requirements of PFRS 15, *Revenue from Contracts with Customers*;
- Testing of design and operating effectiveness of internal controls, including information technology general controls (i.e., security administration, program maintenance and program execution) and application controls, related to the Group's recognition and measurement of tuition and other school fees, including the related scholarship merits and tuition fee discounts, and payments from students;
- Examining students' enrollment transactions (i.e., through examination of tuition bills) and grant of scholarships merits and tuition fee discounts on a sampling basis during the school year;



- Performing revenue cut-off test procedures including, among others, examining tuition bill transactions near period end, and analyzing and reviewing revenue adjustments subsequent to period end to determine whether tuition and other school fees are appropriately recognized in the proper period; and,
- Performing substantive analytical review procedures over tuition and other school fees such as, but not limited to, current year's components of tuition and other school fees (e.g., by student population and by institute or college) as a percentage of total revenues, and yearly and monthly analyses of enrolment transactions based on our expectations, which include corroborating evidence from other audit procedures, and verifying the underlying data used in the analyses are valid and complete.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement) and SEC Form 17-A (but does not include the consolidated financial statements and our auditors' report thereon) and Annual Report for the year ended May 31, 2023. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended May 31, 2023 are expected to be made available to us after the date of this auditors' report.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, 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.

### ***Auditors' 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 auditors' 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 PSA 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 PSA, 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 auditors' 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 auditors' 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 group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 year and are therefore the key audit matters. We describe these matters in our auditors' 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 audits resulting in this independent auditors' report is Mailene Sigue-Bisnar.

**PUNONGBAYAN & ARAULLO**



**By: Mailene Sigue-Bisnar**  
Partner

CPA Reg. No. 0090230  
TIN 120-319-128  
PTR No. 9566627, January 3, 2023, Makati City  
SEC Group A Accreditation  
Partner - No. 90230-SEC (until financial period 2025)  
Firm - No. 0002 (until Dec. 31, 2024)  
BIR AN 08-002511-20-2020 (until Dec. 21, 2023)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

August 15, 2023



**FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**MAY 31, 2023, 2022 AND 2021**  
*(Amounts in Philippine Pesos)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b><u>A S S E T S</u></b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	P 1,698,352,823	P 1,600,121,325	P 1,191,146,185
Trade and other receivables - net	1,034,276,359	897,783,648	799,367,504
Financial assets at fair value through profit or loss	1,834,217,950	1,830,571,990	1,605,507,781
Financial assets at fair value through other comprehensive income	173,575,124	547,401,071	231,920,855
Investment securities at amortized cost	86,521,531	106,110,590	83,206,231
Other current assets - net	264,031,592	279,764,767	250,177,408
	<u>5,090,975,379</u>	<u>5,261,753,391</u>	<u>4,161,325,964</u>
Total Current Assets			
<b>NON-CURRENT ASSETS</b>			
Financial assets at fair value through other comprehensive income	2,016,976,191	1,198,965,979	1,179,709,098
Investment securities at amortized cost	469,112,054	536,853,247	501,560,477
Investment in associates	160,010,728	-	-
Property and equipment - net	8,906,955,473	8,605,591,276	8,887,089,812
Investment properties - net	203,091,499	220,098,346	277,070,909
Goodwill	186,487,019	186,487,019	186,487,019
Deferred tax assets - net	2,266,468	3,921,618	24,756,321
Other non-current assets	228,700,393	260,913,615	203,369,377
	<u>12,173,599,825</u>	<u>11,012,831,100</u>	<u>11,260,043,013</u>
Total Non-current Assets			
<b>TOTAL ASSETS</b>	<b><u>P 17,264,575,204</u></b>	<b><u>P 16,274,584,491</u></b>	<b><u>P 15,421,368,977</u></b>

- 2 -

<b>LIABILITIES AND EQUITY</b>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	P 1,742,085,805	P 1,517,457,628	P 1,527,355,514
Interest-bearing loans	426,258,503	473,163,265	187,619,048
Deferred revenues	72,544,582	73,185,176	33,672,454
Provisions	18,647,254	18,647,254	18,698,054
Income tax payable	5,909,839	4,608,544	494,027
Total Current Liabilities	<u>2,265,445,983</u>	<u>2,087,061,867</u>	<u>1,767,839,097</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	846,769	13,084,637	24,512,241
Interest-bearing loans	1,385,340,137	1,811,598,640	2,284,761,905
Post-employment benefit obligation	63,116,118	49,808,248	47,010,188
Deferred tax liabilities - net	19,170,165	20,314,780	15,116,765
Other non-current liabilities	6,392,428	8,869,958	16,995,892
Total Non-current Liabilities	<u>1,474,865,617</u>	<u>1,903,676,263</u>	<u>2,388,396,991</u>
Total Liabilities	<u>3,740,311,600</u>	<u>3,990,738,130</u>	<u>4,156,236,088</u>
<b>EQUITY</b>			
Equity attributable to owners of the parent company			
Capital stock	2,406,799,300	2,406,799,300	2,406,799,300
Treasury stock - at cost	( 78,632,436)	( 76,660,836)	( 67,194,836)
Revaluation reserves	( 9,225,689)	( 5,358,290)	42,988,357
Other reserves	( 57,785,452)	( 57,785,452)	( 57,785,452)
Retained earnings			
Appropriated	1,463,733,100	1,184,853,389	844,233,100
Unappropriated	6,834,406,722	5,917,341,539	5,186,533,818
Total equity attributable to owners of parent company	<u>10,559,295,545</u>	<u>9,369,189,650</u>	<u>8,355,574,287</u>
Non-controlling interests	<u>2,964,968,059</u>	<u>2,914,656,711</u>	<u>2,909,558,602</u>
Total Equity	<u>13,524,263,604</u>	<u>12,283,846,361</u>	<u>11,265,132,889</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>P 17,264,575,204</u>	<u>P 16,274,584,491</u>	<u>P 15,421,368,977</u>

**FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE YEARS ENDED MAY 31, 2023, 2022 AND 2021**  
*(Amounts in Philippine Pesos)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>			
Educational			
Tuition fees - net	P 4,692,506,459	P 3,910,844,007	P 3,336,317,446
Other school fees	<u>226,778,126</u>	<u>179,221,819</u>	<u>186,108,760</u>
	4,919,284,585	4,090,065,826	3,522,426,206
Rental	<u>21,055,337</u>	<u>43,242,605</u>	<u>10,381,563</u>
	4,940,339,922	4,133,308,431	3,532,807,769
<b>IMPAIRMENT LOSS</b>			
<b>ON FINANCIAL ASSETS</b>	( 55,629,679)	( 58,908,684)	( 254,842,087)
<b>OPERATING EXPENSES</b>	( 3,264,251,021)	( 2,690,747,051)	( 2,485,285,169)
<b>OTHER OPERATING INCOME</b>	<u>35,855,920</u>	<u>7,403,327</u>	<u>1,447,139</u>
<b>OPERATING INCOME</b>	1,656,315,142	1,391,056,023	794,127,652
<b>FINANCE INCOME</b>	182,725,715	134,066,448	190,258,064
<b>FINANCE COSTS</b>	( 101,803,329)	( 63,603,488)	( 106,575,649)
<b>OTHER INCOME - NET</b>	<u>209,990,123</u>	<u>146,629,063</u>	<u>138,482,282</u>
<b>INCOME BEFORE TAX</b>	1,947,227,651	1,608,148,046	1,016,292,349
<b>TAX EXPENSE</b>	( 60,162,102)	( 70,319,366)	( 36,976,292)
<b>NET INCOME</b>	<u>P 1,887,065,549</u>	<u>P 1,537,828,680</u>	<u>P 979,316,057</u>
<b>Net Income Attributable to:</b>			
Owners of the parent company	P 1,866,741,062	P 1,503,734,824	P 965,682,303
Non-controlling interests	<u>20,324,487</u>	<u>34,093,856</u>	<u>13,633,754</u>
	<u>P 1,887,065,549</u>	<u>P 1,537,828,680</u>	<u>P 979,316,057</u>
<b>Earnings Per Share</b>			
Basic and Diluted	<u>P 77.92</u>	<u>P 62.74</u>	<u>P 40.28</u>



**FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED MAY 31, 2023, 2022 AND 2021**  
*(Amounts in Philippine Pesos)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>NET INCOME</b>	<b><u>P 1,887,065,549</u></b>	<b><u>P 1,537,828,680</u></b>	<b><u>P 979,316,057</u></b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<b>Items that will be reclassified subsequently to profit or loss</b>			
Net fair value losses (gains) reclassified to profit or loss on debt securities classified as financial assets at fair value through other comprehensive income	1,816,727	742,189	( 6,722,480)
Net fair value gains (losses) during the year	25,313,000	( 25,192,316)	24,499,049
Tax effect	( 271,297)	244,501	( 311,090)
	<u>26,858,430</u>	<u>( 24,205,626)</u>	<u>17,465,479</u>
<b>Item that will not be reclassified subsequently to profit or loss</b>			
Net fair value gains (losses) on equity securities classified as financial assets at fair value through other comprehensive income	( 26,377,156)	( 28,114,783)	5,602,115
Gains (losses) on remeasurement of post-employment benefit plan	( 5,537,030)	4,745,233	4,629,577
Tax effect	319,142	233,695	( 179,055)
	<u>( 31,595,044)</u>	<u>( 23,135,854)</u>	<u>10,052,637</u>
<b>Other Comprehensive Income (Loss) - net of tax</b>	<b><u>( 4,736,614)</u></b>	<b><u>( 47,341,480)</u></b>	<b><u>27,518,116</u></b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>P 1,882,328,935</u></b>	<b><u>P 1,490,487,200</u></b>	<b><u>P 1,006,834,173</u></b>
<b>Total Comprehensive Income Attributable to:</b>			
Owners of the parent company	P 1,862,873,663	P 1,455,388,177	P 990,629,485
Non-controlling interests	<u>19,455,272</u>	<u>35,099,023</u>	<u>16,204,688</u>
	<b><u>P 1,882,328,935</u></b>	<b><u>P 1,490,487,200</u></b>	<b><u>P 1,006,834,173</u></b>

**FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED MAY 31, 2023, 2022 AND 2021**  
*(Amounts in Philippine Pesos)*

Attributable to Owners of the Parent Company

	Capital Stock	Stock Dividends Distributable	Treasury Stock - at Cost	Revaluation Reserves	Other Reserves	Retained Earnings		Total	Non-controlling Interests	Total Equity
						Appropriated	Unappropriated			
Balance at June 1, 2022	P 2,406,799,300	P -	(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 2,914,656,711	P 12,283,846,361
Transactions with owners	-	-	( 1,971,600)	-	-	-	-	( 1,971,600)	-	( 1,971,600)
Acquisition of treasury stock	-	-	-	-	-	-	-	-	73,500,000	73,500,000
Additional investment	-	-	-	-	-	-	( 670,796,168)	( 670,796,168)	( 42,643,924)	( 713,440,092)
Cash dividends	-	-	( 1,971,600)	-	-	-	( 670,796,168)	( 672,767,768)	30,856,076	( 641,911,692)
Appropriations of retained earnings	-	-	-	-	-	360,379,711	( 360,379,711)	-	-	-
Appropriation during the year	-	-	-	-	-	( 81,500,000)	81,500,000	-	-	-
Reversal of appropriations during the year	-	-	-	-	-	278,879,711	( 278,879,711)	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	-	1,866,741,062	1,866,741,062	20,324,487	1,887,065,549
Net income for the year	-	-	-	( 3,867,399)	-	-	-	( 3,867,399)	( 869,215)	( 4,736,614)
Other comprehensive loss	-	-	-	( 3,867,399)	-	-	1,866,741,062	1,862,873,663	19,455,272	1,882,328,935
<b>Balance at May 31, 2023</b>	<b>P 2,406,799,300</b>	<b>P -</b>	<b>(P 78,632,436)</b>	<b>(P 9,225,689)</b>	<b>(P 57,785,452)</b>	<b>P 1,463,733,100</b>	<b>P 6,834,406,722</b>	<b>P 8,298,139,822</b>	<b>P 2,964,968,059</b>	<b>P 13,524,263,604</b>
Balance at June 1, 2021	P 2,406,799,300	P -	(P 67,194,836)	P 42,988,357	(P 57,785,452)	P 844,233,100	P 5,186,533,818	P 6,030,766,918	P 2,909,558,602	P 11,265,132,889
Transactions with owners	-	-	( 9,466,000)	-	-	-	-	( 9,466,000)	-	( 9,466,000)
Acquisition of treasury stock	-	-	-	-	-	-	( 432,306,814)	( 432,306,814)	( 30,000,914)	( 462,307,728)
Cash dividends	-	-	( 9,466,000)	-	-	-	( 432,306,814)	( 441,772,814)	( 30,000,914)	( 471,773,728)
Appropriation during the year	-	-	-	-	-	340,620,289	( 340,620,289)	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	-	1,503,734,824	1,503,734,824	34,093,856	1,537,828,680
Net income for the year	-	-	-	( 48,346,647)	-	-	-	( 48,346,647)	1,005,167	( 47,341,480)
Other comprehensive income (loss)	-	-	-	( 48,346,647)	-	-	1,503,734,824	1,455,388,177	35,099,023	1,490,487,200
<b>Balance at May 31, 2021</b>	<b>P 2,406,799,300</b>	<b>P -</b>	<b>(P 76,660,836)</b>	<b>(P 5,358,290)</b>	<b>(P 57,785,452)</b>	<b>P 1,184,853,389</b>	<b>P 5,917,341,539</b>	<b>P 7,102,194,928</b>	<b>P 2,914,656,711</b>	<b>P 12,283,846,361</b>

Attributable to Owners of the Parent Company

	Capital Stock	Stock Dividends Distributable	Treasury Stock - at Cost	Revaluation Reserves	Other Reserves	Appropriated	Retained Earnings Unappropriated	Total	Non-controlling Interests	Total Equity
Balance at June 1, 2020	P 1,651,435,400	P 755,431,300	(P 67,194,836)	P 18,041,175	(P 57,785,452)	P 1,909,733,100	P 3,346,821,184	P 7,556,481,871	P 2,861,354,532	P 10,417,836,403
Transactions with owners										
Issuance of shares of stock	755,363,900	( 755,431,300)	-	-	-	-	67,400	67,400	62,000,000	62,000,000
Cash dividends	-	-	-	-	-	-	( 191,537,069)	( 191,537,069)	( 30,000,618)	( 221,537,687)
	755,363,900	( 755,431,300)	-	-	-	-	( 191,469,669)	( 191,537,069)	31,999,382	( 159,537,687)
Appropriations of retained earnings										
Reversal of appropriations during the year	-	-	-	-	-	( 1,155,500,000)	1,155,500,000	-	-	-
Appropriation during the year	-	-	-	-	-	90,000,000	( 90,000,000)	-	-	-
	-	-	-	-	-	( 1,065,500,000)	1,065,500,000	-	-	-
Total comprehensive income										
Net income for the year	-	-	-	-	-	-	965,682,303	965,682,303	13,633,754	979,316,057
Other comprehensive income	-	-	-	24,947,182	-	-	-	24,947,182	2,570,934	27,518,116
	-	-	-	24,947,182	-	-	965,682,303	990,629,485	16,204,688	1,006,834,173
Balance at May 31, 2021	P 2,406,799,300	P -	(P 67,194,836)	P 42,988,357	(P 57,785,452)	P 844,233,100	P 5,186,533,818	P 8,355,574,287	P 2,909,558,602	P 11,265,132,889



**FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MAY 31, 2023, 2022 AND 2021**  
*(Amounts in Philippine Pesos)*

	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before tax	P 1,947,227,651	P 1,608,148,046	P 1,016,292,349
Adjustments for:			
Depreciation and amortization	558,676,028	558,923,063	555,516,561
Interest income	( 111,795,653)	( 44,785,235)	( 51,772,411)
Interest expense	87,634,134	50,971,138	62,611,910
Impairment loss on receivables	55,629,679	58,908,684	254,842,087
Other investment income from financial assets at fair value through profit or loss (FVTPL) and other comprehensive income (FVOCI) - net	( 54,849,138)	( 92,237,733)	( 50,432,986)
Unrealized foreign exchange gains - net	( 43,486,176)	( 57,976,038)	30,320,827
Fair value loss (gain) from financial assets at FVTPL	27,703,458	62,633,193	( 85,961,962)
Share in net loss of associates	659,066	-	-
Reversal of impairment loss - net	( 298,206)	-	( 2,090,705)
Impairment loss on investments	-	151,944	-
Impairment loss on non-financial assets	-	-	27,525,652
Operating income before working capital changes	<u>2,467,100,843</u>	<u>2,144,737,062</u>	<u>1,756,851,322</u>
Increase in trade and other receivables	( 200,851,227)	( 145,270,689)	( 74,719,976)
Decrease (increase) in other assets	20,171,118	( 1,469,129)	14,968,032
Increase (decrease) in trade and other payables	163,436,971	( 93,157,079)	( 190,146,289)
Increase (decrease) in deferred revenues	( 640,594)	39,512,722	( 61,071,999)
Increase (decrease) in post-employment benefit obligation	7,826,210	7,495,841	( 10,250,896)
Decrease in provisions	-	( 50,800)	-
Increase (decrease) in other non-current liabilities	( 2,477,530)	( 8,125,934)	9,555,425
Cash generated from operations	<u>2,454,565,791</u>	<u>1,943,671,994</u>	<u>1,445,185,619</u>
Income taxes paid	( 62,049,934)	( 55,312,201)	( 120,063,874)
Net Cash From Operating Activities	<u>2,392,515,857</u>	<u>1,888,359,793</u>	<u>1,325,121,745</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of financial assets at FVTPL	2,902,772,889	3,021,056,480	3,088,266,602
Acquisition of financial assets at FVTPL	( 2,900,985,287)	( 3,260,044,391)	( 3,737,884,125)
Acquisition of financial assets at FVOCI	( 2,363,887,208)	( 951,288,741)	( 978,136,132)
Proceeds from disposal of financial assets at FVOCI	1,925,183,300	558,331,837	299,828,786
Acquisition of property and equipment	( 817,113,812)	( 207,442,131)	( 194,576,931)
Proceeds from maturities of investment securities at amortized cost	233,476,198	106,504,132	248,095,439
Interest received	166,942,997	137,022,968	102,205,397
Investment in associates	( 160,669,794)	-	-
Acquisition of investment securities at amortized cost	( 140,781,864)	( 150,840,182)	( 306,662,439)
Acquisition of investment properties	( 37,544,781)	( 14,122,745)	( 26,719,418)
Decrease (increase) in advances to suppliers and developer	31,433,663	( 70,481,121)	( 7,628,389)
Proceeds from disposal of investment property	11,666,493	1,014,867	-
Decrease (increase) in advances to related parties	7,963,598	( 11,364,248)	( 3,938,577)
Net Cash Used in Investing Activities	( 1,141,543,608)	( 841,653,275)	( 1,517,149,787)
Balance carried forward	<u>P 1,250,972,249</u>	<u>P 1,046,706,518</u>	<u>(P 192,028,042)</u>

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	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>Balance brought forward</i>	<b>P 1,250,972,249</b>	<b>P 1,046,706,518</b>	<b>(P 192,028,042)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	( 665,749,569)	( 386,362,549)	( 269,360,440)
Repayments of interest-bearing loans	( 473,163,265)	( 187,619,048)	( 1,275,714,286)
Additional investment of non-controlling interest in a subsidiary	73,500,000	-	-
Interest paid	( 75,205,044)	( 45,549,028)	( 62,802,729)
Repayment of lease liability	( 11,166,275)	( 9,478,932)	( 12,061,585)
Acquisition of treasury shares	( 1,971,600)	( 9,466,000)	-
Proceeds from additional interest-bearing loans	-	-	1,142,857,143
Proceeds from issuance of preferred shares to a related party under common management	-	-	62,000,000
Net Cash Used in Financing Activities	<b>( 1,153,755,753)</b>	<b>( 638,475,557)</b>	<b>( 415,081,897)</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	<b>1,015,002</b>	<b>744,179</b>	<b>( 110,110)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>98,231,498</b>	<b>408,975,140</b>	<b>( 607,220,049)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,600,121,325</b>	<b>1,191,146,185</b>	<b>1,798,366,234</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>P 1,698,352,823</u></b>	<b><u>P 1,600,121,325</u></b>	<b><u>P 1,191,146,185</u></b>

**Supplemental Information on Non-cash Financing Activities –**

The Group declared cash dividends totaling P713.4 million in 2023, P462.3 million in 2022 and P221.5 million in 2021, of which P298.8 million, P251.1 million and P175.2 million, respectively, were not paid in the year of declaration.



## Report of Independent Auditors on Components of Financial Soundness Indicators

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**The Board of Trustees and the Stockholders**  
**Far Eastern University, Incorporated**  
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) for the years ended May 31, 2023, 2022 and 2021, on which we have rendered our report dated August 15, 2023. 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) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes 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. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at May 31, 2023, 2022 and 2021 and for each of the three years in the period ended May 31, 2023 and no material exceptions were noted.

### **PUNONGBAYAN & ARAULLO**

By: **Mailene Sigue-Bisnar**  
Partner

CPA Reg. No. 0090230  
TIN 120-319-128  
PTR No. 9566627, January 3, 2023, Makati City  
SEC Group A Accreditation  
Partner - No. 90230-SEC (until financial period 2025)  
Firm - No. 0002 (until Dec. 31, 2024)  
BIR AN 08-002511-20-2020 (until Dec. 21, 2023)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

August 15, 2023

Certified Public Accountants  
Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd.

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Offices in Cavite, Cebu, Davao  
BOA/ PRC Cert of Reg. No. 0002  
SEC Accreditation No. 0002



**FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES**  
**Supplemental Schedule of Financial Soundness Indicators**  
**May 31, 2023, 2022 and 2021**

<u>Indicators</u>	<u>Formula</u>	<u>Ratios / Percentages/ Amounts</u>		
		<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Current ratio</b>	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$	<b>2.25</b>	2.52	2.35
<b>Acid test ratio</b>	$\frac{\text{Cash and cash equivalents} + \text{Trade and other receivables} - \text{net} + \text{Investments}}{\text{Total Current Liabilities}}$	<b>2.14</b>	2.40	2.23
<b>Debt-to-asset ratio</b>	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	<b>0.22</b>	0.25	0.27
<b>Equity-to-asset ratio</b>	$\frac{\text{Total Equity}}{\text{Total Assets}}$	<b>0.78</b>	0.75	0.73
<b>Debt-to-equity ratio</b>	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	<b>0.28</b>	0.32	0.37
<b>Assets-to-equity ratio</b>	$\frac{\text{Total Assets}}{\text{Total Equity}}$	<b>1.28</b>	1.32	1.37
<b>Interest rate coverage ratio</b>	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$	<b>23.22</b>	32.55	17.23
<b>Return on equity</b>	$\frac{\text{Net Profit}}{\text{Total Equity}}$	<b>15%</b>	13%	9%
<b>Return on assets</b>	$\frac{\text{Net Profit}}{\text{Total Assets}}$	<b>11%</b>	10%	6%
<b>Earnings per share</b>	$\frac{\text{Net Profit}}{\text{Average outstanding shares}}$	<b>P 77.92</b>	P 62.74	P 40.28

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# CORE VALUES

## **Fortitude**

Fortitude refers to the ability to persevere, not give in or give up, to be committed to an ideal, and to pursue it with hard work and courage.

## **Excellence**

Excellence refers to the ability to do rigorous, meticulous, innovative, creative, and relevant endeavors that are comparable to the highest standards, effectively communicated to the stakeholders, and steeped in critical thinking.

## **Uprightness**

Uprightness refers to moral and ethical integrity, selflessness, fairness, and a commitment to the greater good.





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