



CHAIRMAN'S MESSAGE

Dear Fellow Shareholders

After two pandemic years, vaccinations are almost universal. FEU was among the first schools to return to limited face-to-face classes in the second semester of 2022, and this was happily embraced by our students. Our core academic strength has been an effective blend of both online and onsite instruction, plus a conscious emphasis on what provides a meaningful education experience for our students - our beautiful campuses, and our continuing emphasis on sports and culture even in trying times.

Pre-pandemic enrollment has been reached, with over 44,000 students across our three main brands - Far Eastern University, FEU Tech, and FEU Roosevelt.

Financial results remain strong, with Php 4.1 billion in Revenues and Php 1.5 billion in Net Income.

We renewed our Annual Strategic Planning exercise, this time focusing on Aspirations 2020-2025.

We also finalized two new joint ventures - a nursing school in Brunei with Jerudong Park Medical Center Sendirian Berhad, and a partnership with Good Samaritan Colleges in Cabanatuan City, Nueva Ecija.

Strategic Plan

After two years of absence, we restarted our Annual Strategic Planning Exercise with a well-attended two-day conference at the Conrad Hotel in Manila.

Having successfully completed our 5-year Aspirations 2015-2020 Strategic Plan, we enthusiastically discussed what our next Aspirations 2020-2025 Strategic Plan should be. Interesting contrast would be the mostly online actions in the first two pandemic years and our pivot back to a mostly face-to-face, hybrid learning journey these next three years.

We have rationalized into three main brands, each with three campuses - a Value offering in FEU Roosevelt, a Multi-Discipline offering at Far Eastern University, and a Specialized offering at FEU Tech. We also have FEU High School and Basic Education offerings in five other schools.



Green shoots and new beginnings emerged for FEU in School Year 2021-2022

Financial Results

Educational revenues increased by 16% and total revenues grew 17% to Php 4.1 billion, as student enrollment reached pre-pandemic levels with a No Tuition Increase policy.

Net Income grew 57% to Php 1.5 billion, primarily due to careful management of operations' expenses.

Balance Sheet remained healthy with Php 16 billion in consolidated assets, and a Debt-to-Equity ratio of 32%.

FEU manages 2072 employees group-wide, 60% of whom are full-time equivalent faculty.

Student Support, Faculty Development, and Employee Care

FEU always strives to be cognizant and responsive to student, faculty, and employee needs. Student Scholarships amounted to Php 338 million, impacting 16% of the total population. An additional 9% of the population were supported with Promissory Notes with liberal payment terms.

In addition to Faculty training programs, Faculty credentials were further strengthened with Php 40 million committed for the attainment of PhD degrees.

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New 3-Year Collective Bargaining Agreements were secured with both the Employees and Faculty Unions within a short timeframe. We continuously dialogue and aspire for all to have meaningful careers.

Academic Achievements

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

Of interest is that we have successfully delivered an online education delivery system in the first semester and a limited face-to-face delivery system in the second semester.

FEU Manila continued to add to its Accreditation levels, primarily through the ASEAN University Network process. From 8 accreditations in 2021, we now have 12; our latest accreditations are for BS Nursing, BS Architecture, BA International Studies, and BS Applied Mathematics. FEU Tech gained PAASCU Level 3 accreditation for Information Technology and Computer Science.

As in the past, we outperformed the National Average in the limited board exams available during the pandemic years.

Facilities and Information Technology

We successfully secured Safety Seals from all Local Government Units (LGUs) we deal with. We instituted a Flood Control barrier in Roosevelt Marikina and integrated a Bipolar Ionization system for better air quality in FEU Manila. Renovation of the Arts Building commenced with students excitedly anticipating a new bouldering wall in its renovated gym.

We continue to work on IT Technology Resiliency projects, particularly on the cyber security front. We have constituted a group-wide Information Technology council to work together where appropriate. FEU Manila (Tams Go) and FEU Tech (MILES) have launched student-based applications (apps) to simplify online access to a wide variety of administration-student interconnections.

Student Accomplishments

The FEU Cheering Squad ended years of "Almost" by decisively winning the gold medal at the UAAP Cheerdance Competition Season 84. The nearly flawless performance garnered 728 points - 39 better than their nearest competitor.

Our Audrey Nicole D. Tape placed first in the March 2022 Medical Technologist Licensure Exam, Johnlern D. Paden placed second in the May 2022 Civil Engineer Licensure Exam, and Mervynn Joshua A. Reyes was an Excellent Passer in the February 2022 Bar Exam.

We had a total of 7 topnotchers in the licensure exams.

Community Service and Cultural Programs

We continue to be active in the Volunteerism space, primarily through three programs to assist inmates in the Manila City jail, a coastal community livelihood project in Calatagan, a Project Mangyan Empowerment in Mindoro, and a Project San Agustin Museum in Intramuros.

As always, we have been active participants in the annual Hands On Manila event. This year, it focused on helping public school students get back to school safely.



Significant Achievements

Far Eastern University improved its ranking from a No. 79 to No. 74 in a World Universities of Real Impact (WURI) study of 100 Top Universities globally. Moreover, FEU Institute of Technology entered the WURI rankings for the first time, with No. 99 overall rank.

FEU Manila won a total of 26 awards in the recent 19th Philippine Quill awards, including two out of the top three student awards - Communication Management and Communication Skill - and a runner-up in School of the Year.

FEU Publications topped two categories in the 39th National Book Awards - Best Anthology in English with *Mindanao Harvest 4* edited by Jaime An Lim, Christine Godinez-Ortega, and Ricardo Ungria, as well as Best Book on Humor, Sports, and Lifestyle with *Walk Manila* by Lorelei DC de Viana. FEU also published *Braving the Odds: Far Eastern University's Journey and Legacies* by Alfredo R. Roces, with 90 years of history of Philippine education and FEU's role in it. *BRAVO*, a documentary narrating the role and contribution of the FEU Auditorium, premiered in November 2021.



The Tamaraw alumni athletes who competed in the 31st Southeast Asian Games in Hanoi, Vietnam last May 2022.

Seated (L-R): Director for Alumni Relations Celmer L. Santos, Senior Vice President for Corporate Affairs Gianna R. Montinola, Director for Sports Development Antonio R. Montinola, FEU Chairman of the Board of Trustees Aurelio R. Montinola III, Director for Athletics Mark Oliver P. Molina. and Chief Finance Officer Juan Miguel R. Montinola

By maintaining its SEC Golden Arrowhead status, FEU preserved its standing as the best education listed company in the governance space.

On the Alumni front, FEU honored 30 Southeast Asian Games athletes who contributed 4 golds, 7 silvers, and 9 bronze medals to the Philippine cause in Hanoi, Vietnam. A minute of silence was also held for Lydia de Vega, one of FEU's and Asia's most renowned sprinters, who passed away in August.

Looking Forward

We have a new Philippine President in Ferdinand "Bongbong" Marcos, Jr., and a new Vice President in Sara Duterte who is concurrently our new Department of Education Secretary.

"Learning Poverty" has become the new buzzword, given abysmal last-place scores in reading, math, and science International Surveys, plus the detrimental effects of two years of pandemic learning. Policymakers recognized this by creating a Congressional Edcom 2 (Education Commission 2) to analyze, together with Private Sector consultants, what to do next for the Education sector. We hope that the Government will actively encourage private sector schools as partners in our nation-building education efforts.

"Sustainability" has become another major theme. FEU recently submitted its 2021-2022 SEC-required Sustainability Report. Aside from financial strength to continue, FEU reported major strides in Climate-related Risk mitigation, 50-50 male-female employee diversity, local community assistance, and statutory compliance with all relevant laws. FEU also provided best practice information, containment, and vaccination procedures during the pandemic.

"Hybrid Learning" hopefully will continue to be allowed by the regulatory authorities. Face-to-face Learning is clearly superior for social and educational purposes, particularly in interactive class discussions promoting Outcomes-based Learning. We believe that Online Learning can be complementary, both for (anytime) lecture absorption and for tutorial lesson enhancement. Given its superior Canvas learning platform, and its openness to best practice changes, FEU is in a position to provide its students with the best of both worlds.

We have successfully weathered the pandemic year. Now is the time to enhance these gains by continuing our Value Education mission, our Outcomes-based Learning, and our complementary Campus Activities approach to generate a meaningful student experience for our now 51,000 students for SY 2022-2023.

In closing, we would particularly wish to thank Dr. Edilberto de Jesus for his wise counsel and dedicated service as an Independent Director for the past 10 years .

And as always, we thank our FEU stakeholders - our students, their parents, our employees, our Board of Trustees, our shareholders, our communities, and our regulators- for their role in the past two (mostly pandemic) years supporting our initiatives .

Fortitude, Excellence, Uprightness!

Future Ready Learning! Onwards and Upwards!

AURELIO REYES MONTINOLA, III
Chairman, Board of Trustees
October 15, 2022

