SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended
   Nov 30, 2023
2. SEC Identification Number
   PW538
3. BIR Tax Identification No.
   000-225-442
4. Exact name of issuer as specified in its charter
   FAR EASTERN UNIVERSITY, INC.
5. Province, country or other jurisdiction of incorporation or organization
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Nicanor Reyes Street, Sampaloc, Manila
   Postal Code
   1015
8. Issuer's telephone number, including area code
   0287358686
9. Former name or former address, and former fiscal year, if changed since last report
   Not applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	24,055,763

11. Are any or all of registrant's securities listed on a Stock Exchange?
    ☑ Yes ☐ No
    If yes, state the name of such stock exchange and the classes of securities listed therein:
    Philippine Stock Exchange, Inc.
12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the

Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

☑ Yes ☐ No

(b) has been subject to such filing requirements for the past ninety (90) days

☑ Yes ☐ No

Far Eastern University, Incorporated
FEU

PSE Disclosure Form 17-2 - Quarterly Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Nov 30, 2023
Currency (indicate units, if applicable)	Philippine Peso

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Nov 30, 2023	May 31, 2023
Current Assets	5,756,113,069	5,090,975,379
Total Assets	18,074,170,617	17,264,575,204
Current Liabilities	3,115,095,073	2,265,445,983
Total Liabilities	4,352,322,223	3,740,311,600
Retained Earnings/(Deficit)	8,504,870,871	8,298,139,822
Stockholders' Equity	13,721,848,394	13,524,263,604
Stockholders' Equity - Parent	10,743,230,106	10,559,295,545
Book Value per Share	449.33	440.77

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	1,595,616,589	1,468,868,407	2,176,867,764	1,890,853,215
Gross Expense	880,725,137	847,206,432	1,538,274,847	1,411,254,470
Non-Operating Income	82,375,728	127,184,898	135,244,752	197,903,773
Non-Operating Expense	60,277,892	23,288,634	86,869,436	32,270,936
Income/(Loss) Before Tax	736,989,288	725,558,239	686,968,233	645,231,582
Income Tax Expense	62,428,454	10,951,359	78,365,316	17,015,379
Net Income/(Loss) After Tax	674,560,834	714,606,880	608,602,917	628,216,203
Net Income Attributable to Parent Equity Holder	664,714,719	707,347,734	591,623,257	613,362,165
Earnings/(Loss) Per Share (Basic)	27.78	29.52	24.73	25.6
Earnings/(Loss) Per Share (Diluted)	27.78	29.52	24.73	25.6

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	77.12	64.39
Earnings/(Loss) Per Share (Diluted)	77.12	64.39

Other Relevant Information
Please see attached FEU Quarterly Report for 2nd quarter ending 30 November 2023.

Filed on behalf by:

Name	Rosalinda Basilio
Designation	Supervisor

COVER SHEET

P W 0 0 0 0 0 5 3 8

S.E.C. Registration Number

F A R   E A S T E R N   U N I V E R S I T Y ,

I N C O R P O R A T E D

(Company's Full Name)

N I C A N O R   R E Y E S   S T R E E T

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

Contact Person

8 735-8686

Company Telephone Number

SEC Form 17- Q Quarterly Report

Ending November 30, 2023

FORM TYPE

0 5	3 1		1 0	2 1
Month	Day		Month	Day
Calandar year			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended articles Number/Section

Total Number of Barrowings

1,533

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personel concerned

File Number

L C U

Dicument I. D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

FAR EASTERN UNIVERSITY

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SEC RULE 17 (2) (b) THEREUNDER

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

1. For the Quarter period ended — **November 30, 2023**
2. SEC Identification Number — **538**
3. PSE Code
4. BIR Tax Identification No. — **000-225-442**
5. Exact Name of Registrant as specified in its charter — **Far Eastern University, Incorporated**
6. Province, Country or other jurisdiction of Incorporation or organization — **Philippines**
7. (SEC use only)
8. Address of Principal Office — **Nicanor Reyes Street, Sampaloc, Manila**
   Postal Code — **1015**
9. Registrant's Telephone Number including Area Code — **(632) 8-849-4000**
10. **NOT APPLICABLE**
    Former name, former address, and former fiscal year, if changed since last report.
11. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, ₱100.00 par value	**24,055,763**
Bond with Non-Detachable Warrant, ₱1.00 per unit	**Not Applicable**

12. All of these common securities are listed with the Philippine Stock Exchange, Inc.

13. Has filed all reports required during the preceding 12 months (or for such shorter period required to file such reports):

    a) Sections 17 of the Code and SRC Rule 17

    Yes [x] No [ ]

    b) Sections 26 and 141 of the Corporation Code of the Philippines

    Yes [x] No [ ]

Financial Information

Item 1. Quarterly Financial Statements attached.

FAR EASTERN UNIVERSITY, INCORPORATED

KRISTINE ANNE B. ESTABLE Chief Accountant	ROSANNA E. SALCEDO Chief Finance Officer and Treasurer

Manila
12 January 2024

Management's Discussion and Analysis

The Far Eastern University, Incorporated (FEU) and its subsidiaries (the Group, or FEU Group of Schools) opened School Year (SY) 2023-2024 with the FEU community once again enjoying the unique in-campus community experience, as all academic, cultural and sports activities are now conducted on full face-to-face. Meanwhile, online administrative services, a feature of FEU even prior to the pandemic but made even more robust, continue to be a convenience offering.

The Group's first half results remain strong, backed by a healthy core operation which benefits from the increase in student population and effective cost management initiatives.

As the FEU Group inches closer to its 100th founding anniversary, it continues to affirm its firm belief in education as a core foundation in nation-building and its importance to students who benefit from quality instruction, research and community integration.

Consolidated Financial Position

As of November 30, 2023, the Group's consolidated financial position remained stable, as the Group's liquidity and solvency remain consistently sound.

		November 30, 2023	May 31, 2023
Current ratio	Total Current Assets / Total Current Liabilities	1.85 : 1	2.25 : 1
Debt-to-equity ratio	Total Liabilities / Total Stockholders' Equity	32%	28%
Equity-to-asset ratio	Stockholders Equity / Total Assets	76%	78%

Consolidated total assets of the Group increased by P809.60 million to P18,074.17 million as of the report date. Current and non-current assets grew by P665.14 million and P114.46 million, to P5,756.11 million and P12,318.06 million, respectively.

Consolidated total liabilities went up by P612.01 million, to P4,352.32 million as current liabilities grew by P849.65 million, while noncurrent liabilities were reduced by P237.64 million.

The accumulation of student receivables mainly drives the growth in the consolidated total assets, while deferred tuition revenues mainly caused the consolidated total liabilities to increase, both of which were due to the normal cycle of student enrollments, particularly for the first semester.

The Group's consolidated total equity reached P13,721.85 million, which saw a P197.58 million growth from its balance of P13,524.26 million at the beginning of the year.

Below are real accounts with the most significant changes as of November 30, 2023 compared to May 31, 2023.

	November 30, 2023	May 31, 2023	Increase (Decrease)	%
Cash and cash equivalents	**P 1,390,531,708**	P 1,698,352,823	(P 307,821,115)	-18%
Trade and other receivables – net	**1,812,714,293**	1,034,276,359	778,437,934	75%
Financial assets at fair value through profit or loss (FVTPL)	**1,712,459,299**	1,834,217,950	(121,758,651)	-7%
Financial assets at fair value through other comprehensive income (FVOCI)	**2,376,198,654**	2,190,551,315	185,647,339	8%
Investment in associates	**439,113,293**	160,010,728	279,102,565	174%
Deferred revenues	**1,009,311,663**	72,544,582	936,767,081	1291%
Trade and other payables	**1,622,492,968**	1,742,085,805	(119,592,837)	-7%
Interest-bearing loans	**1,572,716,314**	1,811,598,640	(238,882,326)	-13%

Cash and cash equivalents declined due to cash outflows used for investing and financing activities, primarily for fixed asset additions, investments, dividend payment and loan repayment.

Trade and other receivables increased resulting from the intake of enrollment for the first semester of SY 2023-2024.

Financial assets at FVTPL balance was reduced due to the disposal of investments in shares of stocks and various funds, and reinvestment in other types of financial assets.

Financial assets at FVOCI additions resulted from the reinvestment of finance income earned, and investments made to this investment class (from previous investments classified as Financial assets at FVTPL).

Investment in associates account increased due to an investment made in a new associate, Higher Academia, Inc.

Deferred revenues represent the assessed tuition fees which will be realized as income upon delivery of instruction for the remaining period of the first semester. The balance as of May 31, 2023, consists of the advance payments by incoming freshmen who enrolled early for the incoming SY 2023-2024.

Trade and other payables balance declined due to the payment of accrued expenses, and settlement of dividends payable and various deposits payable.

Interest-bearing loans were reduced as scheduled principal repayments were made.

Consolidated Results of Operation

For six months ended November 30, 2023, the Group registered a net income of P608.60 million. The strong financial results was supported by a robust core operations which produced an operating income P638.59 million, or a 33% growth from that of the same period last year. Educational revenues grew by 14%, on account of the six-percent increase in the Group's student population, coupled with a modest tuition fee increase. Operating expenses were well-handled with a slower increase of 9%.

Non-core operations were down by 71% mainly on account of increased finance cost due to higher interest rates on bank loans, forex loss due to stronger Peso value, and decline of other incidental income.

Income tax expense surged along with tax rates that reverted to 10%, as the pandemic relief of a lower tax rate of 1% ended in June 2023.

Below are the main profit or loss accounts with significant changes during the six months ended November 30, 2023, and 2022.

	2023	2022	Increase (Decrease)	%
REVENUE				
Educational revenues	**P 2,138,563,395**	P 1,873,549,648	P 265,013,747	14%
Finance income	**101,792,245**	143,091,332	(41,299,087)	-29%
EXPENSES				
Salaries and employee benefits	**802,219,843**	740,008,027	62,211,816	8%
Outside services	**97,340,527**	65,606,724	31,733,803	48%
Supplies and materials	**68,111,087**	50,555,261	17,555,826	35%
Finance cost	**86,869,436**	32,270,936	54,598,500	169%

Educational revenues growth resulted from an increase in student population coupled with a modest increase in tuition fees.

Finance income earned during the period went down due to foreign exchange losses resulting from the decline in the value of US Dollar-denominated investments, as the Philippine Peso strengthened against the dollar. During the same period last year, the Philippine Peso registered a significant decline resulting to significant foreign exchange gains.

Salaries and employee benefits expense increased due to higher faculty headcount as well as the upward salary rate adjustments that took effect at the start of the current year.

Outside services expense increased mainly on account of increased service utilization of janitorial and security services.

Supplies and materials expense increased mainly on account of increased usage and consumption, as all major academic, sports and cultural activities are now conducted fully face-to-face.

Finance cost surged because of higher interest rates on bank loans and foreign exchanges losses on US Dollar-denominated investments.

A Look at What Lies Ahead

The Group is optimistic that it will sustain its strong financial position and sound operating results for the remainder of SY 2023-2024. With an increase in group-wide student population during the first semester, the Group is positive that it will maintain its enrollment base for the incoming second semester.

FEU continues to be strategic in maximizing its current partnerships and in assessing potential partnerships and ventures in the future.

In academics, the Group is committed to continuously strengthen the FEU brand of quality education in various aspects – international ranking and recognitions, research, an up-to-date curriculum, delivery of instruction – in-campus or digitized, student placement and responsiveness to industry needs, and an overall excellent support services to students and their parents, among others.

Accordingly, operational efficiency through cost monitoring will remain to be the norm, but all academic excellence initiatives will be prioritized.

On the overall economy, the Group maintains a conservative outlook. With this, the management will continue to be prudent in the implementation of its operations, investment, and business continuity plans, both at the corporate and the academic levels, to mitigate any foreseen negative impacts on the overall operations.

Top Five (5) Financial Soundness Indicators/Key Performance Measures

I. Test of Liquidity

The Group's financial position shows its capacity to meet obligations maturing currently.

II. Test of Solvency

The Group's financial position also presents its ability to pay off its long-term obligations to creditors. Moreover, the Group's assets are still mainly attributable to its shareholders, while maintaining a balanced leverage on creditor-provided financing.

III. Test of Asset Utilization and Profitability

There were no indications that may cast a doubt on the Group's earning capacity or profitability.

IV. Product/Service Standard

Teaching performance is constantly being monitored to maintain superior level of quality in all FEU Schools. Moreover, the performance of the graduates of the different FEU Schools in their respective professional licensure examinations continues to deliver results that are above the national passing rates.

The University's high standard of quality continues to be recognized by the Commission on Higher Education (CHED) and local 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).

Foreign accreditations include those from the ASEAN University Network (AUN), Association to Advance Collegiate Schools of Business (AACSB) and the Asia-Pacific Institute for Events Management (APIEM). Testament to this is the two awards that FEU received from the CHED during the Internationalization Champions of Nation-Building and Sustainability (ICONS) – first, in recognition for having 14 programs assessed by the AUN Quality Assurance; second, for being the 1st Runner-up in the Outstanding International Education Program Awards (Private Higher Education Institution category).

Recently, FEU had additional two programs certified, making it a total of 16 programs which are certified by the AUN.

In the 19th edition of the Philippine Quill Awards by the International Association of Business Communicators (IABC), FEU received a total of 26 awards including the 1st Runner-Up in the School of the Year category.

In 2023, FEU Institute of Technology ranked 77th among the Top 100 Innovative Universities in the world by World's Universities with Real Impact (WURI).

Also, the FEU Group of Schools is always committed to providing the best facilities and campus experience to its students. Recently, the National Commission for Culture and the Arts (NCCA) recognized as National Cultural Treasures *(through Museum Declaration 1-2018)* the six buildings within the FEU Manila campus. The FEU Administration Building in Manila and the FEU Alabang Building were both awarded as EDGE-Certified buildings in the Philippines by the Philippine Green Building Initiative. EDGE stands for Excellence in Design for Greater Efficiencies, a certification system for green buildings that focuses on cost-effective strategies to reduce energy use, water use, and embodied energy materials. Moreover, the FEU Cavite Basic Education, which was designed by the Archion Architects, was a People's Choice Awardee at the Haligi ng Dangal Awards (Citation of Merit in Architecture and the Allied Arts, year 2020)

V. Market Acceptability

The FEU Group of Schools remains to be a top choice in its target market. The educational revenues earned, along with the enrollment numbers, during the past 10 years show excellent and sustainable growth. Despite the challenges of the K-12 program (mainly in 2018 when there were no freshmen and sophomore students), and the COVID-19 pandemic (in 2020 to 2022), the revenue stream remains stable due to the unwavering acceptance by the market of the FEU-brand of quality education.

FEU is consistent with its commitment to provide scholarships and financial assistance to its students and is continuously working to even increase the coverage of its student population.

<u>Other Items</u>

1. The current economic condition remains stable but certain economic factors bear watching as they may affect the Group's educational income from operations.

2. There are no known events that would result in any default or acceleration of an obligation.

3. There are no known events that will trigger direct or contingent financial obligation that may be material to the Group.

4. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons which are created during the reporting period.

5. 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.

6. There are no significant elements of income or loss from continuing operations.

7. There are no Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
NOVEMBER 30 AND MAY 31, 2023
(Amounts in Philippine Pesos)

	November 30, 2023 (Unaudited)	May 31, 2023 (Audited)
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	**P 1,390,531,708**	P 1,698,352,823
Trade and other receivables - net	**1,812,714,293**	1,034,276,359
Financial assets at fair value through profit or loss	**1,712,459,299**	1,834,217,950
Financial assets at fair value through other comprehensive income	**446,648,517**	173,575,124
Investment securities at amortized cost	**113,935,944**	86,521,531
Other current assets - net	**279,823,308**	264,031,592
Total Current Assets	**5,756,113,069**	5,090,975,379
NON-CURRENT ASSETS		
Financial assets at fair value through other comprehensive income	**1,929,550,137**	2,016,976,191
Investment securities at amortized cost	**468,657,471**	469,112,054
Investment in associates	**439,113,293**	160,010,728
Property and equipment - net	**8,813,108,417**	8,906,955,473
Investment properties - net	**198,392,623**	203,091,499
Goodwill	**186,487,019**	186,487,019
Deferred tax assets - net	**13,530,579**	2,266,468
Other non-current assets	**269,218,009**	228,700,393
Total Non-current Assets	**12,318,057,548**	12,173,599,825
TOTAL ASSETS	**P 18,074,170,617**	P 17,264,575,204

Forward

- 2 -

		November 30, 2023 (Unaudited)		May 31, 2023 (Audited)
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	**P**	**1,622,492,968**	P	1,742,085,805
Interest-bearing loans		**426,258,503**		426,258,503
Deferred revenues		**1,009,311,663**		72,544,582
Provisions		**18,647,254**		18,647,254
Income tax payable		**38,384,685**		5,909,839
Total Current Liabilities		**3,115,095,073**		2,265,445,983
NON-CURRENT LIABILITIES				
Lease liabilities		**846,769**		846,769
Interest-bearing loans		**1,146,457,811**		1,385,340,137
Post-employment benefit obligation		**64,021,744**		63,116,118
Deferred tax liabilities - net		**18,621,493**		19,170,165
Other non-current liabilities		**7,279,333**		6,392,428
Total Non-current Liabilities		**1,237,227,150**		1,474,865,617
Total Liabilities		**4,352,322,223**		3,740,311,600
EQUITY				
Equity attributable to owners of the parent company				
Capital stock		**2,406,799,300**		2,406,799,300
Treasury stock - at cost	**(**	**109,615,459)**	(	78,632,436)
Revaluation reserves	**(**	**1,039,154)**	(	9,225,689)
Other reserves	**(**	**57,785,452)**	(	57,785,452)
Retained earnings				
Appropriated		**1,463,733,100**		1,463,733,100
Unappropriated		**7,041,137,771**		6,834,406,722
Total equity attributable to owners of parent company		**10,743,230,106**		10,559,295,545
Non-controlling interests		**2,978,618,288**		2,964,968,059
Total Equity		**13,721,848,394**		13,524,263,604
TOTAL LIABILITIES AND EQUITY	**P**	**18,074,170,617**	P	17,264,575,204

See Notes to Condensed Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2023 AND 2022
(Amounts in Philippine Pesos)
(UNAUDITED)

	For the Quarter		Year-to-Date	
	September 1, 2023 - November 30, 2023	September 1, 2022 - November 30, 2022	**June 1, 2023 - November 30, 2023**	June 1, 2022 - November 30, 2022
REVENUES				
Educational				
Tuition fees - net	**P 1,547,711,357**	P 1,434,938,601	**P 2,080,348,355**	P 1,812,680,959
Other school fees	**27,784,748**	22,132,332	**58,215,040**	60,868,689
	1,575,496,105	1,457,070,933	**2,138,563,395**	1,873,549,648
Rental	**14,807,977**	5,695,705	**20,382,982**	11,167,619
	1,590,304,082	1,462,766,638	**2,158,946,377**	1,884,717,267
OPERATING EXPENSES	**(880,725,137)**	(847,206,432)	**(1,538,274,847)**	(1,411,254,470)
OTHER OPERATING INCOME	**5,312,507**	6,101,769	**17,921,387**	6,135,948
OPERATING INCOME	**714,891,452**	621,661,975	**638,592,917**	479,598,745
FINANCE INCOME	**61,229,395**	106,477,677	**101,792,245**	143,091,332
FINANCE COSTS	**(60,277,892)**	(23,288,634)	**(86,869,436)**	(32,270,936)
OTHER INCOME	**21,146,333**	20,707,221	**33,452,507**	54,812,441
INCOME BEFORE TAX	**736,989,288**	725,558,239	**686,968,233**	645,231,582
TAX EXPENSE	**(62,428,454)**	(10,951,359)	**(78,365,316)**	(17,015,379)
NET INCOME	**P 674,560,834**	P 714,606,880	**P 608,602,917**	P 628,216,203
Net Income Attributable to:				
Owners of the parent company	**P 664,714,719**	P 707,347,734	**P 591,623,257**	P 613,362,165
Non-controlling interests	**9,846,115**	7,259,146	**16,979,660**	14,854,038
	P 674,560,834	P 714,606,880	**P 608,602,917**	P 628,216,203
Earnings Per Share				
Basic and Diluted	**P 27.78**	P 29.52	**P 24.73**	P 25.60

See Notes to Condensed Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2023 AND 2022
(Amounts in Philippine Pesos)
(UNAUDITED)

	For the Quarter		Year-to-Date	
	September 1, 2023 - November 30, 2023	September 1, 2022 - November 30, 2022	**June 1, 2023 - November 30, 2023**	June 1, 2022 - November 30, 2022
NET INCOME	**P 674,560,834**	P 714,606,880	**P 608,602,917**	P 628,216,203
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified subsequently to profit or loss				
Net fair value gains (losses) on debt securities classified as financial assets at fair value through other comprehensive income	**6,965,443**	(87,252,444)	**7,513,820**	(52,066,497)
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	**2,571,280**	(2,398,334)	**(3,788,246)**	(1,875,542)
Gain (loss) on remeasurement of post-employment benefit plan	**(34,910)**	(4,101,027)	**1,131,530**	(4,101,027)
	2,536,370	(6,499,361)	**(2,656,716)**	(5,976,569)
Other Comprehensive Income (Loss)	**9,501,813**	(93,751,805)	**4,857,104**	(58,043,066)
TOTAL COMPREHENSIVE INCOME	**P 684,062,647**	P 620,855,075	**P 613,460,021**	P 570,173,137
Total Comprehensive Income Attributable to:				
Owners of the parent company	**P 673,967,761**	P 613,701,325	**P 599,809,792**	P 555,424,495
Non-controlling interests	**10,094,886**	7,153,750	**13,650,229**	14,748,642
	P 684,062,647	P 620,855,075	**P 613,460,021**	P 570,173,137

See Notes to Condensed Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2023 AND 2022
(Amounts in Philippine Pesos)
(UNAUDITED)

	Attributable to Owners of the Parent Company									
					Retained Earnings					
	Capital Stock	Treasury Stock - at Cost	Revaluation Reserves	Other Reserves	Appropriated	Unappropriated	Total	Total	Non-controlling Interests	Total Equity
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	-	(30,983,023)	-	-	-	-	-	(30,983,023)	-	(30,983,023)
Cash dividends	-	-	-	-	-	(384,892,208)	(384,892,208)	(384,892,208)	-	(384,892,208)
	-	(30,983,023)	-	-	-	(384,892,208)	(384,892,208)	(415,875,231)	-	(415,875,231)
Total comprehensive income (loss)										
Net income for the period	-	-	-	-	-	591,623,257	591,623,257	591,623,257	16,979,660	608,602,917
Other comprehensive income (loss)	-	-	8,186,535	-	-	-	-	8,186,535	(3,329,431)	4,857,104
	-	-	8,186,535	-	-	591,623,257	591,623,257	599,809,792	13,650,229	613,460,021
Balance at November 30, 2023	**P 2,406,799,300**	**(P 109,615,459)**	**(P 1,039,154)**	**(P 57,785,452)**	**P 1,463,733,100**	**P 7,041,137,771**	**P 8,504,870,871**	**P 10,743,230,106**	**P 2,978,618,288**	**P 13,721,848,394**
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										
Additional investment of non-controlling interest	-	-	-	-	-	-	-	-	73,500,000	73,500,000
Acquisition of treasury stock	-	(100,000)	-	-	-	-	-	(100,000)	-	(100,000)
Cash dividends	-	-	-	-	-	(336,780,682)	(336,780,682)	(336,780,682)	-	(336,780,682)
	-	(100,000)	-	-	-	(336,780,682)	(336,780,682)	(336,880,682)	73,500,000	(263,380,682)
Total comprehensive income (loss)										
Net income for the period	-	-	-	-	-	613,362,165	613,362,165	613,362,165	14,854,038	628,216,203
Other comprehensive income (loss)	-	-	(57,937,670)	-	-	-	-	(57,937,670)	(105,396)	(58,043,066)
	-	-	(57,937,670)	-	-	613,362,165	613,362,165	555,424,495	14,748,642	570,173,137
Balance at November 30, 2022	P 2,406,799,300	(P 76,760,836)	(P 63,295,960)	(P 57,785,452)	P 1,184,853,389	P 6,193,923,022	P 7,378,776,411	P 9,587,733,463	P 3,002,905,353	P 12,590,638,816

See Notes to Condensed Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2023 AND 2022
(Amounts in Philippine Pesos)
(UNAUDITED)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	**P 686,968,233**	P 645,231,582
Adjustments for:		
Depreciation and amortization	**265,352,633**	253,882,527
Interest income	**(79,915,063)**	(22,785,298)
Interest expense and other finance cost	**73,245,892**	32,270,936
Other investment income from financial assets at fair value through profit or loss (FVTPL) and other comprehensive income (FVOCI) - net	**(25,233,883)**	(36,921,103)
Impairment loss on receivables	**16,865,791**	19,299,082
Unrealized foreign exchange losses (gains) - net	**13,623,544**	(63,035,223)
Fair value losses (gains) from financial assets at FVTPL	**3,356,701**	(20,349,708)
Operating income before working capital changes	**954,263,848**	807,592,795
Increase in trade and other receivables	**(795,345,907)**	(491,754,247)
Increase in other assets	**(66,390,658)**	(35,249,073)
Decrease in trade and other payables	**(66,208,231)**	(31,345,850)
Increase in deferred revenues	**936,767,081**	827,346,463
Increase (decrease) in post-employment benefit obligation	**2,037,156**	(1,851,027)
Increase in other non-current liabilities	**886,905**	1,582,458
Cash generated from operations	**966,010,194**	1,076,321,519
Income taxes paid	**(10,737,642)**	(23,204,877)
Net Cash From Operating Activities	**955,272,552**	1,053,116,642
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in an associate	**(280,000,000)**	(70,000,000)
Net acquisition of financial assets at FVOCI	**(184,882,164)**	(340,490,840)
Acquisition of property and equipment	**(153,043,267)**	(104,354,981)
Net disposal of financial assets at FVTPL	**108,389,065**	186,179,136
Interest and other finance income received	**105,148,946**	59,706,401
Increase in advances to suppliers and developers	**(36,884,285)**	(102,672,247)
Acquisition of investment securities at amortized cost	**(27,567,908)**	(54,693,617)
Additions to investment properties	**(15,965,842)**	(4,208,212)
Proceeds from disposal of property and equipment	**2,202,408**	-
Dividends received from an associate	**897,435**	-
Proceeds from maturities of investment securities at amortized cost	**-**	49,980,833
Net Cash Used in Investing Activities	**(481,705,612)**	(380,553,527)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**(452,949,131)**	(279,065,457)
Repayments of interest-bearing loans	**(238,882,326)**	(260,034,014)
Interest paid	**(58,573,575)**	(23,147,812)
Acquisition of treasury shares	**(30,983,023)**	(100,000)
Additional investment of NCI in a subsidiary	**-**	73,500,000
Net Cash Used in Financing Activities	**(781,388,055)**	(488,847,283)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(307,821,115)**	183,715,832
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**1,698,352,823**	1,600,121,325
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**P 1,390,531,708**	P 1,783,837,157

See Notes to Condensed Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF AGING OF NON-TRADE RECEIVABLES
NOVEMBER 30, 2023
(Amounts in Philippine Pesos)
(UNAUDITED)

	Current				
	One to Six Months	**Seven Months to One Year**	**More than One Year**	**Past Due**	**Total**
Advances to Employees - Official and Personal	P 83,263,681	P -	P -	P -	P 83,263,681
Accrued interest income	49,417,559	-	-	-	49,417,559
Receivables from:					
Nicanor Reyes Educational Foundation, Inc.	-	-	20,297,376	-	20,297,376
Nicanor Reyes Memorial Foundation, Inc.	184,800	10,600	4,031,125	-	4,226,525
FEU Health, Welfare and Retirement Fund Plan	510,969	1,351,928	2,047,655	-	3,910,552
Others	144,501,344	-	-	-	144,501,344
TOTALS	**P 277,878,353**	**P 1,362,528**	**P 26,376,156**	**P -**	**P 305,617,037**

FAR EASTERN UNIVERSITY, INCORPORATED
AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2023
(With Comparative Figures as of May 31, 2023)
(Amounts in Philippine Pesos)
(UNAUDITED)

1. CORPORATE INFORMATION

The Far Eastern University, Incorporated (the University or FEU or Parent Company) is a 94-year-old Philippine-based proprietary educational institution founded in June 1928. FEU registered with the 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 Heath Sciences and Nursing;
- Institute of Law; and,
- Institute of Tourism and Hotel Management

FEU was granted the Autonomous Status by the Commission on Higher Education (CHED) on July 25, 2012, with extended validity until May 31, 2023. The University is awaiting the result of its renewal application for its Autonomous Status. 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 existing highly accredited programs of local accreditors, such as the Philippine Association of Colleges and Universities Commission on Accreditation and the Philippine Accrediting Association of Schools, Colleges and Universities, parallel international certifications by the ASEAN University Network – Quality Assurance were granted for 16 programs of FEU.

As of November 30 and May 31, 2023, the University holds interest in subsidiaries and associates presented below.

Company Name	Percentage of Effective Ownership November 30, 2023	May 31, 2023
Subsidiaries:		
East Asia Computer Center, Inc. (EACCI)	**100%**	100%
Far Eastern College – Silang, Inc. (FECSI)	**100%**	100%
FEU Alabang, Inc. (FEUAI)	**100%**	100%
FEU High School, Inc. (FEU High)	**100%**	100%
Roosevelt College, Inc. (RCI)	**97.43%**	97.43%
Roosevelt College Educational Enterprises (RCEE)*	**97.43%**	97.43%
Edustria, Incorporated (Edustria)	**51%**	51%
Fern Realty Corporation (FRC)	**38.18%**	38.18%
Associates:		
Higher Academia, Inc. (HAI)	**50%**	-
JPMC College of Health Sciences SDN BHD (JCHS)	**40%**	40%
Good Samaritan Colleges, Inc. (GSC)	**34%**	34%

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

All the subsidiaries, HAI and GSC 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, a real estate company leasing most of its investment properties to the University and other related parties, all other directly owned subsidiaries are operating as educational institutions offering basic education, junior and senior high school and/or tertiary and post graduate courses of study. RCEE, prior to the cessation of its operations, was engaged in selling educational school supplies and food items in several campuses of RCI.

2. BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These Condensed Consolidated Financial Statements (CCFS) have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. They do not include all the information required in annual financial statements in accordance with Philippine Financial Reporting Standards (PFRS) and should be read in conjunction with the Group's audited consolidated financial statements (ACFS) as of and for the fiscal year ended May 31, 2023.

The CCFS has been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense.

3. CHANGES TO ACCOUNTING POLICIES

3.1 Effective in Fiscal Year 2024 that are Relevant to the Group

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments to existing standards effective in fiscal year 2024 that are relevant to the Group. The Group has not early adopted any standards, interpretation or amendment that has been issued but is not yet effective.

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

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
PAS 1 and PFRS Practice Statement 2 (Amendments)	:	Presentation of Financial Statements – Disclosure of Accounting Policies
PAS 8 (Amendments)	:	Accounting Estimates – Definition of Accounting Estimates
PAS 12 (Amendments)	:	Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

3.2 Effective Subsequent to Fiscal Year 2024 but not Adopted Early

The effective date of the amendments to PFRS 10, Consolidated Financial Statements, and PAS 28, Investments in Associates and Joint Ventures – Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture is deferred indefinitely. The amendments are not expected to have significant impact on the Group's CCFS.

4. USE OF ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the CCFS in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. 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. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

There were no changes in estimates of amounts reported in prior financial periods that had a material effect in the current interim period.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Application of PFRS

The significant accounting policies and methods of computation used in the preparation of these CCFS are consistent with those applied in the ACFS as of and for the fiscal year ended May 31, 2023.

There are new PFRS, annual improvements and interpretations to the existing standards that are effective for periods subsequent to 2023 but were not early adopted in the preparation of the CCFS. The CCFS, therefore, do not reflect the impact of any adoption of these new PFRS, annual improvements and interpretations to existing standards effective for periods subsequent to 2023.

5.2 Presentation of the Condensed Consolidated Financial Statements

The presentation of the CCFS is consistent with the most recent ACFS presentation. Regrouping of certain accounts in the comparative prior period presented was made to conform to the current period's presentation so that comparability is not impaired.

The Group presents the consolidated statement of comprehensive income separately from the consolidated statement of profit or loss in its annual financial statements. It also uses this format for this CCFS.

The following subsidiaries prepare their financial statements for their respective reporting periods using consistent accounting principles as that of the University:

Subsidiaries:	Report Date
FRC	March 31
RCEE	March 31
FECSI	May 31
FEU High	May 31
RCI	May 31
Edustria	May 31
EACCI	June 30
FEUAI	June 30

As allowed by PFRS, 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.

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

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

5.3 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

Presented in the succeeding page are how the fair values of the Group's classes of financial assets and financial liabilities are determined.

a) Equity Securities

The fair value of listed common and preferred shares were valued based on their market prices quoted in the PSE at the end of each reporting period. On the other hand, the fair value of investments in UITF are generally measured based on the net asset value of the Group's investment, computed, and determined at the end of each reporting period based on the closing market and trade prices of the securities comprising the fund's portfolio. This valuation approach takes into the account the period end performance of the funds including all trades made within the funds and the related income and expenses arising therefrom.

b) Golf Club Shares

The fair value of the Group's golf club shares is derived from market which is not considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period.

c) Debt Securities

The fair value of the Group's debt securities which consist of government and corporate bonds is estimated by reference to quoted bid price in active market at the end of the reporting period.

5.4 Offsetting of Financial Assets and Financial Liabilities

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 (Board of Trustees) 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.

6. SEGMENT INFORMATION

6.1 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 schools' 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 operate 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 FECSI, 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.

6.2 Segment Assets and Liabilities

Segment assets are allocated based on their direct association with a specific segment.

Segment liabilities include all operating liabilities as presented in the consolidated statements of financial position.

6.3 Intersegment Transactions

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

6.4 Analysis of Segment Information

The Group's business segments, analyzed based on operational significance and timing of academic operations, for the six months ended November 30, 2023 and 2022, and as of November 30 and May 31, 2023 are presented below and in the following page (in thousands).

	FEU Main	Trimestral Schools	Other Schools	Total
November 30, 2023 (Unaudited)				
Segment revenues				
From external customers	P 1,293,423	P 513,304	P 358,459	P 2,165,186
Intersegment revenues	20,961	-	-	20,961
Total revenues	1,314,384	513,304	358,459	2,186,147
Operating expenses excluding depreciation and amortization, and impairment loss	(793,505)	(268,384)	(269,537)	(1,331,426)
	520,879	244,920	88,922	854,721
Depreciation and amortization	(124,091)	(84,399)	(47,528)	(256,018)
Impairment loss	(1,818)	(8,359)	(6,690)	(16,867)
Finance income	78,241	38,102	2,416	118,759
Finance cost	(66,512)	(6)	(20,350)	(86,868)
Other income – net	9,420	26,422	742	36,584
Income before tax	416,119	216,680	17,512	650,311
Tax expense	(38,932)	(23,087)	(3,865)	(65,884)
Segment net income	**P 377,187**	**P 193,593**	**P 13,647**	**P 584,427**
Segment assets	**P 10,728,637**	**P 6,444,538**	**P 4,253,787**	**P 21,426,962**
Segment liabilities	**P 3,810,996**	**P 845,402**	**P 2,014,330**	**P 6,670,728**

	FEU Main	Trimestral Schools	Other Schools	Total
November 30, 2022 (Unaudited)				
Segment revenues				
From external customers	P 1,198,793	P 421,031	P 264,581	P 1,884,405
Intersegment revenues	21,201	-	-	21,201
Total revenues	1,219,994	421,031	264,581	1,905,606
Operating expenses excluding depreciation and amortization, and impairment loss	(767,043)	(224,385)	(215,117)	(1,206,545)
	452,951	(196,646)	49,464	699,061
Depreciation and amortization	(117,054)	(87,490)	(42,315)	(246,859)
Impairment loss	-	(11,347)	(7,952)	(19,299)
Finance income	73,646	67,988	253	141,887
Finance cost	(26,178)	(2,681)	(6,222)	(35,081)
Other income – net	22,653	18,867	5,598	47,118
Income (loss) before tax	406,018	181,983	(1,174)	586,827
Tax expense	(3,684)	(2,297)	(382)	(6,363)
Segment net income (loss)	P 402,334	P 179,686	(P 1,556)	P 580,464
May 31, 2023 (Audited)				
Segment assets	P 10,598,100	P 6,011,224	P 3,826,685	P 20,436,009
Segment liabilities	P 3,665,249	P 628,968	P 1,585,465	P 5,879,682

The Group's geographical segments, which are based on the location of all the Group's school campuses, for the six months ended November 30, 2023 and 2022, and as of November 30 and May 31, 2023 follows (in thousands):

	NCR	Outside NCR	Total
November 30, 2023 (Unaudited)			
Segment revenues			
From external customers	P 1,907,255	P 257,931	P 2,165,186
Intersegment revenues	20,961	-	20,961
Total revenues	1,928,216	257,931	2,186,147
Operating expenses excluding depreciation and amortization, and impairment loss	(1,140,821)	(190,605)	(1,331426)
	787,395	67,326	854,721
Depreciation and amortization	(212,659)	(43,359)	(256,018)
Impairment loss	(13,161)	(3,706)	(16,867)
Finance income	118,326	433	118,759
Finance cost	(66,525)	(20,343)	(86,868)
Other income – net	35,842	742	36,584
Income before tax	649,218	1,093	650,311
Tax expense	(63,661)	(2,223)	(65,884)
Segment net income (loss)	**P 585,557**	**(P 1,130)**	**P 584,427**
Segment assets	**P 17,727,927**	**P 3,699,035**	**P 21,426,962**
Segment liabilities	**P 4,992,921**	**P 1,677,807**	**P 6,670,728**

	NCR	Outside NCR	Total
November 30, 2022 (Unaudited)			
Segment revenues			
From external customers	P 1,699,760	P 184,645	P 1,884,405
Intersegment revenues	21,201	-	21,201
Total revenues	1,720,961	184,645	1,905,606
Operating expenses excluding depreciation and amortization, and impairment loss	(1,053,640)	(152,905)	(1,206,545)
	667,321	31,740	699,061
Depreciation and amortization	(207,046)	(39,813)	(246,859)
Impairment loss	(13,799)	(5,500)	(19,299)
Finance income	141,751	136	141,887
Finance cost	(28,865)	(6,216)	(35,081)
Other income – net	41,751	5,367	47,118
Income (loss) before tax	601,113	(14,286)	586,827
Tax expense	(6,336)	(27)	(6,363)
Segment net income (loss)	P 594,777	(P 14,313)	P 580,464
May 31, 2023 (Audited)			
Segment assets	P 1,700,935	P 3,435,074	P 20,436,009
Segment liabilities	P 4,461,600	P 1,418,082	P 5,879,682

6.5 Reconciliation

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

	November 30, 2023 (Unaudited)	November 30, 2022 (Unaudited)
Revenues		
Segment revenues	**P 2,186,147**	P 1,905,606
Elimination of intersegment revenues	**(20,961)**	(21,201)
Unallocated corporate revenues	**11,682**	6,448
Revenues as reported in condensed consolidated statements of profit or loss	**P 2,176,868**	P 1,890,853
Profit or loss		
Segment net income	**P 584,427**	P 580,464
Unallocated corporate net income	**42,512**	37,913
Elimination of intersegment transactions	**(18,336)**	9,839
Net income as reported in condensed consolidated statements of profit or loss	**P 608,603**	P 628,216

	November 30, 2023 (Unaudited)	May 31, 2023 (Audited)
Assets		
Segment assets	**P 21,426,962**	P 20,436,009
Elimination of intercompany accounts	**(5,188,786)**	(4,973,264)
Other unallocated corporate assets	**1,649,508**	1,615,343
Goodwill	**186,487**	186,487
Total assets reported in condensed consolidated statements of financial position	**P 18,074,171**	P 17,264,575
Liabilities		
Segment liabilities	**P 6,670,728**	P 5,879,682
Elimination of intercompany accounts	**(2,410,727)**	(2,220,205)
Unallocated corporate accounts	**92,321**	80,835
Total liabilities reported in condensed consolidated statements of financial position	**P 4,352,322**	P 3,740,312

7. FINANCIAL ASSETS AND LIABILITIES

7.1 Carrying Amounts and Fair Values 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.

	November 30, 2023 (Unaudited)		May 31, 2023 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial assets				
At FVOCI –				
Debt and equity securities	**P 2,376,198,654**	**P 2,376,198,654**	P 2,190,551,315	P 2,190,551,315
At FVTPL –				
Equity securities and UITF	**1,712,459,299**	**1,712,459,299**	1,834,217,950	1,834,217,950
At amortized cost –				
Debt securities	**582,593,415**	**579,307,338**	555,633,585	552,843,346
	P 4,671,251,368	**P 4,667,965,291**	P 4,580,402,850	P 4,577,612,611
Financial liabilities				
At amortized cost –				
Interest-bearing loans	**P 1,572,716,314**	**P 1,213,730,660**	P 1,811,598,640	P 1,455,329,950

Except for the financial assets and financial liabilities presented above, cash and cash equivalents, short-term investments, long-term investments, trade and other payables and refundable deposit, the Group has no other financial assets and/or financial liabilities that are carried at fair value or that are not carried at fair value but are required to be disclosed at fair value (see Note 5.3).

Management has determined that the carrying amounts of the other financial instruments are equal to or approximate their fair values; hence, no further comparison between their carrying amounts and fair values is presented.

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 12.

7.2 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 statements of financial position on a recurring basis as of:

	Level 1	Level 2	Level 3	Total
November 30, 2023 (Unaudited)				
Financial assets at FVOCI –				
Debt and equity securities	P2,373,748,654	P 2,450,000	P -	P 2,376,198,654
Financial assets at FVTPL –				
Equity securities and UITF	818,592,785	893,866,514	-	1,712,459,299
Investment securities at amortized cost –				
Debt securities	579,307,338	-	-	579,307,338
	P3,771,648,777	**P 896,316,514**	**P -**	**P 4,667,965,291**
May 31, 2023 (Audited)				
Financial assets at FVOCI –				
Debt and equity securities	P2,187,101,315	P 3,450,000	P -	P 2,190,551,315
Financial assets at FVTPL –				
Equity securities and UITF	881,728,143	952,489,807	-	1,834,217,950
Investment securities at amortized cost –				
Debt securities	552,843,346	-	-	552,843,346
	P3,621,672,804	P 955,939,807	P -	P 4,577,612,611

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

7.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

As of November 30 and May 31, 2023, the fair value of debt securities categorized as investments at amortized cost amounted to P579.3 million and P552.8 million, respectively, which is Level 1 in the hierarchy of fair values (see Note 7.2).

For interest-bearing loans with more than one year of maturity, its estimated fair value represents the discounted amount of the future cash flows expected to be paid which are discounted at current market rates. The fair values of the Group's interest-bearing loans are classified under Level 3 of the fair value hierarchy.

Other than the investment securities at amortized cost and interest-bearing loans, management has determined that due to the short-term duration of the other financial assets and financial liabilities measured at amortized costs of the Group, their fair values as at November 30 and May 31, 2023, equal or approximate their carrying amounts. Accordingly, the Group did not present a comparison of their fair values with their carrying amounts and correspondingly, their level in the fair value hierarchy.

Nevertheless, if presented in the hierarchy, only cash and cash equivalents and short-term investments would fall under Level 1 and the rest would be under Level 3.

8. INVESTMENT PROPERTIES

The Group's investment property includes a parcel of land, and buildings and improvements which are held for investment purposes only, either to earn rental income or for capital appreciation or both. The gross carrying amounts and accumulated depreciation and amortization of investment property as of November 30 and May 31, 2023, are shown below.

	November 30 2023 (Unaudited)	May 31, 2023 (Audited)
Cost	**P 580,961,027**	P 564,995,185
Accumulated depreciation and amortization	**(382,568,404)**	(361,903,686)
Net carrying amount	**P 198,392,623**	P 203,091,499

A reconciliation of the carrying amounts of investment property at the beginning and end of six months ended November 30, 2023, and year ended May 31, 2023, is shown below.

	November 30 2023 (Unaudited)	May 31, 2023 (Audited)
Balance at beginning of period net of accumulated depreciation and amortization	**P 203,091,499**	P 220,098,346
Additions	**15,965,842**	37,544,781
Disposals	-	(11,666,493)
Reclassifications	-	(3,188,941)
Depreciation and amortization charges for the period	**(20,664,718)**	(39,696,194)
Balance at end of period net of accumulated depreciation and amortization	**P 198,392,623**	P 203,091,499

8.1 Related Income and Direct Expenses

The total rental income earned by the Group from its investment properties amounted to P22.7 million and P18.0 million for the six months ended November 30, 2023 and 2022, respectively. The direct operating expenses, which include depreciation and amortization, insurance, and real property taxes incurred by the Group relating to investment properties, are presented as part of Depreciation and amortization, Property insurance, and Taxes and licenses, under Costs and Operating Expenses in the consolidated statements of profit or loss.

8.2 Fair Value Measurement of Investment Properties

The fair values (which is 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 2022 and cover the period ended November 30, 2023 and the year ended May 31, 2023.

The valuation process was conducted by the 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.

	November 30, 2023	May 31, 2023
Land	**P 553,262,103**	P 553,262,103
Building and improvements	**226,655,492**	210,689,650
	P 779,917,595	P 763,951,753

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

9. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment as of November 30 and May 31, 2023, are shown below.

	November 30, 2023 (Unaudited)	May 31, 2023 (Audited)
Cost	**P 13,129,055,002**	P 12,978,214,143
Impairment loss	**(2,804,402)**	(2,804,402)
Accumulated depreciation and amortization	**(4,313,142,183)**	(4,068,454,268)
Net carrying amount	**P 8,813,108,417**	P 8,906,955,473

A reconciliation of the carrying amounts of property and equipment at the beginning and end of the six-month ended November 30, 2023, and year ended May 31, 2023, is shown below.

	November 30, 2023 (Unaudited)	May 31, 2023 (Audited)
Balance at beginning of period net of accumulated depreciation and amortization	**P 8,906,955,473**	P 8,605,591,276
Additions	**153,043,267**	817,113,812
Disposals	**(2,202,408)**	-
Reclassifications	**-**	3,230,219
Depreciation and amortization charges for the period	**(244,687,915)**	(518,979,834)
Balance at end of period net of accumulated depreciation and amortization	**P 8,813,108,417**	P 8,906,955,473

Right-of-use asset, amounting to P10.2 million, was recognized as part of Property and Equipment in the consolidated statements of financial position.

10. LEASES

The Group has leases for certain school buildings, transportation equipment, and event venues.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease 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 the 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.

The current portion of lease liabilities is presented in the consolidated statement of financial position as part of Trade and other payables amounting to P13.0 million as of November 30 and May 31, 2023. The non-current portion amounting to P0.8 million is presented separately in the consolidated statement of financial position as of November 30 and May 31, 2023.

11. INTEREST-BEARING LOANS

The composition of the Group's outstanding loans is shown below.

	November 30, 2023 (Unaudited)	May 31, 2023 (Audited)
Current	**P 426,258,503**	P 426,258,503
Non-current	**1,146,457,811**	1,385,340,137
	P 1,572,716,314	P 1,811,598,640

The movement of the Group's outstanding loans are shown below.

	November 30, 2023 (Unaudited)	May 31, 2023 (Audited)
Balance at beginning of period	**P 1,811,598,640**	P 2,284,761,905
Payments	**(238,882,326)**	(473,163,265)
Balance at end of period	**P 1,572,716,314**	P 1,811,598,640

The total interest incurred by the Group on all of these loans, amounting to P67.4 million and P28.9 million for the six months ended November 30, 2023 and 2022, respectively, are presented as part of Finance Costs in the condensed consolidated statements of profit or loss, while any outstanding interest payable is recognized as part of Trade and Other Payables in the condensed consolidated statements of financial position.

As of November 30 and May 31, 2023, there are no assets used and/or required as collaterals for the Group's interest-bearing loans and borrowings.

Loans obtained from a local commercial bank are subject to loan covenants effective for the periods ended November 30 and May 31, 2023, 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 November 30 and May 31, 2023, the Group has complied with its loan covenants.

12. 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. The 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 to are described below and in the succeeding pages.

12.1 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 FVOCI and investment securities at amortized cost which are denominated in United States dollars (USD).

To mitigate the Group's exposure to foreign currency risk, non-Philippine peso cash flows are monitored and kept at a reasonable level to needs.

(b) Interest Rate Risk

The Group's interest risk management policy is to minimize interest rate cash flow risk exposures arising from interest-bearing financial instruments which are subject to variable interest rates. These include a portion of the cash and cash equivalents, financial assets at FVOCI, short-term investments, long-term investments and interest-bearing loans.

All other financial assets and financial liabilities have fixed interest rates.

The Group manages its interest risk by leveraging the fixed interest rate financial instruments over the floating interest rate financial instruments.

(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 FVTPL and Financial Assets at FVOCI accounts in the consolidated statements of financial position. These consist of publicly listed equity securities which are carried at fair value.

The Group manages exposures to price risk by monitoring the changes in the market price of the investments and to some extent, diversifying the investment portfolio in accordance with the limit set by management.

Except for those that are held for trading and managed by trustee-banks, the investments in listed equity securities 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 and voting rights arising from these equity instruments are in the Group's favor.

12.2 Credit Risk

Credit risk represents the loss that the Group would incur if the counterparty failed to perform its contractual obligations. The credit risk for cash and cash equivalents, short-term investments (presented as part of Other Current Assets), financial assets at FVOCI and investment securities at amortized cost is considered negligible, since the counterparties are reputable financial institutions and private companies with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements.

The Group's exposure to credit risk on its receivables related primarily to the inability of the debtors, majority of which are students, to fully settle the 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. Moreover, 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.

The Group has no significant exposure to any individual counterparty, nor does it have any other concentration of credit risk arising from counterparties in similar business activities, geographic region or economic parties. Also, none of the Group's financial assets are secured by collateral or other credit enhancements.

With respect to credit risk arising from its financial assets, the Group's maximum exposure is equal to the carrying amount of these instruments. Other than the exposure to credit risk on the Group's receivables from students, the risk is minimal as these financial assets and investments are with reputable corporations, financial institutions and/or with related parties.

The Group has no past due but unimpaired financial assets at end of each period.

The Group's management considers that all its financial assets are not impaired and of good credit quality, except those provided with allowance for impairment at the end of the reporting periods.

12.3 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 short-term placements when excess cash is obtained from operations.

13. EQUITY

13.1 Capital Stock

The University's authorized capital stock was 50,000,000 shares as of November 30 and May 31, 2023, of which 24,093,094 were issued and with par value of P100 per share.

Below is the ownership structure of the University's outstanding shares as of November 30 and May 31, 2023.

	November 30, 2023 (Unaudited)	May 31, 2023 (Audited)
Number of shares held by related parties	**15,079,733**	15,103,494
Number of shares held by the public	**8,829,495**	8,852,870
Total shares issued and outstanding	**23,909,228**	23,956,364

As of November 30 and May 31, 2023, the public owns 36.93% and 36.95%, respectively, of the University's listed shares.

As of November 30 and May 31, 2023, there are 1,460 and 1,252 holders, respectively, 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 P572 and P533 per share as of November 30 and May 31, 2023, respectively.

13.2 Treasury Stock

This account includes the University's common shares acquired by FRC on various dates and held as of November 30 and May 31, 2023. The changes in the market values of these shares, which are recognized as fair value gains or losses by FRC, were eliminated in full and not recognized in the consolidated financial statements. The Group's treasury stocks amounted to P109.6 million and P78.6 million as of November 30 and May 31, 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 crossholding as of the end of the reporting period.

13.3 Retained Earnings

Significant transactions affecting Retained Earnings, which is also legally restricted at an amount equivalent to the cost of the University's treasury stock of P3.7 million, are presented below and in the following page.

(a) Appropriation of Retained Earnings

As of November 30 and May 31, 2023, the University's Appropriated Retained Earnings consists of appropriations for:

Purchase of equipment and improvements	P	803,000,000
Property and investment acquisition		567,000,000
Contingencies		90,000,000
Treasury shares		3,733,100
	P	1,463,733,100

Appropriations are annually assessed and updated. During the year ended May 31, 2023, the University made an appropriation amounting to P360.4 million for the purchase of equipment and improvements, while it reversed appropriations amounting to P81.5 million previously appropriated for property and investment acquisition. No appropriation or reversal of appropriation has been made for the period ended November 30, 2023.

(b) Dividend Declaration

The University's BOT approved the following dividend declarations during the periods ended:

	Date of Declaration	Date of Record	Date of Payment/Issuance	Amount
November 30, 2023				
Cash dividend of P16 per share	September 19, 2023	October 3, 2023	October 18, 2023	P 384,892,208
May 31, 2023				
Cash dividend of P14 per share	September 20, 2022	October 4, 2022	October 14, 2022	P 335,398,084
Cash dividend of P14 per share	February 21, 2023	March 7, 2023	March 21, 2023	335,398,084
				P 670,796,168

13.4 Subsidiaries with Material Non-controlling Interest

(a) 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 Note 1).

(b) EACCI and FEUAI

Both non-controlling interests in EACCI and FEUAI relate to non-voting preferred shares. As of November 30 and May 31, 2023, the total cost of preferred shares issued and outstanding of EACCI and FEUAI amounts to P1.2 billion and P750.0 million, respectively.

(c) Edustria Incorporated

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 P162.7 million is presented as part of Non-controlling Interest account in the condensed consolidated statements of financial position.

14. EARNINGS PER SHARE

Earnings per share amounts for the six months ended November 30, 2023 and 2022 were computed as follows:

	November 30, 2023 (Unaudited)	November 30, 2022 (Unaudited)
Net income attributable to owners of the parent company	**P 591,623,257**	P 613,362,165
Divided by weighted average number of shares outstanding, net of treasury stock	**23,924,420**	23,957,648
Basic and diluted earnings per share	**P 24.73**	P 25.60

The University has no dilutive potential common shares as of November 30, 2023 and 2022; the diluted earnings per share and the basic earnings per share is the same.

15. 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 adjusts it, in consonance with 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 the monitoring of capital in proportion to risks

The Group monitors capital based on debt-to-equity ratio, which is calculated as total adjusted liabilities i.e., excluding deferred revenues divided by total adjusted equity (comprised of capital stock, stock dividends distributable and retained earnings) attributable to owners of the parent company. Capital for the reporting periods is summarized below.

	November 30, 2023 (Unaudited)	May 31, 2022 (Audited)
Total adjusted liabilities	**P 3,343,010,560**	P 3,667,767,018
Total adjusted equity attributable to owners of the parent company	**10,911,670,171**	10,704,939,122
Debt-to-equity ratio	**0.31 : 1.00**	0.34 : 1.00

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.

The Group has complied with its covenant obligations, including maintaining the required debt-to-equity ratio and debt service coverage ratio for all the periods presented.

There was no significant change in the Group's approach to capital management during the most recent period presented.

16. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Group:

16.1 Capital Commitments

As of November 30 and May 31, 2023, FRC has commitments of about P36.3 million for the condominium units acquired at pre-selling stage that are currently under construction.

16.2 Operating Lease Commitments as Lessor

FRC leases out certain buildings to EAEF and NREF for varying periods. FRC also leases out certain land and building to several non-related parties for a period of one to ten years. FRC receives customer and security deposits relevant to its leasing activities as lessor which are recognized under Other Non-current Liabilities in the consolidated statements of financial position.

Future minimum rental receivables, excluding contingent rental, arising from these operating leases which are receivable within one year, amounts to P3.4 million and P6.8 million as of November 30 and May 31, 2023, respectively.

16.3 Other Contingencies

There are other contingencies that arise in the normal course of business that are not recognized in the Group's financial statements. 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.

17. SEASONALITY OF OPERATIONS

Tuition fee revenue is subject to seasonal fluctuations. Revenue for a particular school year (SY) is earned only starting in August, based on the current academic calendar.

For the University and FECSI (FEU Cavite), 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. The second semester enrollment is approximately at least 90% of the first semester's enrollment, while the midyear term is the lowest at an approximate at least of 30%. The maximum load, in terms of subject units, of a student during the midyear term is only nine units compared to the 21 to 24 units during the first and second semesters.

For EACCI (FEU Tech) and FEUAI (FEU Alabang), there are three regular terms in a fiscal year: First term (August to November), Second term (December to March) and Third term (April to June).

The tuition fee increase, if any, usually takes effect during the first semester/trimester of a particular SY. Thus, old rates are followed during the midyear term/third trimester of the previous SY, while new rates are applied during the first semester/trimester and succeeding terms of the current SY.

18. APPROVAL FOR THE ISSUANCE OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The CCFS of the Group for the six months ended November 30, 2023 (including the comparatives for the six months ended November 30, 2022) were authorized for issue by the Audit Committee of the BOT on January 11, 2024.