SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

The following document has been received:

Receiving: RICHMOND CARLOS AGTARAP
Receipt Date and Time: September 12, 2025 10:30:15 AM

Company Information

SEC Registration No.: PW00000538
Company Name: FAR EASTERN UNIVERSITY, INCORPORATED DOING BUSINESS UNDER THE NAME AND STYLE OF FAR EASTERN UNIVERSITY
Industry Classification: M81490
Company Type: Stock Corporation

Document Information

Document ID: OST10912202583748223
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Document Code: SEC_Form_17-A
Period Covered: May 31, 2025
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Remarks: WITH FS-C AND FS-P

Acceptance of this document is subject to review of forms and contents

CR06393-2025

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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

1. For the fiscal year ended

   May 31, 2025

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. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form

None

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

☐ Yes ☑ No

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders

N/A

(b) Any information statement filed pursuant to SRC Rule 20

N/A

(c) Any prospectus filed pursuant to SRC Rule 8.1

N/A

Far Eastern University, Incorporated
FEU

PSE Disclosure Form 17-1 - Annual Report
References: SRC Rule 17 and
Section 17.2 and 17.8 of the Revised Disclosure Rules

For the fiscal year ended	May 31, 2025
Currency	Philippine Peso

Balance Sheet

	Year Ending	Previous Year Ending
	May 31, 2025	May 31, 2024
Current Assets	6,273,602,554	5,277,469,529
Total Assets	19,284,137,714	18,520,812,176
Current Liabilities	2,574,900,925	2,809,287,826
Total Liabilities	3,291,408,247	3,839,455,213
Retained Earnings/(Deficit)	10,762,782,561	9,473,383,996
Stockholders' Equity	15,992,729,467	14,681,356,963
Stockholders' Equity - Parent	13,009,567,470	11,715,914,788
Book Value Per Share	540.81	490.02

Income Statement

	Year Ending	Previous Year Ending
	May 31, 2025	May 31, 2024
Gross Revenue	5,794,653,648	5,527,711,341
Gross Expense	3,985,118,645	3,681,350,315
Non-Operating Income	631,980,424	514,912,976
Non-Operating Expense	110,415,180	127,704,912
Income/(Loss) Before Tax	2,331,100,247	2,233,569,090

Income Tax Expense	240,544,260	223,242,919
Net Income/(Loss) After Tax	2,090,555,987	2,010,326,171
Net Income/(Loss) Attributable to Parent Equity Holder	2,054,318,021	1,940,338,894
Earnings/(Loss) Per Share (Basic)	85.94	81.13
Earnings/(Loss) Per Share (Diluted)	85.94	81.13

Financial Ratios

	Formula	Fiscal Year Ended	Previous Fiscal Year
		May 31, 2025	May 31, 2024
Liquidity Analysis Ratios:			
; ; Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	2.44	1.88
; ; Quick Ratio	(Current Assets - Inventory - Prepayments) / Current Liabilities	2.31	1.79
; ; Solvency Ratio	Total Assets / Total Liabilities	5.86	4.82
Financial Leverage Ratios			
; ; Debt Ratio	Total Debt/Total Assets	0.17	0.21
; ; Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	0.21	0.26
; ; Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	28.44	21.04
; ; Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.21	1.26
Profitability Ratios			
; ; Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	0.32	0.33
; ; Net Profit Margin	Net Profit / Sales	0.36	0.36
; ; Return on Assets	Net Income / Total Assets	0.11	0.11
; ; Return on Equity	Net Income / Total Stockholders' Equity	0.13	0.14
Price/Earnings Ratio	Price Per Share / Earnings Per Common Share	9.31	8.62

Other Relevant Information

In compliance with SEC Memorandum Circular No. 04, Series of 2019, included in this Annual Report is the FEU, Inc. Sustainability Report FY 2024-2025.

Pursuant to SEC Memorandum Circular No. 18, Series of 2024, the Company needs to include a Supplemental Schedule of Audit Fees

Filed on behalf by:

Name	Anthony Raymond Goquingco
Designation	Corporate Secretary and Compliance Officer

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

0 5 **3 1**

Month Day

Calandar year

SEC Form 17- A

Annual Report 2024-2025

FORM TYPE

1 0 1 8

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended articles Number/Section

Total Number of Barrowings

1,529

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

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17 - A

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

1. For the fiscal year ended **May 31, 2025**

2. SEC Identification Number **538**

3. BIR Tax Identification No. **000-225-442**

4. Exact name of registrant as specified in its charter **Far Eastern University**, **Incorporated**

5. PHILIPPINES
Province, Country or other jurisdiction of incorporation or organization

6. / / (SEC use only)
Industry Classification Code:

7. **Nicanor Reyes Street, Sampaloc, Manila** — Address of principal office
1015 — Postal Code

8. **(632) 8849-4000**
Issuer's telephone number including area code

9. **NOT APPLICABLE**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

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**

11. All securities (common shares) are listed with the Philippine Stock Exchange, Inc.

12. Check whether the registrant:

(a) has filed reports required to be filed by Section I7 of the SRC and SRC Rule 17 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes **[x]** No [ ]

13. The aggregate market value of the voting stock held by non-affiliates: **None**

TABLE OF CONTENTS

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

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

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

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

Brief Discussion of the Business

Mother Company

1. FAR EASTERN UNIVERSITY

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

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

FEU maintains excellent facilities to support the schooling experience of students. These include, among others, a library with an expanding electronic footprint; various types of laboratories; audio-visual and multi-media rooms including smart classrooms; conference, meeting, and multi-function rooms; an auditorium; gyms and other sports facilities; a clinic; and an information-technology enabled gate security system. All classrooms are spacious and air-conditioned — the ambient temperature powered campus-wide by an environmentally friendly district-cooling system, the first and apparently still the only one in a Philippine educational campus setting. Enrollment and financial operations are managed on NetSuite, an integrated, cloud-based enterprise resource planning (ERP) platform, while academic activities are organized on the state-of-the-art Canvas learning management system.-

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

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

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

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

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

<u>Customers: Students</u>

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

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

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

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

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

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

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

Subsidiaries and Other Related Parties

1. East Asia Computer Center, Inc.

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

a. FEU Institute of Technology

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

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

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

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

b. FEU Diliman

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

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

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

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

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

2. FEU Alabang, Inc.

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

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

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

3. Far Eastern College Silang, Inc.

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

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

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

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

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

4. FEU High School, Inc.

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

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

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

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

5. Roosevelt College, Inc.

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

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

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

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

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

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

6. Fern Realty Corporation

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

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

Accreditation

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

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

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

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

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

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

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria *Joint Venture of FEU and TIP*
	Manila	*Makati*	*Cavite*	*Alabang*	*Manila*	*Diliman*	*Cainta, Rizal*	*Marikina*	*Rodriguez, Rizal*	*Manila*	*Lipa City, Batangas*
Bachelor of Science in Business Administration *(Business Analytics)*	✓	✓									
Bachelor of Science in Business Administration *(Economics and Law)*	✓	✓									
Bachelor of Science in Business Administration *(Entrepreneurial Management)*	✓	✓									
Bachelor of Science in Business Administration *(Financial Management)*	✓	✓	✓	✓			✓				
Bachelor of Science in Business Administration *(Financial Management and Business Analytics)*						✓					
Bachelor of Science in Business Administration *(HR Management)*							✓	✓			
Bachelor of Science in Business Administration *(Leadership & Human Capital)*	✓	✓									
Bachelor of Science in Business Administration *(Marketing Management)*	✓	✓	✓	✓		✓					
Bachelor of Science in Business Administration *(Operations Management)*						✓	✓	✓			
Bachelor of Science in Business Economics	✓	✓									
Bachelor of Science in Human Resources and Organizational Development	✓	✓									
Bachelor of Science in Internal Auditing	✓	✓									

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

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria *Joint Venture of FEU and TIP*
	Manila	*Makati*	*Cavite*	*Alabang*	*Manila*	*Diliman*	*Cainta, Rizal*	*Marikina*	*Rodriguez, Rizal*	*Manila*	*Lipa City, Batangas*
Bachelor of Fine Arts major in Studio Arts	✓										
Bachelor of Fine Arts major in Visual Communication	✓										
Bachelor of Science in Architecture *(Building Construction)*	✓										
Bachelor of Science in Architecture *(Housing Design)*	✓										
Bachelor of Science in Architecture *(Urban Design)*	✓										
Bachelor of Science in Architecture *(Human Settlement)*	✓										
Bachelor of Arts in Communication *(Convergent Media)*	✓		✓								
Bachelor of Arts in Communication *(Digital Cinema)*	✓		✓								
Bachelor of Arts in Communication *(Digital Film and Media Production)*	✓										
Bachelor of Arts in Communication *(Multimedia Journalism)*	✓										
Bachelor of Arts in Communication *(Strategic Communication)*	✓										
Bachelor of Arts in Interdisciplinary Studies *(Global Devt. & Sustainability)*	✓										

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

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria *Joint Venture of FEU and TIP*
	Manila	*Makati*	*Cavite*	*Alabang*	*Manila*	*Diliman*	*Cainta, Rizal*	*Marikina*	*Rodriguez, Rizal*	*Manila*	*Lipa City, Batangas*
Bachelor of Arts in Interdisciplinary Studies *(Phil. Arts, Culture & Society)*	✓										
Bachelor of Arts in Interdisciplinary Studies *(Urban Spaces & Transitions Studies)*	✓										
Bachelor of Arts in Interdisciplinary Studies *(Philippine Art, Culture and Heritage)*	✓										
Bachelor of Arts in Interdisciplinary Studies *(Sustainable Urban Development)*	✓										
Bachelor of Arts in International Studies *(Area Studies)*	✓										
Bachelor of Arts in International Studies *(Intl. Devt. & Cooperation)*	✓										
Bachelor of Arts in International Studies *(Intl. Relations. & Diplomacy)*	✓										
Bachelor of Arts in Language and Literature *(English Studies)*	✓										
Bachelor of Arts in Language and Literature *(Literature Studies)*	✓										
Bachelor of Arts in Language and Literature *(English Language Studies)*	✓										
Bachelor of Arts in Language and Literature *(Literature Studies and Creative Writing)*	✓										

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

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria *Joint Venture of FEU and TIP*
	Manila	*Makati*	*Cavite*	*Alabang*	*Manila*	*Diliman*	*Cainta, Rizal*	*Marikina*	*Rodriguez, Rizal*	*Manila*	*Lipa City, Batangas*
Bachelor of Arts in Political Science *(Phil. Politics & Foreign Relations)*	✓		✓								
Bachelor of Arts in Political Science *(Philippine Politics)*	✓										
Bachelor of Arts in Political Science *(Politics and Law)*	✓										
Bachelor of Science in Applied Mathematics *(Data Science)*	✓										
Bachelor of Science in Applied Mathematics *(Infromation Technology)*	✓										
Bachelor of Science in Applied Mathematics *(Mathematics Finance)*	✓										
Bachelor of Science in Biology *(Microbiology)*	✓										
Bachelor of Science in Biology *(Medical Biology)*	✓										
Bachelor of Science in Biology *(Systematic Biology)*	✓										
Bachelor of Science in Chemistry	✓										
Bachelor of Science in Psychology	✓		✓				✓				
Bachelor of Elementary Education	✓						✓				
Bachelor of Physical Education	✓										

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

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

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

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria *Joint Venture of FEU and TIP*
	Manila	*Makati*	*Cavite*	*Alabang*	*Manila*	*Diliman*	*Cainta, Rizal*	*Marikina*	*Rodriguez, Rizal*	*Manila*	*Lipa City, Batangas*
Bachelor of Science in Hotel and Restaurant Management *(Culinary Management)*	✓										
Bachelor of Science in Hotel and Restaurant Management *(Hotel Operations)*	✓										
Bachelor of Science in Hospitality Management *(Culinary Management)*			✓								
Bachelor of Science in Hospitality Management *(Hotel Operations)*			✓								
Bachelor of Science in Tourism Management *(Events Management)*	✓		✓				✓				
Bachelor of Science in Tourism Management *(Travel & Tours Management)*	✓		✓				✓				
Bachelor of Science in Tourism Management *(Airline Operations and Management)*	✓										
Bachelor of Science in Tourism Management *(Tourism and Hospitality Sustainability Leadership)*	✓										
Bachelor of Science in Tourism Management *(Tourism Foreign Relations and Diplomacy)*	✓										
Bachelor of Science in Tourism Management *(Tourism Digital Content Creation and Marketing)*	✓										
Bachelor of Science in Hospitality Management *(Cruise Line Management)*	✓										

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

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

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

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

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

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria *Joint Venture of FEU and TIP*
	Manila	*Makati*	*Cavite*	*Alabang*	*Manila*	*Diliman*	*Cainta, Rizal*	*Marikina*	*Rodriguez, Rizal*	*Manila*	*Lipa City, Batangas*
GRADUATE PROGRAM											
Juris Doctor		✓									
Master of Business Administration	✓	✓	✓								
Master of Arts in Communication	✓										
Master of Arts in Communication *(Corporate Communication)*	✓										
Master of Arts major in Letters	✓										
Master of Arts in *(Literature and Language Studies)*	✓										
Master of Arts in Psychology with specialization in Clinical Psychology	✓		✓								
Master of Arts in Psychology with specialization in Industrial Psychology	✓										
Master of Science in Biology	✓										
Master of Science in Biology *(Ecology and Systematics Track)*	✓										
Master of Science in Biology *(Microbiology Track)*	✓										
Master of Science in Mathematics	✓										
Master of Arts in Education major in Curriculum and Instruction	✓										

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

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

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

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria *Joint Venture of FEU and TIP*
	Manila	*Makati*	*Cavite*	*Alabang*	*Manila*	*Diliman*	*Cainta, Rizal*	*Marikina*	*Rodriguez, Rizal*	*Manila*	*Lipa City, Batangas*
Master of Arts in Education major in Mathematics Education							✓				
Master of Arts in Education major in Social Studies							✓				
Master of Arts in Education (Educational Management and Leadership Track)	✓										
Master of Arts in Educational Technology and Online Learning	✓										
Master of Arts in Education (Mathematics Education Track)	✓										
Master of Arts in Education (Special Needs and Inclusive Education Track)	✓										
Master in Learning and Teaching (English Language Track)	✓										
Master in Learning and Teaching (Mathematics Track)	✓										
Master in Learning and Teaching (Physical Education Track)	✓										
Master in Learning and Teaching (Science Track)	✓										
Master in Learning and Teaching (Social Studies Track)											
Master in Learning and Teaching (Filipino Track)											

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

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	Manila	*Makati*	*Cavite*	*Alabang*	*Manila*	*Diliman*	*Cainta, Rizal*	*Marikina*	*Rodriguez, Rizal*	*Manila*	*Lipa City, Batangas*
Master of Arts in Education major in Filipino							✓				
Master of Arts in Education major in Special Education							✓				
Master in Physical Education											
Master of Science in Nursing											
Master of Arts in Nursing major Nursing Systems Administration	✓										
Master of Arts in Nursing specialized in Community Health											
Master of Arts in Nursing specialized in Maternal-Child Health	✓										
Master of Arts in Nursing specialized in Medical-Surgical Nursing	✓										
Master of Arts in Nursing specialized in Mental Health and Psychiatric Nursing											
Master of Arts in Nursing specialized in Nursing Systems Administration	✓										
Master of Science in Tourism and Hospitality Management	✓										

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

COURSES	Far Eastern University	Far Eastern University	Far Eastern University	FEU Institute of Technology	FEU Institute of Technology	FEU Institute of Technology	FEU Roosevelt	FEU Roosevelt	FEU Roosevelt	FEU High School	Edustria *Joint Venture of FEU and TIP*
	Manila	*Makati*	*Cavite*	*Alabang*	*Manila*	*Diliman*	*Cainta, Rizal*	*Marikina*	*Rodriguez, Rizal*	*Manila*	*Lipa City, Batangas*
Master of Science in Tourism and Hospitality Management with Specialization in Culinology-Culinary Science and Technology	✓										
Master of Science in Tourism and Hospitality Management with Specialization in Sustainable Leisure Management and Governance	✓										
Doctor of Education major in Curriculum and Instruction	✓										
Doctor of Education major in Educational Administration	✓										
Doctor of Education major in Language and Literature Education	✓										
Doctor of Education (Curriculum Studies Track)	✓										
Doctor of Education (Educational Leadership and Policy Studies Track)	✓										
Doctor of Education (Language and Literature Studies Track)	✓										
Doctor of Philosophy (Curriculum Studies Track)	✓										
Doctor of Philosophy in Educational Linguistics	✓										
Doctor of Philosophy (Educational Leadership and Policy Studies Track)	✓										

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

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

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

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

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

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

Employees

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

University Officials	-	22
Academic and Non-Academic Managers	-	80
Non-Academic:		
Supervisor	-	58
Rank-and-File	-	269
Probationary	-	28
Project Based	-	3
Academic:		
Lecturer (Full-time equivalent)	-	635
Regular	-	318

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

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

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

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

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

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

Item 2. Schedule of Property and Equipment / Investment Properties

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

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

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

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

EAST ASIA COMPUTER CENTER, INC. (EACCI)

PROPERTY AND EQUIPMENT:

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

FAR EASTERN COLLEGE - SILANG, INC. (FECSI)

PROPERTY AND EQUIPMENT:

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

		Gross Book Value		Accumulated Depreciation		Net Book Value	Location	Condition
FEU HIGH SCHOOL, INC. (FEU High)								
PROPERTY AND EQUIPMENT:								
Information Technology Equipments	P	35,612,483	P	26,656,610	P	8,955,873	Manila	Very Good
Furniture and Fixtures		26,902,265		17,141,654		9,760,611	Manila	Very Good
Leasehold Improvements		16,023,874		12,169,594		3,854,280	Manila	Very Good
Electrical and Mechanical Equipments		5,372,150		4,495,345		876,805	Manila	Very Good
Transportation Equipments		3,721,078		2,064,178		1,656,900	Manila	Very Good
Laboratory Equipments		1,264,854		1,128,953		135,901	Manila	Very Good
Athletic and Musical Instruments		444,586		444,586		-	Manila	Very Good
TOTAL FIXED ASSETS OF FEU High	**P**	**89,341,289**	**P**	**64,100,920**	**P**	**25,240,370**		
FEU ALABANG, INC. (FEUAI)								
PROPERTY AND EQUIPMENT:								
Building and Improvements *(FEU Alabang Building, Chapel and Gymnasium)*	P	1,970,349,942	P	607,768,513	P	1,362,581,429	Muntinlupa City	Very Good
Laboratory Tools and Equipment		67,311,649		62,653,446		4,658,203	Muntinlupa City	Very Good
Information Technology and Office Equipment		77,022,689		61,853,510		15,169,179	Muntinlupa City	Very Good
Furniture and Fixtures		31,616,398		29,407,872		2,208,526	Muntinlupa City	Very Good
Leasehold Improvement		12,313,075		7,167,954		5,145,121	Muntinlupa City	Very Good
Construction in Progress		30,226,959		-		30,226,959	Muntinlupa City	Very Good
TOTAL FIXED ASSETS OF FEUAI	**P**	**2,188,840,712**	**P**	**768,851,295**	**P**	**1,419,989,417**		

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

EDUSTRIA, INCORPORATED

PROPERTY AND EQUIPMENT:

LAND					
Edustria High School Campus	P 299,679,209	P -	P 299,809,894	Lipa City, Batangas	Very Good
FURNITURE, FIXTURES AND EQUIPMENTS					
Leasehold Improvements	42,795,020	41,375,446	1,419,574	Lipa City, Batangas	Very Good
Furniture and Fixtures	7,794,140	7,236,813	557,327	Lipa City, Batangas	Very Good
Information Technology Equipment	5,885,501	5,064,928	820,573	Lipa City, Batangas	Very Good
Electrical and Mechanical Equipment	5,576,086	5,206,859	369,226	Lipa City, Batangas	Very Good
Transportation Equipments	2,001,000	1,641,800	359,200	Lipa City, Batangas	Very Good
Laboratory Tools and Equipment	760,943	760,943	-	Lipa City, Batangas	Very Good
Athletic Equipment	20,899	7,464	13,435	Lipa City, Batangas	Very Good
Construction in Progress	3,783,606	-	3,783,606	Lipa City, Batangas	Very Good
	68,617,195	61,294,253	7,322,942		
TOTAL FIXED ASSETS OF EDUSTRIA	**P 368,296,404**	**P 61,294,253**	**P 307,132,836**		
TOTAL PROPERTY AND EQUIPMENT, AND INVESTMENT PROPERTY			**P 9,291,128,643**		

PROPERTY LEASED BY FEU FROM FRC:

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

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

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

PROPERTY LEASED BY FEU FROM FEUAI:

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

PROPERTY LEASED BY FECSI FROM FEU:

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

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

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

PROPERTY LEASED BY FEUAI FROM FEU:

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

		Amount
Properties intended to be acquired in the next 12 months:	***NONE***	***NOT APPLICABLE***

Item 3. Legal Proceedings

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

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

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

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

Dividend Declaration for the Fiscal Year Ended May 31, 2025

Cash Dividend

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

Stock Dividend

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

Dividend Policy

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

Recent Sales of Unregistered Securities

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

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

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

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

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

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

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

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

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

Top 20 FEU Stockholders as of May 31, 2025

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

Item 6. Management's Discussion and Analysis

A. Financial and Operating Highlights

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

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

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

As of May 31, 2025 and May 31, 2024

Analysis of Consolidated Financial Position

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

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

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

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

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

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

Analysis of Consolidated Results of Operations

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

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

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

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

As of May 31, 2024 and May 31, 2023

Analysis of Consolidated Financial Position

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

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

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

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

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

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

Analysis of Consolidated Results of Operations

(Amounts in millions)	**2024**	**2023**	**Increase/ (Decrease)**	**YoY Change (%)**
Revenues	₱ 5,527.7	₱ 4,976.2	₱ 551.5	11%
Operating expenses	3,681.4	3.319.9	361.5	11%
Operating income	1,846.3	1,656.3	190.0	11%
Other income	387.2	290.9	96.3	33%
Income before tax	2,233.5	1,947.2	286.3	15%
Net income	2,010.3	1,887.1	123.2	7%

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

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

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

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

B. Key Performance Indicators (KPIs)

Financial Indicators

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

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

Profitability

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

Liquidity

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

Solvency/Financial Leverage

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

Non-Financial Indicators

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

Service Standards

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

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

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

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

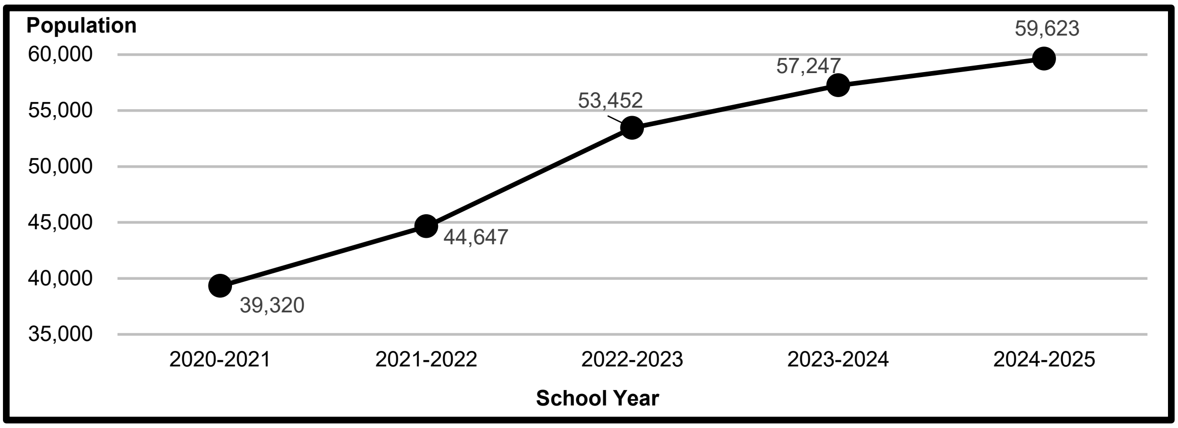
** Seven programs were transferred from PACUCOA to PAASCU.*

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

Market Acceptability

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

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



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

C. A Look At What Lies Ahead

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

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

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

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

- **Established Brand and Academic Reputation -** For nearly a century, FEU has been recognized for delivering quality education that balances academic rigor with industry relevance. This reputation continues to attract students and strengthen the University's standing as one of the country's leading private institutions.

- **Strong Enrollment Base and Network of Campuses** - FEU's diverse network of campuses across Metro Manila and the regions ensures accessibility and growth opportunities, supporting a stable enrollment base even amid a competitive environment.

- **Strategic Investment in Digital and Blended Learning** - FEU has steadily expanded its digital platforms and is prepared to scale further in response to the rapid growth of online education. This positions the University to reach new student segments, including working professionals and learners outside traditional urban centers.

- **Financial Stability and Operational Resilience** - Through disciplined financial management, FEU maintains a solid financial position and sustainable revenue streams. This financial resilience provides the capacity to fund infrastructure development, support academic innovations, and strengthen institutional capabilities.

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

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

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

D. Other Items

1. During the reporting period, material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons have been disclosed in the financial statements.

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

3. Other than those disclosed in the financial statements, there are no other known events that will trigger direct or contingent financial obligation that may be material to the Group.

4. The Group does not foresee any cash flow or liquidity problem in the next 12 months immediately following the report date. The Group and each of the component entities can easily meet all its commitments with its present reserves and expected earnings.

5. There are no significant elements of income or loss from continuing operations, and there are no sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction, other than those disclosed in the financial statements.

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

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

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

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

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

Item 7. Financial Statements and Supplementary Schedules

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

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

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

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

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

Information on Independent Public Accountant

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

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

External Audit Fees and Services

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

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

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

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

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

Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

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

PART III - CONTROL AND COMPENSATION

Item 9. Trustees and Executive Officers

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Significant Employees

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

Family Relationships

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

Training and/or Continuing Education Programs of Trustees/Officers

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

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

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

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

Number of Meetings and Attendance of the Board of Trustees

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

Member of the Board of Trustees	Regular Meetings												
	18-Jun-24	16-Jul-24	20-Aug-24	17-Sep-24	17-Oct-23	15-Oct-24	19-Nov-24	17-Dec-24	21-Jan-25	18-Feb-25	18-Mar-25	29-Apr-25	20-May-25
Dr. Lourdes R. Montinola	/	/	/	/	/	/	/	/	/	/	/	/	X
Mr. Aurelio R. Montinola III	/	X	/	/	/	/	/	/	/	/	/	/	/
Mr. Juan Miguel R. Montinola	/	X	/	/	/	/	/	/	/	/	/	/	/
Dr. Michael M. Alba	/	/	/	/	/	X	/	/	/	X	/	/	/
Ms. Sherisa P. Nuesa	/	/	/	/	/	/	/	/	/	/	/	/	/
Dr. Paulino Y. Tan	/	/	/	X	/	/	/	/	/	/	/	/	/
Mr. Jose T. Sio	/	/	/	/	/	/	/	/	/	/	/	/	/
Ms. Consuelo D. Garcia	/	/	/	/	/	/	/	/	/	/	/	X	/
Ms. Rosario Palanca Blardony	/	/	/	/	/	/	/	/	/	/	/	/	/

Item 10. Executive Compensation

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

**Trustees' Annual Bonus*

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

Compensation of Directors

Standard Arrangement

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

Other Arrangement

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

Voting Trust Holders

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

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

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

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

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

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

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

[2] *Ibid*

[3] *Ms. Teresita T. Sy, Chairman of the Board*

Security Ownership of Management

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

Security of Ownership of Management as a Group

Total Shares	-	606,004
Percentage	-	2.5192%

Item 12. Certain Relationships and Related Transactions

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

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

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

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

PART IV – SCHEDULES AND OTHER REPORTS

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

(a) Exhibit

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

(b) Reports on SEC Form 17-C

1. On 21 June 2024:

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

   Email submission acknowledged by SEC on 24 June 2024.

2. On 16 July 2024:

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

   Email submission acknowledged by SEC on 16 July 2024.

3. On 17 September 2024:

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

   Email submission acknowledged by SEC on 18 September 2024.

4. On 08 October 2024:

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

   Email submission acknowledged by SEC on 08 October 2024.

5. On 19 October 2024:

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

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

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

v. Election of members of the Board of Trustees including independent trustees for the fiscal year 2024-2025;

vi. Appointment of SGV & Co. as External Auditor for the fiscal year 2024-2025.

Email submission acknowledged by SEC on 21 October 2024.

6. On 19 October 2024:

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

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

Corporate Officers

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

University Officials

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

Board Committees

(a) Executive Committee

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

(b) Talent Management Committee

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

(c) Audit Committee

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

(d) Joint Risk Management and Related Party Transaction Committee

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

(e) Corporate Governance Committee

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

(f) Nomination Committee

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

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

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

Email submission acknowledged by SEC on 21 October 2024.

7. On 03 February 2025:

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

   Email submission acknowledged by SEC on 03 February 2025.

8. On 18 February 2025:

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

   Email submission acknowledged by SEC on 19 February 2025.

9. On 06 May 2025:

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

   SEC eFast submission acknowledged on 07 May 2025.

10. On 20 May 2025:

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

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

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

    SEC eFast submission acknowledged on 20 May 2025.

(c) Quarterly Reports:

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

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

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

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

Contextual Information

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

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
The mission of FEU is to provide quality higher education through industry-responsive outcomes-based curricular programs. The institution promotes sustainable and responsive research extension, heritage, and environmental stewardship towards national and global development, most importantly, developing and promoting human development towards nation-building. The materiality principle was then applied to determine the main sustainability programs that the institution has deemed key in supporting its educational mission and sustainable development. Updates for those programs that are directed towards sustainability of FEU Main and its subsidiaries.

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

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

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

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

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

*Climate-related risks and opportunities[2]

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

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

Procurement Practices

Proportion of spending on local suppliers

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

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

What is the impact and where does it occur? What is the organization's involvement inthe impact?	Which stakeholders are affected?	Management Approach

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

Anti-corruption

*Training on Anti-corruption Policies and Procedures

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

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

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

Incidents of Corruption

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

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

ENVIRONMENT

Resource Management

Energy consumption within the organization:

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

Reduction of energy consumption:

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

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

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

Water consumption within the organization

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

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

*Materials used by the organization – NOT APPLICABLE

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

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

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

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

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

Environmental impact management

Air Emissions *GHG*

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

Disclosure	Quantity	Units
IDirect (Scope 1) GHG Emissions	NA	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	4,702.12	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	NA	Tonnes CO_2e
What is the impact and where does it	**Which stakeholders are**	**Management Approach**

[1] International Union for Conservation of Nature

occur? What is the organization's involvement in the impact?	affected?	
Reduction in air emissions impact on carbon footprint.	FEU Community	Continually study and implement newer technologies for lessening CO2 air emissions on campus.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Air pollutants

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

Disclosure	Quantity	Units
NO_x	242.7 mg/Ncm	kg
CO	113 mg / Ncm	kg
Persistent organic pollutants (POPs)	NA	kg
Volatile organic compounds (VOCs)	NA	kg
Hazardous air pollutants (HAPs)	NA	kg
Particulate matter (PM)	NA	kg

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

Solid and Hazardous Wastes

*<u>Solid Waste</u> –

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

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

<u>Hazardous Waste (chemicals & pathogens from Medical Technology laboratories)</u>
<u>Accredited transporter and treater</u>

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

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

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

Environmental compliance

Non-compliance with Environmental Laws and Regulations

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

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

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

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

[4] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)
[5] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Employee benefits

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

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

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

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

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	103,081	hours
a. Female employees	58,544	hours
b. Male employees	44.537	hours
Average training hours provided to employees		
a. Female employees	36	Hours/employee
b. Male employees	32	Hours/employee

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

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

Labor-Management Relations

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

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

Diversity and Equal Opportunity

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

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

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

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

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

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

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

Labor Laws and Human Rights

Disclosure	Quantity	Units

No. of legal actions or employee grievances involving forced or child labor	NA	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g.harassment, bullying) in the workplace?

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

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

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:
*Do you consider the following sustainability topics when accrediting suppliers?

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

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

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

Relationship with Community

Significant Impacts on Local Communities

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

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

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

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

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

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

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

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

Customer Management

Customer Satisfaction

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

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

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

Health and Safety

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

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

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

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

Marketing and labelling

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

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

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

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

Customer privacy

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

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

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

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

Data Security

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

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

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs
Key products and services and their contribution to sustainable development.

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

SIGNATURES

Pursuant to the requirements of Section I7 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Manila, on SEP 03 2025.

By:

AURELIO R. MONTINOLA III Chairman, Board of Trustees and Chief Executive Officer	JUAN MIGUEL R. MONTINOLA President and Chief Operating Officer
ROSANNA E. SALCEDO Chief Finance Officer and Treasurer	PAMELA M. HERNANDEZ Chief Risk Officer and Controller

ANTHONY RAYMOND A. GOQUINGCO
Corporate Secretary
and Compliance Officer

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

Name	Tax Identification Number	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
Pamela M. Hernandez	913-381-986	Philippines
Anthony Raymond A. Goquingco	211-219-446	Philippines

NOTARY PUBLIC

FELY JANE J. CATLI
Commission No. 2025-045
valid until December 31, 2026
Notary Public for and in the City of Manila
Rm. 310, FEU Administration Bldg.,
Nicanor Reyes St., Brgy. 395, District IV
Sampaloc, Manila
Roll No. 70141
IBP Lifetime Member Roll No. 017715, 06.21.2017
MCLE Compliance No. VIII-0003078, 06.30.2023
PTR No. 2097109, 01.08.2024 Manila
TIN-340-171-698

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

FAR EASTERN UNIVERSITY

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

JUAN MIGUEL R. MONTINOLA
President and Chief Operating Officer

ROSANNA E. SALCEDO
Chief Finance Officer and Treasurer

Signed this 19th day of August, 2025.

SEP 03 2025

SUBSCRIBED AND SWORN to before me this ______ day of ________________, 2025, affiants exhibiting their Tax Identification Numbers (TIN) as follows:

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

NOTARY PUBLIC

FELY [illegible]
Commission No. 2025-[illegible]
valid until December 31, [illegible]
Notary Public for and in the City of Manila
Rm. 310, FEU Administration Bldg.
Nicanor Reyes St., Brgy. [illegible], District IV
Sampaloc, Manila
Roll No. 7014[illegible]
IBP Lifetime Member Roll No. 017715, 06.21.2017
MCLE Compliance No. VIII-0003078, 06.30.2023
PTR No. 2097109, 01.08.2024 Manila
TIN-340-171-69[illegible]

Doc. No. 103
Page No. 22
Book No. II
Series of 2025.

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

PW00000538

COMPANY NAME

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

NICANOR REYES STREET, SAMPALOC, MANILA

Form Type	Department requiring the report	Secondary License Type, If Applicable
ACFS	CRMD	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
corpsec@feu.edu.ph	(02) 8735 8686	09605043941

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,529	3rd Saturday of October	05/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Rosanna E. Salcedo	corpsecgroup@feu.edu.ph	N/A	0960 504 3941

CONTACT PERSON's ADDRESS

21 Maple St. , Greenwoods Executive Village, Pasig City

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

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

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Recognition of Tuition and Other School Fees

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

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

Audit response

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

Other Matter

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

SYCIP GORRES VELAYO & CO.

Shane Dave D. Tanguin
Partner
CPA Certificate No. 0115818
Tax Identification No. 242-153-393
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-157-2024, October 2, 2024, valid until October 1, 2027
PTR No. 10465390, January 2, 2025, Makati City

August 19, 2025

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

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

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

See Notes to Consolidated Financial Statements.

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

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

See Notes to Consolidated Financial Statements.

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

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

See Notes to Consolidated Financial Statements.

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

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

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

See Notes to Consolidated Financial Statements.

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

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

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

Supplementary Information on Non-cash Investing and Financing Activities:

1) The Group declared cash dividends totaling P793.1 million in 2025, P840.7 million in 2024 and P713.4 million in 2023, of which P435.3 million, P406.9 million and P298.8 million, respectively, were not paid in the year of declaration (see Notes 13 and 23).

2) The Group reclassified certain property and equipment amounting to P459.2 million, P13.3 million and P3.2 million in 2025, 2024 and 2023, respectively (see Note 11).

3) In 2025, the Group recognized additional right-of-use asset and lease liability amounting to P30.9 million (see Note 11).

4) In 2025, the Group acquired property and equipment amounting to P1.1 billion (see Note 11). The unpaid portion of the acquisition amounted to P14.0 million is presented as part of Trade and Other Payables in the 2025 statement of financial position (see Note 13).

See Notes to Consolidated Financial Statements.

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

1. CORPORATE INFORMATION

1.1 Background of the University

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

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

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

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

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

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

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

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

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

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

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

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

1.2 Other Corporate Information

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

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

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

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

2.1 Statement of Compliance with Philippine Financial Reporting Standards

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

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

2.2 Presentation of Consolidated Financial Statements

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

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

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

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

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

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

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

Discussed below are the relevant information about these pronouncements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the consolidated financial statements.

(ii) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The Group has no sale and leaseback transactions.

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

3.2 Effective Subsequent to Fiscal Year 2025 but not Adopted Early

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

(i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

(ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

(iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

(iv) PFRS 10 and PAS 28 (Amendments), Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date deferred indefinitely)

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

4. SEGMENT INFORMATION

4.1 Business Segments

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

(a) *FEU Main* – principally refers to the academic operations of the Parent Company, being the largest semestral entity;

(b) *Trimestral Schools* – subsidiary schools that primarily offer engineering and information technology programs, and which operates on a trimestral academic calendar. This includes EACCI and FEUAI; and,

(c) *Other Schools* – subsidiary schools with significant operations in senior high school and basic education programs, which is composed of 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.

4.2 Segment Assets and Liabilities

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

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

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

4.3 Intersegment Transactions

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

4.4 *Analysis of Segment Information*

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

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

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

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

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

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

4.5 *Reconciliation*

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

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

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

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

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

These placements earn effective annual interest as follows:

	2025	2024	2023
Peso placements	**5.5% to 6.4%**	5.4% to 6.4%	1.4% to 6.3%
US Dollar placements	**4.5%**	4.5%	-

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

6. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

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

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

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

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

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

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

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

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

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

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

7. FINANCIAL ASSETS

7.1 Financial Assets at FVTPL

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

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

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

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

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

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

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

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

7.2 Financial Assets at FVOCI

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

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

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

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

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

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

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

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

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

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

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

7.3 Investment Securities at Amortized Cost

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

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

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

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

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

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

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

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

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

7.4 Financial Instruments Measurement at Fair Value

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

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

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

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

7.5 Carrying Amounts and Fair Value by Category

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

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

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

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

8. INVESTMENT IN ASSOCIATES AND JOINT VENTURE

This account consists of the following:

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

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

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

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

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

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

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

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

8.1 Investment in JCHS

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

8.2 Investment in GSC

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

8.3 Investment in HAI

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

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

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

8.4 Financial Information of Associates and Joint Venture

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

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

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

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

9. INVESTMENT PROPERTIES

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

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

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

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

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

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

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

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

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

9.1 Related Income and Direct Expenses

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

9.2 Fair Values of Investment Properties

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

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

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

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

10. OTHER ASSETS

The breakdown of this account is as follows:

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

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

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

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

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

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

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

11. PROPERTY AND EQUIPMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

12. LEASES

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

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

12.1 Lease Liabilities

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

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

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

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

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

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

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

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

12.2 Lease Payments Not Recognized as Liabilities

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

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

12.3 Additional Profit or Loss and Cash Flow Information

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

13. TRADE AND OTHER PAYABLES

This account consists of:

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

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

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

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

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

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

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

14. INTEREST-BEARING LOANS

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

(Amounts in PHP)

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

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

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

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

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

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

15. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

15.1 Market Risk

(a) Foreign Currency Risk

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

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

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

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

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

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

(b) Interest Rate Risk

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

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

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

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

(c) *Other Price Risk*

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

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

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

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

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

15.2 Credit Risk

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

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

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

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

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

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

a. Cash and Cash Equivalents and Short-term Placements

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

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

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

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

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

b. Trade and Other Receivables

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

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

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

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

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

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

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

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

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

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

The loss allowance is as follows:

(Amounts in PHP)

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

(Amounts in PHP)

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

d. *Refundable Deposits*

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

15.3 Liquidity Risk

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

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

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

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

15.4 Offsetting of Financial Assets and Financial Liabilities

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

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

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

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

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

16. EDUCATIONAL REVENUES

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

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

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

16.1 Core Revenue Stream

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

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

16.2 Unearned Tuition Fees

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

17. OPERATING EXPENSES

Operating expenses consist of:

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

18. OTHER OPERATING INCOME, FINANCE INCOME AND FINANCE COSTS

18.1 Finance Income

This consists of the following:

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

18.2 Finance Costs

This account is broken down into the following:

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

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

18.3 Other Operating Income

This account is broken down into the following:

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

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

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

19. EMPLOYEES' HEALTH, WELFARE AND RETIREMENT FUND

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

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

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

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

FEU	-	FEU Health Welfare and Retirement Fund (FEUHWRFP)
FECSI	-	FEU Cavite Health Welfare and Retirement Fund (FEUCHWRFP)

EACCI and FEUAI* - Comprehensive Benefits Plan policy issued by Insular Life
FEU High and RCI Assurance Co. Ltd. (Benefits Policy)
**previously under Private Education Annuity Association (PERAA).*

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

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

(ii) FRC

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

(iii) RCI

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) Risks Associated with the Retirement Plan

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

(i) Investment and Interest Risks

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

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

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

(ii) Longevity and Salary Risks

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

(d) Other Information

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

(i) Sensitivity Analysis

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

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

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

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

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

(ii) Asset-liability Matching Strategies

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

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

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

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

(iii) Funding Arrangements and Expected Contributions

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

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

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

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

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

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

20. RELATED PARTY TRANSACTIONS

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

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

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

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

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

20.1 Noninterest-bearing Advances

(a) Advances of the University to a Related Party

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

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

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

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

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

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

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

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

(d) Advances of RCI to its Related Party

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

20.2 Reimbursement of Expenses

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

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

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

20.3 Lease of Building from NREFI

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

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

20.4 Management Fees

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

20.5 Retirement Funds

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

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

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

20.6 Key Management Personnel Compensation

Total remunerations of the Group's key management personnel for the years ended May 31, 2025, 2024 and 2023, which are presented as part of Salaries and Employee benefits under Other Operating Expenses in the consolidated statement of profit or loss (see Notes 17 and 19), are as follows:

(Amounts in PHP)	**2025**	2024	2023
Short-term benefits	**196,380,532**	168,984,196	150,904,250
Post-employment benefits	**44,746,328**	21,327,484	17,844,193
	241,126,860	190,311,680	168,748,443

20.7 Financial Guaranty for Subsidiaries' Loans

In March 2017 and January 2018, the BOT approved that for and in consideration of the loan or credit facilities obtained by any subsidiary of the University, in which the University owns at least 75% of the outstanding voting capital stock of such subsidiary, from a certain local commercial bank, the University gives its full consent and authority to act as surety up to P500.0 million for the subsidiary's obligations arising from any loan or availments from any credit facilities granted by the said local bank in favor of the subsidiary, as well as any renewals, increases, extensions of existing obligations obtained by or which may hereafter be obtained by the subsidiary from the local bank, whether direct or indirect, principal or secondary.

The outstanding balance of RCI's loans from the said local bank amounted to P314.3 million as of May 31, 2025, P309.5 million as of May 31, 2024 and P404.8 million as of May 31, 2023 (see Note 14).

20.8 Others

In July 2014, FRC's declaration of stock dividend resulted in 291 fractional shares amounting to P0.3 million, which FRC opted to treat as treasury shares.

In 2019, FRC's BOD approved the proposal to increase its par value from P1,000 to P10,000, resulting to fractional shares for stockholders owning less than ten shares. The unsecured, non-interest bearing outstanding liability amounting to P23.3 million as of May 31, 2025, P24.4 million as of May 31, 2024 and P26.2 million as of May 31, 2023 are presented as part of Due to related parties under Trade and Other Payables account in the consolidated statement of financial position (see Note 13).

21. INCOME TAXES

Under Philippine laws, the taxable income from operations related to school activities and passive investment income of private and proprietary (stock) educational institutions is subject to a tax of 10%. However, if 50% or more of the institution's total gross income is from unrelated business activities, the regular corporate income tax (RCIT) of 25% will apply effective after July 2021 to the entire taxable income instead of the 10% preferential rate. Except FRC, which is subject to RCIT, all the schools within the group qualified to continue to avail of the 10% preferential rate given their respective revenue profile. In addition, they are also not covered by the minimum corporate income tax provision of the new tax code.

In March 2021, RA No. 11534 or the *Corporate Recovery and Tax Incentives for Enterprises Act* (CREATE) has been passed into law which provides for a reduced tax rate of proprietary schools to 1% from the previous 10%, effective July 2021 until June 2023.

Also in December 2021, RA No. 11635, *An Act Clarifying the Income Taxation of Proprietary Educational Institutions, Amending for the Purpose Section 27 (B) of the NIRC of 1997, As Amended*, was enacted such that proprietary schools were clarified to apply 1% reduced tax rate as originally intended by CREATE.

The schools within the Group used the reduced 1% income tax rate for the fiscal year ended May 31, 2023.

In June 2023, BIR issued Revenue Memorandum Circular No. 69-2023, *Reversion of Rates of Percentage Tax, Minimum Corporate Income Tax, and Regular Corporate Income Tax on Proprietary Educational Institutions and Not for Profit Hospitals, Pursuant to RA No. 11534*, which reverted the income tax rate of the schools within the Group to 10% effective July 1, 2023. Consequently, and in accordance with the requirements of PAS 12, *Income Taxes*, the schools within the group measured their deferred tax assets and liabilities at 10% as of May 31, 2025, 2024 and 2023.

The major components of tax expense reported in the consolidated statement of profit or loss are as follows:

(Amounts in PHP)	**2025**	2024	2023
Current tax expense:			
Special rate at 10% in 2025 9.3% in 2024 1.0% in 2023	**209,289,056**	172,771,902	18,365,351
RCIT at 25%	**30,725,705**	32,829,825	20,816,314
Final tax at 20% and 15%	**15,482,795**	25,879,367	20,245,367
	255,497,556	231,481,094	59,427,032
Deferred tax expense (income) arising from the origination and reversal of temporary differences	**(14,953,297)**	(8,238,175)	735,070
	240,544,260	223,242,919	60,162,102

A reconciliation of tax on pretax income computed at the applicable statutory rates to tax expense reported in consolidated profit or loss is presented below:

(Amounts in PHP)	**2025**	2024	2023
Tax on pretax income at 10 % and 1%	**257,334,003**	263,424,549	19,472,276
Adjustments for income subjected to:			
Final tax	**4,748,092**	11,164,798	17,321,617
Tax effects of:			
Non-taxable income	**(27,568,836)**	(47,028,966)	(4,136,053)
Effect of change in deferred tax rate		(10,149,364)	8,748,352
Non-deductible expenses	**9,977,157**	15,910,102	3,639,409
Excess of optional standard deduction over itemized deductions	**(7,383,270)**	(10,095,764)	(1,649,606)
Reversal of previously recognized DTA/ recognition of DTA	**5,046,170**	-	-
Unrecognized Net Operating Loss Carry Over (NOLCO)	**(1,017,407)**	135,403	-
Unrecognized deferred tax asset on allowance for impairment	**-**	4,826,406	-
Others	**(591,649)**	(4,944,245)	16,766,107
	240,544,260	223,242,919	60,162,102

The net deferred tax assets and net deferred tax liabilities of the Group, as of May 31, 2025, 2024 and 2023, relate to the following:

	Consolidated Statement of					
	Financial Position			Profit or Loss		
(Amounts in PHP)	**2025**	2024	2023	**2025**	2024	2023
Deferred tax assets:						
Accrued rent expense	**4,968,214**	10,025,165	-	**(5,056,951)**	(10,025,165)	-
NOLCO	**-**	7,114,772	1,630,212	**(7,114,772)**	(5,612,698)	(171,772)
Allowance for impairment losses on trade and other receivables – net	**19,913,202**	9,899,619	576,920	**17,607,892**	(4,595,262)	(5,913)
Unrealized foreign currency gains (losses)	**4,017,603**	(3,688,156)	-	**8,545,378**	3,688,156	-
Unrealized fair value gains (losses)	**(3,581,075)**	(3,616,305)	-	**35,230**	3,616,305	-
Post-employment benefit	**12,053,328**	931,299	59,336	**5,291,359**	-	-
Prepaid expenses	**(6,512,765)**	(5,471,262)	-	**(1,041,503)**	-	-
Lease Liabilities	**457,030**	-	-	**457,030**	-	-
Unearned rental income	**(13,143,096)**	-	-	**(962,275)**	-	-
Deferred tax assets – net	**18,172,441**	15,195,132	2,266,468			
Deferred tax expense (income)				**17,761,388**	(12,928,664)	(177,685)
Deferred tax liabilities:						
Accrued rent receivable	**-**	(13,588,805)	(22,240,561)	**-**	2,685,818	(1,851,868)
Post-employment benefit	**(2,194,930)**	6,443,831	5,684,256	**(2,808,091)**	759,575	(833,897)
Prepaid expenses	**-**	(5,471,262)	(2,571,797)	**-**	(2,899,465)	(844,471)
Unearned rental income	**-**	1,407,984	332,292	**-**	1,075,692	(178,949)
Unrealized foreign currency gains (losses)	**-**	(839,619)	(3,565,220)	**-**	(1,016,555)	6,834,960
Accrual of expenses	**-**	-	11,060,838	**-**	(1,035,673)	(2,107,838)
Allowance for impairment losses on trade and other receivables – net	**2,123,047**	-	7,823,887	**-**	(3,408,773)	374,148
Unrealized fair value losses	**-**	-	2,822,438	**-**	(6,438,742)	(479,330)
DTL resulting from reversal of temporary decrease in tax rates	**-**	-	(18,516,298)	**-**	18,516,298	-
Deferred tax liabilities – net	**(71,883)**	(12,047,871)	(19,170,165)			
Deferred tax expense				**(2,808,091)**	8,238,175	912,755
Deferred tax expense (income) – net				**14,953,297**	(4,690,489)	735,070

RCI's deferred tax expense amounting to P2.4 million, P2.3 million and P4.0 million relates to the remeasurement of post-employment benefit plan during the years ended May 31, 2025, 2024 and 2023, respectively, and is recognized as a component of tax expense reported in the consolidated statement of comprehensive income.

The net deferred tax assets of the University are not allowed to be offset against net deferred tax liabilities of other subsidiaries, or vice versa, for purposes of consolidation.

Presented below are the details of NOLCO of FECSI and Edustria:

(Amounts in PHP)

Period Incurred	Original Amount	Expired Balance	Applied Amount	Remaining Balance	Valid Until
May 31, 2025	47,945,858	-	-	47,945,858	2028
May 31, 2024	57,227,156	-	-	57,227,156	2027
May 31, 2023	58,032,853	-	-	58,032,853	2026
May 31, 2022	52,335,822	-	-	52,335,822	2025
May 31, 2021	60,922,423			60,922,423	2026
	276,464,112	**-**	**-**	**276,464,112**	

The companies within the Group that were not entitled to avail of the preferential rate of 10% is subject to MCIT, which is computed at 2% of gross income as defined under the tax regulations, or RCIT, whichever is higher.

(Amounts in PHP)	**2025**		2024		2023	
	Tax Base	**Tax Effect**	Tax Base	Tax Effect	Tax Base	Tax Effect
FECSI:						
NOLCO	**20,726,235**	**2,072,624**	7,114,772	711,477	8,343,562	834,356
Allowance for impairment	**429,378**	**42,938**	208,492	20,849	283,404	28,240

No deferred tax assets were recognized by certain subsidiaries since management of the respective subsidiaries believes that no sufficient taxable profit will be realized against which deferred tax assets can be applied within the prescriptive period.

22. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of liabilities arising from various financing activities in fiscal years 2025, 2024 and 2023:

(Amounts in PHP)	**Interest-bearing Loans** (see Note 14)	**Lease Liabilities** (see Note 12)	**Dividends Payable** (see Note 13)	**Accrued Interest** (see Note 14)	**Total**
Balance at June 1, 2024	1,385,340,136	2,443,276	406,890,377	10,970,822	1,805,644,611
Cash flows from financing activities:					
Repayment of loans	(226,258,504)	-	-	-	(226,258,504)
Repayment of lease liabilities	-	(10,853,300)	-	-	(10,853,300)
Dividends paid	-	-	(764,688,107)	-	(764,688,107)
Interest paid	-	(1,403,853)	-	(84,033,919)	(85,437,772)
Non-cash financing activities:					
Additional lease liabilities	-	30,891,882	-	-	30,891,882
Interest amortization in lease liabilities	-	1,403,853	-	-	1,403,853
Dividend declaration	-	-	793,140,014	-	793,140,014
Accrual of interest	-	-	-	80,876,895	80,876,895
Balance at May 31, 2025	**1,159,081,632**	**22,481,858**	**435,342,284**	**7,813,798**	**1,624,719,572**

(Amounts in PHP)	Interest-bearing Loans (see Note 14)	Lease Liabilities (see Note 12)	Dividends Payable (see Note 13)	Accrued Interest (see Note 14)	Total
Balance at June 1, 2023	1,811,598,640	13,865,782	298,839,580	12,429,090	2,136,733,092
Cash flows from financing activities:					
Repayment of loans	(426,258,504)	-	-	-	(426,258,504)
Repayment of lease liabilities	-	(11,422,506)	-	-	(11,422,506)
Dividends paid	-	-	(732,675,417)	-	(732,675,417)
Interest paid	-	(523,967)	-	(112,364,693)	(112,888,660)
Non-cash financing activities:					
Interest amortization in lease liabilities	-	523,967	-	-	523,967
Dividend declaration	-	-	840,726,214	-	840,726,214
Accrual of interest	-	-	-	110,906,425	110,906,425
Balance at May 31, 2024	1,385,340,136	2,443,276	406,890,377	10,970,822	1,805,644,611
Balance at June 1, 2022	2,284,761,905	25,032,057	251,149,057	5,422,110	2,566,365,129
Cash flows from financing activities:					
Repayment of loans	(473,163,265)	-	-	-	(473,163,265)
Repayment of lease liabilities	-	(11,166,275)	-	-	(11,166,275)
Dividends paid	-	-	(665,749,569)	-	(665,749,569)
Interest paid	-	(1,352,823)	-	(73,852,221)	(75,205,044)
Non-cash financing activities:					
Interest amortization in lease liabilities	-	1,352,823	-	-	1,352,823
Dividend declaration	-	-	713,440,092	-	713,440,092
Accrual of interest	-	-	-	80,859,201	80,859,201
Balance at May 31, 2023	1,811,598,640	13,865,782	298,839,580	12,429,090	2,136,733,092

23. EQUITY

23.1 Capital Stock

As of May 31, 2025, the University's authorized capital stock consists of 50,000,000 shares with par value of P100 per share, of which 24,055,763 shares were issued and outstanding, net of 37,331 treasury shares.

Below is the ownership structure of the University's outstanding shares as of May 31, 2025, 2024 and 2023.

	2025	2024	2023
Number of shares held by related parties	**15,243,974**	15,084,775	15,103,494
Number of shares held by the public	**8,811,789**	8,824,417	8,852,870
	24,055,763	23,909,192	23,956,364

**Net of those held as Treasury Stock (see 23.2)*

As at May 31, 2025, 2024 and 2023, the public owns 36.63%, 36.91% and 36.95%, respectively, of the University's listed shares.

As at May 31, 2025, there are 1,455 holders of the listed common shares owning at least one board lot.

All shares of the University are listed on the PSE, there had been no follow-on listing since the initial listing in 1986 at an offer price of P100. The closing price of the University's listed shares was P840.0, P699.5 and P533.0 per share as at May 31, 2025, 2024 and 2023, respectively.

23.2 Treasury Stock

This account includes the University's common shares held and acquired by FRC on various dates during the respective reporting periods. It consists of 189,446 shares as of May 31, 2025, 183,902 shares as at May 31, 2024, and 136,730 shares as at May 31, 2023.

The Group acquired shares amounting to P5.9 million, P33.1 million and P2.0 million in 2025, 2024 and 2023, respectively.

A portion of the University's retained earnings is restricted from dividend declaration up to the cost of treasury stocks, excluding the amount acquired and held by FRC as this is considered as a cross-holding as of the end of the reporting period.

23.3 Revaluation Reserves and Other Reserves

The components and reconciliation of items of other comprehensive income (loss) presented in the consolidated statement of changes in equity at their aggregate amount under Revaluation Reserves account, are shown below and in the succeeding page:

(Amounts in PHP)	**Financial Assets at FVOCI (see Note 7.2)**	**Retirement Benefit Obligation (see Note 19)**	**Total**
Balance as of June 1, 2024	10,318,874	(5,090,209)	5,228,665
Remeasurements of retirement benefit obligation	-	(13,668,380)	(13,668,380)
Fair value loss on financial assets at FVOCI	24,964,000	-	24,964,000
Tax effect	(2,496,400)	1,366,838	(1,129,562)
Other comprehensive income (loss)	22,467,600	(12,301,542)	10,166,058
Balance as of May 31, 2025	**32,786,474**	**(17,391,751)**	**15,394,723**
Balance as of June 1, 2023	(6,020,176)	(3,205,513)	(9,225,689)
Remeasurements of retirement benefit obligation	-	(1,866,036)	(1,866,036)
Fair value loss on financial assets at FVOCI	16,177,277	-	16,177,277
Tax effect	161,773	(18,660)	143,113
Other comprehensive income (loss)	16,339,050	(1,884,696)	14,454,354
Balance as of May 31, 2024	10,318,874	(5,090,209)	5,228,665

(Amounts in PHP)	Financial Assets at FVOCI (see Note 7.2)	Retirement Benefit Obligation (see Note 19)	Total
Balance as of June 1, 2022	(7,493,558)	2,135,268	(5,358,290)
Remeasurements of retirement benefit obligation	-	(5,287,902)	(5,287,902)
Fair value loss on financial assets at FVOCI	1,458,794	-	1,458,794
Tax effect	14,588	(52,879)	(38,291)
Other comprehensive income (loss)	1,473,382	(5,340,781)	(3,867,399)
Balance as of May 31, 2023	(6,020,176)	(3,205,513)	(9,225,689)

Other reserves refer to the amount attributable to the parent company arising from change in the ownership of NCI in RCI in 2017.

23.4 Retained Earnings

Significant transactions affecting Retained Earnings are shown below:

(a) Appropriation of Retained Earnings

As of May 31, 2025, 2024 and 2023, the University's Appropriated Retained Earnings consists of appropriations for:

	2025	2024	2023
Property and investment acquisition	**740,000,000**	1,417,000,000	567,000,000
Purchase of equipment and improvements	**354,000,000**	662,000,000	803,000,000
Contingencies	**90,000,000**	90,000,000	90,000,000
Treasury stock	**3,733,100**	3,733,100	3,733,100
	1,187,733,100	2,172,733,100	1,463,733,100

As projects and capital expenditures are annually revisited and would involve several projects, timeline with level of exactness is not defined, instead are recalibrated year on year.

The changes in Appropriated Retained Earnings are shown below:

	2025	2024	2023
Balance at beginning of year	**2,172,733,100**	1,463,733,100	1,184,853,389
Purchase of equipment and improvements	**(677,000,000)**	(141,000,000)	360,379,711
Property and investment acquisition	**(308,000,000)**	850,000,000	(81,500,000)
	1,187,733,100	2,172,733,100	1,463,733,100

(b) Dividend Declaration

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

	Date of Declaration	Date of Record	Date of Payment/Issuance	Amount in PHP
May 31, 2025				
Cash dividend of P16 per share	September 18, 2024	October 1, 2024	October 17, 2024	382,459,728
Cash dividend of P16 per share	February 19, 2025	March 4, 2025	March 18, 2025	382,459,728
				764,919,456
May 31, 2024				
Cash dividend of P16 per share	September 19, 2023	October 3, 2023	October 13, 2023	382,547,360
Cash dividend of P16 per share	February 20, 2024	March 5, 2024	March 20, 2024	382,547,360
				765,094,720
May 31, 2023				
Cash dividend of P14 per share	September 20, 2022	October 4, 2022	October 14, 2022	335,398,084
Cash dividend of P14 per share	February 21, 2023	March 7, 2023	March 21, 2023	335,398,084
				670,796,168

Unclaimed checks related to dividends declared as of May 31, 2025, 2024 and 2023 are presented as Dividends payable under the Trade and Other Payables account in the consolidated statement of financial position (see Note 13).

23.5 Subsidiaries with Material Non-controlling Interest (NCI)

In prior years, the University acquired controlling interest over a number of entities which are consolidated by the Group. The ownership stake of the minority interest are presented as Non-controlling Interest (NCI) in the consolidated statement of financial position and consolidated statement of changes in equity. The NCI is measured at P2,983.2 million, P2,965.4 million and P2,965.0 million as of May 31, 2025, 2024 and 2023, respectively.

These controlled entities declared dividends, of which the share of the minority interest amounted to P28.2 million in 2025, P75.6 million in 2024 and P42.6 million in 2023.

(a) FRC

As of May 31, 2025, 2024 and 2023, the University holds ownership interest of 38.18% in FRC. Management considers that the University has de facto control over FRC even though it holds less than 50% of the voting shares of stock of FRC, because it is exposed or has right to variable returns through its power over FRC [see Notes 1.1 and 27.1(g)]. The accumulated NCI of FRC amounted to P1,708.3 million, P1,140.8 million and P1,087.14 million as of May 31, 2025, 2024 and 2023, respectively.

A summary of financial information of FRC as of and for the years ended May 31, 2025, 2024 and 2023 before intragroup eliminations are shown below.

(Amounts in PHP)	**2025**	2024	2023
Current assets	**539,304,527**	328,158,045	430,787,516
Non-current assets	**1,286,354,499**	1,430,982,137	1,184,555,717
Current liabilities	**68,879,920**	107,858,900	46,990,974
Non-current liabilities	**47,428,984**	37,427,315	33,844,347
Total equity	**1,708,350,122**	1,613,853,967	1,534,507,912
Total revenue	**193,264,327**	231,709,412	154,995,259
Net profit for the year	**80,634,598**	138,349,913	57,168,147
Other comprehensive income (loss) for the year	**16,173,497**	4,832,827	(2,603,166)
Total comprehensive income for the year	**96,808,095**	143,182,740	54,564,981
Net profit allocated to NCI	**49,848,308**	85,527,916	35,329,915
Net cash from operating activities	**85,797,436**	96,328,413	82,647,408
Net cash used in investing activities	**(21,631,337)**	(78,184,077)	(43,893,097)
Net cash used in financing activities	**(41,389,401)**	(20,350,627)	(19,421,033)
Net increase (decrease) in cash and cash equivalents	**22,776,698**	(2,206,291)	19,333,278

(b) EACCI and FEUAI

Prior to 2017, EACCI issued its newly authorized preferred shares to EAEFI, a related party under common management. In 2020 and 2019, EACCI also issued additional authorized preferred shares to NREFI, a related party under common management. Total cost of preferred shares issued and outstanding amounts to P1.2 billion as of May 31, 2025, 2024 and 2023.

In 2021, 2020 and 2019, FEUAI issued its newly authorized preferred shares to EAEF. Total cost of preferred shares issued and outstanding amounts to P750.0 million as of May 31, 2025, 2024 and 2023.

Both non-controlling interests in EACCI and FEUAI relate to non-voting shares.

EACCI and FEUAI's preferred shares have the following features:

(a) Holders of the preferred stock have no pre-emptive right to subscribe to any or all issues or other disposition of shares of common stock or preferred stock of EACCI or FEUAI, including treasury stock, if any;

(b) Subject to availability of retained earnings and sufficient cash as may be determined by EACCI's BOT or FEUAI's BOD, holders of the preferred stock are entitled to receive, out of unrestricted retained earnings of the EACCI or FEUAI, non-cumulative dividends at the rate of 2.5% per annum based on the issue value of each share, payable annually on such date as may be determined by the EACCI's BOT or FEUAI's BOD from time to time;

(c) Preferred stock shall be non-voting (except in instances specifically provided by law) and non-participating as to the payment of dividends;

(d) Preferred stock may be redeemed at the option of the issuer regardless of the existence of unrestricted retained earnings at an issue price equal to the issue value and under terms and conditions as determined by the EACCI's BOT or FEUAI's BOD; and,

(e) In the event of any voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of EACCI or FEUAI's operations, the holders of preferred stock shall have preference and priority as to the net assets of EACCI or FEUAI or proceeds thereof over the holders of common stock.

During the years ended May 31, 2025, 2024 and 2023, the BOT of EACCI declared cash dividends to all of their stockholders. Accordingly, the holders of its preferred stocks received P30.0 million from each of the said declarations in 2025, 2024 and 2023.

A summary of financial information of FEUAI and EACCI as of and for the years ended May 31, 2025, 2024 and 2023, before intragroup eliminations are shown below and in the succeeding page (in thousands).

(Amounts in PHP)	**EACCI**	**FEUAI**
May 31, 2025		
Current assets	**3,985,266**	**912,731**
Non-current assets	**2,100,672**	**1,427,288**
Current liabilities	**938,373**	**200,799**
Non-current liabilities	**1,105,577**	**187,500**
Total equity	**4,980,361**	**1,951,719**
Total revenue	**1,425,856**	**472,871**
Net income for the year	**807,456**	**176,301**
Other comprehensive income (loss) for the year	**6,054**	**-**
Total comprehensive income for the year	**813,510**	**176,301**
Net cash from operating activities	**1,155,312**	**298,076**
Net cash used in investing activities	**(299,813)**	**(318,726)**
Net cash used in financing activities	**(200,453)**	**(20,649)**
Net increase in cash and cash equivalents	**655,046**	**(41,299)**

(Amounts in PHP)	EACCI	FEUAI
May 31, 2024		
Current assets	2,291,364	617,051
Non-current assets	2,573,664	1,509,600
Current liabilities	323,376	167,621
Non-current liabilities	222,516	-
Total equity	4,319,136	1,959,030
Total revenue	1,284,468	428,389
Net income for the year	727,257	110,366
Other comprehensive income (loss) for the year	21,632	-
Total comprehensive income for the year	748,889	110,366
Net cash from operating activities	633,663	262,625
Net cash used in investing activities	(387,521)	(18,852)
Net cash used in financing activities	(224,526)	187,082
Net increase in cash and cash equivalents	21,616	430,855
May 31, 2023		
Current assets	1,579,166	155,078
Non-current assets	2,668,331	1,608,649
Current liabilities	252,371	111,431
Non-current liabilities	264,834	
Total equity	3,730,292	1,651,965
Total revenue	1,041,998	337,890
Net income for the year	616,109	61,445
Other comprehensive income (loss) for the year	(489)	-
Total comprehensive income for the year	615,620	61,445
Net cash from operating activities	705,167	225,497
Net cash used in investing activities	(94,162)	(12,721)
Net cash used in financing activities	(264,151)	(147,928)
Net increase in cash and cash equivalents	346,854	64,848

(c) Edustria

Upon incorporation of Edustria, the Parent Company subscribed to 255.0 million shares at P1.0 par value, representing 51% of the 500.0 million total issued and outstanding shares of Edustria, of which 70% was settled. In 2023, the remaining 30% of the total subscribed shares of Edustria amounting to P150.0 million was paid by the Parent Company and NCI according to their respective percentage shares.

The NCI of Edustria, amounting to P151.2 million as of May 31, 2025 and P168.8 million as of May 31, 2024, and P187.7 million as of 2023, is presented as part of Non-controlling Interest in the consolidated statement of financial position.

A summary of financial information of Edustria as of and for the years ended May 31, 2025, 2024 and 2023, before intragroup eliminations are shown below:

Amounts in PHP	**2025**	2024	2023
Current assets	**26,386,012**	28,513,848	60,523,058
Non-current assets	**332,974,308**	319,391,494	335,497,422
Current liabilities	**14,059,497**	3,366,522	12,131,892
Non-current liabilities	**12,297,718**	-	843,916
Total equity	**308,503,105**	344,538,820	383,044,672
Total revenue	**8,397,323**	4,328,063	8,082,398
Net loss and total comprehensive loss for the year	**(36,035,716)**	(38,505,852)	(36,484,632)
Net loss allocated to NCI	**(17,641,110)**	(18,867,867)	(17,877,470)
Net cash used in operating activities	**(11,869,673)**	(18,135,924)	(14,533,835)
Net cash used in investing activities	**(4,203,168)**	(4,050,603)	(297,576,091)
Net cash from (used in) financing activities	**13,842,207**	(10,148,505)	140,355,568
Net decrease in cash and cash equivalents	**(2,230,634)**	(32,335,032)	(171,754,358)

24. EARNINGS PER SHARE

Earnings per share (EPS) amounts were computed as follows:

Amounts in PHP	**2025**	2024	2023
Net profit attributable to owners of the parent company	**2,054,318,022**	1,940,338,894	1,866,741,062
Divided by weighted average number of shares outstanding, net of treasury stock of 189,446 as of May 31, 2025, 183,902 as of May 31, 2024, and 136,730 as of May 31, 2023	**23,903,861**	23,916,803	23,956,863
Basic and diluted EPS	**85.94**	81.13	77.92

The weighted average number of shares outstanding as of May 31, 2025, 2024 and 2023 is computed below:

	Number of Shares	Months Outstanding	Weighted Number Of Shares
Balance at June 1, 2024	23,909,192	12	286,910,304
Purchase of treasury stock during the period –			
June 2024	(4,174)	12	(50,088)
July 2024	(1,200)	11	(13,200)
February 2025	(170)	4	(680)
Balance at May 31, 2025	23,903,648		286,846,336
Divided by total months during the year			12
Weighted average number of shares outstanding as of May 31, 2025			**23,903,861**
Balance at June 1, 2023	23,956,364	12	287,476,368
Purchase of treasury stock during the period –			
June 2023	(1,560)	12	(18,720)
August 2023	(45,576)	10	(455,760)
November 2023	(36)	7	(252)
Balance at May 31, 2024	23,909,192		287,001,636
Divided by total months during the year			12
Weighted average number of shares outstanding as of May 31, 2024			23,916,803
Balance at June 1, 2022	23,957,648	12	287,491,776
Purchase of treasury stock during the period –			
October 2022	(1,000)	8	(8,000)
January 2023	(284)	5	(1,420)
Balance at May 31, 2023	23,956,364		287,482,356
Divided by total months during the year			12
Weighted average number of shares outstanding as of May 31, 2023			23,956,863

The University has no potential dilutive common shares as of May 31, 2025, 2024 and 2023; accordingly, the diluted EPS is the same as the basic EPS in all the years presented.

25. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group aims to provide returns on equity to shareholders while managing operational and strategic objectives. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtain debt financing.

The Group defines capital as paid-in capital stock and retained earnings, both appropriated and unappropriated. Other components of equity such as treasury stock and revaluation reserves are excluded from capital for purposes of capital management. The BOT has overall responsibility for monitoring of capital in proportion to risks. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business, operation and industry.

The University monitors capital on the basis of debt-to-equity ratio, which is calculated as total liabilities excluding deferred revenues divided by total adjusted equity (comprised of capital stock and retained earnings) attributable to owners of the parent company. Capital for the reporting periods under review is summarized below:

Amounts in PHP	**2025**	2024	2023
Total adjusted liabilities	**3,160,150,071**	3,794,030,831	3,667,767,018
Total adjusted equity attributable to owners of the parent company	**13,169,581,862**	11,880,183,296	10,704,939,122
Debt-to-equity ratio	**0.24 : 1.00**	0.32 : 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 (see Note 14).

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

There was no significant change in the Group's approach to capital management during the year.

26. MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

26.1 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the University and its subsidiaries as enumerated in Note 1.1, after the elimination of intercompany transactions.

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

Subsidiaries:	Reporting Period*
FRC	March 31, 2025
RCEE	March 31, 2025
FECSI	May 31, 2025
FEU High	May 31, 2025
RCI	May 31, 2025
Edustria	May 31, 2025
EACCI	June 30, 2025*
FEUAI	June 30, 2025*

**included in the Group's May 31, 2025 consolidated balances*

These subsidiaries follow their respective school years (i.e., trimestral and semestral), hence, the use of different reporting dates (non-coterminous year-ends) as compared with that of the University.

The University accounts for its investments in subsidiaries and NCIs as follows:

(a) Investments in Subsidiaries

Subsidiaries are entities over which the University has control. The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

The acquisition method is applied to account for acquired subsidiaries (see Note 26.2).

(b) Investment in Associates and a Joint Venture

Investments in associates and joint venture are initially recognized at cost and subsequently accounted for using the equity method from the date on which the entity becomes an associate or when the joint venture entity is established.

(c) *Transactions with NCIs*

The Group's transactions with NCIs that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the Group in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share in the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments in NCIs result in gains and losses which the Group also recognizes in equity.

26.2 Business Combinations

Business acquisitions are accounted for using the acquisition method of accounting.

The University recognized goodwill arising from the acquisition of RCI in May 2016. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition, except for lease liabilities which are measured based on the present value of the remaining lease payments as if the acquired lease were a new lease at acquisition date and right-of-use assets which are measured at an amount equal to the recognized lease liability, adjusted to reflect favorable or unfavorable lease terms compared with market terms. For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

26.3 Segment Reporting

In identifying its operating segments, management generally follows the Group's service lines as disclosed in Note 4, which represents the main services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

26.4 Financial Instruments

(a) *Financial Assets*

(i) *Classification, Measurement and Reclassification of Financial Assets*

The Group's financial assets include financial assets at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss.

Financial Assets at Amortized Cost

Where the business model is to hold assets to collect contractual cash flows, the Group assesses whether the financial instruments' cash flows represent Solely Payments of Principal and Interest (SPPI). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement [see Note 27.1(e)]. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Financial Assets at FVOCI

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified as FVTPL. The Group has designated certain equity instruments as at FVOCI on initial recognition.

Financial Assets at FVTPL

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

(ii) Impairment of Financial Assets

The Group applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all tuition and other school fee receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets.

For debt instruments measured at FVOCI and at amortized cost, the allowance for credit losses is based on the ECL associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since the origination of the financial asset. In such case, a lifetime ECL for a Purchased or Originated Credit Impaired (POCI) asset is recognized, and the allowance for credit losses is based on the change in the ECL over the life of the asset. The Group recognized a loss allowance for such losses at each reporting date.

The Group's definition of credit risk and information on how credit risk is mitigated by the Group are disclosed in Note 15.2.

(b) Financial Liabilities

Financial liabilities, which includes interest-bearing loans, trade and other payables (except tax-related liabilities, Deposits payable and NSTP trust fund), and Refundable deposits (presented under Other Non-current Liabilities) are recognized when the Group becomes a party to the contractual terms of the instrument.

26.5 Real Estate Held-for-Sale

Acquisition costs of raw land intended for sale, including other costs and expenses incurred to effect the transfer of title of the property as well as related property development costs, are accumulated in this account.

Real estate held-for-sale is carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete and the estimated costs necessary to make the sale.

26.6 Property and Equipment

Property and equipment, except land, are carried at acquisition cost or construction cost less subsequent depreciation and any impairment losses. Land held for use in administration is stated at cost less any impairment losses.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets as follows:

Building and improvements	20 years
Furniture and equipment	3 to 6 years
Miscellaneous equipment	5 years

Leasehold improvements are amortized over the estimated useful lives of 20 years or the remaining term of the lease, whichever is shorter.

Construction in progress represents assets currently under development and is carried at cost, less of any impairment. Cost includes construction expenditures, directly attributable costs, and borrowing costs incurred during the construction period. These assets are not depreciated until they are completed and available for their intended use.

26.7 Investment Properties

Investment properties of the Group, including those held by the parent entity, are carried at cost less accumulated depreciation and impairment, if any. These primarily consist of buildings and improvements, depreciated using the straight-line method over an estimated useful life of 20 years.

Investment properties also include construction in progress, such as condominium units of FRC, which are stated at cost. This includes construction costs, applicable borrowing costs, and other directly attributable expenses.

26.8 Revenue and Expense Recognition

Revenue arises mainly from: (i) educational and related activities such as tuition and other school fees, income from sale of books and other merchandise, rental income from real estate and school campus' food concessionaires; and (ii) investment-related transactions such as investment income, dividend income from Financial Assets at FVTPL and at FVOCI, interest income and others.

The management determined that the revenues arising from educational and related activities are within the scope of PFRS 15, while rental income is covered by PFRS 16 (see Note 26.9). Investment-related revenues are subject to the provisions of PFRS 9 (see Note 26.4).

The Group enters into transactions involving the tuition fees and other school fees and other school-related activities such as sale of school merchandise and books, and sale of real estate. There are no significant judgments used in determining the transaction price and the amount allocated to the performance obligations. Developing the knowledge and enhancing the abilities of the students represent promises to transfer a series of distinct service that are substantially the same and that have the same pattern of transfer to the customer; therefore, the services rendered represent one performance obligation that is satisfied over time. The transaction price of the single performance obligation is recognized as revenue as the performance obligation is satisfied, which is usually throughout the school year or the semestral/ trimestral period, whichever is applicable. With respect to the sale of school merchandise and books, the obligation is satisfied when the goods, particularly the merchandise and books are delivered to the customers. Hence, revenue is recognized at a point in time. As for real estate sales, the obligation is satisfied at the point the control over the properties is transferred by the FRC to the buyers.

In addition, the following specific recognition criteria must also be met before revenue is recognized [significant judgments in determining the timing of satisfaction of the following performance obligations are disclosed in Note 27.1(b)]:

(a) *Educational revenues* – Revenue is recognized in profit or loss over the corresponding school term. Tuition fee received in advance and applicable to a school term after the reporting period is not recognized in profit or loss until the next reporting period and is presented as part of Deferred Revenues account in the consolidated statement of financial position. Payment for tuition fees is due upon enrollment, which is before the school year starts, and can be made either in full payment or installment.

Revenues from NSTP trust fund are recognized upon fulfillment of conditions attached to the fund and/or extent that the related expenses have been incurred. Restricted funds for which restrictions and conditions have not yet been met are classified as NSTP and other funds (liability) recorded as part of the Trade and Other Payables account in the consolidated statement of financial position.

(b) *Sale of books and other educational-related merchandise* – Revenue is recognized at a point in time when the control of the goods have been passed to the buyer. This is generally when the customer has acknowledged delivery of goods. The sale of this merchandise is made for the Group's students. Payment for the transaction price is due immediately at the point of purchases and recorded as part of Other income – net presented in the consolidated statements of profit or loss.

(c) *Other fees* – This pertains to but not limited to transcripts, certification and graduation fees and fees for diplomas and identification cards. Revenue is recognized at the point in time when the related academic document is made available to requestors. Official receipts for the services are issued once request from students have been fulfilled.

(d) *Real estate sales* – This pertains to sale of lots and completed townhouses of FRC. Revenue is recognized at the point the control to the property is passed to the customer, that is, when the property is transferred to the buyer as part of Other operating income in the consolidated statement of profit or loss.

In obtaining customer contracts, the Group incurs incremental costs. As the expected amortization period of these costs, if capitalized, would be less than one year, the Group uses the practical expedient in PFRS 15 and expenses such costs as incurred. The Group also incurs costs in fulfilling contracts with customers. However, as those costs are within the scope of other financial reporting standards, the Group accounts for those costs in accordance with the applicable PFRS Accounting Standards.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date such cost and expenses are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset.

26.9 Leases

The Group accounts for its leases as follows:

(a) *Group as Lessee*

Subsequent to initial recognition, the Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) *Group as Lessor*

The University applies judgment in determining whether a lease contract is a finance or operating lease.

26.10 Impairment of Non-financial Assets

The Group's property and equipment, investment properties, investments in associates and a joint venture and certain other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is tested for impairment annually.

26.11 Events after the Reporting Period

Subsequent events that provide further evidence of conditions existing at the reporting date are incorporated into the Group's consolidated financial statements. Non-adjusting events, which arise after the reporting date and do not affect the financial position as of that date, are disclosed in the notes to the consolidated financial statements when considered material.

26.12 Earnings per Share

The Group presents earnings per share data for its common shares in the consolidated financial statements in accordance with PAS 33, Earnings per Share. Basic earnings per share is computed by dividing the net income attributable to equity holders of the parent by the weighted average number of common shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. The Group has no dilutive potential common shares; thus, basic and diluted earnings per share are the same for all periods presented.

26.13 Income Taxes

The Group also complies with the requirements of Revenue Regulations No. 15-2010, which mandate disclosures of taxes, duties, and license fees paid or accrued during the year. Income tax expense includes current and deferred taxes.

Current tax is based on taxable income for the year using applicable tax rates. Deferred tax is recognized on temporary differences between financial and tax reporting, using the balance sheet liability method. Deferred tax assets are recognized when it is probable that future taxable income will allow recovery. Taxes related to items in other comprehensive income or equity are recognized accordingly.

26.14 Retirement Benefit Obligations

The Group provides post-employment benefits to employees through defined benefit plan and defined contribution plan subject to a minimum guarantee required by R.A. 7641, *The Retirement Pay Law*, which is accounted for as defined benefit plan. Such application of the minimum guarantee prescribed by RA 7641 is based on the interpretations issued by the Philippine Interpretations Committee (PIC) in its Question and Answer on PAS 19 – *Accounting for Employee Benefits Under a Defined Benefit Contribution Plan Subject to the Requirements of R.A. 7641.*

The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required age with the required credited year of service based on the provisions of RA 7641.

Accordingly, the Group accounts for its retirement obligations at each reporting date under the higher of the defined benefit obligation relating to the minimum guarantee and the sum of defined contribution liability and the present value of any excess of the projected defined benefit obligation over projected defined contribution obligation.

The defined benefit obligation and the present value of the excess of the projected defined benefit obligation over the defined contribution obligation are calculated by a qualified independent actuary using the projected unit credit method. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

The defined contribution liability, on the other hand, is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income.

The Group complies with Republic Act No. 7641, Retirement Pay Law, which mandates retirement benefits for qualified private sector employees in the absence of a formal retirement plan. Employees who have rendered at least five years of service and reach the age of 60 (optional) or 65 (compulsory) are entitled to a minimum retirement pay equivalent to one-half month salary for every year of service. This includes 15 days' pay, one-twelfth of the 13th month pay, and the cash equivalent of five days of service incentive leave.

Where formal retirement plans exist, the Group ensures that benefits provided are equal to or greater than those required under RA No. 7641. For entities without formal plans, actuarial valuations are performed to estimate the obligation, and funding is made available upon employee retirement.

27. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

27.1 Critical Management Judgements in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation. Presented below and in the succeeding pages are the judgments that have the most significant effect on the amounts recognized in the consolidated financial statements.

(a) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of buildings, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Group did not include the renewal period as part of the lease term for leases of university buildings because the terms are renewable upon the mutual agreement of the parties.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(b) Determination of Timing of Satisfaction of Performance Obligations

The management determines that its revenue from tuition fees shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the students. This demonstrates that the customers simultaneously receive and consume the benefits as the Group performs its obligation.

With respect to revenues from sale of merchandise and books and various other school-related fees, the management deems that revenues shall be recognized at a point in time as control over the goods, particularly the merchandise, books and requested documents is transferred to the customers upon delivery.

With respect to sale of lots and completed townhouses, the Group satisfies the performance obligation at the point in time when the property is transferred to the customer (i.e., upon acknowledgment of the customer).

(c) Determination of ECL on Tuition and Other Fee Receivables

The Group uses a provision matrix to calculate ECL for tuition and other fee receivables. The loss rates are based on actual credit-impaired student accounts or those which are outstanding for two semesters and have not enrolled for the succeeding term [see Note 15.2(b)].

The Group's management intends to calibrate on an annual basis the matrix to consider the historical credit loss experience with forward-looking information. Details about the ECL on the Group's tuition fees and other receivables are disclosed in Notes 15.2(b) and 6.

(d) Application of ECL to Investment Securities at Amortized Cost and Financial Assets at FVOCI

The Group uses a general approach to calculate ECL for all debt instruments at FVOCI and amortized cost. The allowance for credit loss is based on the ECLs associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since origination of the financial instrument, in such case, a lifetime ECL for the instrument is recognized.

The Group has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(e) Evaluation of Business Model Applied in Managing Financial Instruments

The Group manages its financial assets based on business models that maintain an adequate level of financial assets to match its expected cash outflows.

In determining the classification of a financial instrument under PFRS 9, the Group developed business models which reflect how it manages its portfolio of financial instruments. The Group's business models need not be assessed at entity level or as a whole but shall be applied at the level of a portfolio of financial instruments and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument under PFRS 9, the Group evaluates in which business model a financial instrument or a portfolio of financial instruments belong to, taking into consideration the objectives of each business model established by the Group as those relate to the Group's investment, or trading strategies.

(f) *Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model*

In determining the classification of financial assets under PFRS 9, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria.

In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

In addition, PFRS 9 emphasizes that if more than an infrequent sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.

(g) Determination of Control of Entities in which the University Holds Less than 50%

Management considers that the University has de facto control of FRC even though it holds less than 50% of the ordinary shares and voting rights in the latter. Although the University holds less than 50% of the voting shares of stock of FRC, it has control over FRC because it is exposed or has right to variable returns from its involvement with FRC and it has the ability to affect those returns through its power over FRC. It is able to do this primarily because the University has the power to cast the majority of votes at meetings of the BOD and elect officers of FRC. Accordingly, FRC is recognized as a subsidiary of the University (see Note 1.1).

(h) Determination of Control of Entities in which the University holds 50%

Management believes that the University maintains control over FEUAI despite holding only 50% of its ordinary shares and voting rights. This control is achieved through the University's 50% direct ownership and an additional 50% indirect ownership via its interest in EACCI, resulting in an effective 100% ownership of FEUAI.

(i) Distinction between Investment Properties and Owner-managed Properties

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity.

Owner-managed properties generate cash flows that are attributable not only to the property but also to other assets used in the process of providing educational services. Some properties comprise a portion that is held to earn rental or for capital appreciation, and another portion that is held for use in the supply of services or for administrative purposes. If a portion can be sold separately (or leased out separately under finance lease), the Group accounts for such portion separately. If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

(j) Distinction between Real Estate Held for Sale and Investment Properties

Real estate held for sale comprise of lots that are held for sale in the ordinary course of business (see Note 10). Meanwhile, investment properties (see Note 9) comprised of land and buildings which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Group considers management's intention over these assets in making its judgement.

(k) Recognition of Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 28.

27.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are presented below and in the succeeding pages.

(a) Estimation of Allowance for Impairment of Financial Instruments

The measurement of the allowance for ECL on financial assets at FVOCI and at investment securities at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses).

Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 15.2.

The Group uses a provision matrix to calculate ECL for its trade receivables which are based on the Group's historical observed default rates. The Group's management intends to calibrate on an annual basis the matrix to consider the historical credit loss experience with forward-looking information.

(b) Determination of Fair Value Measurement for Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

The carrying values of the Group's Financial Assets at FVTPL and at FVOCI and the amounts of fair value changes recognized during the years on those assets are disclosed in Note 7.

(c) *Estimation of Useful Lives of Investment Properties and Property and Equipment*

The Group estimates the useful lives of investment properties and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of investment properties, and property and equipment are presented in Notes 9 and 11, respectively. Based on management's assessment as at May 31, 2025, 2024 and 2023, there is no change in the estimated useful lives of the assets during those years. Actual results, however, may vary due to changes in factors mentioned above.

(d) *Determination of Fair Value of Investment Properties*

Investment properties are measured using the cost model. The fair value disclosed in Note 9 is determined by the Group based on the appraisal report prepared by independent appraisers using the relevant valuation methodology as discussed in Note 9.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

The principal assumptions underlying management's estimation of fair value are those related to the receipt of contractual rentals, expected future market rentals and appropriate discount rates. These valuations are regularly compared to actual to market yield data, and actual transactions by the Group and those reported by the market.

A significant change in these elements may affect the prices and the value of the assets. As of May 31, 2025, 2024 and 2023, the Group determined that there were no significant circumstances that may affect the fair value determination of investment properties.

(e) *Estimation of Impairment of Non-financial Assets*

The Group's policy on estimating the impairment of non-financial assets is discussed in detail in Note 26.10. Though management believes that the assumptions used in the estimation of recoverable amounts are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Based on management's assessment, no impairment loss is required to be recognized on the Group's investment properties, property and equipment, goodwill and certain other non-financial assets as for the years ended May 31, 2025, 2024 and 2023.

As at the acquisition date of RCI on May 12, 2017, the fair value of the University's share in RCI's net identifiable assets amounted to P621.8 million resulting in the recognition of goodwill amounting to P186.5 million. The goodwill arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the University and RCI. The goodwill recognized is subject to annual impairment testing (see Notes 26.2 and 26.10).

For purposes of assessing impairment, the Group determined the value in use of the CGU (that is, RCI) to which the carrying value of goodwill is compared. This methodology is in accordance with PAS 36, *Impairment of Assets*. The management considers that the benefits of acquisition accrue to the University as a whole and not to a specific business unit nor department only.

In determining the value in use, discounted cash flows method was used. Some of the key assumptions that have been considered which have significant impact on the results of the determination of the value in use are as follows:

- RCI will continue as a going concern entity and will have sufficient financial resources to finance its working capital requirements to achieve its projected forecast and to support its business needs;
- RCI's performance forecasts for the next five years from the end of each reporting period;
- In estimating the terminal value of the CGU, long-term growth rate of 1.0% as of May 31, 2025 and 0.8% as of May 31, 2024 and 2023 was used; and,
- In discounting the projected free cash flows, the weighted average cost of capital of 10.28%, 6.95% and 7.19% was used in 2025, 2024 and 2023, respectively.

For the years ended May 31, 2025, 2024 and 2023, the Group has assessed that the recoverable amount of the goodwill of P5.4 billion, P5.8 billion and P5.2 billion, respectively, exceeds its carrying amount. Accordingly, no impairment loss is required to be recognized in 2025, 2024 and 2023.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of goodwill to materially exceed its recoverable amount.

(f) Determination of Recoverability of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Management assessed that the deferred tax assets as at May 31, 2025, 2024 and 2023 are fully recoverable and will be fully utilized within the prescribed periods, except for the related benefits of NOLCO and other temporary differences of certain subsidiaries which are not recognized, because it expects that the Group will generate sufficient taxable profits in the future against which the assets can be applied (see Note 21).

(g) Valuation of Post-employment Defined Benefit Obligation

The determination of the obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, expected rate of return on plan assets, salary rate increase and employee turnover rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment defined benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 19(b).

28. COMMITMENTS AND CONTINGENCIES

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

28.1 Capital Commitments

As of May 31, 2025, 2024 and 2023, FRC has commitments of about P445.1 million, P20.9 million and P36.3 million, respectively, for the condominium units acquired at pre-selling stage that are currently under construction.

28.2 Operating Lease Commitments

(a) Group as Lessor

FRC is a lessor under various operating lease agreements with several non-related parties for a period of one to 30 years. FRC also receives customer and security deposits relevant to its leasing activities as a lessor which is recognized under Other Non-current Liabilities in the consolidated statement of financial position.

Future minimum rental receivables which are collectible within one year, excluding contingent rental, under these operating leases amounts to P46.0 million, P8.8 million, and P6.8 million as of May 31, 2025, 2024 and 2023, respectively.

(b) *Group as Lessee*

The Group is a lessee under operating lease agreements covering rentals of event venues, transportation vehicles and small items of equipment used for various students' and employees' activities. The terms of the lease vary but do not exceed one year.

28.3 Construction Commitments

The Group enters into commitments for its ongoing construction of certain school buildings and other facilities. As of May 31, 2025, 2024 and 2023, the unfulfilled portion of these commitments amounted to P570.1 million, P178.2 million and P63.5 million, respectively.

28.4 Others

As of May 31, 2024, the Group has no record of any litigation not being contested or any that the Group has accepted any liability in relation to labor cases and other civil cases.

There are other contingencies that arise in the normal course of business that are not recognized in the Group's consolidated financial statements. Though Management believes that losses, if any, arising from these commitments and contingencies will not materially affect its financial statements, the University opted to appropriate portion of its retained earnings to cover for such contingencies [see Note 23.4(a)].

The Group has entered into transactions which resulted to obligations that will probably result to an outflow of economic resources. Accordingly, the management has recognized the probable losses as Provisions in its consolidated statement of financial position. However, as allowed by relevant Accounting Standards, the Group did not disclose the nature and details of its provisions because it may prejudice the interest and position currently being taken by the Group.

29. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements of the Group as of and for the year ended May 31, 2025 (including the comparative consolidated financial statements as of and for the years ended May 31, 2024 and 2023) were authorized for issue by the University's BOT on August 19, 2025.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Far Eastern University, Incorporated and Subsidiaries (the Group) as at and for the year ended May 31, 2025, included in this Form 17-A, and have issued our report thereon dated August 19, 2025. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Shane Dave D. Tanguin
Partner
CPA Certificate No. 0115818
Tax Identification No. 242-153-393
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-157-2024, October 2, 2024, valid until October 1, 2027
PTR No. 10465390, January 2, 2025, Makati City

August 19, 2025

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Far Eastern University, Incorporated and Subsidiaries (the Group) as at and for the year ended May 31, 2025, and have issued our report thereon dated August 19, 2025. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at May 31, 2025 and for the year ended May 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Shane Dave D. Tanguin
Partner
CPA Certificate No. 0115818
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August 19, 2025

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
INDEX TO SUPPLEMENTAL SCHEDULES
MAY 31, 2025

Statement of Management's Responsibility for the Consolidated Financial Statements

Independent Auditor's Report on the SEC Supplementary Schedules Filed Separately from the Basic Financial Statements

Supplementary Schedules to Consolidated Financial Statements (Form 17-A, Item 7)

Other Required Information

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*	*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Bank of the Philippine Islands (BPI) Trust Account:			
Government Securities			
FXT10-72	P 7,000,000	P 7,034,546	
FXT1069	4,000,000	4,131,278	
FXT2023	13,400,000	13,685,177	
FXT2014	3,000,000	3,147,160	
FXT25-8	4,900,000	5,467,640	
FXT2025	4,000,000	4,576,381	
FXT2027	5,000,000	5,133,280	
FXT1068	4,400,000	4,649,362	
FXT7-67	2,000,000	2,038,661	
FXT25-6	3,700,000	4,362,898	
RTB5-18	5,000,000	5,065,486	
FXT10-71	5,000,000	5,123,948	
FXT5-78	5,000,000	5,043,556	
FXT7-64	5,000,000	4,772,811	
FXT7-65	5,000,000	4,760,920	
FXT7-71	2,000,000	2,012,017	
FXT1067	6,590,000	6,248,606	
RTB5-14	5,000,000	4,917,252	
FXT2511MR	2,438,971	2,059,275	
FXT1060MR	544,188	541,937	
RTB5-15	1,000,000	988,861	
FXT25-7	350,000	388,120	
BPI-NOTES	200,000	11,102,469	
UBP - BOND	200,000	11,014,656	
RDB-BOND	200,000	11,555,716	
BPID-TDT	400,000	22,298,000	
US-TBILL	100,000	5,522,368	
Corporate Bonds			
SMPH-BOND	P 11,000,000	P 10,982,506	
ALI BOND	11,000,000	10,810,121	
AC BOND	4,900,000	4,803,747	
AP-BOND	5,000,000	4,855,393	
CNVRG-BOND	3,800,000	3,739,782	
APC-BONDM	2,000,000	1,955,636	
RLC-BOND	1,300,000	1,290,211	
SMIC-BOND	1,300,000	1,267,124	
FLI-BOND	6,000,000	5,993,721	
Equity Securities			
Common Shares			
SM	20,037	P 16,730,895	
BDO	83,972	13,654,410	
BPI	112,980	15,143,817	
SMPH	534,580	12,054,779	
ALI	382,773	8,803,779	
ICT	26,880	10,672,300	
TEL	5,340	6,493,440	
AC	13,055	7,571,900	
JFC	19,550	4,359,650	
JGS	58,502	1,168,870	
GLO	3,253	5,757,810	
MBT	104,572	7,691,271	
AEV	35,410	1,221,645	
GTCAP	5,010	2,578,560	
MER	10,400	5,720,000	
PGOLD	21,300	660,300	
CNPF	110,500	4,414,475	P 124,697,901

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*	*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Preferred Shares			
APB2R	6,000	P 15,000,000	
ACPB3	10,000	20,000,000	P 35,000,000
Unit Investment Trust Fund (UITF)			
GOVT.ETF	2,465	P 1,839,050	
IWDA.ETF	2,949	18,515,470	
STF UITF	119,171	20,942,101	
IGOV.ETF	790	3,127,484	
PGUSTIA	9,375	6,788,364	
PIMGBAI	3,215	6,509,719	
BPI USSTF	473	9,169,234	
STF UITF (USD)	17	330,654	P 67,222,076
Totals for BPI Trust Account (FEU)		**P 430,260,599**	
Bank of the Philippine Islands (BPI) Trust Account:			
Government Securities			
RTB5-18	P 106,500,000	P 107,812,734	
RTB5-16	50,000,000	49,994,480	
RTB5-13	50,000,000	49,870,817	
FXT25-8	37,900,000	42,111,335	
FXT1068	30,300,000	31,804,554	
FXT2025	30,000,000	34,055,818	
FXT2014	23,300,000	24,407,765	
FXT1069	18,000,000	18,547,217	
FXT13-01	20,000,000	19,920,077	
FXT7-67	17,000,000	17,311,252	
FXT25-6	13,100,000	15,441,788	
FXT10-71	12,200,000	12,461,392	
RDB-BOND	9,943,182	10,238,653	
FXT5-78	10,000,000	10,077,180	
FXT1067	8,180,000	7,733,489	
FXT15-1	5,000,000	5,168,360	
FXT7-65	5,000,000	4,765,161	
FXT2023	2,300,000	2,341,147	
FXT25-7	350,000	387,845	
FXT10-73	3,000,000	3,017,154	
ROP	15,384,615	15,894,163	
ROP	16,758,242	17,507,082	
ROP	15,384,615	15,458,844	
Corporate Bonds			
AC-BOND	65,455,951	1,372,978	
ACEN-BOND	57,700,000	13,639,498	
AEV BOND	56,000,000	21,633,928	
ALI BOND	4,655,493	8,706,749	
ALI BOND 3.09%	21,800,000	4,973,077	
ALI BOND 5.095%	17,582,933	5,017,058	
AP-BOND	13,800,000	4,858,173	
BDO-BOND	2,250,000	49,974,250	
BPI-BOND	8,800,000	109,594,413	
CNVRG-BND	3,240,000	3,742,326	
FDC-BOND	5,000,000	8,771,473	
FLI-BND	5,000,000	56,161,350	
JFC-$BOND	5,000,000	11,507,656	
MBT-NOTE	3,800,000	17,330,093	
RLC BOND 2025	8,800,000	2,096,949	
RLC BOND 2027	2,200,000	2,181,668	
SMCGP-BND	2,100,000	1,945,987	
SMIC-BOND 3.81704%	8,069,845	1,268,619	
SMPH-BOND	1,400,000	42,909,372	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*		*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Corporate Bonds				
EDC -BOND	3,240,000		6,480,000	
SMPH-BOND	14,900,000		23,100,000	
TFS-NOTE	2,250,000		9,000,000	
BDO-BOND	15,455,951		79,035,579	
BPI-NOTES	4,655,493		28,049,541	
Equity Securities				
Common Shares				
SM	32,705	P	28,518,760	
BPI	196,552		25,551,760	
BDO	167,192		25,547,090	
ICT	48,750		20,036,250	
SMPH	972,800		22,812,160	
ALI	548,720		14,815,440	
AC	27,430		15,635,100	
TEL	8,835		10,752,195	
JFC	19,730		4,261,680	
AEV	59,240		2,067,476	
JGS	29,293		585,274	
MBT	193,970		14,062,825	
MER	18,680		10,059,180	
WLCON	769,300		6,923,700	
GLO	5,934		9,980,988	
FGEN	69,300		1,247,400	
CNPF	182,700		7,353,675	
Bank of the Philippine Islands (BPI) Trust Account:				
Preferred Shares				
ACPAR	8,000	P	20,080,000	
ACPB3	10,000		20,160,000	
ACPB4	2,500		5,055,000	
ACENB	3,000		3,210,000	
Mutual Funds				
PGUSTIA	10,150	P	7,461,593	
PIMGBAI	3,950		8,199,345	
AGGG.ETF	32,829		8,314,262	
GOVT.ETF	1,870		2,420,647	
IGOV.ETF	1,440		3,496,065	
IWDA.ETF	4,015		26,610,568	
QQQ.ETF	175		5,437,929	
JPAEDQD	2,292		1,669,621	
WSEENUH	645		1,068,654	
Unit Investment Trust Fund (UITF)				
STF UITF	251,308	P	44,304,814	
BPI USSTF	928		18,238,822	
US-TBILL			107,204,406	
Totals for BPI Trust Account (EACCI)		**P**	**1,532,821,722**	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*	*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Banco De Oro (BDO) Trust Account:			
Government Securities			
RETAIL TREASURY BOND (R5-15) IMA	47,000,000	46,474,913	
FXTN 7-62 (IMA-TX)	200,000	18,057,486	
RETAIL TREASURY BOND (R5-17) IMA	85,000,000	85,732,022	
FXTN 10-64 (IMA-TX)	21,800,000	22,415,127	
FXTN 10-63 (TX) IMA	17,000,000	17,174,487	
FXTN 07-71 IMA-TX	10,000,000	10,060,090	
FXTN 10-72 IMA-TX	60,000,000	60,296,131	
FXTN 7-67 (IMA-TX)	18,000,000	7,135,514	
FXTN 10-73 (TX) IMA-FVOCI	7,000,000	20,129,277	
FXTN 07-69 (TX) IMA	10,500,000	10,538,247	
RETAIL TREASURY BOND 15-1 (TX-VTA)	5,500,000	5,534,689	
FXTN 20-14 (TX-IMA)	1,600,000	209,834	
FTXN 20-11 (TX) IMA	20,000,000	1,631,681	
RETAIL TREASURY BOND 10-05 (TX-IMA)	1,000,000	978,229	
ROP 26 (USD)	465,000	26,161,457	
ROP 28N (USD)	1,135,000	63,663,485	
ROP 30 VTA-TX (USD)	350,000	19,435,048	
ROP 32 (USD)	425,000	19,924,657	
ROP 33 (USD)	1,090,000	60,706,149	
Corporate Bonds			
Converge ICT Solutions FRB (IMA-TX)	P 4,900,000	P 4,894,728	
AEV Fixed Rate Bonds (IMA-TX)	8,000,000	5,198,263	
ALI Fixed Rate Bonds (IMA-TX)	3,000,000	2,993,919	
Robinsons Land Corp FRB (IMA-TX)	2,600,000	3,697,802	
Aboitiz Equity (IMA-TX)	1,000,000	999,666	
BDO Fixed Rate ASEAN Bonds IMA	5,000,000	4,996,720	
Aboitiz Power Corp Bonds (IMA-TX)	1,000,000	997,973	
Banco De Oro (BDO) Trust Account (continuation):			
Equity Securities			
Common Shares			
SM	23,168	P 19,345,280	
SMPH	462,325	10,425,429	
BDO	112,733	18,150,013	
ALI	249,481	5,738,063	
AC	12,774	7,408,920	
ICT	50,240	20,598,400	
BPI	101,768	14,155,929	
AP	82,890	2,901,150	
URC	57,536	4,861,792	
MBT	100,233	7,151,487	
GLO	1,000	1,770,000	
TEL	2,552	3,103,232	
RLC	149,540	1,952,992	
MER	15,240	8,382,000	
GTCAP	4,099	2,229,856	
JFC	18,325	4,086,475	
RRHI	53,300	2,014,740	
AEV	74,210	2,560,245	
SECB	140	8,960	
AREIT	169,670	6,795,284	
MREIT	125,700	1,719,576	
PGOLD	47,090	1,459,790	
RCR	745,260	4,903,811	
FILRT	175,500	558,090	
ACEN	72,792	185,620	
JGS	26,100	521,478	
CNVRG.	86,220	1,737,333	
MONDE	103,500	786,600	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

Name of Issuing Entity and Association of Each Issue		*Number of Shares or Principal Amount of Bonds and Notes*		*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Preferred Shares					
DD		49,000	P	4,799,550	
UITF					
BDO-TRUST & INV		16,369	P	28,864,398	
BDO Global Equity Index Feeder Fund (BDO GEIFF)		3,204		34,316,290	
BDO DOLLAR MONEY MARKET FUND		968		8,614,346	
BDO US Equity Index Feeder Fund (BDO USEIFF)		599		5,296,837	
Totals for BDO Trust Account (FEU)			**P**	**757,441,562**	
Banco De Oro (BDO) Trust Account:					
Government Securities					
FXTN 5-77 (IMA-TX)	P	12,000,000	P	11,832,319	
FXTN 7-71 (IMA-TX)		10,000,000		10,039,604	
FXTN 10-63 (IMA-TX)		18,000,000		18,173,147	
FXTN 10-64 (IMA-TX)		18,700,000		19,221,780	
FXTN 10-72 (IMA-TX)		50,000,000		50,142,231	
FXTN 10-73 (IMA-TX)		20,000,000		20,114,349	
FXTN 7-62 (IMA-TX)		45,000,000		45,126,333	
FXTN 7-68 (IMA-TX)		50,000,000		51,690,626	
RETAIL TREAS BOND (R5-16) TX IMA		65,000,000		64,992,784	
RETAIL TREAS BOND (R5-17) TXIVOCI		215,000,000		216,691,465	
RETAIL TREASURY BOND 15-1 (TX-IMA)		2,540,000		2,554,863	
Corporate Bonds					
Aboitiz Equity Ventures (TXI)	P	3,000,000	P	2,998,998	
Aboitiz Power Corp Bonds (TX-I)		1,000,000		997,973	
Aboitiz Power Corp Bonds (TX-I)		2,800,000		2,794,324	
Aboitiz Power Corp Bonds (TX-I)		30,300,000		30,238,582	
Aboitiz Power Corp Bonds (TX-I)		1,000,000		997,973	
Aboitiz Power Corp Bonds (TX-I)		60,200,000		60,077,975	
Aboitiz Equity Ventures (TXI)		15,800,000		15,794,723	
Ayala Corp. Fixed Rate Bond (TX)		800,000		798,378	
Ayala Land Corp Bond Trnche2 (I)		3,900,000		3,892,095	
BDO Fixed Rate				4,996,720	
Converge ICT Solutions FRB		5,900,000		5,893,652	
NLEX Corp 7yr (IMA-TX)- HTC		1,620,000		1,617,371	
Robinsons Land (RLC0626TXITC)		2,100,000		2,098,753	
SMC Series J Bonds		4,400,000		4,380,803	
ROP 26		1,050,000		59,682,958	
ROP 28N		1,261,000		71,620,275	
ROP 32		400,000		19,145,214	
ROP 33		1,260,000		71,659,296	
Equity Securities					
Common Shares					
SMI		30,140	P	26,282,080	
INT		44,845		18,431,295	
AYA L		294,100		7,940,700	
SMPH		465,110		10,906,830	
BDO		99,227		15,161,886	
AYA C		14,055		8,011,350	
MBT		96,394		6,988,565	
FILINVEST REIT		2,953,400		9,450,880	
BPI		109,558		14,242,540	
PLD		5,085		6,188,445	
URC		47,620		4,264,371	
GLO		1,255		2,110,910	
APC		86,040		3,519,036	
JFC		22,080		4,769,280	
RL COM		389,830		2,892,539	
AC EC		174,095		450,906	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*	*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Banco De Oro (BDO) Trust Account:			
MEC	11,233	P 6,048,971	
ROB L	79,524	1,081,526	
AEV	44,640	1,557,936	
ROB R	37,460	1,451,575	
CITI	780,000	2,737,800	
MREIT	143,400	1,993,260	
MEG	346,880	683,354	
AREIT	100,520	4,121,320	
PGOLD	34,490	1,241,640	
GTCAP	3,629	2,083,046	
SECB	13,980	960,426	
CPF	32,640	1,313,760	
CONV	104,520	2,033,959	
JGS	80,000	1,598,400	
MNC	388,770	2,876,898	
WILCON	61,900	557,100	
UITF			
BDO-TRUST & INV	19,694	P 36,666,650	
BDO-TRUST & INV (USD)	3,977	41,198,484	
Totals for BDO Trust Account (EACCI)		**P 1,122,083,279**	
HSBC Account:			
UITF			
SEI GBL MSTR FD PLC - GBL EQTY USD	66,383	P 92,247,305	
SEI GBL MSTR FD PLC - US CORE FX INC	43,696	51,152,038	
VINTAGE 2018 CARLYLE LP A USD	500,000	30,767,338	
PIMCO INCOME E USD MCSH	53,476	28,081,171	
SEI GBL MSTR FD PLC - GBL OPP FX INC USD	22,404	26,202,673	
SEI GBL MSTR FD PLC - GBL FX INC FD USD	25,670	25,700,779	
HSBC DIVERSIFIED LOAN SCSP RAIF A USD	500,000	4,454,775	
SEI GBL MSTR FD PLC - GBL MGD VOL FD USD H	19,088	20,234,267	
SEI GBL MSTR FD PLC - SML CAP SEL FD	30,451	18,841,881	
SCHRODER ISF GLOBAL CREDIT INCOME A USD MCS	2,901	13,955,189	
SEI GBL MSTR FD PLC - HGH YLD FX INC USD	4,489	14,612,186	
SEI GBL MSTR FD PLC - EMRG MKTS DBT FD USD	7,902	14,439,766	
SEI GBL MSTR FD PLC - EMRG MKTS EQTY USD	5,917	13,975,877	
AB SICAV I LOW VOLATILITY EQ AD	8,576	12,282,067	
Totals for HSBC Account (FEU)		**P 366,947,311**	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2025

Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*		*Amounts Shown on the Statements of Financial Position*		*Income Received and Accrued*
Other Investment Accounts					
Equity Securities (BPI Securities)					
Commons Shares					
CEU	2,727,608	P	39,332,107		
FILRT	685,000		2,178,300		
IPO	2,800		16,100		
PHN	1,000		18,200		
Total		**P**	**41,544,707**		
UITF (BPI)					
BGF GLO DYN EQUITY FN NON DIS A2	17,720	P	35,007,682		
AB SICAV I-LOW VOL EQ-AD USD	22,460		32,164,720		
JAN HND BAL A USD IN	38,910		29,629,058		
BGF GLOBAL ALLOCATION FN NON DIS A2	6,700		31,018,469		
IGF US Equity (iSHARES GLOBAL INFRASTRUCTURE)	5,400		17,760,357		
IXG US Equity (iSHARES GLOBAL)	3,100		18,815,084		
MORGAN STANLEY INVESTMENT FUNDS	700		9,201,270		
BPI SHORT TERM UITF (owned by FRC)	8,353		1,457,870		
BPI SHORT TERM UITF	1,122		193,824		
BPI US DOLLAR SHORT TERM FUND (owned by FRC)	371		7,341,123		
Total		**P**	**182,589,457**		
Corporate Bonds (BPI)					
BDO-BOND (owned by FRC)	1,210,000	P	67,614,646		
US-TBILL USD (owned by FRC)	1,827,000		103,790,067		
ACPM Callable (owned by FRC)	500,000		24,754,481		
US-TNOTE (owned by FRC)	1,053,000		60,371,679		
SMIC-$BND (owned by FRC)	1,000,000		57,413,668		
MBT-NOTE (owned by FRC)	310,000		17,400,463		
MBT-NOTE (owned by FRC)	5,000,000		5,000,000		
ACPM	200,000		11,149,000		
BPI Notes(owned by FRC)	200,000		11,393,220		
JFC-BOND (owned by FRC)	200,000		11,203,093		
Total		**P**	**370,090,316**		
Chinabank					
Century 4.8467% Bond		P	100,000,000		
Total		**P**	**100,000,000**		
Others					
Club Share - Anvaya Cove Beach and Nature Club	1		2,000,000		
Club Share - Spa and Lodge at Tagaytay Highlands	1		1,100,000		
Club Share - Tagaytay Highlands The Country Club	1		600,000		
Total		**P**	**3,700,000**		
Grand Totals		**P**	**4,907,478,953**	**P**	**255,895,589**

Note:
The financial assets in this schedule is presented in the 2025 consolidated statement of financial position as follows.

Financial assets at fair value through profit or loss	*P*	*1,656,817,152*
Financial assets at fair value through other comprehensive income		*2,832,490,291*
Investment securities at amortized cost		*418,171,510*
	P	*4,907,478,953*

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)
MAY 31, 2025

Name and Designation of Debtor	*Balance at Beginning of Period*	*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
			Amounts Collected	*Amounts Written-Off*			
Administrative managers and supervisors	P 10,084,966.00	P 26,459,130.00	P (25,729,417.58)	P -	P 10,814,678.42	P -	P 10,814,678.42
Administrative Rank and file	111,376.00	13,163,744.42	(8,409,653.38)	-	4,865,467.04	-	4,865,467.04
Teaching personnel	3,033,906	1,422,391	(1,329,768)	-	3,126,529	-	3,126,529
	P 13,230,248	**P 41,045,265**	**(P 35,468,839)**	**P -**	**P 18,806,674**	**P -**	**P 18,806,674**
Other advances to officers and employees, (including balances of subsidiaries)							**3,022,380**
TOTAL							**P 21,829,054**

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule C - Amounts Receivable from Related Parties Which are Eliminated During the Consolidation of Financial Statements
MAY 31, 2025

Name and Designation of Debtor	*Balance at Beginning of Period*	*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
			Amounts Collected	*Amounts Written-Off*			
FEU							
Reimbursement of expenses	P 165,934,614	-	(P 2,634,396)	P -	P 163,300,218	P -	P 163,300,218
Rental receivable	2,687,750	44,044,259	(37,898,862)	-	8,833,147	-	8,833,147
Dividend receivables	50,000,000	141,889,441	(191,889,441)	-	-	-	-
	P 218,622,364	**P 185,933,700**	**(P 232,422,699)**	**P -**	**P 172,133,365**	**P -**	**P 172,133,365**
FRC							
Rental receivable	**P 15,080,049**	**P 143,676,064**	**(P 96,868,680)**	P **-**	**P 61,887,433**	**P -**	**P 61,887,433**
FECSI							
Transfer of fixed asset	-	P -	-	P -	P -	P -	P -
	2,692,936	-	2,402,804	-	5,095,740	-	5,095,740
Reimbursement of expenses	**P 2,692,936**	**P -**	**P 2,402,804**	**P -**	**P 5,095,740**	**P -**	**P 5,095,740**
EACCI							
Reimbursement of expenses	**P 2,326,929**	**P 5,308,306**	**(P 358,550)**	**P -**	**P 7,276,685**	P **-**	**P 7,276,685**
FEU High							
Collections from students	**P -**	**P 110,000**	**-**	**P -**	**P 110,000**	**P -**	**P 110,000**
FEUAI							
Reimbursement of expenses	**P 186,230**	**P -**	**P 54,726**	**P -**	**P 240,956**	**P -**	**P 240,956**

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule D - Intangible Assets / Other Assets
MAY 31, 2025

Description	*Balance at Beginning of Period*	*Additions (Disposals or Deductions) at Cost*	*Deductions*		*Other Changes*	*Balance at End of Period*
			Charged to Cost and Expenses	*Charged to Other Accounts*	*Additions (Deductions)*	
Intangible Asset						
Goodwill	**P 186,487,019**	**P -**	**P -**	**P -**	**P -**	**P 186,487,019**
Other Current Assets						
Real estate held-for-sale	P 118,782,542	P 4,654,584	P -	P -	P -	P 123,437,126
Short-term investments	86,138,456	23,725,272	-	-	-	109,863,728
Prepaid expenses	82,879,809	48,995,086	-	-	-	131,874,895
Inventories	37,447,650	10,458,948	-	-	-	47,906,598
Input value-added tax (VAT) - net	1,952,717	35,145,647	-	(34,864,866)	-	2,233,498
Others	19,071,715	5,111,728	-	-	-	24,183,443
	P 346,272,889	**P 128,091,265**	**P -**	**(P 34,864,866)**	**P -**	**P 439,499,288**
Other Non-current Assets						
Advances to developers and suppliers	P 165,398,381	P -	P -	P 303,142,404	P -	P 468,540,785
Refundable deposits	18,541,875	2,837,710	-	-	-	21,379,585
Others	2,173,477	6,733,512	-	(3,694,963)	-	5,212,026
	P 186,113,733	**P 9,571,222**	**P -**	**P 299,447,441**	**P -**	**P 495,132,396**

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule E - Long Term Debt
MAY 31, 2025

Title of Issue and Type of Obligation		*Amount Authorized by Indenture*		*Amount Shown Under Caption "Current Portion of Long Term Debt" in Related Balance Sheet*		*Amount Shown Under Caption "Long Term Debt" in Related Balance Sheet*
Term Loan						
PN 800050201994 (Interest-bearing loan)	P	542,857,143	P	103,401,361	P	129,251,701
PN 800050203813 (Interest-bearing loan)		500,000,000		95,238,095		119,047,619
PN 800050196305 (Interest-bearing loan)		425,000,000		80,952,381		101,190,476
PN 800050197641 (Interest-bearing loan)		150,000,000		28,571,429		35,714,286
PN 800050199879 (Interest-bearing loan)		120,000,000		22,857,141		28,571,428
PN 800050196532 (Interest-bearing loan)		300,000,000		57,142,857		71,428,571
PN 800050197816 (Interest-bearing loan)		100,000,000		19,047,619		23,809,524
PN 800050486959 (Interest-bearing loan)*		100,000,000		-		100,000,000
PN 800050203487 (Interest-bearing loan)		50,000,000		9,523,810		11,904,762
PN 800050203756 (Interest-bearing loan)		50,000,000		9,523,810		11,904,762
SUB TOTAL - TERM LOAN			**P**	**426,258,503**	**P**	**632,823,129**
Credit Line						
PN NO. 800050487218 (Interest-bearing loan)**		100,000,000		100,000,000		-
SUB TOTAL - CREDIT LINE			**P**	**100,000,000**		**-**
GRAND TOTAL			**P**	**526,258,503**	**P**	**632,823,129**

Note 1 : *RCI's availment of a NEW Term Loan , initial installment payment by Nov 2027 (2.5 years Grace period)*
****Note 2*** : *FEU credit line availment (short term); for conversion to term loan on October 2024*

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule F - Indebtedness to Related Parties
MAY 31, 2025

Name of Related Party	***Balance at Beginning of Year***	***Balance at End of Year***

-- Nothing to report --

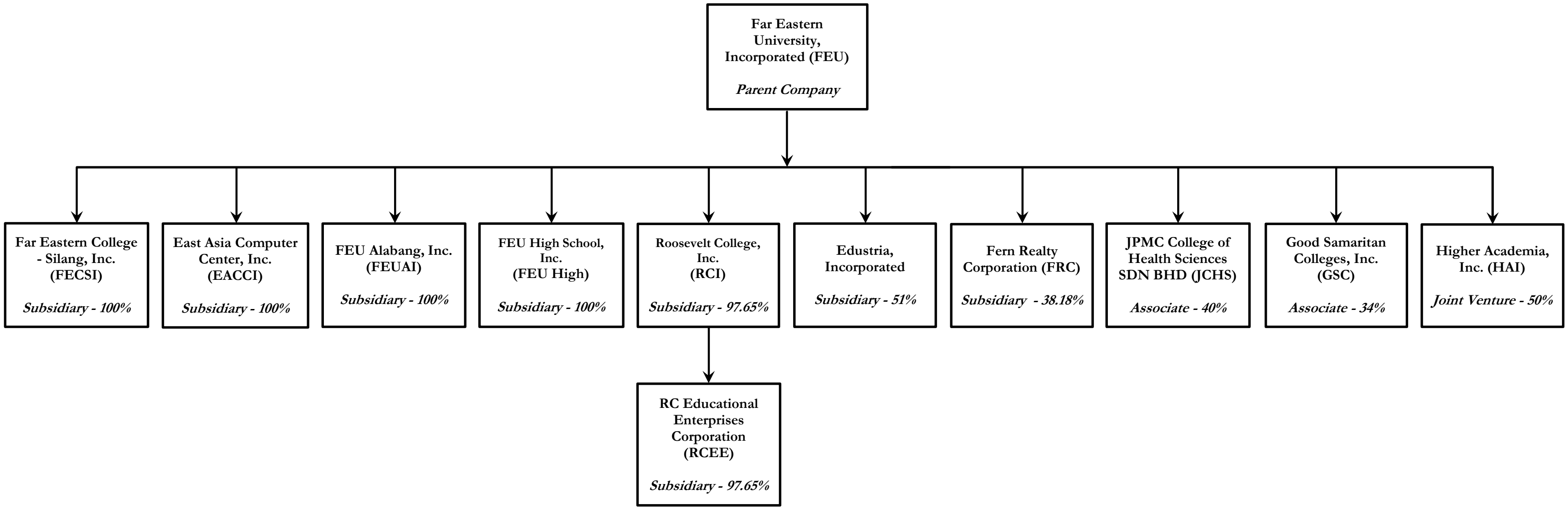
FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule H - Capital Stock
MAY 31, 2025

Title of Issue	*Number of Shares Authorized*	*Number of Shares Issued and Outstanding as Shown Under Related Balance Sheet Caption*	*Number of Shares Reserved for Options, Warrants, Conversion and Other Rights*	*Number of Shares Held by Related Parties*	*Directors, Officers and Employees*	*Others*
Common shares - P100 par value	50,000,000	24,055,763	-	14,627,997	615,977	8,811,789

FAR EASTERN UNIVERSITY, INCORPORATED
Nicanor Reyest St., Sampaloc, Manila
Reconciliation of Retained Earnings Available for Dividend Declaration
MAY 31, 2025

Unappropriated Retained Earnings at Beginning of Year		**P 2,575,954,117**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earning Appropriation/s	985,000,000	
Effect of restatements or prior-period adjustments	-	
Others	-	985,000,000
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(769,784,416)	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others	-	(769,784,416)
Unappropriated Retained Earnings at Beginning of Year, as adjusted		2,791,169,701
Add/Less: Net Income (Loss) for the Current Year		931,202,239
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	40,517,046	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	32,871,634	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS	-	
Sub-total		73,388,680
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	32,432,681	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total		32,432,681
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market loss) of financial instrument at FVTPL	32,546,741	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	
Sub-total		32,546,741
Adjusted Net Income/Loss		3,713,962,682
Add: Category D: Non-actual lossess recognized in profit or loss during the reporting period (net		
Depreciation on revaluation increment (after tax)	-	
Sub-total		-
Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
categories	136,390	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total		136,390
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		**P 3,714,099,072**

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Map Showing the Relationships Between and Among the University and Its Related Parties
MAY 31, 2025



Note:

Percentages indicated pertain to FEU's effective ownership over the respective related parties, which are also disclosed in the consolidated financial statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Supplemental Schedule of Financial Soundness Indicators
For the Year Ended May 31, 2025
(With Comparative Figures for the Years Ended May 31, 2024 and 2023)

Indicators	Formula	Ratios / Percentages/ Amounts 2025	2024	2023
Current ratio	Total Current Assets / Total Current Liabilities	**2.44**	1.88	2.25
Acid test ratio	Cash and cash equivalents + Trade and other receivables - net + Investments / Total Current Liabilities	**2.31**	1.79	2.14
Debt-to-asset ratio	Total Liabilities / Total Assets	**0.17**	0.21	0.22
Equity-to-asset ratio	Total Equity / Total Assets	**0.83**	0.79	0.78
Debt-to-equity ratio	Total Liabilities / Total Equity	**0.21**	0.26	0.28
Assets-to-equity ratio	Total Assets / Total Equity	**1.21**	1.26	1.28
Interest coverage ratio	Earnings before Interest and Taxes / Interest Expense	**28.44**	21.04	23.22
Return on equity	Net Profit / Total Equity	**14%**	14%	15%
Return on assets	Net Profit / Total Assets	**11%**	11%	11%
Earnings per share	Net Profit / Average outstanding shares	**P 85.94**	P 81.13	P 77.92

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Supplementary Schedule of External Auditor Fee-Related Information
For the Year Ended May 31, 2025
(With Comparative Figures for the Year Ended May 31, 2024)

		2025		2024
Total Audit Fees	**P**	**4,595,360**	P	4,774,000
Non-audit service fees:				
Other assurance service		**774,500**		-
Tax service		**-**		-
All other service		**-**		-
Total Non-Audit Fees		**774,500**		-
Total Audit and Non-audit Fees	**P**	**5,369,860**	P	4,774,000

FAR EASTERN UNIVERSITY

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

In preparing the financial statements, management is responsible for assessing the University'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 University or to cease operations, or has no realistic alternative to do so.

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

The Board of Trustees reviews and approves the 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 financial statements of **Far Eastern University, Incorporated** in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

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

JUAN MIGUEL R. MONTINOLA
President and Chief Operating Officer

ROSANNA E. SALCEDO
Chief Finance Officer and Treasurer

BUREAU OF INTERNAL REVENUE
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BY: CHRISTIAN BRASILENO
LT DOCUMENT PROCESSSING AND QUALITY ASSURANCE DIVISION

Signed this 19th day of August, 2025.

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

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

NOTARY PUBLIC

FELY [illegible]
Commission No. 2025-043
valid until December 31, 2026
Notary Public for and in the City of Manila
Rm. 310, FEU Administration Bldg.,
Nicanor Reyes St., Brgy. 395, District IV
Sampaloc, Manila
Roll No. 70141
IBP Lifetime Member Roll No. 017715, 06.21.2017
MCLE Compliance No. VIII-0003078, 06.30.2023
PTR No. 2097109, 01.08.2024 Manila
TIN-340-171-698

Doc. No. 104
Page No. 22
Book No. II
Series of 2025.

FOR FILING WITH SEC

AFTER THE BIR HAS DULY STAMPED "RECEIVED."

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P W 0 0 0 0 0 5 3 8

COMPANY NAME

FAR EASTERN UNIVERSITY,
INCORPORATED

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
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BY: CHRISTIAN BRAS LENO
LT DOCUMENT PROCESSING AND QUALITY ASSURANCE DIVISION

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

NICANOR REYES STREET,
SAMPALOC, MANILA

Form Type	Department requiring the report	Secondary License Type, If Applicable
AFS	CRMD	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
corpsec@feu.edu.ph	(02) 8735 8686	09605043941

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,529	3rd Saturday of October	05/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Rosanna E. Salcedo	corpsecgroup@feu.edu.ph	N/A	09605043941

CONTACT PERSON's ADDRESS

21 Maple St. , Greenwoods Executive Village, Pasig City

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

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

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
RECEIVED
09 SEP 2025
BY: CHRISTIAN BRASILENO
LT DOCUMENT PROCESSSING AND QUALITY ASSURANCE DIVISION

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

Report on the Audit of the Parent Company Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the University in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company 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.

Other Matter

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

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

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the University'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 University or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

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

- Identify and assess the risks of material misstatement of the parent company 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 University'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 31 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the parent company financial statements. Such information is the responsibility of the management of Far Eastern University, Incorporated. The information has been subjected to the auditing procedures applied in our audit of the parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the parent company financial statements taken as a whole.

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

SYCIP GORRES VELAYO & CO.

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Shane Dave D. Tanguin

Shane Dave D. Tanguin
Partner
CPA Certificate No. 0115818
Tax Identification No. 242-153-393
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-157-2024, October 2, 2024, valid until October 1, 2027
PTR No. 10465390, January 2, 2025, Makati City

August 19, 2025

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

	Notes	2025	2024	2023
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	4	P 147,533,080	P 42,941,355	P 503,084,160
Receivables	5	642,112,452	669,771,646	841,990,661
Financial assets at fair value through profit or loss (FVTPL)	6	1,000,262,170	1,136,200,727	1,148,825,052
Financial assets at fair value through other comprehensive income (FVOCI)	6	105,798,492	64,594,433	48,621,497
Investment securities at amortized cost	6	17,145,386	29,279,056	66,655,463
Prepayments and other current assets	9	168,190,193	104,802,069	70,686,157
Total Current Assets		2,081,041,773	2,047,589,286	2,679,862,990
NON-CURRENT ASSETS				
Financial assets at FVOCI	6	640,144,904	1,000,541,187	808,309,119
Investment securities at amortized cost	6	17,782,685	18,786,927	34,906,398
Investments in subsidiaries, associates and joint venture	7	2,984,248,641	2,984,183,828	2,468,612,234
Investment properties	8	1,292,653,367	1,297,843,260	1,323,060,987
Property and equipment	10	2,929,690,198	3,254,938,691	3,279,951,423
Deferred tax assets - net	21	1,800,943	1,664,553	-
Other non-current assets		49,379,000	14,535,916	3,396,757
Total Non-current Assets		7,915,699,738	8,572,494,362	7,918,236,918
TOTAL ASSETS		P 9,996,741,511	P 10,620,083,648	P 10,598,099,908
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	12	P 1,021,022,242	P 1,131,332,793	P 1,034,270,027
Interest-bearing loan	13	431,020,408	331,020,408	331,020,408
Unearned tuition fees	15	42,624,918	27,619,048	29,420,147
Income tax payable		-	418,412	-
Total Current Liabilities		1,494,667,568	1,490,390,661	1,394,710,582
NON-CURRENT LIABILITIES				
Interest-bearing loans	13	413,775,510	744,795,918	1,075,816,327
Lease liabilities	11	696,246,054	1,185,428,533	1,190,623,905
Deferred tax liabilities - net	21	-	-	4,098,409
Total Non-current Liabilities		1,110,021,564	1,930,224,451	2,270,538,641
Total Liabilities		2,604,689,132	3,420,615,112	3,665,249,223
EQUITY				
Capital stock	23	2,409,309,400	2,409,309,400	2,409,309,400
Treasury stock - at cost	23	(3,733,100)	(3,733,100)	(3,733,100)
Revaluation reserves	6	13,056,170	(18,109,850)	(4,298,372)
Retained earnings	23			
Appropriated		1,187,733,100	2,172,733,100	1,463,733,100
Unappropriated		3,785,686,809	2,639,268,986	3,067,839,657
Total Equity		7,392,052,379	7,199,468,536	6,932,850,685
TOTAL LIABILITIES AND EQUITY		P 9,996,741,511	P 10,620,083,648	P 10,598,099,908

See Notes to Financial Statements.

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

	Notes	2025	2024	2023
EDUCATIONAL REVENUES				
Tuition fees - net	15	**P 2,782,661,697**	P 2,763,852,230	P 2,748,719,663
Other school fees	15	**58,849,665**	63,408,359	68,358,214
		2,841,511,362	2,827,260,589	2,817,077,877
IMPAIRMENT LOSS	5	**(3,563,870)**	(6,846,081)	(5,138,804)
OTHER OPERATING EXPENSES	16	**(2,118,107,277)**	(2,052,370,803)	(1,892,307,067)
OTHER OPERATING INCOME	8, 20	**55,153,879**	52,964,470	48,809,392
OPERATING INCOME		**774,994,094**	821,008,175	968,441,398
FINANCE INCOME	17	**255,038,753**	422,556,152	296,571,343
FINANCE COSTS	17	**(203,421,761)**	(219,557,923)	(192,067,166)
OTHER INCOME	18	**191,280,261**	104,181,098	156,091,542
INCOME BEFORE TAX		**1,017,891,347**	1,128,187,502	1,229,037,117
TAX EXPENSE	21	**(86,689,108)**	(77,973,757)	(29,036,748)
NET INCOME		**P 931,202,239**	P 1,050,213,745	P 1,200,000,369
Earnings Per Share				
Basic and Diluted	24	**P 38.71**	P 43.66	P 49.88

See Notes to Financial Statements.

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

	Note	2025	2024	2023
NET INCOME		**P 931,202,239**	P 1,050,213,745	P 1,200,000,369
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified subsequently to profit or loss				
Net fair value gains (losses) during the year	6	**18,637,226**	(23,419,431)	14,709,347
Net fair value losses (gains) reclassified to profit or loss on debt securities classified as FVOCI	6	**(2,065,112)**	2,827,751	1,816,728
Tax income (expense)		**(165,721)**	205,917	(165,261)
		16,406,393	(20,385,763)	16,360,814
Items that will not be reclassified subsequently to profit or loss				
Net fair value gains (losses) on equity securities classified as financial assets at FVOCI	6	**14,908,714**	6,640,692	(72,726)
Tax income (expense)		**(149,087)**	(66,407)	727
		14,759,627	6,574,285	(71,999)
Other Comprehensive Income (Loss)		**31,166,020**	(13,811,478)	16,288,815
TOTAL COMPREHENSIVE INCOME		**P 962,368,259**	P 1,036,402,267	P 1,216,289,184

See Notes to Financial Statements.

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

	Capital Stock (See Note 23)	Treasury Stock - at Cost (See Note 23)	Revaluation Reserves (See Note 6)	Retained Earnings (See Note 23)			Total Equity
				Appropriated	Unappropriated	Total	
Balance at June 1, 2024	P 2,409,309,400	(P 3,733,100)	(P 18,109,850)	P 2,172,733,100	P 2,639,268,986	P 4,812,002,086	P 7,199,468,536
Transaction with owners –							
Cash dividends	-	-	-	-	(769,784,416)	(769,784,416)	(769,784,416)
Appropriations of retained earnings –							
Appropriations during the year	-	-	-	-	-	-	-
Reversal of appropriations during the year	-	-	-	(985,000,000)	985,000,000	-	-
	-	-	-	(985,000,000)	985,000,000	-	-
Total comprehensive income (loss):							
Net income for the year	-	-	-	-	931,202,239	931,202,239	931,202,239
Other comprehensive loss - net	-	-	31,166,020	-	-	-	31,166,020
	-	-	31,166,020	-	931,202,239	931,202,239	962,368,259
Balance at May 31, 2025	**P 2,409,309,400**	**(P 3,733,100)**	**P 13,056,170**	**P 1,187,733,100**	**P 3,785,686,809**	**P 4,973,419,909**	**P 7,392,052,379**
Balance at June 1, 2023	P 2,409,309,400	(P 3,733,100)	(P 4,298,372)	P 1,463,733,100	P 3,067,839,657	P 4,531,572,757	P 6,932,850,685
Transaction with owners –							
Cash dividends	-	-	-	-	(769,784,416)	(769,784,416)	(769,784,416)
Appropriations of retained earnings –							
Appropriations during the year	-	-	-	850,000,000	(850,000,000)	-	-
Reversal of appropriations during the year	-	-	-	(141,000,000)	141,000,000	-	-
	-	-	-	709,000,000	(709,000,000)	-	-
Total comprehensive income (loss):							
Net income for the year	-	-	-	-	1,050,213,745	1,050,213,745	1,050,213,745
Other comprehensive loss - net	-	-	(13,811,478)	-	-	-	(13,811,478)
	-	-	(13,811,478)	-	1,050,213,745	1,050,213,745	1,036,402,267
Balance at May 31, 2024	P 2,409,309,400	(P 3,733,100)	(P 18,109,850)	P 2,172,733,100	P 2,639,268,986	P 4,812,002,086	P 7,199,468,536

	Capital Stock (See Note 23)	Treasury Stock - at Cost (See Note 23)	Revaluation Reserves (See Note 6)	Retained Earnings (See Note 23) Appropriated	Unappropriated	Total	Total Equity
Balance at June 1, 2022	P 2,409,309,400	(P 3,733,100)	(P 20,587,187)	P 1,184,853,389	P 2,820,280,363	P 4,005,133,752	P 6,390,122,865
Transaction with owners –							
Cash dividends	-	-	-	-	(673,561,364)	(673,561,364)	(673,561,364)
Appropriations of retained earnings –							
Appropriations during the year	-	-	-	360,379,711	(360,379,711)	-	-
Reversal of appropriations during the year	-	-	-	(81,500,000)	81,500,000	-	-
	-	-	-	278,879,711	(278,879,711)	-	-
Total comprehensive income:							
Net income for the year	-	-	-	-	1,200,000,369	1,200,000,369	1,200,000,369
Other comprehensive income - net	-	-	16,288,815	-	-	-	16,288,815
	-	-	16,288,815	-	1,200,000,369	1,200,000,369	1,216,289,184
Balance at May 31, 2023	P 2,409,309,400	(P 3,733,100)	(P 4,298,372)	P 1,463,733,100	P 3,067,839,657	P 4,531,572,757	P 6,932,850,685

See Notes to Financial Statements.

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

	Notes	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax		P 1,017,891,347	P 1,128,187,502	P 1,229,037,117
Adjustments for:				
Depreciation and amortization	16	301,543,492	319,426,393	303,418,248
Interest expense	17	190,849,150	205,973,791	178,489,839
Dividend income	7, 17	(141,889,441)	(225,074,822)	(203,307,923)
Other investment loss (income) from financial assets at FVTPL and financial assets at FVOCI - net	6, 17	(102,200,086)	(86,865,827)	16,494,485
Interest income	17	(56,219,796)	(73,733,944)	(62,583,172)
Unrealized foreign exchange gain - net	17	45,270,570	(36,881,559)	(47,174,733)
Impairment loss	5	3,563,870	6,846,081	5,138,804
Gain on sale of property and equipment	18	(1,541,748)	-	-
Operating profit before working capital changes		1,257,267,358	1,237,877,615	1,419,512,665
Decrease (increase) in receivables		(25,904,676)	215,372,934	(75,389,515)
Decrease (increase) in prepayments and other current assets		(66,280,527)	(49,688,347)	4,860,840
Increase (decrease) in trade and other payables		(179,096,552)	5,835,011	(754,749)
Increase (decrease) in unearned tuition fees		15,005,870	(1,801,099)	(5,738,375)
Cash generated from operations		1,000,991,473	1,407,596,114	1,342,490,866
Interest received		3,446,199	13,302,678	8,478,325
Income taxes paid		(87,212,542)	(67,745,871)	(18,193,703)
Net Cash From Operating Activities		917,225,130	1,353,152,921	1,332,775,488
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposals and maturities of investment securities:				
Financial assets at FVOCI	6	975,707,324	250,138,327	464,372,187
Financial assets at FVTPL	6	536,971,886	1,459,334,163	1,328,683,071
Investment securities at amortized cost	6	16,809,000	69,409,482	117,078,090
Acquisition of investment securities:				
Financial assets at FVOCI	6	(594,478,715)	(408,626,735)	(582,502,401)
Financial assets at FVTPL	6	(336,138,086)	(1,354,348,823)	(1,296,031,100)
Investment securities at amortized cost	6	(5,000,000)	(11,900,000)	(43,334,577)
Acquisitions of property and equipment	10	(446,243,902)	(269,195,934)	(303,391,552)
Dividend received	7, 20	191,889,441	175,074,822	203,307,923
Increase in advances to suppliers and contractors		(31,982,049)	(11,139,159)	-
Interest received	6	15,518,048	23,430,711	63,971,253
Proceeds from disposals of property and equipment	10	1,666,406	-	-
Additional investment in a subsidiary	7	(64,813)	(235,571,594)	-
Additions to investment properties	8	-	(23,170,854)	-
Investment in associates and joint venture	7	-	(280,000,000)	(160,669,794)
Payment of subscription payable	7	-	-	(76,499,997)
Net Cash Frrom (Used in) Investing Activities		324,654,540	(616,565,594)	(285,016,897)
Balance carried forward		P 1,241,879,670	P 736,587,327	P 1,047,758,591

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	Notes	2025	2024	2023
Balance brought forward		P 1,241,879,670	P 736,587,327	P 1,047,758,591
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	22, 23	(763,390,933)	(705,219,677)	(627,637,230)
Repayment of interest-bearing loans	13, 22	(231,020,408)	(331,020,409)	(377,925,170)
Interest paid on loans payable	13, 22	(76,906,668)	(93,628,602)	(58,476,345)
Payment of lease liability	11, 22	(65,718,308)	(67,706,691)	(64,317,505)
Advances obtained from a related party	20, 22	-	695,000,000	-
Repayment of advances from a related party	20, 22	-	(695,000,000)	-
Net Cash Used in Financing Activities		(1,137,036,317)	(1,197,575,379)	(1,128,356,250)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(251,628)	845,247	1,013,319
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		104,591,725	(460,142,805)	(79,584,340)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		42,941,355	503,084,160	582,668,500
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 147,533,080	P 42,941,355	P 503,084,160

Supplemental Information on Non-cash Investing and Financing Activities:

1) In 2025, the University modified its lease contract with resulting to an adjustment amounting to P470.0 million (see Notes 10 and 11).

2) In 2025, the University reclassified certain property and equipment to investment properties amounting to P21.2 million and reversed certain accruals amounting to P5.0 million (see Notes 8 and 10).

3) The University declared cash dividends totaling P769.8 million in 2025 and 2024 and P673.6 million in 2023, of which P6.4 million in 2025, P64.6 million i and P45.9 million in 2023 were not paid in the year of declaration (see Notes 12 and 23).

4) The University recognized dividend income from related parties in 2025, 2024 and 2023. The outstanding dividends amounting to P50.0 million in 2024 w collected as of May 31, 2025 (see Note 20). There were no uncollected dividends as of May 31, 2025 and 2023 (see Note 20).

5) The University applied as payment for progress billings of various projects, classified under property and equipment, the advances made to its suppliers an contractors amounting to P60.0 million in 2023 (see Note 10).

6) In 2023, the University received an investment property from its subsidiary amounting to P23.2 million. The cost of the transferred asset remains unpaid a May 31, 2023 (see Notes 8 and 20). This has been fully repaid by the University in 2024.

7) In 2023, the University recognized additional right-of-use assets and lease liabilities amounting to P8.4 million (see Notes 10 and 11).

See Notes to Financial Statements.

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

1. CORPORATE INFORMATION

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

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

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

FEU has been designated an Autonomous Status by the Commission on Higher Education (CHED) on July 25, 2012, with extended validity until May 31, 2023. In September 2024 the CHED confirmed that the University has retained its Autonomous Status for the years 2024 to 2027. Among the University's flagship programs are the Teacher Education and Business Administration which are recognized by the CHED as Center of Excellence and Center of Development, respectively.

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

The registered office address and principal place of business of the University is located at Nicanor Reyes Street, Sampaloc, Manila. The University also has a campus in Makati, which offers programs mainly in Law, Accountancy and Business Administration.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are prepared as the University's separate financial statements. The University also prepares consolidated financial statements as required under Philippine Financial Reporting Standards (PFRS) Accounting Standards and is available for public use.

2.1 Statement of Compliance with Philippine Financial Reporting Standards

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

The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The recognition and measurement bases of the accounting policies are more fully described in Note 26.

2.2 Presentation of Financial Statements

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

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

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

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

3.1 Effective in Fiscal Year 2025 that are Relevant to the University

The University adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after April 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants

PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	:	Leases – Lease Liability in a Sale and Leaseback

Discussed below are the relevant information about these pronouncements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current.* The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the University's parent company financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants.* The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the University's parent company financial statements.

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

(iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback.* The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The University has no sale and leaseback transactions.

3.2 Effective Subsequent to Fiscal Year 2025 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to fiscal year 2025 which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; none of these are expected to have significant impact on the University's parent company financial statements:

(i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

(ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

(iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

(Amounts in PHP)	**2025**	2024	2023
Cash on hand and in banks	**147,533,080**	37,595,254	356,695,404
Short-term placements	-	5,346,101	146,388,756
	147,533,080	42,941,355	503,084,160

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

Effective annual interest earned from these short-term placements made in 2025 ranges from 5.5% to 6.4% while in 2024 and 2023 is at 5.9%.

Interest income earned from cash and cash equivalents is presented as part of Finance Income in the statements of profit or loss (see Note 17). The related interest receivable from short-term placements is presented as part of Accrued interest under the Receivables - net account in the statement of financial position (see Note 5).

5. RECEIVABLES

The breakdown of this account is as follows:

(Amounts in PHP)	Notes	**2025**	2024	2023
Tuition and other school fees receivables		**445,969,697**	420,598,822	444,938,513
Receivables from related parties	20	**195,604,977**	261,631,148	408,567,115
Accrued interest	4,6,9	**37,983,153**	42,239,868	9,257,772
Advances to employees		**20,417,454**	14,350,453	43,919,714
Others		**4,131,888**	12,447,590	44,045,429
		704,107,169	751,267,881	950,728,543
Allowance for impairment		**(61,994,717)**	(81,496,235)	(108,737,882)
		642,112,452	669,771,646	841,990,661

Advances to employees is comprised of unsecured and noninterest-bearing advances given to officers and employees in the normal course of operations which are subject to liquidation within 15 days from the earlier between the release of the advances and the event to which the advances are utilized.

Others include receivables from brokers and various other receivables from third party debtors.

A reconciliation of the allowance for impairment on receivables at the beginning and end of May 31, 2025, 2024 and 2023 is presented below.

(Amounts in PHP)	**2025**	2024	2023
Balance at beginning of year	**81,496,235**	108,737,882	107,340,554
Receivables written-off during the year	**(23,065,388)**	(34,087,728)	(3,741,476)
Impairment losses during the year	**3,563,870**	6,846,081	5,138,804
Balance at end of year	**61,994,717**	81,496,235	108,737,882

All of the University's receivables have been assessed for impairment. The University applies the PFRS 9 simplified approach in measuring expected credit losses (ECL) taking into consideration the expected loss rates determined through the assessment of credit impairment, which was observed for Tuition and other school fees that are outstanding for at least two semesters and which the student is unenrolled in the previous semester [see Note 14.2(b)].

The breakdown of the allowance for impairment provided on receivables is as follows:

(Amounts in PHP)	**2025**	2024	2023
Related parties	**40,908,998**	37,345,129	30,499,047
Tuition and other school fees	**18,793,655**	41,859,042	75,946,771
Others	**2,292,064**	2,292,064	2,292,064
	61,994,717	81,496,235	108,737,882

6. FINANCIAL ASSETS

6.1 Financial Assets at FVTPL

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

(Amounts in PHP)	**2025**	2024	2023
Unit Investment Trust Funds (UITF)	**685,051,725**	745,912,925	694,162,699
Quoted equity securities	**315,210,445**	390,287,802	454,662,353
	1,000,262,170	1,136,200,727	1,148,825,052

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

(Amounts in PHP)	**2025**	2024	2023
Foreign	**635,051,402**	683,644,926	603,017,809
Local	**365,210,768**	452,555,801	545,807,243
	1,000,262,170	1,136,200,727	1,148,825,052

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

(Amounts in PHP)	Notes	**2025**	2024	2023
Balance at beginning of year		**1,136,200,727**	1,148,825,052	1,153,449,411
Disposals		**(476,627,364)**	(1,428,713,898)	(1,311,993,134)
Additions		**336,138,086**	1,354,348,823	1,296,031,100
Fair value gains (losses) – net	17.1	**36,524,038**	36,163,045	(28,224,375)
Foreign currency gains (losses) – net	17.1	**(31,973,317)**	25,577,705	39,562,050
		1,000,262,170	1,136,200,727	1,148,825,052

Investment income received from financial assets at FVTPL, which includes dividend income and gain or loss on disposal, has been reinvested as part of additions to financial assets at FVTPL. In 2025, 2024 and 2023, net investment income, including changes in fair values, amounted to P96.9 million, P86.0 million and P3.7 thousand, respectively. These are presented as Other investment income from financial assets at FVTPL under Finance Income in the statement of profit or loss (see Note 17.1).

6.2 Financial Assets at FVOCI

As of May 31, the University's financial assets at FVOCI are classified in the statements of financial position as follows:

(Amounts in PHP)	**2025**	2024	2023
Current	**105,798,492**	64,594,433	48,621,497
Non-current	**640,144,904**	1,000,541,187	808,309,119
	745,943,396	1,065,135,620	856,930,616

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

(Amounts in PHP)	**2025**	2024	2023
Quoted debt securities:			
Government	**653,900,896**	1,003,013,318	788,621,648
Corporate	**45,698,243**	30,537,661	30,835,653
	699,599,139	1,033,550,979	819,457,301
Equity securities – Quoted corporate shares	**46,344,257**	31,584,641	37,473,315
	745,943,396	1,065,135,620	856,930,616

Government securities, which include Philippine and US government-issued securities, bear annual interest rates ranging from 2.0% to 12.1% in 2025, 2024 and 2023. Corporate bonds bear interest ranging from 3.3% to 6.8% in 2025, 3.8% to 5.1% in 2024 and 3.8% to 5.4% in 2023. The fair values of the equity securities and debt securities have been determined based on quoted prices in active markets.

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

(Amounts in PHP)	**2025**	2024	2023
Local	**494,559,404**	849,854,237	711,743,209
Foreign	**251,383,992**	215,281,383	145,187,407
	745,943,396	1,065,135,620	856,930,616

An analysis of the movements in the carrying amounts of the University's investments is presented below.

(Amounts in PHP)	Note	**2025**	2024	2023
Balance at beginning of year		**1,065,135,620**	856,930,616	735,473,213
Additions		**594,478,715**	408,626,735	582,502,401
Disposals		**(975,707,324)**	(196,389,555)	(482,725,743)
Fair value gains (losses) – net	17.1	**73,728,000**	(13,811,478)	16,330,467
Foreign currency gains (losses) – net	17.1	**(11,694,991)**	9,268,476	2,000,521
Amortization of discount (premium) – net		**3,376**	510,826	3,349,757
Balance at end of year		**745,943,396**	1,065,135,620	856,930,616

Investment income from financial assets at FVOCI pertaining to interests and gain or loss on disposal has been reinvested as part of additions to financial assets at FVOCI. Net investment income from financial assets at FVOCI, including dividend income, totaling P56.3 million, P56.0 million and P29.8 million for the years ended May 31, 2025, 2024 and 2023, respectively, is presented separately as Interest income from financial assets at FVOCI and as Other investment income (losses) from financial assets at FVOCI under Finance Income in the statement of profit or loss (see Note 17.1). The related outstanding interest is presented as part of Accrued interest under the Receivables account in the statement of financial position (see Note 5).

The total fair value gains on debt securities classified as FVOCI amounting to P2.1 million for the year ended May 31, 2025 and the total fair values losses of P2.8 million and P1.8 million for the years ended May 31, 2024 and 2023, respectively, are presented as an item that will be reclassified subsequently to profit or loss in the statement of comprehensive income. The total fair value gains on equity securities classified as financial assets at FVOCI amounting to P14.9 million and P6.6 million, respectively, for the years ended May 31, 2025, 2024 and total fair value losses amounting to P0.01 million for the year ended May 31, 2023, are presented as an item that will not be reclassified to profit or loss in the statement of comprehensive income.

6.3 Investment Securities at Amortized Cost

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

(Amounts in PHP)	**2025**	2024	2023
Current	**17,145,386**	29,279,056	66,655,463
Non-current	**17,782,685**	18,786,927	34,906,398
Balance at end of year	**34,928,071**	48,065,983	101,561,861

As of May 31, 2025, 2024 and 2023, the fair value of debt securities above amounts to P32.5 million, P45.3 million and P98.8 million, respectively, which is Level 1 in the hierarchy of fair values (see Note 6.4).

These investments are composed of corporate bonds denominated in Philippine pesos and US dollars which bear fixed interest rates ranging from 3.0% to 6.8% in 2025 and 2024 and 3.0% to 7.8% in 2023, and have maturities ranging from one to five years.

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

(Amounts in PHP)	**2025**	2024	2023
Foreign	**11,149,000**	29,279,056	39,252,795
Local	**23,779,071**	18,786,927	62,309,066
Balance at end of year	**34,928,071**	48,065,983	101,561,861

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

(Amounts in PHP)	Note	**2025**	2024	2023
Balance at beginning of year		**48,065,983**	101,561,861	170,806,728
Maturities		**(16,809,000)**	(66,706,647)	(117,151,840)
Additions		**5,000,000**	11,900,000	43,334,577
Foreign currency gains (losses) – net	17.1	**(1,350,632)**	1,190,131	4,598,843
Amortization of discount (premium) – net		**21,720**	120,638	(26,447)
Balance at end of year		**34,928,071**	48,065,983	101,561,861

The unamortized discount relating to financial assets at amortized cost amounts to P0.1 million as of May 31, 2024 and 2023 (nil in 2025). Net amortization of discount (premium) during the years ended May 31, 2025, 2024 and 2023 is netted against Interest income from investment securities at amortized cost (see Note 17.1).

6.4 *Financial Instruments Measurement at Fair Value*

The tables presented below and in the succeeding page show the fair value hierarchy of the University's classes of financial assets and financial liabilities measured at fair value in the statement of financial position on a recurring basis as of the years ended May 31, 2025, 2024 and 2023.

(Amounts in PHP)	Level 1	Level 2	Level 3	Total
May 31, 2025				
Financial assets at FVOCI:				
Debt securities:				
Government	653,900,896	-	-	653,900,896
Corporate	45,698,243	-	-	45,698,243
Equity securities	46,344,257	-	-	46,344,257
Financial assets at FVTPL – Equity securities	315,210,445	685,051,725	-	1,000,262,170
Investment securities at amortized cost	32,474,957	-	-	32,474,957
	1,093,628,798	**685,051,725**	**-**	**1,778,680,523**

(Amounts in PHP)	Level 1	Level 2	Level 3	Total
May 31, 2024				
Financial assets at FVOCI:				
Debt securities:				
Government	1,003,013,318	-	-	1,003,013,318
Corporate	30,537,661	-	-	30,537,661
Equity securities	31,584,641	-	-	31,584,641
Financial assets at FVTPL – Equity securities	390,287,802	745,912,925	-	1,136,200,727
Investment securities at amortized cost	45,302,336	-	-	45,302,336
	1,500,725,758	745,912,925	-	2,246,638,683
May 31, 2023				
Financial assets at FVOCI:				
Debt securities:				
Government	788,621,648	-	-	788,621,648
Corporate	30,835,653	-	-	30,835,653
Equity securities	37,473,315	-	-	37,473,315
Financial assets at FVTPL – Equity securities	454,662,353	694,162,699	-	1,148,825,052
Investment securities at amortized cost	98,771,622	-	-	98,771,622
	1,410,364,591	694,162,699	-	2,104,527,290

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

6.5 Carrying Amounts and Fair Values by Category

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

		2025		2024		2023	
(Amounts in PHP)	**Notes**	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets:							
At FVOCI:	6.2						
Debt securities		**699,599,139**	**699,599,139**	1,033,550,979	1,033,550,979	819,457,301	819,457,301
Equity securities		**46,344,257**	**46,344,257**	31,584,641	31,584,641	37,473,315	37,473,315
		745,943,396	**745,943,396**	1,065,135,620	1,065,135,620	856,930,616	856,930,616
At FVTPL:	6.1						
Equity securities		**315,210,445**	**315,210,445**	390,287,802	390,287,802	454,662,353	454,662,353
UITF		**685,051,725**	**685,051,725**	745,912,925	745,912,925	694,162,699	694,162,699
		1,000,262,170	**1,000,262,170**	1,136,200,727	1,136,200,727	1,148,825,052	1,148,825,052
At amortized cost –							
Debt securities		**34,928,071**	**32,474,957**	48,065,983	45,302,336	101,561,861	98,771,622
Cash and cash equivalents	4	**147,533,080**	**147,533,080**	42,941,355	42,941,355	503,084,160	503,084,160
Short-term investments	9	**46,801,765**	**46,801,765**	14,363,980	14,363,980	5,742,794	5,742,794
Receivables*	5	**621,694,998**	**621,694,998**	655,421,193	655,421,193	798,070,946	798,070,946
Other non-current assets		**3,273,477**	**3,273,477**	3,273,477	3,273,477	3,273,477	3,273,477
		854,231,391	**851,778,227**	764,065,988	761,302,341	1,411,733,238	1,408,942,999
		2,600,436,957	**2,597,983,793**	2,965,402,335	2,962,638,688	3,417,488,906	3,414,698,667
Financial Liabilities:							
At amortized cost –							
Interest-bearing loans	13	**844,795,918**	**854,927,156**	1,075,816,326	875,488,642	1,406,836,735	1,299,038,256

**Amount excludes advances to employees*

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

See Note 26.1 for a description of the accounting policies for each category of financial instruments. A description of the University's risk management objectives and policies for financial instruments is provided in Note 14.

7. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

This account consists of the following investments as of May 31:

(Amounts in PHP)	% Interest Held	**2025**	2024	2023
Investment in:				
Subsidiaries				
Roosevelt College, Inc. (RCI)	97.7%	**1,248,055,176**	1,247,990,363	1,012,418,769
FEU Alabang, Inc. (FEUAI)*	100.0%	**749,999,875**	749,999,875	749,999,875
Edustria, Inc. (Edustria)	51.0%	**254,999,997**	254,999,997	254,999,997
East Asia Computer Center, Inc (EACCI)	100.0%	**150,104,999**	150,104,999	150,104,999
Fern Reality Corporation (FRC)	38.2%	**64,419,300**	64,419,300	64,419,300
Far Eastern College - Silang, Inc. (FECSI)	100.0%	**51,000,000**	51,000,000	51,000,000
FEU High School, Inc. (FEU High)	100.0%	**24,999,500**	24,999,500	24,999,500
Balance carried forward		**2,543,578,847**	2,543,514,034	2,307,942,440

(Amounts in PHP)	% Interest Held	**2025**	2024	2023
Balance brought forward		**2,543,578,847**	2,543,514,034	2,307,942,440
Associates				
JPMC College of Health Sciences SDN BHD (JCHS)	40.0%	**90,669,794**	90,669,794	90,669,794
Good Samaritan Colleges, Inc. (GSC)	34.0%	**70,000,000**	70,000,000	70,000,000
		160,669,794	**160,669,794**	**160,669,794**
Joint venture				
Higher Academia, Inc. (HAI)	50.0%	**280,000,000**	280,000,000	-
		2,984,248,641	2,984,183,828	2,468,612,234

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

Except FRC, all subsidiaries, associates and joint venture are educational institutions. FRC primarily operates as a real estate lessor to the University and other related parties.

The subsidiaries', associates' and joint venture's places of incorporation which are the same as their sites of operations are summarized as follows:

RCI	-	J.P. Rizal Street, Malanday, Marikina City
FEUAI	-	Lot 1, Corporate Woods cor. South Corporate Avenues, Woods District, Filinvest City, Alabang, Muntinlupa City
Edustria	-	Blocks R &T Lima Technology Center Barangay Bugtong na Pulo, Lipa City, Batangas
EACCI	-	P. Paredes Street, Sampaloc, Manila
FRC and FEU High	-	Nicanor Reyes Street, Sampaloc, Manila
FECSI	-	Metrogate Silang Estates, Silang, Cavite
JCHS	-	Block 2C East Wing, Ong Sum Ping Condominium Jalan Ong Sum Ping, Bandar Seri Begawan BA 1311, Brunei Darussalam
GSC	-	Burgos Avenue, Cabanatuan City, Nueva Ecija
HAI	-	McArthur Highway, San Isidro, City of San Fernando, Pampanga

Management assessed that these investments are fully recoverable based on expected profitability of the investees in the coming years; hence, no impairment losses were recognized in 2025, 2024 and 2023.

Dividends earned by the University from its subsidiaries and associates were as follows (see Notes 17.1 and 20.1):

(Amounts in PHP)	**2025**	2024	2023
EACCI	**110,109,423**	134,559,307	175,499,096
FEU High	**20,000,000**	73,999,360	19,999,467
FRC	**9,010,800**	15,618,720	7,809,360
GSC	**2,769,218**	897,435	-
	141,889,441	225,074,822	203,307,923

7.1 Investment in RCI

In February 2025, the University acquired 12 additional shares of RCI for P64,813. This was fully paid in April 2025.

In January 2024, the University acquired an additional 43,615 shares of RCI for P235.6 million which was fully paid on the same date.

7.2 Investment in Edustria

The outstanding balance of subscription payable amounting to P76.5 million as of May 31, 2022, which is presented as Subscription Payable in the 2022 statement of financial position, was fully paid in December 2022.

7.3 Investment in JCHS

In July 2022, by virtue of an Investment Agreement, the University and Jerudong Park Medical Centre Sendirian Berhad (JPMC) of Brunei agreed to invest a total of Brunei Dollar (BND) 5.5 million in JCHS, with the University and JPMC having equity ownerships of 40% and 60%, respectively. JCHS was incorporated to operate a private tertiary school of health sciences in Brunei Darussalam. The University also provides technical management services. In February 2023, the University fully paid its investment in JCHS amounting to BND 2.2 million, or an equivalent of P90.7 million.

7.4 Investment in GSC

GSC is an educational institution that offers junior and senior high school, tertiary, and graduate school courses. In August 2022, with the approval of its Board of Trustees (BOT), the University entered into an Investment Agreement for the acquisition of 77,273 common shares of GSC, representing 34.0% equity ownership. In October 2022, the University paid in full its P70.0 million investment in GSC.

7.5 Investment in HAI

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

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

On June 17, 2025, the University's BOT approved an additional equity investment of P11.4 million in HAI. This investment will result in the acquisition of 114,286 common shares in HAI. Following the transaction, the University's total shareholding will increase to 2,014,286 shares, representing 51% of HAI's total outstanding capital. As of August 19, 2025, no definitive subscription agreement has been signed, pending finalization.

7.6 Financial Information of Associates and Joint Venture

Presented below and in the succeeding page are the Associates' and Joint Venture's summary of financial information based on its most recent unaudited financial statements as of and for the years ended May 31, 2025, 2024 and 2023

(Amounts in PHP)	**JCHS**	**GSC**	**HAI**
2025:			
Total current assets	86,416,235	98,862,848	8,032,867
Total non-current assets	372,857,362	231,980,718	548,121,234
Total current liabilities	30,898,158	44,031,198	2,528,723
Total non-current liabilities	276,838,402	15,001,088	-
Revenues	90,161,101	246,336,822	44,298,134
Net income (loss)	(55,345,526)	66,227,730	(8,849,268)
2024:			
Total current assets	238,291,265	94,944,179	19,679,588*
Total non-current assets	417,968,302	190,760,538	533,539,276
Total current liabilities	47,601,265	44,233,102	517,736*
Total non-current liabilities	386,757,713	25,311,607	-
Revenues	14,601,121	145,516,805	-
Net income (loss)	(16,198,811)	27,391,792	(7,298,872)
2023:			
Total current assets	210,588,194	113,457,353	-
Total non-current assets	3,904,251	117,545,204	-
Total current liabilities	222,384	31,360,100	-
Total non-current liabilities	-	6,415,537	-
Revenues	17,004,183	108,908,127	-
Net income (loss)	(14,007,481)	27,811,440	-
Other comprehensive income	-	561,979	-

**HAI's total current assets relate only to cash. Also, the joint venture does not have any other financial liabilities as of May 31, 2025 except for accrued expenses which are payable in cash.*

As of May 31, 2025, 2024 and 2023, the investments in JCHS, GSC and HAI are carried at cost.

8. INVESTMENT PROPERTIES

This account consists of the building and improvements leased to FECSI and a parcel of land leased to FEUAI where its building, gym, chapel and campus are situated. None of the University's investment properties as of May 31, 2025, 2024, and 2023 are used as collateral for any of the University's interest-bearing loans and borrowings.

The gross carrying amounts and accumulated depreciation of investment properties at the beginning and end of the years ended May 31, 2025, 2024 and 2023 are shown below.

(Amounts in PHP)	Land	Building and Improvements	Total
May 31, 2025			
Cost	1,076,829,849	504,604,083	1,581,433,932
Accumulated depreciation	-	(288,780,565)	(288,780,565)
Net carrying amount	**1,076,829,849**	**215,823,518**	**1,292,653,367**
May 31, 2024			
Cost	1,076,829,849	483,376,295	1,560,206,144
Accumulated depreciation	-	(262,362,884)	(262,362,884)
Net carrying amount	1,076,829,849	221,013,411	1,297,843,260
May 31, 2023			
Cost	1,076,829,849	483,376,295	1,560,206,144
Accumulated depreciation	-	(237,145,157)	(237,145,157)
Net carrying amount	1,076,829,849	246,231,138	1,323,060,987

A reconciliation of the carrying amounts of investment properties at the beginning and end of the years ended May 31, 2025, 2024 and 2023 is shown below:

(Amounts in PHP)	Notes	Land	Building and Improvements	Total
Balance at June 1, 2024, net of accumulated depreciation		1,076,829,849	221,013,411	1,297,843,260
Reclassification		-	21,227,788	21,227,788
Depreciation charges for the year	16	-	(26,417,681)	(26,417,681)
Balance at May 31, 2025, net of accumulated depreciation		**1,076,829,849**	**215,823,518**	**1,292,653,367**
Balance at June 1, 2023, net of accumulated depreciation		1,076,829,849	246,231,138	1,323,060,987
Depreciation charges for the year	16	-	(25,217,727)	(25,217,727)
Balance at May 31, 2024, net of accumulated depreciation		1,076,829,849	221,013,411	1,297,843,260
Balance at June 1, 2022, net of accumulated depreciation		1,076,829,849	247,001,041	1,323,830,890
Additions		-	23,170,854	23,170,854
Depreciation charges for the year	16	-	(23,940,757)	(23,940,757)
Balance at May 31, 2023, net of accumulated depreciation		1,076,829,849	246,231,138	1,323,060,987

The total rental income earned from investment properties is presented as Other Operating Income in the statements of profit or loss (see Notes 20.4 and 20.8). The direct operating expenses, which include depreciation and amortization, insurance, and taxes and licenses incurred by the University relating to the investment properties, are presented as part of Depreciation and amortization, Insurance, and Taxes and licenses, respectively, under Operating Expenses in the statement of profit or loss (see Note 16).

The fair values (which is at Level 3) of the University's investment properties presented below are determined on the basis of the latest appraisals performed by an independent appraiser in July 2024 covering the year ended May 31, 2024 and in July 2022 covering 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 University'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.

The fair values of the investment properties are as follows:

(Amounts in PHP)	**2025**	2024	2023
Land	**4,815,424,000**	4,815,424,000	3,791,248,000
Building and improvements	**408,062,215**	408,062,215	345,848,854
At appraised values	**5,223,486,215**	5,223,486,215	4,137,096,854

There were no known events that may have devalued the property from its most recent appraisal.

9. PREPAYMENTS AND OTHER CURRENT ASSETS

The breakdown of this account is as follows:

(Amounts in PHP)	**2025**	2024	2023
Prepaid expenses	**65,284,960**	54,951,672	25,796,565
Short-term investments	**46,801,765**	14,363,980	5,742,794
Inventories	**37,705,421**	29,219,118	17,225,562
Input value-added tax (VAT)	**34,864,866**	34,864,866	34,864,866
Supplies	**10,417,445**	6,267,299	4,953,912
Subscription deposit	**4,000,000**	-	-
Prepaid income tax	**2,381,511**	-	16,967,324
Refundable deposit	**1,599,091**	-	-
	203,055,059	139,666,935	105,551,023
Allowance for impairment of input VAT	**(34,864,866)**	(34,864,866)	(34,864,866)
	168,190,193	104,802,069	70,686,157

Prepaid expenses mainly consist of rentals, insurance and licenses and subscriptions.

Inventories consist of merchandise inventory items relating to the University's bookstore. Inventories of the University are assessed for inventory write-down and are valued at the lower of cost and net realizable value. As of May 31, 2025, 2024 and 2023, all inventories are valued at cost.

Short-term investments include investments in time deposit or special savings deposit accounts. These investments, which earn interest ranging from 1.1% to 5.0% for 2025, 5.0% to 6.4% for 2024, and 1.1% to 5.0% for 2023, have maturities beyond three months but within one year from the end of each of the reporting period. Related accrued interest is presented as part of the Receivables account in the statement of financial position (see Note 5). Interest income earned from short-term investments is presented as part of Finance income in the statement of profit or loss (see Note 17.1).

No impairment on these assets was recognized in 2025, 2024 and 2023.

10. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization at the beginning and end of years ended May 31, 2025, 2024 and 2023 are shown below:

(Amounts in PHP)	Land	Building and Improvements	Furniture and Equipment	Leasehold Improvements	Miscellaneous Equipment	Construction in Progress	Right-of-use Assets	Total
May 31, 2025								
Cost	560,739,388	2,628,708,207	877,677,777	950,203,554	274,648,650	217,837,499	661,990,544	6,171,805,619
Accumulated depreciation and amortization	-	(1,421,610,922)	(724,663,503)	(488,055,809)	(216,476,930)	-	(391,308,257)	(3,242,115,421)
Net carrying amount	**560,739,388**	**1,207,097,285**	**153,014,274**	**462,147,745**	**58,171,720**	**217,837,499**	**270,682,287**	**2,929,690,198**
May 31, 2024								
Cost	444,974,270	2,535,637,877	801,342,209	895,435,991	248,835,325	205,059,360	1,129,568,096	6,260,853,128
Accumulated depreciation and amortization	-	(1,335,075,505)	(676,242,681)	(444,152,318)	(208,870,973)	-	(341,572,960)	(3,005,914,437)
Net carrying amount	444,974,270	1,200,562,372	125,099,528	451,283,673	39,964,352	205,059,360	787,995,136	3,254,938,691
May 31, 2023								
Cost	434,956,275	2,535,637,877	744,275,272	895,435,991	219,305,616	32,478,067	1,129,568,096	5,991,657,194
Accumulated depreciation and amortization	-	(1,211,947,459)	(627,138,340)	(400,557,434)	(198,344,616)	-	(273,717,922)	(2,711,705,771)
Net carrying amount	434,956,275	1,323,690,418	117,136,932	494,878,557	20,961,000	32,478,067	855,850,174	3,279,951,423

A reconciliation of the carrying amounts of property and equipment at the beginning and end of periods ended May 31, 2025, 2024 and 2023 is shown below and in the succeeding page.

(Amounts in PHP)	Land	Building and Improvements	Furniture and Equipment	Leasehold Improvements	Miscellaneous Equipment	Construction in Progress	Right-of-use Assets	Total
Balance at June 1, 2024, net of accumulated depreciation and amortization	444,974,270	1,200,562,372	125,099,528	451,283,673	39,964,352	205,059,360	787,995,136	3,254,938,691
Additions	115,765,118	27,647,955	84,456,391	53,265,694	33,578,751	116,111,795	15,418,198	446,243,902
Disposals	-	(25,075)	(84,225)	-	(15,360)	-	-	(124,660)
Reclassification	-	65,470,511	8,162,889	1,501,870	1,947,890	(103,333,656)	-	(26,250,496)
Modifications	-	-	-	-	-	-	(469,991,428)	(469,991,428)
Depreciation and amortization charges for the year	-	(86,558,478)	(64,620,309)	(43,903,492)	(17,303,913)	-	(62,739,619)	(275,125,811)
Balance at May, 31, 2025, net of accumulated depreciation and amortization	**560,739,388**	**1,207,097,285**	**153,014,274**	**462,147,745**	**58,171,720**	**217,837,499**	**270,682,287**	**2,929,690,198**
Balance at June 1, 2023, net of accumulated depreciation and amortization	434,956,275	1,323,690,418	117,136,932	494,878,557	20,961,000	32,478,067	855,850,174	3,279,951,423
Additions	10,017,995	-	57,066,937	-	29,529,709	172,581,293	-	269,195,934
Depreciation and amortization charges for the year	-	(123,128,046)	(49,104,341)	(43,594,884)	(10,526,357)	-	(67,855,038)	(294,208,666)
Balance at May, 31, 2024, net of accumulated depreciation and amortization	444,974,270	1,200,562,372	125,099,528	451,283,673	39,964,352	205,059,360	787,995,136	3,254,938,691

(Amounts in PHP)	Land	Building and Improvements	Furniture and Equipment	Leasehold Improvements	Miscellaneous Equipment	Construction in Progress	Right-of-use Assets	Total
Balance at June 1, 2022, net of accumulated depreciation and amortization	389,229,440	1,224,360,302	67,827,242	538,473,442	27,971,939	23,976,403	915,790,642	3,187,629,410
Additions	45,726,835	215,646,889	89,441,228	-	2,426,118	10,177,744	8,380,690	371,799,504
Reclassifications	-	1,676,080	-	-	-	(1,676,080)	-	-
Depreciation and amortization charges for the year	-	(117,992,853)	(40,131,538)	(43,594,885)	(9,437,057)	-	(68,321,158)	(279,477,491)
Balance at May, 31, 2023, net of accumulated depreciation and amortization	434,956,275	1,323,690,418	117,136,932	494,878,557	20,961,000	32,478,067	855,850,174	3,279,951,423

As of May 31, 2025, 2024 and 2023, certain fully depreciated and amortized assets with acquisition cost of P1,268.2 million, P1,147.2 million, and P1,199.0 million, respectively, are still being used in the University's operations.

The table below describes the nature of the University's leasing activities by type of Right-of-use asset (ROUA) for the years ended May 31, 2025, 2024 and 2023, which is recognized in the statements of financial position.

	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
University buildings	5	2 – 16 years	10 years	5	5

Total rental income earned from the sublease of one of the University buildings amounted to P44.1 million for the year ended May 31, 2022, and is part of Other Operating Income in the statements of profit or loss. Effective June 1, 2022, the University no longer has any subleasing arrangements.

The amount of depreciation is presented as part of Depreciation and amortization which is presented under Operating Expenses account (see Note 16).

None of the University's property and equipment as at May 31, 2025 are used as collateral for any of the University's interest-bearing loans and borrowings.

11. LEASES

The University has leases for certain university buildings, transportation equipment, and event venues. With the exception of leases of low-value underlying assets pertaining to transportation equipment and event venues, each lease is reflected in the statement of financial position as ROUA under Property and Equipment (see Note 10) and as Lease Liabilities (current portion under Trade and Other Payables) [see Note 12].

Each lease generally imposes a restriction that, unless there is a contractual right for the University to sublet the asset to another party, the ROUA can only be used by the University. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an extension of the lease for a further term. The University is prohibited from selling or pledging the underlying leased assets as security. For leases of university buildings, the University 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 University must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

11.1 Lease Liabilities

The composition of the University's lease liabilities is shown below:

(Amounts in PHP)	**2025**	2024	2023
Current	**33,755,830**	13,740,397	21,078,650
Non-current	**696,246,054**	1,185,428,533	1,190,623,905
	730,001,884	1,199,168,930	1,211,702,555

The rollforward analysis of lease liabilities as at and for the year ended May 31, 2025, 2024 and 2023 are as follows:

(Amounts in PHP)	Notes	**2025**	2024	2023
Balance at June 1		**1,199,168,930**	1,211,702,555	1,210,920,596
Additions	10	**15,418,198**	-	8,380,690
Modification	10, 28.1	**(469,991,428)**	-	-
Interest expense		**113,942,482**	113,996,846	114,068,795
Lease payments		**(65,718,308)**	(67,706,691)	(64,317,505)
Adjustment arising from reduced rent coverage	18	**(62,817,990)**	(58,823,780)	(57,350,021)
Balance at May 31		**730,001,884**	1,199,168,930	1,211,702,555

The University has no commitment to any unstarted lease contracts. The non-current portion is separately reported in the statements of financial position. The University has elected not to recognize a lease liability for rented low-value assets. Payments made under such leases are considered immaterial and are expensed on a straight-line basis.

The availability of options to extend, terminate or renegotiate gives the University flexibility in the event it identifies more suitable premises in terms of cost and/or location, or determines that it is advantageous to remain in a location beyond the original lease term. An option is exercised consistent to the University's markets strategy and the economic benefit of exercising the option exceeds the expected overall cost.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at May 31, 2025, 2024 and 2023 are as follows:

(Amounts in PHP)	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
2025							
Lease payments	83,536,023	83,578,092	77,637,417	78,435,957	79,274,425	816,852,691	1,219,314,605
Finance charges	(49,780,193)	(50,863,445)	(48,768,091)	(46,680,367)	(44,361,152)	(248,859,473)	(489,312,721)
Net present values	**33,755,830**	**32,714,647**	**28,869,326**	**31,755,590**	**34,913,273**	**567,993,218**	**730,001,884**
2024							
Lease payments	14,106,437	227,959,736	122,597,858	128,727,751	135,164,138	1,860,015,682	2,488,571,602
Finance charges	(366,040)	(226,574,757)	(112,658,783)	(111,393,029)	(109,375,657)	(729,034,406)	(1,289,402,672)
Net present values	13,740,397	1,384,979	9,939,075	17,334,722	25,788,481	1,130,981,276	1,199,168,930
2023							
Lease payments	22,225,192	229,521,587	116,759,865	122,597,858	128,727,751	1,995,179,821	2,615,012,074
Finance charges	(1,146,542)	(226,432,916)	(113,268,186)	(112,658,783)	(111,393,029)	(838,410,063)	(1,403,309,519)
Net present values	21,078,650	3,088,671	3,491,679	9,939,075	17,334,722	1,156,769,758	1,211,702,555

11.2 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P65.72 million in 2025, P67.7 million in 2024, P64.3 million in 2023 (see Note 22). Interest expense in relation to lease liabilities amounted to P113.9 million, P114.0 million, and P114.1 million for the years ended May 31, 2025, 2024 and 2023, respectively, is presented as part of Interest expense under Finance Costs in the statement of profit or loss, respectively (see Notes 17.2 and 22).

12. TRADE AND OTHER PAYABLES

The breakdown of this account follows:

(Amounts in PHP)	Notes	2025	2024	2023
Dividends payable	23.2(b)	**362,386,179**	355,992,696	291,427,957
Accounts payable	20.5	**206,729,963**	250,537,003	213,542,729
Deposits payable		**112,699,659**	136,854,333	156,625,080
Accrued salaries and employee benefits		**76,712,144**	63,024,262	58,401,045
National Service Training Program (NSTP) and other funds		**76,263,253**	116,713,285	72,447,957
Amounts due to students		**67,600,178**	62,524,972	60,028,828
Accrued expenses	13, 20.3, 20.9	**52,591,529**	100,251,647	110,608,379
Lease liabilities	11	**33,755,830**	13,740,397	21,078,650
Withholding and other taxes payable		**16,336,752**	19,814,818	14,142,737
Retention payable		**6,653,611**	5,443,246	22,907,011
Others		**9,293,144**	6,436,134	13,059,654
		1,021,022,242	1,131,332,793	1,034,270,027

Accounts payable pertain to unpaid amounts for various incurred expenses already billed by the University's suppliers.

Deposits payable are monies held by the University on behalf of students and third parties for various specific purposes relating to an activity or event. Long-outstanding deposits payable are routinely assessed for status of utilization and ascertained whether no future obligations will be called against it.

The NSTP fees charged to students amounted to P22.1 million, P25.4 million, and P30.8 million for the years ended May 31, 2025, 2024 and 2023, respectively. The outstanding balance of the NSTP fund amounted to P58.3 million, P76.5 million, and P22.4 million as of May 31, 2025, 2024 and 2023, respectively.

Accrued expenses pertain to the University's estimated expenses where billings are not yet received as of reporting date. These generally consist of accruals for utilities, professional fees, outside services, supplies and materials and interest.

As of May 31, 2025, 2024 and 2023, after reconciliation was determined, certain deposit payables, accruals, funds and other liabilities amounting to P101.1 million, P33.1 million, and P60.1 million, respectively, were reversed and is presented as part of Reversal of liabilities under the Other Income account in the statement of profit or loss (see Note 18)., respectively, were reversed and is presented as part of Reversal of liabilities under the Other Income account in the statement of profit or loss (see Note 18).

Amounts due to students represent excess payment of tuition and miscellaneous fees that are payable to them once applied for refund, or automatically applied on the students' subsequent enrollment.

Retention payable is the unpaid balance of the acquisition price of RCI in 2016. Such is retained by the University to ensure compliance by the selling shareholders of RCI to certain agreed terms. In 2024, the University paid P17.5 million of the retention payable in partial compliance with the agreement. No similar transaction occurred in 2025.

13. INTEREST-BEARING LOANS

The University's interest-bearing loans as of May 31, 2025, 2024 and 2023 are as follows:

Original Principal Amount	Outstanding Principal Balance (in Million Pesos)			Interest Charges (in Million Pesos)			Accrued Interest (in Million Pesos)			Current Interest Rate*	Security	Maturity Date	Principal Repayment
	2025	2024	2023	**2025**	2024	2023	**2025**	2024	2023				
542.9	**232.7**	336.1	439.5	**19.9**	26.7	20.1	**1.9**	2.7	3.2	6.58%	Unsecured	July 2027	Quarterly
500.0	**214.3**	309.5	404.8	**18.4**	25.3	18.5	**1.7**	2.4	2.9	6.58%	Unsecured	July 2027	Quarterly
425.0	**182.1**	263.1	344.0	**15.6**	22.3	15.8	**1.5**	2.1	2.5	6.58%	Unsecured	July 2027	Quarterly
100.0	**100.0**	-	-	**-**	-	-	**-**	-	-	6.38%	Unsecured	June 2025	--
150.0	**64.3**	92.8	121.4	**5.5**	9.6	5.6	**0.5**	0.7	0.9	6.58%	Unsecured	July 2027	Quarterly
120.0	**51.4**	74.3	97.1	**4.4**	6.3	4.4	**0.4**	0.6	0.7	6.58%	Unsecured	July 2027	Quarterly
680.0	**-**	-	-	**-**	-	0.02	**-**	-	-	1.95%	Unsecured	June 2022	Quarterly
200.0	**-**	-	-	**-**	-	0.004	**-**	-	-	1.95%	Unsecured	June 2022	Quarterly
100.0	**-**	-	-	**-**	-	0.002	**-**	-	-	1.95%	Unsecured	June 2022	Quarterly
	844.8	1,075.8	1,406.8	**63.8**	90.2	64.4	**6.0**	8.5	10.2				

* For certain loans, interest rates are determined based on Philippine Dealing System Treasury Reference three-month bid yields for Philippine government securities plus 0.75% or prevailing rate on special deposit accounts.

All of the University's interest-bearing loans and borrowings are clean loans; no assets are used and/or required as collaterals as of May 31, 2025, 2024 and 2023.

The total interest incurred by the University on all these loans are presented as part of Interest expense under Finance Costs in the statements of profit or loss (see Note 17.2) while any outstanding interest payable is recognized as part of Accrued expenses under the Trade and Other Payables account in the statement of financial position (see Note 12).

Loans obtained with a local commercial bank are subject to loan covenants effective for the years ended May 31, 2025, 2024 and 2023, which require the University to maintain a debt service coverage ratio of at least 1.2x and debt-to-equity ratio of not more than 2:1. As of May 31, 2025, 2024 and 2023, the University has complied with its loan covenants based on its financial statements for all years presented (see Note 25). (see Note 25).

Interest-bearing loans are presented in the statement of financial position as at May 31, 2025, 2024 and 2023 as follows:

(Amounts in PHP)	**2025**	2024	2023
Current	**431,020,408**	331,020,408	331,020,408
Non-current	**413,775,510**	744,795,918	1,075,816,327
	844,795,918	1,075,816,326	1,406,836,735

14. RISK MANAGEMENT OBJECTIVES AND POLICIES

The University 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 University's risk management framework. It has a risk management committee headed by an independent trustee that is responsible for developing and monitoring the University's policies, which address risk management areas.

Management is responsible for monitoring compliance with the University's risk management policies and procedures and for reviewing the adequacy of these policies in relation to the risks faced by the University.

The University does not engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the University is exposed are described below and in the succeeding pages.

14.1 Market Risk

(a) Foreign Currency Risk

Most of the University's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange risk arise from certain cash and cash equivalents, investment securities at FVTPL, FVOCI and amortized cost that are primarily denominated in United States (US) dollars.

To mitigate the University's exposure to foreign currency risk, the University generally keeps the amount of its US dollar deposits at a level within BOT-approved limits.

Financial assets denominated in US dollar, translated into Philippine pesos at the closing rate, as of May 31 are presented below:

(Amounts in PHP)	**2025**	2024	2023
Short-term exposure – Financial assets	**904,963,830**	906,295,640	795,363,806
Long-term exposure – Financial assets	**11,149,000**	29,279,056	39,252,795

The table below illustrates the sensitivity of the University's profit or loss before tax with respect to changes in Philippine peso against US dollar exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous periods (for the periods ended May 31, 2025, 2024 and 2023) at a 95% confidence level.

	May 31, 2025			May 31, 2024			May 31, 2023		
	Reasonably possible change in rate	**Effect in profit before tax**	**Effect in equity**	Reasonably possible change in rate	Effect in profit before tax	Effect in equity	Reasonably possible change in rate	Effect in profit before tax	Effect in equity
PhP – USD	**9.12%**	**83,571,671**	**75,214,504**	9.50%	88,899,773	80,009,796	12.29%	102,597,858	92,338,072

Exposures to US dollar exchange risk vary during the year depending on the volume of foreign currency denominated transactions. Nonetheless, the analysis above is representative of the University's current risk.

(b) *Interest Rate Risk*

The University is exposed to changes in market interest rates through its cash and cash equivalents, debt securities investments and interest-bearing loans as of end of each reporting period, which are subject to variable interest rates, as shown below. All other financial assets and financial liabilities have fixed interest rates. The exposure to interest rate risks as of the end of each reporting period is as follow:

(Amounts in PHP)	Notes	**2025**	2024	2023
Cash and cash equivalents	4	**147,533,080**	42,941,355	503,084,160
Financial assets at FVOCI	6.2	**699,599,139**	1,033,550,979	819,457,301
Investments securities at amortized cost	6.3	**34,928,071**	48,065,983	101,561,861
Short-term investments	9	**46,801,765**	14,363,980	5,742,794
Interest-bearing loans	13	**(844,795,918)**	(1,075,816,326)	(1,406,836,735)
		84,066,137	63,105,971	23,009,381

The following table illustrates the sensitivity of profit or loss before tax regarding the University's interest-bearing financial instruments. These percentages have been determined based on the average market volatility rates, using standard deviation, in the years ended May 31, 2025, 2024 and 2023, estimated at 95% level of confidence. The sensitivity analysis is based on the University's financial instruments held at May 31, 2025, 2024 and 2023.

	May 31, 2025		May 31, 2024		May 31, 2023	
	Reasonably possible change in rate	**Effect on profit before tax**	Reasonably possible change in rate	Effect on profit before tax	Reasonably possible change in rate	Effect on profit before tax
Cash and cash equivalents	**+/-0.89%**	**1,320,339**	+/-0.64%	272,897	+/-0.45%	2,276,955
Financial assets at FVOCI	**+/-0.53%**	**184,059**	+/-0.66%	316,119	+/-0.42%	3,452,320
Investment securities at amortized cost	**+/-0.89%**	**3,686,651**	+/-0.66%	6,797,423	+/-0.42%	427,873
Short-term investments	**+/-0.75%**	**350,854**	+/-1.02%	146,589	+/-0.48%	27,761
Interest-bearing loans	**+/-0.53%**	**(4,451,789)**	+/-0.66%	(7,075,393)	+/-0.42%	(5,926,911)
		1,090,114		457,635		257,998

(c) *Other Price Risk*

The University's exposure to price risk arises from its investments in equity securities, which are classified as part of the Financial Assets at FVOCI and Financial Assets at FVTPL accounts in the statements of financial position. These consist of publicly listed equity securities which are carried at fair value. Management monitors its equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis.

For equity securities listed in the Philippines, an average volatility has been observed for the years ended May 31, 2025, 2024 and 2023 which is shown below:

	Change in Total Comprehensive Income					
(Amounts in PHP)	**+/-%**	**2025**	+/-%	2024	+/-%	2023
Financial assets at FVTPL	**8.21%**	**25,863,029**	4.99%	19,459,877	5.40%	24,569,662
Financial assets at FVOCI	**0.87%**	**403,194**	0.74%	233,923	1.57%	588,952

Certain investments are considered medium to long-term strategic investments. In accordance with the University's policies, no specific hedging activities are undertaken in relation to these investments. The investments are continuously monitored to ensure that returns of these equity instruments are timely utilized or reinvested in the University's favor.

14.2 Credit Risk

Credit risk represents the loss that the University would incur if the counterparty failed to perform its contractual obligations.

The University is exposed to credit risk relating to its receivables from related parties and assessed tuition fees receivables primarily anchored on the students' possible inability to fully settle outstanding balances of receivables which are owed to the University based on installment payment schemes.

The University's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits. The University has established controls and procedures to minimize risks of non-collection. Students by default are not allowed to enroll in the following semester unless the unpaid balance in the previous semester has been paid.

Other than the foregoing, the University is not exposed to significant credit risk and has no significant exposure to any individual customer or counterparty nor it has any other concentration of credit risk arising from counterparties in similar business activities, geographic region or economic parties.

With respect to credit risk arising from debt instruments, the University's maximum exposure is equal to the carrying amount, before any allowances for impairment, of these instruments.

The maximum exposure to credit risk at the end of the reporting period is as follows:

(Amounts in PHP)	Notes	**2025**	2024	2023
Cash and cash equivalents	4	**147,533,080**	42,941,355	503,084,160
Receivables (gross)	5	**683,689,715**	736,917,428	906,808,828
Financial assets at FVOCI	6.2	**699,599,139**	1,033,550,979	819,457,301
Investment securities at amortized cost	6.3	**34,928,071**	48,065,983	101,561,861
Short-term investments	9	**46,801,765**	14,363,980	5,742,794
Other non-current assets		**6,134,512**	3,273,477	3,273,477
		1,618,686,282	1,879,113,202	2,339,928,421

a. *Cash and Cash Equivalents and Short-term Investments*

The credit risk for cash and cash equivalents and short-term investments held by reputable financial institutions is considered negligible or the probability of default is remote since there has been no history of default from these counterparties and because of their high-quality external credit ratings.

Cash in banks are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P1.0 million per depositor per banking institution, as provided for under Republic Act (R.A.) No. 9576, *Amendment to Charter of PDIC*.

For cash and cash equivalents and financial assets of similar nature, the University applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the University's policy to measure ECL on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

As of May 31, 2025, 2024 and 2023, management assessed that the allowance for ECL on these financial instruments is not material.

b. Receivables

The University's receivables include assessed tuition fees receivables, receivables from related parties and other miscellaneous receivables.

The University applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for assessed tuition fees and other receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets.

To calculate the ECL using a provision matrix, the University makes use of its historical experience, external indicators and forward-looking information (FLI). The expected loss rates on these receivables are determined based on the history of credit-impaired student accounts. The University analyses assessed tuition receivables based on the number of semesters the receivables have been outstanding. Student receivables that are outstanding for at least two semesters are assessed for credit impairment. The University also assesses impairment of tuition fees and other receivables on a collective basis as they possess shared credit risk characteristics.

The historical loss rates, which are expressed as the relationship between the credit-impaired accounts and the related recognized tuition fees, are adjusted to reflect current and FLI on macroeconomic factors affecting the ability of the students to settle the receivables. The University assessed that the expected loss rates for tuition fees and other receivables are a reasonable approximation of the loss rates for these financial assets. As at May 31, 2025, 2024 and 2023, weighted average loss rate, adjusted with FLI, used in the measurement of ECL is at 3.4%, 3.7% and 3.8%, respectively.

The University incorporates FLI into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The most relevant macroeconomic variable used in the measurement of ECL is consumer spending as at May 31, 2025, 2024 and 2023, based on the correlation of historical loss rates and FLI.

With respect to advances to related parties, the University determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. Accordingly, the University recognized allowance for impairment loss amounting to P40.9 million, P37.3 million, and P30.5 million as at May 31, 2025, 2024 and 2023, respectively (see Note 5).

For the years ended May 31, 2025, 2024 and 2023, the University recognized allowance for impairment loss on all its receivables amounting to P62.0 million, P81.5 million, and P108.7 million, respectively. A reconciliation of the allowance for ECL as at May 31, 2025, 2024 and 2023 to the opening loss allowance is presented in Note 5.

c. Debt Instruments Classified as Financial Assets at FVOCI and at Amortized Cost

Debt securities measured at amortized cost and at FVOCI are considered to have low credit risk, and therefore, the loss allowance during the period is determined to be equivalent to 12 months ECL. Management considers "low credit risk" for listed bonds to be an investment grade credit rating with at least one major rating agency.

Other instruments are considered to be low credit risk when they have a low risk of default, and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The loss allowance provided are as follows:

(Amounts in PHP)

University Internal Credit Rating	External Credit Rating	ECL Rate	Estimated Gross Carrying Amount at Default	Allowance
2025				
Investment Securities at Amortized Cost				
Performing	AAA	0.00%	18,782,351	-
Underperforming	BBB+	0.00% - 0.21%	16,145,720	-
Financial Assets at FVOCI				
Performing	AAA	0.00%	50,497,792	-
Underperforming	BBB+	0.00% - 0.09%	695,445,604	625,901
			780,871,467	**625,901**
2024				
Investment Securities at Amortized Cost				
Performing	A-AAA	0.00%	18,786,927	-
Underperforming	BB-BBB+	0.00% - 0.21%	-	-
Financial Assets at FVOCI				
Performing	AAA	0.00%	30,000,000	-
Underperforming	BBB+	0.00% - 0.09%	1,024,993,604	876,130
			1,073,780,531	876,130
2023				
Investment Securities at Amortized Cost				
Performing	A-AAA	0.00% - 0.03%	46,324,646	-
Underperforming	BB-BBB+	0.00% - 0.23%	152,174,744	-
Financial Assets at FVOCI				
Performing	AAA	0.00%	30,000,000	-
Underperforming	BBB+	0.00% - 0.09%	644,433,931	696,432
			872,933,321	696,432

d. *Other Non-current Assets*

Management has assessed that these financial assets have low probability of default since these mainly relate to continuing lease contracts, and any outstanding deposit balance can be applied against future monthly rentals. Also, these are no longer discounted since management believes that the effect of discounting is not material to the financial. With respect to certain long-term marketable securities, the University determines that there is a possible impairment. Accordingly, the University recognized allowance for impairment loss amounting to P3.7 million as at May 31, 2025, 2024, and 2023.

14.3 *Liquidity Risk*

The University 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 University's future and contingent obligations and ensures that future cash collections are sufficient to meet them in accordance with internal policies. The University invests in cash placements when excess cash is obtained from operations.

As at May 31, 2025, 2024 and 2023, the University's financial liabilities (except lease liabilities) have contractual maturities (or are expected to be settled within these periods) below.

	Current		Non-current
(Amounts in PHP)	Within 6 Months	6 to 12 Months	1 to 5 Years
2025			
Trade and other payables	897,577,671	-	-
Interest-bearing loans	291,982,913	183,163,347	434,201,866
	1,189,560,584	183,163,347	434,201,866
2024			
Trade and other payables	981,064,293	-	-
Interest-bearing loans	198,563,627	193,275,079	804,292,081
	1,179,627,920	193,275,079	804,292,081
2023			
Trade and other payables	926,600,683	-	-
Interest-bearing loans	211,335,698	205,781,093	1,202,183,599
	1,137,936,381	205,781,093	1,202,183,599

The contractual maturities presented above reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period. The maturity analysis of lease liabilities are presented in Note 11.1.

14.4 Offsetting of Financial Assets and Financial Liabilities

The amounts of the University's cash in bank, which is presented as part of the Cash and Cash Equivalents account, and portion of Short-term investments under the Prepayments and Other Current Assets account in the statement of financial position (see Notes 4 and 9) are subject to offsetting, enforceable master netting arrangements and similar agreements as at May 31, 2025, 2024 and 2023, as presented below:

(Amounts in PHP)	Gross amounts recognized in the statements of financial position		Net amount presented in the statements of financial position	Related amounts that can potentially be set-off in the statements of financial position		Net amount
	Financial assets	Financial liabilities set-off		Financial instruments	Cash collateral received	
2025	**40,641,799**	**-**	**40,641,799**	**(844,795,918)**	**-**	**(804,154,119)**
2024	10,355,763	-	10,355,763	(1,075,816,326)	-	(1,065,460,563)
2023	89,114,135	-	89,114,135	(1,406,836,735)	-	(1,317,722,600)

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the University and its counterparties (i.e., depository bank) allows for net settlement of the relevant financial assets and financial liabilities (i.e., interest-bearing loans) when both elect to settle on a net basis.

All other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (i.e., related parties) will have the option to settle all such amounts on a net basis through the approval by both parties' BOT. As such, the University's outstanding receivables from and payables to the same related parties can potentially be offset to the extent of their corresponding outstanding balances.

15. EDUCATIONAL REVENUES

Details of net tuition and other school fees presented in the statement of profit or loss are as follows:

(Amounts in PHP)	Note	**2025**	2024	2023
Tuition fees	20.13	**3,033,259,819**	3,002,042,407	2,985,532,076
Less discounts:				
Scholarships		**212,247,726**	203,016,192	208,554,317
Cash		**31,797,101**	29,297,426	22,373,099
Family		**6,553,295**	5,876,559	5,884,997
		250,598,122	238,190,177	236,812,413
Tuition fees – net		**2,782,661,697**	2,763,852,230	2,748,719,663

(Amounts in PHP)	**2025**	2024	2023
Balance brought forward	**2,782,661,697**	2,763,852,230	2,748,719,663
Other school fees:			
Transcript fees	**14,157,068**	14,379,536	13,528,415
Diplomas	**11,476,748**	12,206,436	12,676,035
Entrance fees	**9,997,225**	11,820,520	13,956,611
Identification cards	**7,856,095**	8,427,536	8,797,582
Graduation and commencement fees	**5,540,533**	4,908,472	6,837,482
Certification fee	**3,909,061**	4,551,424	4,960,877
International student fees	**2,009,521**	2,054,287	1,631,314
Miscellaneous	**3,903,414**	5,060,148	5,969,898
	58,849,665	63,408,359	68,358,214
	2,841,511,362	2,827,260,589	2,817,077,877

15.1 Core Revenue Stream

The University derives revenues from transactions involving tuition fees and other school fees and other school-related activities such as sale of school merchandise and books. Revenues from tuition fees are recognized over time of instruction. On the other hand, all other revenue sources, such as other incidental fees and sale of school merchandise and books (presented as part of Other Income) are recognized at a point in time.

15.2 Unearned Tuition Fees

As of May 31, 2025, 2024 and 2023, the University has collected tuition fee payments amounting to P42.6 million, P27.6 million, and P29.4 million, respectively, from students enrolled for the succeeding midyear term or first semester of the following school year.

These collections are presented as Unearned Tuition Fees in the statements of financial position. These will be recognized as revenue in the next reporting period once the performance obligation of the University has been rendered.

16. OPERATING EXPENSES

Costs and operating expenses consist of:

(Amounts in PHP)	Notes	**2025**	2024	2023
Salaries and employee benefits	19	**1,138,595,516**	1,120,727,158	1,038,077,960
Depreciation and amortization	8, 10	**301,543,492**	319,426,393	303,418,248
Professional fees		**179,625,353**	136,999,667	93,111,618
License and subscription		**104,301,336**	90,645,770	78,119,424
Outside services		**82,786,636**	86,165,519	59,105,145
Utilities and communication		**82,183,820**	74,575,207	79,770,105
Supplies and materials		**78,827,727**	86,807,248	75,426,224
Repairs and maintenance		**30,002,455**	32,330,647	41,269,450
Taxes and licenses		**29,720,798**	16,255,667	21,389,643
Transportation and travel		**19,867,448**	25,830,746	14,219,000
Training and seminars		**18,793,042**	18,250,412	25,732,187
Director's bonus		**16,841,961**	17,015,000	13,500,000
Rental		**10,530,903**	4,417,829	4,141,506
Insurance		**4,919,094**	6,377,469	17,431,795
Public relations and promotions		**2,024,762**	2,352,514	3,142,613
Others		**17,542,934**	14,193,557	24,452,149
		2,118,107,277	2,052,370,803	1,892,307,067

17. FINANCE INCOME AND FINANCE COSTS

17.1 Finance Income

This consists of the following:

(Amounts in PHP)	Notes	2025	2024	2023
Dividend income	7, 20.1	**141,889,441**	225,074,822	203,307,923
Interest income from:				
Financial assets at FVOCI	6.2	**50,939,691**	55,122,261	46,319,696
Cash and cash equivalents	4	**3,446,198**	13,298,519	8,476,350
Investment securities at amortized cost – net	6.3	**1,833,907**	5,309,005	7,549,261
Short-term investments	9	**-**	4,159	1,975
Loans receivable	20.9	**-**	-	235,890
Other investment income (losses) from:				
Financial assets at FVTPL	6.1	**96,868,560**	85,987,947	3,662
Financial assets at FVOCI	6.2	**5,331,526**	877,880	(16,498,147)
Foreign exchange gain (loss) – net	6	**(45,270,570)**	36,881,559	47,174,733
		255,038,753	422,556,152	296,571,343

Other investment income (loss) from financial assets at FVOCI and FVTPL consists collectively of dividend income, gain or loss on disposal, and realized fair value gains or losses of securities held by trustee banks, as well as net amortization of discount and premium on investments at amortized cost.

17.2 Finance Costs

This is broken down into the following:

(Amounts in PHP)	Notes	2025	2024	2023
Interest expense on:				
Lease liabilities	11, 22	**113,942,482**	113,996,846	114,068,795
Interest-bearing loans	13 20.9, 22	**76,906,668**	91,976,945	64,421,044
Bank charges		**12,572,611**	13,584,132	13,577,327
		203,421,761	219,557,923	192,067,166

18. OTHER INCOME

This consists of the following:

(Amounts in PHP)	Note	**2025**	2024	2023
Other income from:				
Reversal of accruals and other liabilities	12	**101,062,616**	33,096,313	60,051,391
Adjustment arising from reduced rent coverage		**65,718,308**	58,823,782	57,350,021
Gain (loss) from sale of books and other merchandise - net		**10,803,537**	5,500,447	11,353,669
Gain on sale of property and equipment		**1,541,748**	-	-
Others		**12,154,052**	6,760,556	27,336,461
		191,280,261	104,181,098	156,091,542

Others include revenues from processing fees for various document requests of students, reimbursement of vaccine costs and clinic services of employees, fees for use of clinic and library by students of FEU High (see Note 20) and convenience fees for third party payment platforms.

19. EMPLOYEES' HEALTH, WELFARE AND RETIREMENT FUND

19.1 Salaries and Employee Benefits Expense

Details of salaries and employee benefits are presented below (see Note 16).

(Amounts in PHP)	**2025**	2024	2023
Salaries and short-term employee benefits	**1,076,666,433**	1,035,630,336	955,277,597
Post-employment benefits	**61,929,083**	85,096,822	82,800,363
	1,138,595,516	1,120,727,158	1,038,077,960

19.2 Post-employment Contribution Plan

As discussed in Note 26.8, the University maintains a tax-qualified, funded and contributory retirement plan, which is a defined contribution type of retirement plan covering regular teaching and non-teaching personnel members. This is accounted for as a defined benefit plan with minimum guarantee.

The retirement fund is under the administration of an organization, the FEU Health, Welfare and Retirement Fund Plan (FEUHWRFP or the Fund), through its Retirement Board.

Contributions to this fund are in accordance with the defined contribution established by the Retirement Board which is the sum of the employees' and the University's contributions. Employees' contribution is 5% of basic salary while the University's contribution is equivalent to 20% of the employees' basic salary.

As a policy of FEU, any contributions made by the University in the past years that were subsequently forfeited resulting from resignations of covered employees prior to vesting of their retirement pay can be utilized as employer contributions in the succeeding years.

The Fund's audited statement of financial position, comprised of both employer and employee share contributions, show the following as of December 31:

(Amounts in PHP)	**2025**	2024	2023
Assets			
Cash and cash equivalents	**196,131,164**	121,638,678	108,583,575
Receivables - net	**97,288,741**	65,432,324	46,516,917
Investment in debt securities:			
Government securities	**513,491,362**	488,188,039	416,474,205
Corporate bonds and other debt instruments	**56,225,599**	94,654,887	105,676,905
Investment in equity securities:			
Corporate share	**381,025,281**	316,363,279	319,880,997
UITF	**91,948,742**	119,623,105	127,717,207
Others	**182,900**	177,456	35,038
	1,336,293,789	1,206,077,768	1,124,884,844
Liabilities	**(55,474,514)**	(53,023,059)	(50,474,498)
Net assets available for plan benefits	**1,280,819,275**	1,153,054,709	1,074,410,346

Plan assets do not comprise any of the University's or its related parties' own financial instruments or any of its assets occupied and/or used in its operations.

The Fund's financial assets are maintained in trust funds with credible trustee banks under control by the Fund through its Retirement Board.

The movements in the fair value of plan assets are presented below:

(Amounts in PHP)	**2025**	2024	2023
Balance at beginning of year	**990,354,970**	910,308,440	834,609,060
Actual contributions	**69,395,060**	88,334,541	85,706,480
Interest income	**49,664,324**	55,337,500	24,745,736
Benefits paid	**(30,923,276)**	(63,625,511)	(34,752,836)
Balance at end of year	**1,078,491,078**	990,354,970	910,308,440

The movements in the present value of the retirement benefit obligation are as follows:

(Amounts in PHP)	**2025**	2024	2023
Balance at beginning of year	**990,354,970**	910,308,440	834,609,060
Current service cost	**69,395,060**	88,334,541	85,706,480
Interest cost	**49,664,324**	55,337,500	24,745,736
Benefits paid	**(30,923,276)**	(63,625,511)	(34,752,836)
Balance at end of year	**1,078,491,078**	990,354,970	910,308,440

In determining the amounts of post-employment obligation in accordance with PAS 19 (Revised), the following significant actuarial assumptions were used:

	2025	2024	2023
Discount rates	6.69%	6.69%	6.69%
Salary growth rate	2.73%	2.73%	3.00%

20. RELATED PARTY TRANSACTIONS

The University's related parties include its subsidiaries, the key management and others. A summary of the University's transactions with its related parties is presented in the below and in the succeeding page (in thousands):

		May 31, 2025		May 31, 2024		May 31, 2023	
(Amounts in PHP)	Notes	**Amount of Transaction**	**Outstanding Receivable (Payable)**	Amount of Transaction	Outstanding Receivable (Payable)	Amount of Transaction	Outstanding Receivable (Payable)
Subsidiaries and associates:							
Dividend income	20.1	**141,889**	**-**	225,075	50,000	203,308	-
Noninterest-bearing advances	20.2	**-**	**-**	(235,565)	-	-	235,565
Rent expense	20.3	**(6,740)**	**-**	(2,942)	(139)	(1,284)	-
Lease liabilities	20.3	**(467,568)**	**(730,001)**	(10,794)	(1,197,570)	3,452	(1,208,364)
ROUA	20.3	**517,313**	**270,862**	65,524	787,995	(65,524)	853,519
Interest on lease liabilities	17.2, 20.3	**(113,942)**	**-**	(113,939)	-	(113,864)	-
Rental income	20.4, 20.6, 20.7, 20.8	**44,044**	**8,833**	43,500	2,688	41,799	6,445
Reimbursement of expenses (receivable)	20.5	**(11,871)**	**146,163**	31,742	158,034	28,966	126,292
Reimbursement of expenses (payable)	20.5	**-**	**-**	(23,171)	-	(23,171)	(23,171)
Interest-bearing loans payable	20.9	**(545,000)**	**-**	(695,000)	-	-	-
Interest expense	20.9	**(12,409)**	**-**	(6,369)	-	-	-
Interest income	20.9	**-**	**-**	-	-	236	-
Share in tuition fees	20.13	**6,619**	**5,944**	3,450	3,815	1,587	1,587
Fees for use of school clinic and library	18	**5,320**	**-**	5,035	5,035	4,780	4,780

	Notes	May 31, 2025 Amount of Transaction	May 31, 2025 Outstanding Receivable (Payable)	May 31, 2024 Amount of Transaction	May 31, 2024 Outstanding Receivable (Payable)	May 31, 2023 Amount of Transaction	May 31, 2023 Outstanding Receivable (Payable)
Related parties under common management:							
Noninterest-bearing advances	20.2	-	**12,585**	3,083	12,585	2,626	9,502
Lease liabilities	20.3	**(1,599)**	-	(1,740)	(1,599)	(2,670)	(3,339)
ROUA	20.3	-	-	(2,331)	-	(2,797)	2,331
Rent expense	20.3	**(3,199)**	**(3,199)**	(216)	(216)	-	-
Interest on lease liabilities	17.2, 20.3	-	-	(58)	-	(205)	-
Reimbursement of expenses	20.5	**(1,507)**	**27,968**	5,079	29,475	4,798	24,397
Key management personnel compensation	20.11	**93,509**	-	84,605	-	95,072	-
Retirement fund -							
Retirement plan assets	20.12	-	**1,089,353**	-	971,435	-	868,233

Details of the foregoing summary of transactions are discussed below and in the succeeding pages.

20.1 Dividend Income

For the years ended May 31, 2025, 2024 and 2023, the University recognized dividend income from cash dividend declarations made by EACCI, FEU High, FRC and GSC (see Note 7), which is presented as Dividend income under Finance Income in the statement of profit or loss (see Note 17.1).

20.2 Noninterest-bearing Advances

The University grants unsecured and noninterest-bearing advances to certain related parties for working capital purposes which are currently due on demand.

Summarized below are the outstanding receivables, shown as part of Receivables from related parties under the Receivables account in the statement of financial position, arising from these transactions (see Note 5). In 2025, 2024, and 2023, the University recognized impairment loss amounting to P3.6 million, P6.8 million, and P5.1 million presented as under Impairment Loss in the statement of profit or loss.

(Amounts in PHP)	**Beginning**	**Advances (Repayments)**	**Ending**
2025			
FEU Public Policy Center Foundation, Inc. (FEUPPCFI)	12,584,963	-	12,584,963
	12,584,963	**-**	**12,584,963**
2024			
RCI	235,564,735	(235,564,735)	-
FEU Public Policy Center Foundation, Inc. (FEUPPCFI)	9,501,803	3,083,160	12,584,963
	245,066,538	(232,481,575)	12,584,963

(Amounts in PHP)	Beginning	Advances	Ending
2023			
RCI	235,564,735	-	235,564,735
FEUPPCFI	6,875,803	2,626,000	9,501,803
	242,440,538	2,626,000	245,066,538

20.3 Lease of Land, Various Buildings and Facilities

The University has several lease agreements with FRC and Nicanor Reyes Educational Foundation, Inc. (NREF) for its lease of land, various buildings and facilities. The lease agreements are long-term, renewable and provide rental rates with annual escalation rates.

The University, as a lessee, recognized ROUA and lease liabilities, which is presented as ROUA and Lease Liabilities in the statements of financial position (see Note 11). Amortization of the ROUA arising from these transactions is presented as part of Depreciation and amortization under Operating Expenses of the statement of profit or loss. Total interest expense on lease liabilities is presented as part of Interest expense on lease liabilities under Finance Costs in the statement of profit or loss. The outstanding balances arising from these transactions are presented as part of ROUA under Property and Equipment and Lease Liabilities (current portion under Trade and Other Payable) in the statement of financial position.

(Amounts in PHP)			**Right-of-use asset**		**Lease Liabilities**	
Lessor	**Property**	**Lease term**	**Outstanding balance**	**Amortization expense**	**Outstanding balance**	**Interest expense**
2025						
FRC	Manila campus premises - land and building	20 years	173,358,686	45,953,580	558,471,336	98,179,357
FRC	Makati campus premises - land	30 years	84,989,043	5,311,816	159,072,469	15,127,215
FRC	Building - gymnasium	10 years	-	8,390,584	-	276,041
FRC	Facilities - athlete's quarters	3 years	12,334,559	3,083,640	12,458,079	359,869
NREF	Facilities - Diliman sports facilities	10 years	-	-	-	-
			270,682,288	**62,739,620**	**730,001,884**	**113,942,482**
2024						
FRC	Manila campus premises - land and building	20 years	689,303,693	45,953,580	1,027,687,099	97,876,962
FRC	Makati campus premises - land	30 years	90,300,858	5,311,815	157,741,434	14,973,341
FRC	Building - gymnasium	10 years	8,390,585	10,068,701	12,141,037	960,177
FRC	Facilities - athlete's quarters	3 years	-	4,190,344	-	128,270
NREF	Facilities - Diliman sports facilities	10 years	-	2,330,598	1,599,360	58,096
			787,995,136	67,855,038	1,199,168,930	113,996,846
2023						
FRC	Manila campus premises - land and building	20 years	735,257,272	45,953,580	1,022,575,559	97,192,245
FRC	Makati campus premises - land	30 years	95,612,673	5,311,815	155,907,310	14,775,403
FRC	Building - gymnasium	10 years	18,459,287	10,068,701	25,490,064	1,583,114
FRC	Facilities - athlete's quarters	3 years	4,190,344	4,190,344	4,390,389	313,185
NREF	Facilities - Diliman sports facilities	10 years	2,330,598	2,796,718	3,339,233	204,848
			855,850,174	68,321,158	1,211,702,555	114,068,795

Starting September 2021, the University leases from FECSI the gymnasium located in its campus. The lease agreement was initially for five years, with the terms and conditions subject to review and determination at the end of every year. Rental expense on this lease amounted P1.2 million for period ended May 31, 2024 (nil in 2025) and is shown as part of Operating Expenses in the 2025 and 2024 statement of profit or loss (see Note 16). The outstanding balance is presented as part of Accrued expenses under the Trade and Other Payables account in the 2024 statement of financial position (see Note 12).

The University also leases certain spaces from FRC, FEUAI and NREF for the use by the University bookstore and its student-athletes, and dormitory space located at FEU Cavite Campus. The lease agreements covering these leases are renewed annually. Rental expense on these leases amounted P9.9 million, P3.2 million, and P1.3 million for years ended May 31, 2025, 2024 and 2023 is shown as part of Operating Expenses in the statement of profit or loss. The outstanding balance is presented as part of Accrued expenses under the Trade and Other Payables account in the statement of financial position (see Note 12).

20.4 Lease of Campus Premises to FECSI

For a period of ten years from August 1, 2012 to July 31, 2022, the University entered into a lease of its two school buildings (see Note 8) to FECSI. The lease period is renewable subject to conditions mutually agreed upon by the parties. Accordingly, in July 2022, both parties mutually agreed to continue with the agreement, with negotiations on the terms of the extension underway as of the report date. The annual rent is set at P1.3 million or 10% of FECSI's annual gross revenue net of some adjustments, whichever is higher. The rental fee is equally allocated between the University and FRC.

Total rental income earned from this transaction amounted to P3.2 million, P3.0 million and P2.7 million for the years ended May 31, 2025, 2024 and 2023, respectively, and is presented as part of Other Operating Income in the statements of profit or loss (see Note 8). Related outstanding receivable arising from this transaction amounted to P2.8 million, P2.7 million and P3.6 million for the year ended May 31, 2025, 2024 and 2023, respectively, which is presented as part of Receivables from related parties under the Receivables account in the statement of financial position (see Note 5). No impairment loss is recognized by the University on this receivable.

20.5 Reimbursement of Expenses

During the year ended May 31, 2025, 2024 and 2023, the University billed its subsidiaries and other related entities for the reimbursement of amounts it initially advanced to third party suppliers and service providers for certain expenses, and other various allocated expenses, at cost. These expenses pertain to those incurred in the normal course of operations of the University and its related entities, which include utilities, licenses and subscriptions, legal fees, various supplies, janitorial and security services, use of facilities, and salaries and benefits of seconded employees, among others.

Also, during the fiscal year ended May 31, 2022, particularly during the months where strict quarantine restrictions were imposed, the University initially advanced the amount of approved employee emergency loans obtained from FEUHWRFP, which will subsequently be reimbursed at cost.

Shown below are the details of the balances of receivables from related parties under the Receivables account in the statement of financial position (see Note 5).

(Amounts in PHP)	**2025**	2024	2023
FECSI	**67,936,152**	56,590,752	38,011,696
RCI	**58,697,661**	72,993,234	61,262,612
FEUPPCFI	**27,555,016**	24,760,165	20,997,244
FEU High	**1,622,990**	15,653,651	13,189,003
FEUAI	**7,918,146**	3,202,476	936,517
EACCI	**3,055,146**	8,287,843	11,020,813
HAI	**2,799,109**	-	-
FRC	**673,050**	628,019	856,485
FEUHWRPFP	**341,577**	4,676,534	3,399,583
JCHS - associate	**316,527**	316,527	292,193
Edustria	**-**	122,318	331,288
GSC - associate	**3,144,024**	238,869	390,893
NREF	**71,543**	38,653	-
	174,130,941	187,509,041	150,688,327

During 2022, FECSI billed FEU for the reimbursement of the cost of construction of the additional floor in one of the buildings it leases from FEU, amounting to P27.0 million. FEU fully paid the amount in 2023, while the outstanding balance as of May 31, 2023 is presented as part of Accounts payable under the Trade and Other Payables account in the 2023 statement of financial position (see Note 12).

During 2023, FECSI billed FEU for the reimbursement of costs that it incurred for the construction of the gymnasium in its campus which is being used by FEU amounting to P23.2 million. FEU fully paid the amount in 2024, while the outstanding balance as of May 31, 2024 is presented as part of Accounts payable under the Trade and Other Payables account in the 2024 statement of financial position (see Note 12). There was no similar transaction in 2024.

20.6 Sub-lease of Buildings to FEU High

In June 2016, the University initially subleased Nursing Building to FEU High. Thereafter, in 2018, the Accounts, Business and Finance Buildings were also sublet (these two buildings are leased by the University from FRC). These subleased arrangements have been extended until May 31, 2022. Upon expiration of the term of the contract, the University and FEU High had mutually agreed not to renew such lease agreement. Total rental income from this transaction amounted to P44.1 million for the year ended May 31, 2022 and is presented as part of Other Operating Income in the statement of profit or loss for the year ended May 31, 2022. Outstanding receivable arising from this transaction amounting to P48.5 million as of May 31, 2022 is presented as part of Receivables from related parties under the Receivables account in the statement of financial position (see Note 5).

20.7 Lease of Certain Buildings to East Asia Educational Foundation, Inc. (EAEFI) and EACCI

The University leased out certain buildings to EAEFI for a period of one to five years until March 31, 2015. However, upon expiration of the term of the contract, the University and EAEFI had mutually agreed not to renew such lease agreement. Instead, as of May 31, 2016, only certain floors of the buildings were leased out to EAEFI.

Starting July 2016, upon take-over of EACCI of the EAEFI's operations, the lease of the buildings was transferred to the custody of EACCI. A new lease contract for a period of ten years until June 30, 2026 was entered into by the University and EACCI. Monthly rental of P2.1 million (exclusive of VAT) from July 2016 to February 2017 and P1.8 million (exclusive of VAT) for March 2017 onwards was billed to EACCI.

Total rental income from EACCI, presented as part of Other Operating Income in the statements of profit or loss, amounted to P24.8 million, P24.8 million and P23.7 million for the years ended May 31, 2025, 2024, and 2023, respectively. Outstanding receivables arising from this transaction amounting to P0.1 million, P2.1 million, and P1.4 million as of May 31, 2025, 2024, and 2023, respectively, is presented as part of Receivables from related parties under the Receivables account in the statement of financial position (see Note 5).

20.8 Lease of Campus Premises to FEUAI

In 2019, the University started to lease to FEUAI the land where the FEU Alabang Campus is located. The lease agreement covers a period of 15 years from January 1, 2019 to December 31, 2034. The parties also agreed that there shall be no rental fees for the first year of the lease. In subsequent years, the terms and conditions of the lease is to be determined annually, subject to conditions mutually agreed upon by both parties. For the period January 1 to June 30, 2020, the rate agreed is P1.2 million per month, subject to review and renewal every year thereafter until the end of lease term.

Total rental income from FEUAI, which is presented as part of Other Operating Income in the statements of profit or loss, amounted to P16.0 million, P15.7 million and P15.4 million, for the years ended May 31, 2025, 2024 and 2023, respectively. Outstanding balance as of May 31, 2023 and 2025 amounting to P1.4 million and P6.0 million, respectively (nil in 2024) is presented as part of Receivables from related parties under the Receivables account in the 2023 statement of financial position (see Note 5).

20.9 Interest-bearing Loans

Interest-bearing loans granted by the University to its related parties are presented as part of Receivables from related parties in the statement of financial position, while Interest-bearing loans obtained by the University from its related parties are disclosed as Loans from Related Parties in the statement of financial position.

a. Interest-bearing loan from EACCI and FEU High

On various dates, the University obtained interest-bearing loans from EACCI and FEU High. The loans were unsecured and bears interest based on a 91-day time deposit rate plus 0.10%. The terms of the loans were initially set at 90 days, with the option for extension as agreed between the parties. The agreements also provide for a 3% late payment interest on any unpaid principal and interest, computed per annum from date of maturity until full payment, in the event of non-extension of the term.

Related interest amounting to P12.4 million, P6.4 million, and P0.4 million in May 31, 2025, 2024, and 2023, respectively, was recognized in profit or loss as part of Interest expense on interest-bearing loans under Finance Costs in the statements of profit or loss (see Note 17.2). The University did not obtain new loans from EACCI and FEU High during the year ended May 31, 2023.

b. Interest-bearing loan to FECSI

In November 2021, the University granted a loan to FECSI amounting to P20.0 million. The loan bears interest rates of 1% per annum. The loan is unsecured, has a term of six months, and is renewable upon agreement by the parties. In June 2022, upon the expiration of its original term, the loan was renewed for a period of one year with an interest rate of 1.2% per annum. The said loan has been fully paid as of May 31, 2023.

Related interest amounting to P0.2 million was recognized as part of Interest income from loans under Finance Income in the 2023 (nil for 2025 and 2024) statement of profit or loss (see Note 17.1).

20.10 Financial Guaranty for Subsidiaries' Loans

In March 2017 and January 2018, the BOT approved that for and in consideration of the loan or credit facilities obtained by any subsidiary of the University, in which the University owns at least 75% of the outstanding voting capital stock of such subsidiary, from a certain local commercial bank, the University gives its full consent and authority to act as surety up to P500.0 million for the subsidiary's obligations arising from any loan or availment of any credit facilities granted by the said local bank in favor of the subsidiary, as well as any renewals, increases, extensions of existing obligations obtained by or which may hereafter be obtained by the subsidiary from the local bank, whether direct or indirect, principal or secondary. The outstanding loans payable by RCI to the said local bank amounted to P314.3 million as of May 31, 2025, P309.5 million as of May 31, 2024 and P404.8 million as of May 31, 2023. As of May 31, 2025, 2024 and 2023, RCI has not defaulted on its loans.

20.11 Key Management Personnel Compensation

Total remuneration of the University's key management personnel presented as part of Salaries and employee benefits under Operating Expenses (see Note 16) is as follows:

(Amounts in PHP)	**2025**	2024	2023
Salaries and short-term benefits	**80,655,839**	72,994,147	82,233,496
Post-employment benefits	**12,853,440**	11,611,080	12,838,765
	93,509,279	84,605,227	95,072,261

20.12 Retirement Fund

The University's retirement fund is in the form of trustee-bank managed accounts. The fair value of the University's retirement plan assets amounted to P1,089.4 million, P971.4 million, and P868.2 million as of May 31, 2025, 2024 and 2023, respectively.

None of the retirement plan assets are invested in or provided to the University and/or its related parties, except for loans granted to the University.

The retirement fund neither provides any guarantee nor surety for any obligation of the University.

20.13 Share in Tuition Fees

The University has separate agreements with FECSI, FEUAI and GSC for the offering of extension programs, wherein FEU's course curriculum is being used for certain courses offered in FEU Cavite, FEU Alabang and GSC campuses. In addition, the University's faculty members deliver instruction for the extension courses offered in GSC. Accordingly, FEU receives a certain percentage of the tuition fees earned from these programs to compensate for the use of its curriculum and license, and to recover faculty-related costs. Total fees earned in 2025, 2024 and 2023, amounting to P6.6 million, P3.5 million, and P1.6 million, respectively, are presented as part of Tuition fees – net in the statement of profit or loss (see Note 15). The outstanding receivables from such transactions are presented as part of Receivables – net in the statement of financial position (see Note 5).

21. INCOME TAXES

Under Philippine laws, the taxable income from operations related to school activities and passive investment income of private and proprietary (stock) educational institutions is subject to a tax of 10%. However, if 50% or more of the institution's total gross income is from unrelated business activities, the regular corporate income tax (RCIT) of 25% will apply to the entire taxable income instead of the 10% preferential rate. The University qualifies to continue to avail of the 10% preferential rate given its revenue profile. In addition, the University is also not covered by the minimum corporate income tax provision of the new tax code.

In March 2021, R.A. No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) has been passed into law which provides for a reduced tax rate of proprietary schools to 1% from the previous 10%, effective July 2021 until June 2023.

Also in December 2021, R.A. No. 11635, *An Act Clarifying the Income Taxation of Proprietary Educational Institutions, Amending for the Purpose Section 27 (B) of the NIRC of 1997, As Amended*, was enacted such that proprietary schools were clarified to apply 1% reduced tax rate as originally intended by CREATE law.

The University used the reduced 1% income tax rate for the fiscal year ended May 31, 2023 to recognize its current tax expense.

In pursuance of the CREATE and Revenue Memorandum Circular No. 69-2023, *Reversion of Rates of Percentage Tax, Minimum Corporate Income Tax, and Regular Corporate Income Tax on Proprietary Educational Institutions and Not for Profit Hospitals, Pursuant to R.A. No. 11534,* the rate of RCIT for proprietary educational institutions reverted to 10% from 1%, effective July 1, 2023. Consequently and in accordance with the requirements of PAS 12, *Income Taxes*, the University measured its deferred tax assets and liabilities at 10% as of May 31, 2024 and 2025.

The major components of tax expense reported in the statement of profit or loss are as shown below.

(Amounts in PHP)	**2025**	2024	2023
Current tax expense:			
Special rate at 10.0% in 2025 9.3% in 2024 1.0% in 2023	**85,696,652**	68,998,790	10,414,442
Final tax at 20% and 15%	**1,128,846**	14,737,929	12,466,531
	86,825,498	83,736,719	22,880,973
Deferred tax expense (income) relating to origination and reversal of temporary differences (10% in 2025; 9.3% in 2024; 1% in 2023)	**(136,390)**	(5,762,962)	6,155,775
	86,689,108	77,973,757	29,036,748

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in profit or loss is presented below.

(Amounts in PHP)	**2025**	2024	2023
Tax on pretax income at 10% and 1%	**101,789,135**	112,818,750	12,290,371
Adjustments for income subjected to higher tax rates	**-**	7,373,394	17,998,833
Tax effects of:			
Change in tax rate	**-**	(11,366,317)	-
Non-taxable income	**(20,832,055)**	(36,626,919)	(3,189,701)
Non-deductible expenses	**4,739,573**	5,774,849	1,937,245
Others	**992,455**	-	-
	86,689,108	77,973,757	29,036,748

The net deferred tax assets and liabilities relate to the following:

	Statements of Financial Position			**Statements of Profit or Loss**		
(Amounts in PHP)	**2025**	2024	2023	**2025**	2024	2023
Deferred tax assets (DTA):						
Accrued expense	**5,259,153**	10,025,165	11,060,838	**4,766;011**	1,035,673	(2,107,838)
DTA resulting from temporary decrease in tax rates	**-**	-	-	**-**	-	-
Allowance for impairment on tuition and other school fees receivables	**2,108,573**	4,415,111	7,823,883	**2,306,539**	3,408,773	374,148
Unrealized foreign currency losses (gains)	**4,527,057**	(3,688,156)	(4,717,473)	**(8,215,213)**	(1,029,317)	9,213,266
Unrealized fair value losses (gains) financial assets at FVTPL	**(3,581,075)**	(3,616,305)	2,822,438	**(35,230)**	6,438,742	(479,330)
	8,313,708	7,135,815	16,989,686	**(1,177,893)**	9,853,871	7,000,246
Deferred tax liabilities (DTL):						
Prepaid expenses	**(6,512,765)**	(5,471,262)	(2,571,797)	**1,041,503**	2,899,465	(844,471)
DTI resulting from remeasurement of DTA	**-**	-	(18,516,298)	**-**	(18,516,298)	-
	(6,512,765)	(5,471,262)	(21,088,095)	**1,041,503**	(15,616,833)	(844,471)
Deferred tax assets (liabilities) - net	**1,800,943**	1,664,553	(4,098,409)			
Deferred tax assets (income) - net				**(136,390)**	(5,762,962)	6,155,775

The University claimed itemized deductions for income tax purposes in all of the years presented.

22. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of liabilities arising from various financing activities:

(Amounts in PHP)	**Interest-bearing Loans** (see Note 13)	**Loans from Related Party** (see Note 20)	**Dividends Payable** (see Note 12)	**Accrued Interest** (see Notes 12 and 13)	**Lease Liabilities** (see Note 11)	**Total**
Balance at June 1, 2024	1,075,816,326	-	355,992,696	8,519,634	1,199,168,930	2,639,497,586
Net cash flow:						
Repayment of loans	(231,020,408)	-	-	-	-	(231,020,408)
Repayment of lease liabilities	-	-	-	-	(65,718,308)	(65,718,308)
Dividends paid	-	-	(763,390,933)	-	-	(763,390,933)
Interest paid	-	-	-	(76,906,668)	-	(76,906,668)
Non-cash financing activities:						
Dividend declaration	-	-	769,784,416	-	-	769,784,416
Interest on lease liabilities	-	-	-	-	113,942,482	113,942,482
Amortization of lease liabilities	-	-	-	-	(47,399,793)	(47,399,793)
Lease modification	-	-	-	-	(469,991,427)	(469,991,427)
Accrual of interest on loans	-	-	-	74,350,933	-	74,350,933
Balance at May 31, 2025	**844,795,918**	**-**	**362,386,179**	**5,963,899**	**730,001,884**	**1,943,147,880**

(Amounts in PHP)	Interest-bearing Loans (see Note 13)	Loans from Related Party (see Note 20)	Dividends Payable (see Note 12)	Accrued Interest (see Notes 12 and 13)	Lease Liabilities (see Note 11)	Total
Balance at June 1, 2023	1,406,836,735	-	291,427,957	10,171,291	1,211,702,555	2,920,138,538
Net cash flow:						
Proceeds from loans	-	695,000,000	-	-	-	695,000,000
Repayment of loans	(331,020,409)	(695,000,000)	-	-	-	(1,026,020,409)
Repayment of lease liabilities	-	-	-	-	(67,706,691)	(67,706,691)
Dividends paid	-	-	(705,219,677)	-	-	(705,219,677)
Interest paid	-	-	-	(93,628,602)	-	(93,628,602)
Non-cash financing activities:						
Dividend declaration	-	-	769,784,416	-	-	769,784,416
Interest on lease liabilities	-	-	-	-	113,996,846	113,996,846
Amortization of lease liabilities	-	-	-	-	(58,823,780)	(58,823,780)
Accrual of interest on loans	-	-	-	91,976,945	-	91,976,945
Balance at May 31, 2024	1,075,816,326	-	355,992,696	8,519,634	1,199,168,930	2,639,497,586
Balance at June 1, 2022	1,784,761,905	-	245,503,823	4,226,592	1,210,920,593	3,245,412,913
Net cash flow:						
Repayment of loans	(377,925,170)	-	-	-	-	(377,925,170)
Repayment of lease liabilities	-	-	-	-	(64,317,505)	(64,317,505)
Dividends paid	-	-	(627,637,230)	-	-	(627,637,230)
Interest paid	-	-	-	(58,476,345)	-	(58,476,345)
Non-cash financing activities:						
Dividend declaration	-	-	673,561,364	-	-	673,561,364
Interest on lease liabilities	-	-	-	-	114,068,795	114,068,795
Amortization of lease liabilities	-	-	-	-	(57,350,017)	(57,350,017)
Additional lease liabilities	-	-	-	-	8,380,689	8,380,689
Accrual of interest on loans	-	-	-	64,421,044	-	64,421,044
Balance at May 31, 2023	1,406,836,735	-	291,427,957	10,171,291	1,211,702,555	2,920,138,538

Accrued interest on loans payable as of May 31, 2025, 2024 and 2023 is recognized as part of Accrued Expenses under Trade and Other Payables in the statement of financial position (see Notes 12 and 13).

23. EQUITY

23.1 Capital Stock

As of May 31, 2025, 2024 and 2023, the University's authorized capital stock consists of 50,000,000 shares with par value of P100 per share, of which 24,055,763 shares were issued and outstanding, net of 37,331 treasury shares.

Below is the ownership structure of the University's outstanding shares as of May 31, 2025, 2024 and 2023.

	2025	2024	2023
Number of shares held by related parties	**15,243,974**	15,231,346	15,202,893
Number of shares held by the public	**8,811,789**	8,824,417	8,852,870
	24,055,763	24,055,763	24,055,763

As of May 31, 2025, 2024 and 2023, the public owns 36.63%, 36.68% and 36.95%, respectively, of the University's listed shares.

As of May 31, 2025, there are 1,232 holders of the listed common shares owning at least one board lot.

All shares of the University are listed on the PSE. There had been no follow-on listing since the initial listing in 1986 at an offer price of P100. The closing price of the University's listed shares was P800.0, P699.5 and P533.0 per share as of May 31, 2025, 2024 and 2023, respectively.

23.2 Retained Earnings

Significant transactions affecting Retained Earnings are as follows:

(a) Appropriation of Retained Earnings

As of May 31, 2025, 2024 and 2023, the University's appropriated retained earnings consists of appropriations for:

(Amounts in PHP)	2025	2024	2023
Property and investment acquisition	**740,000,000**	1,417,000,000	567,000,000
Purchase of equipment and improvements	**354,000,000**	662,000,000	803,000,000
Contingencies	**90,000,000**	90,000,000	90,000,000
Treasury stock	**3,733,100**	3,733,100	3,733,100
	1,187,733,100	2,172,733,100	1,463,733,100

As projects and capital expenditures are annually revisited and would involve several projects, timeline with level of exactness is not defined, instead are recalibrated year on year.

The changes in appropriated retained earnings are shown below:

(Amounts in PHP)	**2025**	2024	2023
Balance at beginning of year	**2,172,733,100**	1,463,733,100	1,184,853,389
Appropriations	**-**	850,000,000	360,379,711
Reversal of appropriations	**(985,000,000)**	(141,000,000)	(81,500,000)
Balance at end of year	**1,187,733,100**	2,172,733,100	1,463,733,100

(b) *Dividend Declaration*

The BOT approved the following dividend declarations during the years ended:

(Amounts in PHP)	Date of Declaration	Date of Record	Date of Payment/Issuance	Amount
May 31, 2025				
Cash dividend of P16 per share	September 18, 2024	October 1, 2024	October 17, 2024	384,892,208
Cash dividend of P16 per share	February 19, 2025	March 4, 2025	March 18, 2025	384,892,208
				769,784,416
May 31, 2024				
Cash dividend of P16 per share	September 19, 2023	October 3, 2023	October 13, 2023	384,892,208
Cash dividend of P16 per share	February 20, 2024	March 5, 2024	March 20, 2024	384,892,208
				769,784,416

(Amounts in PHP)	Date of Declaration	Date of Record	Date of Payment/Issuance	Amount
May 31, 2023				
Cash dividend of P14 per share	September 20, 2022	October 4, 2022	October 14, 2022	336,780,682
Cash dividend of P14 per share	February 21, 2023	March 7, 2023	March 21, 2023	336,780,682
				673,561,364

Unclaimed checks related to dividends declared as of May 31, 2025, 2024 and 2023 are presented as Dividends payable under the Trade and Other Payables account in the statement of financial position (see Note 12).

24. EARNINGS PER SHARE

EPS were computed as follows:

(Amounts in PHP)	**2025**	2024	2023
Net income	**931,202,239**	1,050,213,745	1,200,000,369
Divided by number of outstanding shares, net of treasury stock of 37,331 shares	**24,055,763**	24,055,763	24,055,763
Basic and diluted earnings per share	**38.71**	43.66	49.88

As of May 31, 2025, 2024 and 2023, the weighted average and actual number of outstanding shares are the same.

The University has no potential dilutive common shares as of May 31, 2025, 2024 and 2023; accordingly, the diluted earnings per share is the same as the basic earnings per share in all years presented.

25. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The University aims to provide returns on equity to shareholders while managing operational and strategic objectives. The University manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust capital structure, the University may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The University defines capital as paid-in capital stock and retained earnings, both appropriated and unappropriated. Other components of equity such as treasury stock and revaluation reserves are excluded from capital for purposes of capital management. The BOT has overall responsibility for monitoring of capital in proportion to risks. Profiles for capital ratios are set in the light of changes in the University's external environment and the risks underlying the University's business, operation and industry.

The University monitors capital on the basis of debt-to-equity ratio, which is calculated as total liabilities (net of unearned tuition fees) divided by total adjusted equity (comprised of capital stock and retained earnings). Capital for the reporting periods May 31, 2025, 2024 and 2023 is summarized below.

(Amounts in PHP)	**2025**	2024	2023
Total adjusted liabilities	**2,562,064,214**	3,392,996,064	3,635,829,076
Total adjusted equity	**7,378,996,209**	7,221,311,486	6,940,882,157
Debt-to-equity ratio	**0.35 : 1.00**	0.47 : 1.00	0.52 : 1.00

The University's goal in capital management is to maintain a lower adjusted 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 University's bank covenants related to its interest-bearing loans to a certain bank which requires the University to maintain a debt-to-equity structure ratio of not more than 2.00:1.00 and debt service coverage ratio of at least 1.2x (see Note 13).

The University has complied with its covenant obligations, including maintaining the required debt-to-equity ratios and debt service credit reserve which are both based on the University's consolidated financial statements for all years presented.

There was no significant change in the University's approach to capital management during the year.

26. MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

26.1 Financial Instruments

(a) Financial Assets

(i) Classification, Measurement and Reclassification of Financial Assets

The University's financial assets include financial assets at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss.

Financial Assets at Amortized Cost

Where the business model is to hold assets to collect contractual cash flows, the University assesses whether the financial instruments' cash flows represent Solely Payments of Principal and Interest (SPPI). In making this assessment, the University considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Financial Assets at FVOCI

At initial recognition, the University can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the University for trading or as mandatorily required to be classified as fair value through profit or loss (FVTPL). The University has designated certain equity instruments as at FVOCI on initial recognition.

Financial Assets at FVTPL

The University can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the University is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

(ii) Impairment of Financial Assets

The University applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all tuition and other school fee receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets.

For debt instruments measured at FVOCI and at amortized cost, the allowance for credit losses is based on the ECL associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since the origination of the financial asset. In such case, a lifetime ECL for a Purchased or Originated Credit Impaired (POCI) asset is recognized and the allowance for credit losses is based on the change in the ECL over the life of the asset. The University recognizes a loss allowance for such losses at each reporting date.

The University 's definition of credit risk and information on how credit risk is mitigated by the University are disclosed in Note 14.2.

(b) Financial Liabilities

Financial liabilities, which include interest-bearing loans, trade and other payables (except tax-related liabilities, Deposits payable and NSTP and other funds), non-current lease liabilities, advances from a related party and subscription payable are recognized when the University becomes a party to the contractual terms of the instrument.

26.2 Investments in Subsidiaries, Associates and Joint Venture

Subsidiaries are entities over which the University has control. The University controls an entity when (i) it has power over the entity, (ii) it is exposed, or has rights to, variable returns from its involvement with the entity, and, (iii) it has the ability to affect those returns through its power over the entity.

The University reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls.

Associates are those entities over which the University is able to exert significant influence but which are neither subsidiaries nor interests in a joint venture.

A joint venture is an entity whose economic activities are controlled jointly by the venturers.

The University's investments in subsidiaries, associates and joint venture are accounted for in these separate financial statements at cost, less any impairment loss.

26.3 Investment Properties

Investment properties, except land, are carried at cost less accumulated depreciation and impairment in value, if any. Depreciation of investment properties, which consist of building and improvements, is computed using the straight-line method over its estimated useful life of 20 years.

26.4 Property and Equipment

Property and equipment, except land, are carried at acquisition cost or construction cost less subsequent depreciation and any impairment losses. Land held for use in administration is stated at cost less any impairment losses.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets as follows:

Building and improvements	20 years
Furniture and equipment	3 - 6 years
Miscellaneous equipment	5 years

Leasehold improvements are amortized over the estimated useful lives of 20 years or the remaining term of the lease, whichever is shorter.

26.5 Impairment of Non-financial Assets

The University's investments in subsidiaries, associates and joint venture, property and equipment (including ROUA), investment properties and other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

26.6 Leases

The University accounts for its leases as follows:

(a) University as Lessee

Subsequent to initial recognition, the University depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term which is from 2 to 5 years.

The University has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) University as Lessor

The University applies judgment in determining whether a lease contract is a finance or operating lease.

26.7 Revenue and Expense Recognition

Revenue arises mainly from: (i) educational and related activities such as tuition and other school fees, income from sale of books and other merchandise, rental income from school buildings and food stalls; and (ii) investment-related transactions such as, investment income, dividend income from subsidiaries, interest income and others.

The management determined that the revenues arising from educational and other related activities are within the scope of PFRS 15, while rental income is covered by PFRS 16 (see Note 26.6). Investment-related revenues are subject to the provisions of PFRS 9 (see Note 26.1).

The University enters into transactions involving tuition fees and other school fees and other school-related activities such as the sale of books and other merchandise. There are no significant judgments made in determining the transaction price and the amount allocated to the performance obligations. Developing the knowledge and enhancing the abilities of the students represent promises to transfer a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer; therefore, the services rendered represent one performance obligation that is satisfied over time. The transaction price of the single performance obligation is recognized as revenue as the performance obligation is satisfied, which is usually throughout the school year or the semestral period, whichever is applicable. With respect to the sale of books and other merchandise, the obligation is satisfied when the goods are delivered to the customers. Hence, revenue is recognized at a point in time. Significant judgments in determining the timing of satisfaction of the following performance obligations are disclosed in Note 27.1(a).

In addition, the following specific recognition criteria must also be met before revenue is recognized:

(a) *Educational revenues* – Revenue is recognized in profit or loss over the corresponding school term. Tuition fee received in advance and applicable to a school term after the reporting period is not recognized in profit or loss until the next reporting period and is presented as part of Unearned Tuition Fees account in the statement of financial position. Payment for tuition fees is due upon enrollment, which is before the school term starts, and can be made either in full payment or installment.

NSTP funds are recognized as revenue upon fulfillment of conditions attached to the fund and/or extent that the related expenses have been incurred. Restricted funds for which restrictions and conditions have not yet been met are classified as part of Other funds in the Trade and Other Payables account in the statement of financial position [see Note 26.1(b)].

(b) *Sale of books and other educational-related merchandise* – Revenue is recognized at a point in time when the control of the goods has been transferred to the buyer. This is generally when the customer has acknowledged the delivery of goods. Payment for the transaction price is due immediately at the point the customer purchases the goods.

(c) *Other fees* – This pertains to but is not limited to, student or alumni request for transcript, diploma, identification cards and certifications which fees are collected in cash and accordingly issued an official receipt and shortly thereafter the requested services are fulfilled. Revenue is recognized at the point the transaction has occurred.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date such cost and expenses are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset.

26.8 Employee Benefits

The University provides post-employment benefits to employees through a defined contribution plan subject to a minimum guarantee required by R.A. 7641, *The Retirement Pay Law*, which is accounted for as a defined benefit plan. Such application of the minimum guarantee prescribed by RA 7641 is based on the interpretations issued by the Philippine Interpretations Committee (PIC) in its Question and Answer on PAS 19 – *Accounting for Employee Benefits Under a Defined Benefit Contribution Plan Subject to the Requirements of R.A. 7641.*

The University maintains a defined contribution plan that covers all regular full-time employees. Under the plan, the monthly employer contribution is based on a fixed percentage of employees' monthly basic pay. FEU's retirement contribution is generally higher than the R.A. 7641 defined benefit minimum guarantee (i.e., 75% of the monthly salary of an employee for every credited year of service) at normal retirement age.

Accordingly, the University accounts for its retirement obligations at each reporting date under the higher of the defined benefit obligation relating to the minimum guarantee and the sum of defined contribution liability and the present value of any excess of the projected defined benefit obligation over projected defined contribution obligation.

The defined benefit obligation and the present value of the excess of the projected defined benefit obligation over the defined contribution obligation are calculated every other year by a qualified independent actuary using the projected unit credit method. The University determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

The defined contribution liability, on the other hand, is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income.

27. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the University's financial statements in accordance with PFRS Accounting Standards require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately vary from these estimates.

27.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the University's accounting policies, management has made judgments, apart from those involving estimation. The following judgments have the most significant effect on the amounts recognized in the financial statements:

(a) Determination of Timing of Satisfaction of Performance Obligations

The management determines that its revenue from tuition fees shall be recognized over time of instruction delivery. In making its judgment, the University considers the timing of receipt and consumption of benefits provided by the University to the students. This demonstrates that the students simultaneously receive and consume the benefits as the University performs its obligation.

With respect to its revenues from sale of books, other merchandise, and various other school-related fees, the management deems that revenues shall be recognized at a point in time as control over the goods, particularly the books, merchandise, and requested document, is transferred to the customers upon delivery.

(b) Determination of ECL on Tuition and Other Fee Receivables

The University uses a provision matrix to calculate ECL for assessed tuition fee receivables. The loss rates are based on actual write-off of student accounts or those which are outstanding for two semesters and have not enrolled for the succeeding term [see Note 14.2(b)].

The University's management intends to recalibrate on an annual basis the matrix to consider the historical credit loss experience with forward-looking information. Details about the ECL on the University's tuition fees and other receivables are disclosed in Note 14.2.

(c) Evaluation of Business Model Applied in Managing Financial Instruments

The University manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows.

The University's business models need not be assessed at entity level but shall be applied at the level of a portfolio of financial instruments and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument under PFRS 9, the University evaluates in which business model a financial instrument or a portfolio of financial instruments belongs taking into consideration the objectives of each business model established by the University as those relate to the University's investment or trading strategies.

(d) Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model

In determining the classification of financial assets under PFRS 9, the University assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria.

In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the University assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the University considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

In addition, PFRS 9 emphasizes that if more than an infrequent sale is made from a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the University considers certain circumstances documented in its business model policy to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the University can explain the reasons for those sales and why those sales do not reflect a change in the University's objective for the business model.

(e) Application of ECL to Debt Instruments at Amortized Cost and at FVOCI

The University uses a general approach to calculate ECL for all debt instruments at FVOCI and amortized cost. The allowance for credit loss is based on the ECLs associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since origination of the financial instrument; in such case, a lifetime ECL for the instrument is recognized.

The University has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(f) Distinction between Investment Properties and Owner-managed Properties

The University determines whether a property qualifies as investment property. In making its judgment, the University considers whether the property generates cash flows largely independent of the other assets held by an entity.

Owner-managed properties generate cash flows that are attributable not only to the property but also to other assets used in the process of providing educational services. Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the supply of services or for administrative purposes. If a portion can be sold separately (or leased out separately), the University accounts for such portion separately. If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The University considers each property separately in making its judgment.

(g) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated and the renewal of the contract is not subject to mutual agreement of both parties.

For leases of university buildings, the factors that are normally the most relevant are (a) if there are significant penalties should the University preterminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the University is reasonably certain to extend and not to terminate the lease contract. Otherwise, the University considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The University availed of the extension option for leases of university buildings; thus, the renewal period was included as part of the lease term for such leases.

The lease term is reassessed if an option is exercised or not exercised, or the University becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the University.

(h) Distinction between Operating and Finance Lease

The University has entered into various lease agreements as either a lessor or a lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

(i) Determination of Control of Entities in which the University Holds Less than 50%

Management considers that the University has de facto control of FRC even though it holds less than 50% of the ordinary shares and voting rights in the latter. Although the University holds less than 50% of the voting shares of stock of FRC, it has control over FRC because it is exposed or has right to variable returns from its involvement with FRC and it has the ability to affect those returns through its power over FRC. It is able to do this primarily because the University has the power to cast the majority of votes at meetings of the BOD and elect officers of FRC. Accordingly, FRC is recognized as a subsidiary of the University (see Note 7).

(j) Determination of Control of Entities in which the University holds 50%

Management believes that the University maintains control over FEUAI despite holding only 50% of its ordinary shares and voting rights. This control is achieved through the University's 50% direct ownership and an additional 50% indirect ownership via its interest in EACCI, resulting in an effective 100% ownership of FEUAI.

(k) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosure of provisions and contingencies are presented in Note 28.

27.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Estimating Allowance for Impairment of Financial Instruments

The measurement of the allowance for ECL on financial assets at FVOCI and investment securities at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of counterparty defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 14.2.

The University uses a provision matrix to calculate ECL for its trade receivables which is based on the University's historical observed default rates. The University's management recalibrate on an annual basis to consider the changes in historical credit loss experience with forward-looking information.

(b) Determining Fair Value Measurement of Financial Assets

The University carries certain financial assets at fair value, which is subject to an annual assessment. In cases where active market quotes are not available, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument. The changes in fair value would differ if the University utilized different valuation methods and assumptions. Any change in the fair value of these financial assets would affect profit or loss and equity.

The carrying values of the University's financial assets at FVTPL classified as investments in UITF and the amounts of fair value changes recognized during the years on those assets are disclosed in Note 6.

(c) Determining Fair Value of Investment Properties

Investment property is measured using the cost model. The fair value disclosed in Note 8 is determined by the University based on the appraisal report prepared by independent appraisers using the relevant valuation methodology.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

A significant change in these elements may affect the prices and the value of the assets. As of May 31, 2025, 2024 and 2023, the University determined that there were no significant circumstances that may affect the fair value determination of investment properties.

(d) *Estimating Impairment of Non-financial Assets*

The University's policy on estimating the impairment of non-financial assets is discussed in detail in Note 26.5. Though management believes that the assumptions used in the estimation of recoverable amounts are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations. Based on management assessment, except for certain prepayments and other current assets, no impairment loss is required to be recognized on the University's investment properties, property and equipment, and investments in subsidiaries as of May 31, 2025, 2024 and 2023.

(e) *Estimating Useful Lives of Investment Properties and Property and Equipment*

The University estimates the useful lives of investment properties and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. The carrying amounts of investment properties and property and equipment (including ROUA) are presented in Notes 8 and 10, respectively. Based on management's assessment as at May 31, 2025, 2024 and 2023, there is no change in the estimated useful lives of the assets during those periods. Actual results, however, may vary due to changes in factors mentioned above.

(f) *Determination of Appropriate Discount Rate in Measuring Lease Liabilities*

The University measures its lease liabilities at the present value of the unpaid lease payments at the start date of the lease contract. The lease payments are discounted using a reasonable rate deemed by management equal to the University's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(g) *Determining Recoverable Amount of Deferred Tax Assets*

The University reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management assessed that the deferred tax assets recognized as at May 31, 2025, and 2024 are fully recoverable because those will be fully utilized in the next 12 months. No deferred tax asset was recognized in May 31, 2023. The carrying value of deferred tax assets as of those dates is disclosed in Note 21.

28. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the University:

28.1 Operating Lease Commitments – University as Lessee

Lease Agreement with FRC

The University is a lessee under operating leases covering certain buildings for a period of ten years from July 1, 2015 to June 30, 2025, subject to annual escalation rate of 5%.

On May 15, 2025, the University effectively renewed the lease agreement with FRC covering these buildings, with reduced fixed rate and for variable considerations. The reduction of the lease rates was accounted for as a modification of lease liabilities and right of use assets as at May 31, 2025 as disclosed in Notes 10 and 11.

The University also entered into other contracts of lease for the land where the building occupied by FEU Makati is located for a period of 30 years, and for the lease of various sports facilities covering a gymnasium, football field and classrooms for a period of ten years, as discussed in Note 20.3.

28.2 Operating Lease Commitments – University as Lessor

The University leases out certain buildings to EACCI and FECSI and the mezzanine floor to FRC for a period of one to ten years (see Notes 8, 20.4, 20.5, 20.6, 20.7, and 20.8).

Future minimum rental receivables as of May 31, excluding contingent rental, under these operating leases are as follows:

(Amounts in PHP)	**2025**	2024	2023
Within one year	**46,526,642**	45,332,227	45,117,733
After one year but not more than five years	**3,877,220**	3,763,686	3,765,874
	50,403,862	49,095,913	48,883,607

The University is also a lessor in various lease contracts with third party lessees. The terms of the lease vary but do not exceed one year. Total rentals earned from these operating leases amounted to P9.0 million, P9.3 million and P6.8 million for the years ended May 31, 2025, 2024 and 2023, which is presented as part of Other Operating Income in the statement of profit or loss.

28.3 Others

As of May 31, 2025, the University has no record of any litigation not being contested or any that the University has accepted any liability in relation to labor cases and other civil cases.

There are other contingencies that arise in the normal course of business that are not recognized in the University's financial statements. Management believes that losses, if any, arising from these commitments and contingencies will not materially affect its financial statements. However, the University opted to appropriate a portion of its retained earnings to cover for such contingencies (see Note 23.2).

30. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the University as of and for the year ended May 31, 2025 (including the comparative financial statements as of and for the years ended May 31, 2024 and 2023) were authorized for issue by the University's BOT on August 19, 2025.

31. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

The following supplementary information on taxes, duties and license fees paid or accrued during the taxable year are required by the BIR under RR No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

(a) Output VAT

In fiscal year 2025, the University declared output VAT as follows:

(Amounts in PHP)	**Tax base**	**Output VAT**
Rental	**37,906,190**	**4,548,743**
Sale of merchandise	**48,328,088**	**5,799,371**
Other revenues	**42,084,128**	**5,050,095**
	128,318,406	**15,398,209**

There is P827,487 outstanding output VAT payable as of May 31, 2025. Pursuant to Section 109, *VAT-Exempt Transactions*, of the NIRC 1997, the University's receipts from tuition and other fees related to educational services amounting to P1,673,308,000 are VAT-exempt.

The tax base for rendering of services is based on the University's gross receipts for the year, hence, may not be the same with the amounts reported in the 2025 statement of profit or loss which is based on PFRS.

(b) Input VAT

Pursuant to Section 109, the University is not allowed any tax credit of input VAT on its purchases related to educational services.

The movements in input VAT are summarized below:

(Amounts in PHP)	
Balance at beginning of year	34,864,866
Transactions during the year	72,455,240
Services lodged under cost of services	(66,621,565)
Applied against output VAT	(5,833,675)
Balance at end of year	**34,864,866**

(c) Taxes on Importation

The University did not have any importations in fiscal year 2025.

(d) Excise Tax

The University did not have any transactions that are subject to excise tax in fiscal year 2025.

(e) Documentary Stamp Tax

In fiscal year 2025, the University paid and accrued documentary stamp tax (DST) amounting to P1,813,408 for various contracts and documents.

(f) Taxes and Licenses

Details of taxes and licenses in fiscal year 2025 are as follows:

(Amounts in PHP)	**2025**
Municipal licenses and permits	26,317,091
DST	2,525,029
Donor's tax	291,750
Real property tax	279,467
Community tax	10,500
Miscellaneous	296,961
Balance at end of year	**29,720,798**

(g) Withholding Taxes

Details of total withholding taxes for the fiscal year ended May 31, 2025 are shown below:

(Amounts in PHP)	**2025**
Compensation	116,032,553
Expanded	39,382,837
Final	22,637,859
	178,053,249

(h) Deficiency Tax Assessments and Tax Cases

As of May 31, 2025, the University does not have any final deficiency tax assessments from the BIR, and any tax cases outstanding or pending in courts or bodies outside of BIR in any of the open taxable years.

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees and the Stockholders
Far Eastern University, Incorporated
Nicanor Reyes Street
Sampaloc, Manila

We have audited the financial statements of Far Eastern University, Incorporated as at and for the year ended May 31, 2025, on which we have rendered the attached report dated August 19, 2025.

In compliance with the Revised Securities Regulations Code Rule 68, we are stating that the above company has 1,232 stockholders owning 100 or more shares each.

SYCIP GORRES VELAYO & CO.

Shane Dave D. Tanguin

Shane Dave D. Tanguin
Partner
CPA Certificate No. 0115818
Tax Identification No. 242-153-393
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-157-2024, October 2, 2024, valid until October 1, 2027
PTR No. 10465390, January 2, 2025, Makati City

August 19, 2025