

**2025
ANNUAL
REPORT**



Pagpahiuli



ABOUT THE COVER

Pagpahiuli, or restoration, requires an act or process of returning something, whether a building, artwork, process, or the environment, to its original condition, position, or health. It implies repairing or rebuilding an object or state so it functions or looks like it did originally.

RAFI's resilience and adaptability, in the aftermath of disasters, calamities, disruptions and transitions, enable its people and the organization itself to maneuver, pivot, or retrace its steps and even start again. RAFI is not afraid to return to the beginning in order to find the best way to move forward. Life begins again after disturbances, disorders and interruptions...yet RAFI, armed with the lessons and insights of the past, emerges "out of the woods" better and ever-new.



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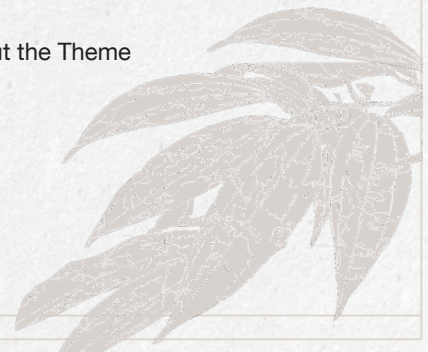
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FROM THE CHIEF STEWARD

MESSAGE FROM *President & Chief Executive Officer*

Amaya Cristina A. Fansler

PRESIDENT AND CEO



We started 2025 eager to continue the implementation of our transformative programs. These programs, undertaken in partnership with local government units, aim to strengthen governance and services in sectors that underpin resilient communities—health, education, nutrition, culture, youth leadership and disaster risk reduction.

We knew it would be a year of learning and calibration, as plans were tested against on the ground realities. The transition in local leadership also meant adjusting timelines, approaches, and areas of focus. In this context, collaboration was essential. I am grateful to all our partners—local leaders, communities, national government agencies, and NGOs—as well as our RAFI teams, for working together to sustain momentum and keep programs responsive to local needs.

In the last quarter, Cebu experienced two major disasters: the Bogo earthquake and the devastating flooding brought about by Typhoon Tino. Our prior investments in planning and preparedness enabled us to respond to staff needs and mobilize support for affected communities in a timely manner. At the same time, these experiences underscored the importance of continuing to strengthen local capacity for disaster preparedness and response alongside promoting practices that respect and protect the environment, recognizing the close link between environmental conditions and community vulnerability.

This Annual Report shares stories that bring the work we have done to life. It includes accounts of local leaders addressing persistent challenges in

their areas, and of community members engaging in targeted capacity-building activities, contributing to data-informed planning, and working across sectors to strengthen coordination and delivery. It also reflects the steps we took internally to strengthen our ability to serve—improving resource stewardship, developing next-in-line leaders, and reinforcing our approaches to risk management and business continuity among others.

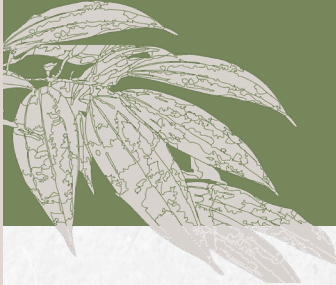
With the theme Pagpahiuli (Restoration), this year's report reflects a focus on rebuilding and strengthening what already exists—local systems, relationships, and practices. It points to the need for sustained effort, coordination, and shared responsibility in improving outcomes over time. As we begin the lead-up to RAFI's 60th year, Pagpahiuli also invites us to reflect on our experience and carry forward the values that have shaped our work.

I extend my gratitude to our partners and volunteers who stood with us throughout the year. Your support enabled us to respond to disruptions, to create relevant programs, and remain present in the communities we serve. I also thank Team RAFI for their steady work, commitment, and their belief that things can be better—something that never wavered even during the most challenging times.

We continue to be guided by the Bugsay Principle, which asks us to commit to using our strengths to bring us towards our destination of choice- and of the importance of doing so with others. We invite you to join us as we bugsay towards resilient, prosperous and vibrant communities!

THE HAND THAT NURTURES

ABOUT RAFI



Since it was founded in 1966, the Ramon Aboitiz Foundation Inc.'s (RAFI) programs and services have been designed to respond to the needs of the time. As the challenges evolve, so, too, has RAFI. What began as philanthropic works of our founder, Ramon Aboitiz, to address the needs of the underprivileged in Cebu City has grown to a social development organization working with communities to elevate lives across the entire Cebu Province.

We work with the communities themselves to shape the future—collaborating closely with local government units, key stakeholders, and partners to engage communities in addressing development challenges and collectively building a resilient, prosperous, and vibrant future for Cebu. RAFI's transformative framework employs a systems approach to maximize impact by engaging key players to work towards sustainable change.

VISION:

Touching People, Shaping The Future
Enabling Resilient, Prosperous and Vibrant Communities

MISSION:

Upholding the dignity of man by working with communities to elevate their well-being

CORE VALUES:

God-centeredness
Integrity
Respect
Service

FOCUS AREAS:

Health
Disaster Resilience
Early Childhood Care and Development
Basic Education
Culture and Heritage
Youth Civic Engagement

RAFI's work in 2025 contributed to emerging changes across partner LGUs, as programs strengthened local leadership, governance systems, and community participation.

WHERE WE WORK IN CEBU

BANTAYAN

Nutrition data raised key areas for attention. LGU leadership responded by reactivating the Municipal Nutrition Committee and strengthening nutrition planning.

ALCANTARA

Health system maturity improved significantly, with the Municipal Health System Roadmap Score increasing from 78% to 86%. Health services are also becoming more integrated into LGU systems.

OSLOB

Baseline data in education provided insights into learning levels. Environmental data showed 41% forest cover, helping inform conservation priorities. Disaster resilience baselines are also contributing to preparedness planning.

BOLJOON

Progress is being seen in the institutionalization of disaster resilience systems. Civic engagement stands at a baseline of 73%, alongside strengthened coordination between LGU leadership and communities.

MANDAUE CITY

RAFI focused on laying the groundwork, supporting baseline data collection to ensure that future education and youth interventions are guided by evidence.

CEBU CITY

Education programs achieved measurable gains, health initiatives strengthened cancer detection and patient navigation, and thousands of individuals participated in cultural programs.

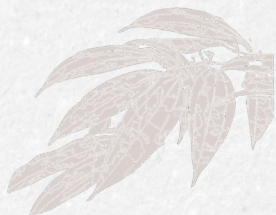
CARCAR

Environmental baseline data indicated 19% forest cover. Through Greener Cebu and One to Tree initiatives, People's Organizations generated Php5.9 million in livelihood income, benefiting farmers and fisherfolk.

EXTENDING OUR REACH

In addition to the work of its Transformative Programs, RAFI continued to advance long-standing initiatives in cancer awareness and screening, increase in forest cover, and culture and heritage across the country.

- The RAFI Eduardo J. Aboitiz Cancer Center (EJACC) provided cancer screening and support services in more than 35 LGUs across Cebu, including Bantayan, Carcar, Danao, Mandaue, Minglanilla, and Lapu-Lapu.
- RAFI One to Tree (OTT) advanced reforestation efforts in the provinces of Cebu and Batangas, as well as Davao City.
- Casa Gorordo Museum and The Kabilin Center strengthened cultural engagement in Cebu City, while Gabii sa Kabilin engaged communities across the cities of Cebu, Lapu-Lapu, Mandaue, and Talisay.



2025 MILESTONES

FEBRUARY

Apil 'Ta, Bai! - Voter Education Caravan

APRIL

24 - RAFI joins 13th ISTR Asia-Pacific Regional Conference

30 - Casa Gorordo Museum receives a historical marker from the Cebu City Government

MAY

1 - Opening of "Haon sa Sugboanong Lasa" Exhibit

2 - EmpowerEd Culmination

23 - Gabii sa Kabilin

JUNE

11 - Kita Ang Pagbag-o: Sustainability at the Right Level (KAP 2.0) Division-wide Graduation

23 - Turnover of Bagong Urgent Care and Ambulatory Services (BUCAS) Center

26 - RAFI One to Tree and Therma Visayas, Inc. Carbon Sink Management Program (CSMP): One Million Seedlings milestone celebration

JULY

10 - VSMC Prosthetics and Orthotics Factory Turnover

30-31- Alcantara Cares Integrated Summit 2025

AUGUST

14 - Project LEARNN - KAP SARL visit to Barrio Luz Elementary School

OCTOBER

24 - 3rd KaTreebu Assembly

24 - Patigayong Pari-anon Community Launch

RAFI Earthquake Disaster Response

NOVEMBER

RAFI Typhoon Tino Disaster Response

16 - 59th RAFI Founders' Day

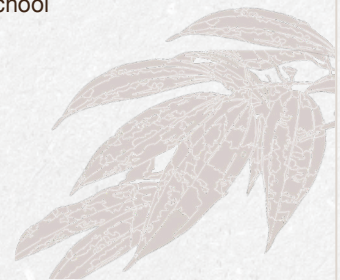
27 - Hope & Healing at Christmas: A 5-Year Survivorship Close-Out Celebration for EJACC cancer survivors

DECEMBER

10 - RAFI is Kinang Awardee at the DILG CapDev Accelerator Awards

15 - RAFI Year-end Celebration - Road to RAFI@60 launch, Service Awards

16 - Cebu City Christmas Tree Lighting



2025

AT A GLANCE

358,256

▼ LIVES REACHED

271,166

▼ LIVES TOUCHED

Community and Systems Strengthening

17.9 M

▼ PESOS LGU COUNTERPART CONTRIBUTIONS MOBILIZED

1,023

▼ LEADERS EMPOWERED ACROSS LGUS AND COMMUNITIES

1,017

▼ FRONTLINE WORKERS CAPACITATED

119

▼ PROJECT MANAGEMENT TEAM MEMBERS FROM LGUS APPOINTED

36

▼ PUROKS INSTITUTIONALIZED

4

▼ PEOPLE'S ORGANIZATIONS STRENGTHENED

76

▼ POLICIES, PLANS, AND GOVERNANCE REFORMS INSTITUTIONALIZED

Sectoral Impact

A. DISASTER RESILIENCE

231,827

▼ INDIVIDUALS RECEIVED DISASTER RELIEF ASSISTANCE

100%

▼ DISASTER RESPONSE RATE

B. ENVIRONMENT

30%

▼ AVERAGE FOREST COVER ACROSS MONITORED AREAS

19%

▼ IN CARCAR

41%

▼ IN OSLOB

40

▼ FARMERS AND

86

▼ FISHERFOLK SUPPORTED, GENERATING 5.9 MILLION PHP IN LIVELIHOOD INCOME

1,354,538

▼ TREES GROWN

54,000

▼ SEEDLINGS PLANTED

C. HEALTH

14,397

▼ INDIVIDUALS
SCREENED
FOR CANCER

2,213

▼ PRE-CANCER
CASES
DETECTED

17,603

▼ PATIENTS
RECEIVED
SUPPORT
SERVICES

IN ALCANTARA, THE MHLGP
HEALTH SYSTEM ROADMAP
SCORE IMPROVED FROM
78% TO

86%

D. EARLY CHILDHOOD CARE & DEVELOPMENT (ECCD)

STEPS TOWARD ADDRESSING CHILD
NUTRITION AT THE COMMUNITY LEVEL IN
BANTAYAN WERE ACHIEVED THROUGH:

- ▼ THE REACTIVATION OF THE MUNICIPAL NUTRITION COMMITTEE
- ▼ THE FORMAL APPROVAL OF A NUTRITION ACTION PLAN, MARKING A CONCRETE STEP TOWARD STRENGTHENING LOCAL NUTRITION GOVERNANCE AND INTERVENTIONS

E. BASIC EDUCATION

IN CEBU CITY, KAP SARL
GRANTS DELIVERED
MEASURABLE GAINS:
LITERACY INCREASED BY

38.45%

NUMERACY INCREASED BY

24.58%

F. YOUTH CIVIC ENGAGEMENT

YOUTH STRUCTURES WERE
STRENGTHENED THROUGH:

- ▼ REACTIVATION OF SK FEDERATIONS
- ▼ ESTABLISHMENT OF LOCAL YOUTH DEVELOPMENT COUNCILS
- ▼ INTEGRATION OF YOUTH PROGRAMS INTO LOCAL DEVELOPMENT PLANNING

G. CULTURE AND HERITAGE

46,636

▼ INDIVIDUALS PARTICIPATED IN CULTURAL
AND HERITAGE ACTIVITIES



Organizational Performance

STEWARDSHIP AND SUSTAINABILITY

P735M

▼ TOTAL EXPENSES

12

▼ MONTHS OPERATING
RESERVES MAINTAINED

97%

▼ INTERNAL
AUDIT RATING

100%

▼ COMPLIANCE WITH
MANDATORY REQUIREMENTS

1.5

▼ STRATEGIC
RISK INDEX

86:14

▼ PROGRAM-TO-
ADMIN RATIO

4.5

▼ PARTNERSHIP
HEALTH INDEX

PERFORMANCE EXCELLENCE

81%

▼ ENTERPRISE PORTFOLIO
PERFORMANCE

91%

▼ OPERATIONAL
EXCELLENCE

94.2%

▼ IT SERVICE QUALITY

389

▼ ORGANIZATIONAL
EXCELLENCE
SCORE

4.1

▼ ORGANIZATIONAL
ALIGNMENT AND
READINESS

PEOPLE AND CULTURE

85%

▼ EMPLOYEE
ENGAGEMENT

3.6

▼ OVERALL GOAL
ACHIEVEMENT
(PERFORMANCE
APPRAISAL) RATING



Health



CEBU CINNAMON (*KALINGAG*)

Endemic to Cebu; only known to grow in the forest fragments of Cantipla and Tabunan, Cebu City. Bark is used for remedy for stomachache. Potential source of spice.

(MANUAL ON NATIVE TREES IN THE VISAYAS. CEBU CITY: RAMON ABOITIZ FOUNDATION INC., 2013.)



Expanding Early Detection Through Stronger LGUs: Scaling Cancer Screening Across Communities

Cancer remains a growing priority that requires sustained engagement from local governments.

second leading cause of death in 2024, accounting for 74,182 deaths, or 11% of total deaths.

In 2022, the Philippines recorded 188,976 new cancer cases and 113,369 cancer-related deaths, according to GLOBOCAN. National mortality data shows cancer as the

Early cancer detection is proven to save lives, yet many communities still struggle to access regular screening, and sustaining these services remains a challenge.

“

In RAFI, we believe early detection saves lives. The stories shared show how you, our ambassadors and advocates, will continue to grow together with RAFI. A cancer diagnosis is not the end of life. RAFI stands with patients and survivors, alongside their families, every step of the way.”

RIELLA MAE GUIOGUIO

RAFI Chief Operating Officer



Addressing Gaps and Challenges in Cancer Screening

The Department of Health (DOH) continues to lead the country's cancer prevention and early detection efforts, with opportunities to expand community-based screening through strengthened workforce capacity and sustained investment in human resources.

RAFI's Eduardo J. Aboitiz Cancer Center (EJACC) demonstrates how screening can be expanded when systems complement national efforts and strengthen local delivery. In 2025, EJACC helped extend access to screening, reaching 14,397 individuals, while engagement with the DOH strengthened coordination with government and health partners and

increased awareness of EJACC's role in supporting Local Government Units (LGUs).

To address the shortage of trained screeners, EJACC and the DOH conducted two rounds of clinical skills training in August 2025 for LGU health workers and Cebu-managed hospital staff. As a result, 30 health workers across Bohol and Cebu are now equipped to perform standardized screening procedures and support early detection in their communities.

Shifting Toward LGU-Led Cancer Care

Building on more than 30 years of supporting cancer care, EJACC has adapted to the evolving needs of communities and local health systems. It has begun transitioning from a request-driven model to an approach



that positions LGUs as the primary duty bearers for cancer screening. With this shift, EJACC will serve as a systems-strengthening partner supporting LGU-led and sustained programs.

This transition is supported by local ordinances institutionalizing cancer care, dedicated LGU budget allocations, designated cancer focal persons and navigators appointed by the LGU, and clear annual screening targets set at the local level. A performance-based grant structure further reinforces ownership, with funding tied to validated mass screening performance and LGU compliance.

By focusing on early intervention rather than costly treatment, LGUs can act sooner, when care is simpler, more affordable, and more likely to save lives. EJACC helps shift the focus from reactive treatment to prevention, enabling communities to protect health earlier and at scale.



Advancing Community Health in Alcantara and Cebu

On January 23, RAFI, the Department of Health, and the Municipality of Alcantara signed a tripartite Memorandum of Agreement to implement Alcantara CARES (Cebuano Communities with Access to Relevant & Equitable Primary Healthcare Services).

As RAFI’s Transformative Health Program in Alcantara, the initiative strengthens local health systems, improves primary care delivery, and supports the implementation of the Universal Health Care Act. The program consolidates existing health interventions while promoting stronger community participation to reduce mortality and morbidity.

RAFI further engaged local youth by supporting the *Linggo ng Kabataan* activity, “Kahimsug sa Kabatan-onan,” including a health symposium on teenage pregnancy and health literacy that reached around 300 young participants.

Aligned with these efforts, RAFI also supported the Department of Health Central Visayas Center for Health Development in establishing a Bagong Urgent Care and Ambulatory Services (BUCAS) Center in Cebu, providing accessible outpatient urgent and primary care services.



Disaster Resilience



MANGROVE (BAKAUAN)

Source of detritus materials in estuarine ecosystem food chains. Root system stabilizes shoreline, prevents soil erosion, and promotes soil build-up. Also serves as wind and wave breaks in coastal areas.

(MANUAL ON NATIVE TREES IN THE VISAYAS. CEBU CITY: RAMON ABOITIZ FOUNDATION INC., 2013.)



The Heart of Resilience: Boljoon Puroks as the First Line of Community Resilience

In the municipality of Boljoon, disaster resilience is now a way of life cultivated within the purok, the smallest unit of the neighborhood, transforming families and neighbors into proactive, organized first responders.

This shift has been supported by RAFI through Project BRAVE (Building Resilience and Adaptation in Vulnerable Communities), which strengthened community capacities in risk mapping, early warning, and organization,

working alongside the LGU and aligning with national frameworks such as the PDRRM Law.

Communities in Boljoon have embraced shared responsibility for their own safety, recognizing that hazards often reach households before formal response teams can act. Residents have stepped forward to organize, plan, and take action, strengthening local preparedness and resilience, in partnership with the municipal government.



Across the municipality, 74 puroks have been mobilized as community-level hubs of preparedness. More than just administrative divisions; they serve as active units where community-based mapping teams identify local risks, and local alert hubs ensure that life-saving information reaches every family instantly.

A Cycle of Mutual Support

Recognizing the community spirit in this grassroots initiative, the Local Government Unit (LGU) invested in the communities, providing solar lights, panels, and disaster

equipment to every purok. This created a “self-reinforcing cycle of resilience”: as the LGU invested more, the communities grew more confident and active in safeguarding themselves.

Today, Boljoon’s purok-drive approach serves as a model for neighboring municipalities such as Oslob. Having earned the prestigious Gawad KALASAG recognition twice, Boljoanons demonstrate that the strongest defense against hazards and disasters begins at home, grounded in the cooperation and dedication of the community.



“

Together, we have shown that tree growing is not only about restoring forests, but also about nourishing families, creating livelihoods, and building resilience. We are shaping a legacy: forests that will stand long after us, communities empowered to protect them, and a culture of stewardship that will be carried forward to future generations.”

DAVID MIKEL ABOITIZ

Member, RAFI Board of Trustees

(in his remarks during RAFI One to Tree’s Ka-Treebu Assembly)





Partnerships and Capacity Building for Disaster Resilience

RAFI strengthened its disaster resilience initiatives through strategic partnerships and capacity-building efforts. On July 21, RAFI formalized a collaboration with the University of the Philippines (UP) through the UP Resilience Institute (UPRI) with the signing of a Memorandum of Understanding.

The partnership opens opportunities for capacity building, program evaluation, knowledge sharing, and access to UP's networks and technical expertise, especially with initiatives on disaster resilience.

To further strengthen enterprise-wide preparedness, select RAFI employees participated in a series of trainings, including a Basic Incident Command System (ICS) course (March 15–17), Crowd Management training (April 20), and Emergency Operations Center (EOC) training (May 6–8).

These sessions enhanced emergency response capabilities and public safety management for disaster response and large-scale events such as Gabii sa Kabilin.

Representatives from the Department of the Interior and Local Government, Boljoon DRR-

MO, and Oslob DRM also joined the trainings, further enhancing inter-agency collaboration.

Strengthening Environmental Stewardship

RAFI continued advancing environmental stewardship through partnerships that promote biodiversity conservation and community action.

In June 2025, Therma Visayas Inc., in partnership with RAFI One to Tree, celebrated the successful cultivation of one million seedlings in Cebu's upland areas under the Carbon Sink Management Program, contributing to forest restoration and climate resilience.

RAFI One to Tree also convened over 100 partners during the 3rd KaTreebu Assembly held in Batangas City on October 24. The gathering, themed, "United We Grow, Legacy We Sow", brought together people's organizations, local government units, and corporate partners to celebrate shared achievements and renew commitments to environmental protection.

In Carcar City, RAFI's Greener Cebu program partnered with the city government for a coastal clean-up in celebration of International Day of Climate Action, engaging 112 volunteers to promote environmental awareness and responsible waste management.

Early Childhood Care & Development



BOGO

Used for light construction; timber is rather good and moderately hard. Planted as a shade tree.

(MANUAL ON NATIVE TREES IN THE VISAYAS. CEBU CITY: RAMON ABOITIZ FOUNDATION INC., 2013.)



Nourishing Change: Empowering Barangays to Support Healthier Children in Cebu City

For years, Filipinos have faced health and nutrition challenges including nutritionally at-risk pregnancies, child malnutrition, low health literacy, and limited access to essential services. These have affected not only individual households, but the wellbeing of entire communities.

This was a challenge that empowered families in Barangays Carreta, Mambaling, and Sambag II in Cebu City to address through shared responsibility and coordinated action.

Change began when the communities came together with local leaders and frontline workers to strengthen systems for early childhood health and nutrition, supported by RAFI's program on

early childhood care and development, particularly on early childhood health and nutrition, Sustainable Interventions for Nutrition and Growth (SINAG).

In July 2024, a new approach was piloted in the three barangays, beginning with dialogue to understand root causes and align on solutions. By December 2025, each barangay demonstrated stronger coordination, increased local ownership, and early improvements in delivering health and nutrition services.

Barangay Carreta strengthened its local system by ensuring full availability of essential health and nutrition commodities, completing profiling of vulnerable groups,

and institutionalizing incentives for frontline workers. These efforts significantly expanded access to services and community-based promotion activities.

Barangay Mambaling focused on improving governance and frontline capacity, enhancing its nutrition action planning and increasing trained health and nutrition workers, alongside gradual improvements in service access and community engagement.

Barangay Sambag II advanced its governance structures and workforce support, strengthening its nutrition committee, improving action planning, and fully equipping health stations. These efforts contributed to better household food security and more responsive local services.





Building on these gains, each barangay now leads its own localized program, designing initiatives that reflect community priorities. Carreta's Amumang Carreta promotes nutrition education, feeding, and home gardening. Mambaling's Saktong Nutrisyon sa Bag-ong Henerasyon strengthens caregiver engagement and child monitoring. Sambag II's Ohahay sa Himsog nga Barangay improves access to services through community-based initiatives and facility support.

Together, these efforts show how coordinated, community-led action can strengthen local systems, empower families, and support healthier beginnings for children.

Building Strong Foundations for Early Childhood in Cebu

RAFI strengthened its Early Childhood Health and Nutrition initiatives through key partnerships with local governments and institutions in Cebu City, Cordova, and Naga.

In March 2025, RAFI signed Memoranda of Agreement for Project SINAG with Barangays Carreta, Mambaling, and Sambag II. The partnerships include collaborations with Glory Reborn and Southwestern University PHINMA to advance early childhood health and nutrition in local communities.

In 2025, RAFI also turned over new Child Development Centers in Buagsong, Gilutongan, and Jaguimit, with support from Dexcom and Vriendschapsband Haarlemmermeer-Cebu, to help provide safe spaces where children can learn, explore, and grow.

Beyond infrastructure, the collaboration reflects a shared commitment to strengthen early childhood systems, supporting the training of Child Development Workers and



The Child Development Center in Cordova was built with love. It stands because of the compassion of organizations who believe in the power of early education, and the dedication of our LGU to support every child in Buagsong.”

JOSE RAMIL ARO
Barangay Captain of Buagsong



Teachers while enhancing barangay-level planning for early childhood education.

Together, these efforts help build healthier, more supportive environments where young children are happy, healthy, and kinder-ready.

Basic Education



KATMON

Common in primary and secondary forests at low and medium altitudes; in Central Visayas, found in the Tabunan forest in Cebu. Suitable for furniture-making; bark yields red dye; fruit is edible and makes for excellence sauce, with its acid used as cure for cough and hair cleansing.

(MANUAL ON NATIVE TREES IN THE VISAYAS. CEBU CITY: RAMON ABOITIZ FOUNDATION INC., 2013.)

From Commitment to Transformation: Strengthening Learning in Cebu City Schools



Across the Philippines, a learning crisis continues to shape children's futures. The 2022 Programme for International Student Assessment (PISA) found that nine in 10 Filipino children struggle to read and understand a simple text. In classrooms, many learners advance without mastering foundational reading and numeracy, widening inequities for families and communities.

In response, the Kita ang Pagbag-o: Sustainability at the Right Level (KAP SaRL) program was launched through a partnership

between RAFI, AHA Learning Center, and the Department of Education Cebu City.

The program centers on a teacher fellowship model supporting after-school remediation for Grades 3 to 6, integrating three approaches: Teaching at the Right Level (TaRL) to rebuild foundational skills, Social-Emotional Learning (SEL) to strengthen confidence and motivation, and the Supor-ta Eskwela Club (SEC) to engage parents and guardians as learning partners beyond the classroom.

“

Before the program, we had 34 struggling readers in Grade 3. Now, that number is down to 8. There has been a lot of improvement. We are very grateful for the KAP Program. It really helped us—providing quality reading materials and training our teachers in effective remediation techniques. The ‘Reading at the Right Level’ approach is truly effective.”

MARION ALVIZO

Principal, Hipodromo Elementary School



Implemented from September 2024 to July 2025, KAP SaRL mobilized schools, teachers, mentors, and families, through a phased process of building commitment, strengthening capacity, and supporting implementation. The results highlight the impact of shared responsibility and sustained community engagement.

More than 93% of participating learners completed the program. Nearly half progressed from letter sound levels to reading full paragraphs and stories, while over half advanced from number recognition to advanced subtraction and division. These gains were matched by improvements in well-being: self-concept scores rose from 65% to 86%, and classroom participation nearly doubled.

Beyond learner outcomes, parents and guardians reported greater confidence in supporting learning at home. Three hundred forty five educators, who also trained as KAP Teacher Fellows, gained practical tools and renewed confidence in helping struggling learners, with many stepping forward as champions of learning recovery in their schools.

Recognizing its impact, the Department of Education Cebu City adopted KAP SaRL as a division-wide learning recovery strategy starting SY 2025–2026. By embedding TaRL, mentoring and teacher leadership into school operations, Cebu City is shifting remediation from a temporary intervention to a sustainable system—rebuilding foundational learning one child, one family, and one school at a time.



Advancing Literacy and Learning

RAFI continued advancing education initiatives in 2025 through partnerships and programs aimed at improving literacy and numeracy in Cebu.

On May 2, 2025, RAFI held the culminating activity of its EmpowerEd program, gathering representatives from 43 public schools across Cebu City and Cebu Province. School leaders and educators shared improvements in teacher confidence, well-being, and strate-

gies to address learning gaps in literacy and numeracy.

RAFI also formalized partnerships with Department of Education Region VII and Department of Education Cebu Province to co-develop localized, evidence-based solutions that strengthen foundational learning for Cebuano learners.

In Oslob, RAFI partnered with JCI Zugbua to launch Project BOOKAs, a mobile library initiative that brings storybooks and reading activities directly to communities, helping children build stronger reading habits despite disruptions caused by disasters.



Culture & Heritage



MOLAVE (*TUGAS*)

One of the hardest woods, used in general construction where strength and durability are required. Used for shelterbelts and planted in reforestation projects.

(MANUAL ON NATIVE TREES IN THE VISAYAS. CEBU CITY: RAMON ABOITIZ FOUNDATION INC., 2013.)



Youth for Heritage: Nurturing the Roots of Cebuano Identity

On May 23, 2025, Gabii sa Kabilin (GSK) returned for a vibrant night of cultural celebration, with 22 participating heritage sites in the cities of Cebu, Lapu-Lapu, Mandaue, and Talisay, welcoming over 6,000 participants.

For its 18th run, GSK carried the theme, “Batanong Bahandi” (Youthful Treasures), highlighting the vital role of young people in preserving and nurturing Cebuano cultural heritage.

Participating sites featured interactive exhibits, performances, and activities throughout the night that showcased how tradition

and contemporary expression can thrive together. Young Cebuanos demonstrated that culture is not only inherited—it is actively shaped and reimagined by each generation.

As part of the celebration, young artists from Barangays Parian, Tinago, and San Roque transformed public walls into vibrant murals that reflect heritage, identity, and community pride. These works now stand as lasting visual stories in Cebu’s heritage district.

During GSK, Casa Gorordo Museum presented “Meet the Gorordos,” an interactive

“

Our commitment to culture and heritage is rooted in the belief that identity empowers. Gabii sa Kabilin is one way we uphold this mission—by preserving stories, sharing traditions, and building bridges between the past and the present through collaboration with both public and private sectors.”

AMAYA CRISTINA A. FANSLER

RAFI President and Chief Executive Officer



play-exhibit that brought to life prominent members of the Gorordo family from the 1800s and early 1900s.

RAFI's The Kabilin Center also unveiled its newest exhibition, “Around the Table: *Haon sa Sugbuanong Lasa*” which explored Cebuano culinary traditions and the powerful role of food in shaping memory, identity, and community. Through interactive displays and storytelling, it highlighted how everyday meals serve as vessels for history and cultural continuity.

More than a showcase of cuisine, it invited visitors to reflect on the deeper meaning of gathering around the table as a cultural ritual that strengthens relationships, preserves traditions, and passes knowledge from one generation to the next.

Together, these initiatives reaffirm that culture is not only something to preserve but something to live, celebrate, and continually pass on. Through the energy and creativity of the youth, Cebu's cultural legacy continues to evolve while remaining deeply rooted in its rich past.





Tinago Petite Market: Reviving Memory, Culture and Pride of Place

The Tinago Petite Market served as more just than a trading place. It was a shared space where neighbors met, families bought essentials, and culture thrived in everyday interactions. As much as it carried goods, it also carried stories. For decades, the market flourished because a small but vital bridge connected Tinago to nearby barangays, bringing steady movement and livelihood. When the bridge was dismantled, foot traffic declined, vendors lost customers, and the market's vibrancy faded.

The market lived on in community memory. Facilitated and supported by RAFI to empower the community, residents participated in

local resource mapping, documenting the neighborhood's cultural assets, gathering points, and places of significance. This process renewed attention to the market, revealing it as a social landmark that had shaped local identity.

With the community eager to reclaim meaningful spaces and now equipped with a shared understanding of their assets, the market's revitalization began. Now with the market revived and the bridge rebuilt, Tinago's Petite Market once again reconnects communities, strengthening livelihoods and inspiring a renewed collective future.

Youth Civic Engagement



KAMAGONG

An established plantation is found in Camp 7, Minglanilla, Cebu.
Used for carvings and for making highly-priced furniture.

(MANUAL ON NATIVE TREES IN THE VISAYAS. CEBU CITY: RAMON ABOITIZ FOUNDATION INC., 2013.)



Reclaiming Youth Voice, Rebuilding Civic Spaces

Amid growing opportunities for the youth to shape their communities, RAFI supported efforts in Mandaue City to better understand and engage young people. Through the piloted Bayanihan Actions for Impact (BAI) Mandaue, what began as a question about youth participation became an opportunity to listen, learn, and respond more effectively.

Across five barangays in Mandaue—Cabanacalan, Canduman, Looc, Paknaan and Subangdaku—young people were brought to the center of the conversation. Through participatory challenge mapping and analysis, the youth were not just respondents; but also co-analysts of their lived realities. This approach surfaced a nuanced and contextual understanding of civic engagement that numbers alone could not capture. The

result was a community-driven evidence base anchored in real voices.

Thirty youth participants, representing students, out-of-school youth, and both employed and unemployed sectors, identified key barriers to participation. These included financial constraints, mental health concerns, gaps in governance, access to information, and opportunities for skills development. Together, these insights reflected interconnected challenges affecting civic engagement.

Building on these insights, RAFI, in collaboration with the Mandaue City Youth Development Office (MCYDO), led the development of the updated Local Youth Development Plan (LYDP) by convening

“

“What we [RAFI] hopefully want to co-design and co-plan the journey with you [the youth] starting today is for you to be aware that you’re not just the next generation, but you, hopefully, will help the succeeding generations become better and healthier.”

RIELLA MAE GUIOGUIO

RAFI Chief Operating Officer



youth leaders from across the city. Youth inputs from the participatory challenge mapping and analysis were organized into eight key challenge areas, aligned with the Centers of Youth Participation under the Philippine Youth Development Plan 2023–2028.

This alignment bridges grassroots realities with national frameworks, positioning Mandaue’s youth within the broader youth development agenda. The result is a data-driven, youth-informed Local Youth Development Plan that reflects lived experience while

guiding inclusive and responsive action.

In 2025, BAI Mandaue contributed to strengthening the role of the youth in local development, supporting their participation as partners in shaping programs and policies that affect them.

Ultimately, BAI Mandaue is a story of reconnection—between the youth and their communities, and between their experiences and public policy. It affirms that investing in listening helps lay the foundation for meaningful change.





Strengthening Center for Leaders' Facilitators to Empower Youth

Capability building remains a core focus of RAFI's work, enabling its teams to deliver stronger and more effective programs on the ground.

As part of this effort, 15 of RAFI's youth facilitators successfully completed the online and capstone components of the Positive Youth Development and Bridging Leadership Cohort 2 program, graduating on June 7, at the University of the Philippines Cebu.

The program, conducted in partnership with the Youth Work Research and Training Center and UP Visayas College of Management, equips facilitators with the skills to run effective youth empowerment initiatives. Cohort 2 builds on the success of Cohort 1, whose graduates completed the program in June 2024 and received recognition for their

capstone project, "Bayanihan Actions for Impact (BAI)."

Cohort 2 capstone projects were recognized for their innovation and potential impact. Projects with strong potential to benefit grassroots communities received the Impact Award, while those with high potential for replication were given the Scale Award. The Excellence Award was conferred on projects that demonstrated comprehensive content and in-depth analysis.

These projects will be integrated into transformative programs across Bantayan, Mandaue, Cebu City, Alcantara, and Boljoon, strengthening RAFI's work to empower youth and communities through innovative and scalable initiatives.

Program Support Group



NARRA

Large tree. Wood used for fine furniture. Flowers are source for high-quality honey. Parts of the trees are medicinal.

(MANUAL ON NATIVE TREES IN THE VISAYAS. CEBU CITY: RAMON ABOITIZ FOUNDATION INC., 2013.)

Behind the Heartwork: Building Capacities, Empowering Communities



In 2025, RAFI's work across Cebu focused on enabling progress in communities through leadership, learning, and partnerships. The organization's Program Support Group (PSG), composed of the Program Excellence Group (PXG), Community Development Group (CDG), and Community Engagement Group (CEG), helped strengthen the conditions for communities to act, lead, and sustain progress.

In its first year, PSG supported RAFI's program teams by focusing on insight, local leadership, trusted relationships, and spaces for reflection and ownership.

Building Bridges, Opening Opportunities

Change was strengthened through relationships. Under CEG, Government Relations (GovRel) worked with seven LGUs and 17 national agencies, generating P4.58 million in impact value and advancing education and health initiatives through dialogue, caravans, and engagement with agencies such as DepEd and DOH.

Meanwhile, the Community Advocacy Team created spaces for reflection, helping community members understand key

issues and their role in addressing them. This approach resonated, with 96% reporting increased knowledge, 95% greater interest in advocacy, and 86% feeling inspired to act.

The Community Stakeholder Management Team complemented this by building networks across sectors. Through 79 meetings and 15 partnerships, trust deepened and community priorities aligned more closely with support systems.

Leadership Rooted in Experience

The Community Development Group anchored learning within communities. Through the RAFI Development Academy (RDA), Leadership and Governance modules supported LGU teams in practicing collaboration, accountability, and systems thinking. The Learning to Impact Framework highlighted change through shifts in mindset and inclusion. RAFI Kool Adventure Camp further strengthened leadership through experiential learning that built courage, teamwork, and trust.

At the grassroots, the Purok Development Team strengthened organizing in Boljoon,



Alcantara, and Oslob, where trained members began leading initiatives independently. In Carcar, the People’s Organization Development Team supported four People’s Organizations in strengthening capabilities, managing resources, and planning for sustainability. Assistance with CBFMA applications through DENR helped secure legitimacy and access to public resources.



Insight into Shared Direction

Better decisions were driven by clearer understanding. The Program Excellence Group strengthened how learning, evidence, and accountability informed action. Through systems mapping, the Center for Research helped stakeholders see challenges more fully and understand their roles, leading to more intentional strategies.

The Program Development and Innovations team embedded the Impact Makers' Work Process (IMWP) across teams, fostering standards-based work, cross-team learning, and evidence-informed decisions.

The Monitoring, Evaluation, Accountability, and Learning (MEAL) team translated priori-

ties into practice by operationalizing Sectoral Roadmaps across four LGUs and three barangays, strengthening 124 key levers in governance, capacity building, service monitoring, and community participation. Communities gained not only plans, but tools to track progress and sustain results.

PSG's first year showed that lasting change comes from how learning, leadership, and relationships reinforce one another.

When insight guides action, leadership is shared, and trust is built, communities do more than participate—they lead. In 2025, that leadership was already taking shape.





Back to Shores: Preparing for the Next Journey Together

The 2025 election season gave RAFI an opportunity to pause, reflect on its new programs, and reassess approaches. Like fishers returning to shore after time at sea, this period allowed the Program Operations Group to step back from field engagements and review what worked, what needed strengthening, and what should change to improve impact.

This pause created time and space for collective reflection, with teams reviewing program designs, questioning assumptions, and drawing insights from their work with communities and LGUs.

Across program operations, teams revisited how transformative programs are designed and implemented. Design reviews and reflection sessions helped identify challenges, refine approaches, and ensure programs remain responsive and grounded in local realities. It also reinforced that strong programs evolve through continuous learning.

In total, 10 program designs were reviewed, involving more than 100 Program Operations Group members and six Sector Working Groups. The process generated 259 recommendations, each assessed for immediate action, feasibility, or future innovation. Nearly half led to immediate design improvements, while



others helped clarify processes, strengthen alignment, or were set aside for further consultation.

This period of recalibration focused on strengthening foundations, clarifying priorities, and improving systems that support communities in leading their own development. It also prepared RAFI's teams to move forward with greater clarity and confidence.

As the organization rolls out improved and more responsive program designs across different local government units in Cebu, this pause highlighted the importance of carrying forward key lessons and continuing to learn and adapt.

RAFI's work continues, guided by stronger systems and a clearer sense of direction, like fishers returning to sea better prepared for the journey ahead.



Strategic Internal Partners



DAO

Large tree; prominently buttressed. Beautiful yellowish wood with black streaks used in light construction. Used as an ornament in roadside plantings.

(MANUAL ON NATIVE TREES IN THE VISAYAS. CEBU CITY: RAMON ABOITIZ FOUNDATION INC., 2013.)



Building a Stronger Organization from Within

Essential to fulfilling RAFI's mission is the cultivation of a mission-aligned and values-driven workforce.

In 2025, as RAFI underwent strategic program shifts, the organization also advanced several People & Culture (P&C) initiatives to support employee development and engagement.

Key efforts included strengthening onboarding through the New Hire Bootcamp, which enabled new RAFInians to develop a deeper understanding of RAFI's mission, programs, and culture. The P&C Team also played a critical role in supporting the organization's transition by preparing both existing and new

RAFInians to take on its evolving direction. This included adjusting competencies, strengthening cultural alignment, and fostering the #1HappyRAFI experience.

The organization also activated health and safety monitoring following the magnitude 6.9 earthquake and Typhoon Tino and extended support mechanisms to aid employee recovery. These included financial and psychosocial assistance to ensure that RAFInians and their families were supported, safe, and able to recover while continuing to contribute during RAFI's disaster response efforts.

Through these initiatives, RAFI reaffirmed

its belief that caring for its people is essential to sustaining its mission and ensuring the continuity of its programs and services. As a testament to this commitment, RAFI received its Great Place to Work® (GPTW) recertification, reflecting its continued dedication to fostering a positive workplace culture. With 80% of employees participating in the survey, RAFI's overall score rose from 86% to 90% despite a year marked by transitions and increased demands, demonstrating the organization's resilience and strong internal culture. RAFI first received its GPTW certification in July 2023.

Advancing Sustainable Facilities, Grants Support

RAFI also advanced its sustainability initiatives through improvements in facilities management. Led by the Integrated Facilities Management (IFM) Team, RAFI expanded its Main Office solar photovoltaic (PV) system to supply up to 30% of the office's energy requirements during peak sunlight hours. Wastewater treatment facilities at the Main Office and Kool Adventure Camp were also completed, enabling compliant effluent discharge and the reuse of treated water for irrigation.





In 2025, the IFM team ensured that RAFI's key infrastructure remained safe and conducive to collaboration with facilities maintaining a "Good Condition" rating of 2.54 based on the Building Condition Assessment and Conditions Survey Protocol. Despite increased facility utilization and more employees, resource efficiency was optimized through energy and water conservation initiatives.

The IFM team also supported the development of facilities for RAFI's grant initiatives. Among these projects were the construction of Don Bosco Technical College's Auditorium and Smart Library, and the Vicente Sotto Memorial Medical Center Prosthetics and Orthotics Factory. The latter, inaugurated on July 10, is the first of its kind in the region, expanding access to rehabilitation care, and affordable orthoses and prostheses.

Through these efforts, RAFI continues to invest in infrastructure that supports both sustainable operations and improved service delivery for communities.





Advancing Strategic Influence and Partnerships

In 2025, the Communications and Partnerships (CAP) Group strengthened RAFI's strategic influence by ensuring continuity, responsiveness, and sustained engagement across programs and partners. Through a dual focus on emergency response and business-as-usual operations, CAP remained agile despite fourth-quarter disruptions.

The Group achieved its target of 10 institutional partnerships, with half from national government agencies and the rest from the private sector, NGOs, academe, and local networks. Partnership quality remained high, with a Partnerships Health Index of 4.5, exceeding the 4.0 target. CAP also facilitated 19 stakeholder engagements,

deepening collaboration across sectors. In times of crisis, the team mobilized Php 10.2 million for Typhoon Tino and earthquake response, reflecting strong partner trust and support.

Communications and Publications drove visibility and advocacy gains, with media value exceeding targets by 60%. Digital engagement remained strong, with a 100% sentiment score and 80% customer satisfaction rating, while internal brand alignment improved with a 4.4 audit score. Additionally, key publications, including *Out of Parian* and the *Nutrition Manual for Cancer Patients and Survivors*, were released, alongside the organization of Cebu City's Christmas Tree lighting ceremony.



CAP also strengthened RAFI's presence in strategic platforms through leadership roles in key networks, including the Regional Development Council Region 7, SDG Stakeholder Chamber Region 7, the Provincial People's Council, the Scaling Up Nutrition Movement, and Bayanihan sa Kalikasan.

By strengthening partnerships, enhancing communications, and fostering meaningful publications, the team contributed to greater organizational resilience and impact. This reflects CAP's strategic pivot toward strengthening RAFI's base of support through purposeful networks and linkages that contribute to long-term sustainability.





Sustainability Through Stewardship and Governance

In 2025, the Integrated Resource Stewards (IRS) together with the Governance, Risk and Compliance (GRC) and Internal Audit Group (IAG) strengthened financial stewardship, governance, and operational resilience across the organization. Through strengthened systems, disciplined financial management, and proactive risk oversight, these teams ensured that RAFI's resources and operations remained sustainable, accountable, and responsive to emerging challenges.

IRS marked a significant milestone in Supply Chain Management by transitioning from a procurement-focused unit into a more integrated supply chain function which helped enhance supplier engagement while maintaining compliance with procurement standards. It also safeguarded RAFI's financial resources through strategic fund management while ensuring that resources remained liquid and accessible, especially during its disaster response initiatives. The team strengthened financial transparency by enhancing its reporting systems and its regulatory compliance, as

affirmed by the clean audit opinion it received for 2025.

Building Resilience Through Risk Management

Complementing these efforts, the GRC team strengthened RAFI's risk management and operational continuity by maintaining Comprehensive Project Risk Management Plans, enabling teams to systematically identify, assess, and mitigate potential risks that could affect operations. This helped strengthen organizational resilience and ensure that projects could proceed with minimal disruption. GRC also played a crucial role during



the back-to-back disasters that affected Cebu by activating the RAFI Incident Management Team in response to the magnitude 6.9 earthquake and Typhoon Tino, and implementing the Business Continuity Management System to ensure that essential operations continued without interruption.

Improving Oversight and Operational Effectiveness

Supporting these financial and governance systems, the Internal Audit Group strengthened audit quality and delivery across the organization. The team completed audit engagements to help improve resource stewardship and operational effectiveness. Performing advisory engagements to the foundation's transformative programs also provided the team deeper understanding that enables them to extend value adding insights on RAFI's expanding programs.

Together, these collective efforts strengthened RAFI's financial governance, accountability, and sustainability, helping position the organization to deliver meaningful and lasting impact for the communities it serves.





Strengthening Enterprise Systems for Strategy, Governance, and Alignment

In 2025, RAFI strengthened its enterprise systems to enable more disciplined, aligned, and effective strategy execution as it advanced its 2030 Vision and rolled out transformative programs across Cebu LGUs.

The Office of Strategy and Transformation (OST) played a central role in translating strategy into coordinated action and informed decision-making. The team strengthened alignment across RAFI's people, systems, and leadership processes by advancing enterprise scorecards and performance monitoring, reinforcing governance mechanisms that guide leadership decisions, and integrating key systems for strategy execution, portfolio oversight, quality and performance excellence, and knowledge management.

OST also developed practical internal tools, such as enterprise dashboards and knowledge trackers, to improve visibility, support leadership decisions, and strengthen coordination and organizational learning.

In doing so, OST helps ensure that RAFI moves forward not just with intention, but with clarity, discipline, and the confidence to sustain and scale its impact toward the 2030 Vision.

Data to Dashboards

To further reinforce strategy execution, the Information Technology Unit (ITU) successfully launched Project VISTA (Visualizing Insights and Stories Transcending Analytics), a centralized dashboard that enables tracking of program progress and key data points. Through Project VISTA, RAFI teams can streamline reporting processes, monitor performance analytics more efficiently, and make more informed, data-driven decisions.

The ITU also played a critical role in supporting RAFI's disaster response efforts by developing a dedicated dashboard to monitor relief operations and on-the-ground conditions. This tool enhanced coordination, improved situational visibility, and increased the speed and effectiveness of RAFI's response during emergencies.

As part of efforts to strengthen its digital and operational foundations, RAFI onboarded Sebastien Georges Foulc as Chief Information Officer to ensure that technology serves as a strategic enabler of mission delivery, institutional discipline, and long-term organizational effectiveness.

Together, these initiatives mark a significant step in strengthening RAFI's institutional backbone for performance management and strategy execution.



Pagbangon ug Pagpahiuli: RAFI's Back-to-Back Disaster Response Efforts

In 2025, Cebu faced two major disasters in quick succession—a magnitude 6.9 earthquake that struck northern Cebu on September 30, followed by Typhoon Tino on November 4. These successive disasters once again activated RAFI's emergency response system, anchored in the Core Humanitarian Standard on Quality and Accountability (CHS). In both emergencies, communities received a coordinated and timely response grounded in urgency, partnership, and strong community presence.

Earthquake Response in Northern Cebu

RAFI's emergency relief operations were activated to reach communities whose homes and livelihoods were disrupted. With the help of donors, more than 37,000 essential items,



including food, water, and hygiene kits, were distributed to 11,629 families in the immediate aftermath. Additionally, psychological first aid was provided in partnership with Wellbeing Cluster Philippines, to help individuals cope with trauma. Collaboration with local leaders and frontline workers ensured assistance reached seven of the hardest-hit areas in northern Cebu: Bogo, Borbon, Daanbantayan, Medellin, San Remigio, Tabuelan, and Tabogon.

Supporting Communities After Typhoon Tino

Just weeks later, Typhoon Tino brought widespread flooding and displacement across Cebu. The organization's relief efforts reached over 29,000 families across Asturias, Balamban, Cebu City, Compostela, Consolacion, Danao City, Liloan, Mandaue City, and Talisay City, through the distribution of more than 80,000 essential items, including food packs, hygiene kits, and clearing tools. Among the hardest hit, communities in Liloan and Danao City received a significant share of support, ensuring

assistance was directed where needs were greatest.

Across both responses, RAFI worked with donors, partners, and local stakeholders to deliver timely and targeted support. Beyond the distribution of goods, these efforts helped restore a sense of safety and stability for affected families. As emergency operations concluded, support continued toward “*pagpahiuli*”—focusing on recovery and rebuilding alongside communities.









TESTIMONIALS



“

All we could think about was how we could save ourselves. Because of the trauma, we didn't even know what to do anymore... Through the many years that RAFI has been helping us, I realized that up to this day, they have never left us. It's overwhelming - I feel supported; they never abandoned us.”

SALOME ANCIANO

RAFI beneficiary after Typhoon Yolanda in 2013 and now, the magnitude 6.9 earthquake

“

We are very grateful on behalf of the Barangay. Many people helped us. We hope that God will be the one to repay all of you. May He bless you with grace and good health.”

Nelia Cabatingan

*Barangay Captain,
Brgy. Cabadiangan, Compostela*

“

I will never forget those who helped. I will never forget that we are still alive. And as long as we live, we will keep going.”

TATAY JESUS YAUN

Earthquake survivor



“

We won't be left behind. You know that Kidslife is really striving when it comes to funding. We're a nonprofit organization, so we're very thankful to organizations with big hearts that help us.”

MARY CRISTINE JAYME

Kidslife Project Coordinator and Teacher Mentor



“

During my internship at RAFI, I had the opportunity to help in packing relief goods for communities affected by disasters. This experience showed me how compassion, teamwork, and quick action can make a big difference and inspired me to continue serving others with purpose.”

Queenie Herrera
RAFI Intern



“

The feeling of being a responder and RAFInian, at the same time, is fulfilling in the sense that you help those people who are in need in times of crises and calamities.”

CONSTANTINE SAMSON
Purok Development Manager

“

RAFI is commendable because if there are calamities, basic operations are stopped and we turn to why RAFI started—shaping the future, touching the lives of the individual, helping the community, and uplifting one another.”

GIAN CARLO BRONIO
Security Operations and Technology Officer



Board of Trustees



**AMAYA CRISTINA
A. FANSLER**
CHAIRMAN



**CARLOS RAMON
ABOITIZ**
MEMBER



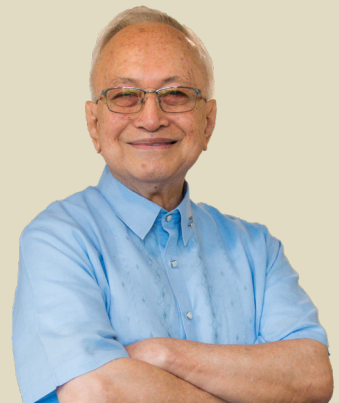
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CHAIR, SUCCESSION COMMITTEE
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CHRISTA GUIOGUO**

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**CARLOS
KAHN**

MEMBER (EX-OFFICIO), INVESTMENT COMMITTEE
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**SEBASTIEN GEORGES
FOULC**

CHIEF INFORMATION OFFICER



**EMMANUEL
ENOIA**

STRATEGY AND TRANSFORMATION
DIRECTOR

Financial Statement



RED LAUAN

Large tree, with deep and long roots important in protecting watershed areas and suitable in industrial forest plantations.

(MANUAL ON NATIVE TREES IN THE VISAYAS. CEBU CITY: RAMON ABOITIZ FOUNDATION INC., 2013.)

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REPORT OF INDEPENDENT AUDITORS

The Board of Trustees
Ramon Aboitiz Foundation, Inc.
35 Eduardo Aboitiz St.
Tinago, Cebu City, Philippines

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ramon Aboitiz Foundation, Inc. (the Foundation), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of activities and other comprehensive loss, changes in fund balance and cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2025 and 2024, and its cash flows for the years 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation 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 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.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024
and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029
financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

R.G. Manabat & Co.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

R.G. Manabat & Co.



- 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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Report on the Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010 and RR No. 34-2020 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 24 to the basic financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

TIRESO RANDY F. LAPIDEZ

Partner

CPA License No. 0092183

SEC Accreditation No. 92183-SEC, Group A, valid for five (5) years covering the audit of 2022 to 2026 financial statements

Tax Identification No. 162-411-175

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Issued May 25, 2023; valid until May 25, 2026

PTR No. MKT 10764398

Issued January 5, 2026 at Makati City

March 27, 2026

Makati City, Metro Manila

RAMON ABOITIZ FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	4, 21	P1,287,180,132	P866,005,655
Accounts receivable	5, 21	14,955,547	22,138,929
Financial assets at fair value through profit and loss	6, 21	1,435,590,306	1,633,878,854
Other current assets	3	23,633	197,957
Total Current Assets		2,737,749,618	2,522,221,395
Noncurrent Assets			
Financial assets at fair value through other comprehensive income	7, 21	12,462,308,473	15,281,179,887
Financial assets at amortized cost	8, 21	1,249,720,817	1,249,720,817
Property and equipment - net	3, 9	446,613,817	473,373,791
Intangible assets - net	3, 10	745,322	889,577
Trust funds	13, 21	29,403,437	35,759,901
Other noncurrent assets	3, 11	43,483,133	35,644,905
Total Noncurrent Assets		14,232,274,999	17,076,568,878
		P16,970,024,617	P19,598,790,273
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accounts and other payables	12, 21	P70,501,447	P75,336,118
Deferred grants	13, 21	27,912,849	35,712,274
Income tax payable	20	-	12,272
Total Current Liabilities		98,414,296	111,060,664
Noncurrent Liability			
Retirement benefits liability	19	24,580,423	37,063,183
Total Liabilities		122,994,719	148,123,847
Fund Balance			
General fund		5,750,111,618	5,548,647,556
Retirement benefits reserve	19	(29,376,530)	(43,130,488)
Fair value reserve		11,126,294,810	13,945,149,358
Total Fund Balance		16,847,029,898	19,450,666,426
		P16,970,024,617	P19,598,790,273

See Notes to the Financial Statements.

RAMON ABOITIZ FOUNDATION, INC.
STATEMENTS OF CHANGES IN FUND BALANCE

	Years Ended December 31			
	General Fund	Retirement Benefit Reserve (Note 19)	Fair Value Reserve (Note 7)	Total
Balance at January 1, 2025	P5,548,647,556	(P43,130,488)	P13,945,149,358	P19,450,666,426
Total Comprehensive Loss				
Net excess of supports and other gains over expenses	201,464,062	-	-	201,464,062
Remeasurement of net retirement liability	-	13,753,958	-	13,753,958
Net change in financial assets at fair value through other comprehensive income	-	-	(2,818,854,548)	(2,818,854,548)
	201,464,062	13,753,958	(2,818,854,548)	(2,603,636,528)
Balance at December 31, 2025	P5,750,111,618	(P29,376,530)	P11,126,294,810	P16,847,029,898
Balance at January 1, 2024	P5,238,273,880	(P33,303,699)	P18,362,192,391	P23,567,162,572
Total Comprehensive Loss				
Net excess of supports and other gains over expenses	310,373,676	-	-	310,373,676
Remeasurement of net retirement liability	-	(9,826,789)	-	(9,826,789)
Net change in financial assets at fair value through other comprehensive income	-	-	(4,417,043,033)	(4,417,043,033)
	310,373,676	(9,826,789)	(4,417,043,033)	(4,116,496,146)
Balance at December 31, 2024	P5,548,647,556	(P43,130,488)	P13,945,149,358	P19,450,666,426

See Notes to the Financial Statements.

RAMON ABOITIZ FOUNDATION, INC.
STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of supports and other gains over expenses before income tax expense		P201,536,701	P310,375,878
Adjustments for:			
Depreciation and amortization	9, 10	53,664,316	44,560,781
Retirement benefits expense	18, 19	18,451,718	14,659,121
Impairment on receivables	5	3,483,765	-
Fair value loss (gain) on financial assets - net		10,342,410	(8,357,109)
Dividends income	15	(717,075,891)	(663,509,141)
Interest income	15	(170,008,656)	(164,730,807)
Loss (gain) on sale of property and equipment		(250,296)	1,800,740
Loss on disposal of intangible assets		-	1,641,419
		(599,855,933)	(463,559,118)
Changes in:			
Accounts receivable		3,699,617	13,764,693
Other current assets		144,828	520,100
Trust funds		6,356,464	(2,378,523)
Other noncurrent assets		(7,838,228)	(2,101,504)
Accounts and other payables		(4,834,671)	(1,919,327)
Deferred grants		(7,799,425)	2,331,032
		(610,127,348)	(453,342,647)
Dividends received	15	717,075,891	663,509,141
Interest received	15	170,008,656	162,603,002
Contribution to retirement fund	19	(17,180,520)	(13,703,827)
Income tax paid		(55,415)	(36,920)
Net cash provided by operating activities		259,721,264	359,028,749
CASH FLOWS FROM INVESTING ACTIVITIES			
Net disposal of financial assets at fair value through profit and loss		187,161,249	103,009,165
Proceeds from disposal of property and equipment		302,938	1,359,214
Net disposal of financial assets at fair value through other comprehensive income		16,868	-
Acquisition of financial assets at fair value through other comprehensive income		-	(38,282,456)
Acquisition of financial assets at fair value through profit and loss		-	(304,371,053)
Acquisition of financial assets at amortized cost		-	(400,000,000)
Additions to property and equipment, and intangible assets	9, 10	(26,812,731)	(52,559,941)
Net cash provided by (used in) investing activities		160,668,324	(690,845,071)

Forward

		Years Ended December 31	
	Note	2025	2024
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		P420,389,588	(P331,816,322)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	15	784,889	(107,859)
CASH AND CASH EQUIVALENTS BALANCE AT BEGINNING OF YEAR	4	866,005,655	1,197,929,836
CASH AND CASH EQUIVALENTS BALANCE AT END OF YEAR	4	P1,287,180,132	P866,005,655

See Notes to the Financial Statements.

RAMON ABOITIZ FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

Ramon Aboitiz Foundation, Inc. (the Foundation) was organized and registered with the Philippines Securities and Exchange Commission (SEC) on December 14, 1966 as a nonstock, nonprofit foundation. The Foundation is primarily a socio-economic assistance body; as such it operates by extending financial aid, technical aid, or both to pre-qualified deserving service agencies or communities. It believes that a strong collaboration between its partners, whether government or non-government organizations, and itself is key to the success of its different socio-economic assistance projects. It is governed by a board of trustees (BOT) whose members do not receive any compensation.

The Foundation is committed to fostering sustainable social change and enhancing the well-being of communities in Cebu (see Note 16).

The Foundation is a donee institution in accordance with revenue laws, rules and regulations (see Note 14).

The Foundation's registered office is at 35 Eduardo Aboitiz St., Tinago, Cebu City, Philippines.

2. Basis of Preparation

Basis of Accounting

These financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards. They were authorized for issue by the Foundation's BOT on March 18, 2026.

Details of the Foundation's material accounting policies are included in Note 22.

Basis of Measurement

These financial statements have been prepared under historical cost basis except for the following items, which are measured on alternative basis on each reporting date:

Items	Measurement Basis
Financial assets at fair value through profit and loss (FVTPL)	Fair value
Financial assets at fair value through other comprehensive income (FVOCI)	Fair value
Retirement liability	Present value of the defined benefits obligation (DBO) less fair value of plan assets (FVPA)

Functional and Presentation Currency

These financial statements are presented in Philippine peso, which is the Foundation's functional and presentation currency. All amounts have been rounded to the nearest Philippine peso, unless otherwise indicated.

3. Use of Judgment and Estimates

In preparing these financial statements, management has made judgment, estimates and assumptions that affect the Foundation's application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Judgment

In the process of applying the Foundation's accounting policies, management has made the following judgment, apart from those involving estimations and assumptions, which have the most significant effect on the amounts recognized in the financial statements:

Classification of Financial Instruments

The Foundation exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definition of a financial asset, financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is as follows:

Impairment of Financial Assets

The Foundation assesses the expected credit losses associated with its financial asset carried at amortized cost and FVTPL on a forward-looking basis. The impairment methodology applied depends on when there has been a significant increase in credit risk.

The Foundation applies the general approach to providing for expected credit losses. The general expected credit loss model requires the calculation of '12 month expected credit losses' (losses based on defaults which are possible within 12 months of the reporting date) for financial assets, unless the asset at the reporting date is not considered to be 'low credit risk' and is deemed to have had a 'significant increase in credit risk' since initial recognition, in which case lifetime expected credit losses should be recorded.

The Foundation considers amounts classified as debt instruments to have '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 short term.

Further details on the carrying amounts of financial assets are disclosed in Notes 4, 5, 6, 7, 8, 13 and 21.

Estimating Useful Lives of Property and Equipment and Intangible Assets

The Foundation estimates the useful lives of its property and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed at each reporting date 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. In addition, estimation of the useful lives of these assets is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets.

It is possible that future results of operation could be materially affected by changes in these estimates brought about by changes in factors mentioned. The amounts and timing of recording of expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment and intangible assets would increase depreciation and amortization expense and decrease noncurrent assets.

There has been no change in the Foundation's estimate of useful lives of property and equipment and intangible assets.

Retirement Benefits

The determination of the retirement benefits liability and expense is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates and rates of compensation increase. The Foundation's assumptions are believed to be reasonable and appropriate. Significant differences in actual experience or significant changes in assumptions may materially affect the Foundation's retirement benefits liability and expense.

The Foundation's retirement expense is recognized in the statement of activities and other comprehensive loss using the projected unit credit method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Further details on the carrying amount of retirement liability are disclosed in Note 19.

Impairment of Nonfinancial Assets

The Foundation assesses at each reporting date whether there is an indication that the carrying amount of nonfinancial assets may be impaired. If such indication exists, the Foundation makes an estimate of the asset's recoverable amount. Though management believes that the assumptions used in the estimation of the recoverable amounts reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the results of operations of the Foundation.

The factors that the Foundation considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

Carrying values of nonfinancial assets are as follows:

	Note	2025	2024
Other current assets		P23,633	P197,957
Property and equipment - net	9	446,613,817	473,373,791
Intangible assets - net	10	745,322	889,577
Other noncurrent assets	11	43,483,133	35,644,905

Fair Value Measurement on Financial Instruments

If the financial instruments are not traded in an active market, the fair value is determined using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel, independent of the area that created them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair values of financial instruments.

The specific methods and assumptions used by the Foundation in estimating fair values of its financial instruments are disclosed in Note 21.

4. Cash and Cash Equivalents

This account consists of:

	Note	2025	2024
Cash equivalents		P1,197,396,848	P804,705,862
Cash in banks		89,681,284	61,257,793
Cash on hand		102,000	42,000
	21	P1,287,180,132	P866,005,655

Cash equivalents are short-term money market placements with terms ranging from 32 to 90 days. Cash equivalents earn annual interest ranging from 3.735 to 5.00% in 2025 and 4.65% to 6.00% in 2024.

Cash in banks represent current accounts, which do not earn interest, and savings accounts, which earn interest at the respective banks' deposit rates and are unrestricted and immediately available for use in current operations.

Cash on hand consists of petty cash and other cash funds.

Interest income earned on cash and cash equivalents amounted to P64.29 million and P72.64 million in 2025 and 2024, respectively (see Note 15).

5. Accounts Receivables

This account consists of:

	Note	2025	2024
Current portion of advances to officers and employees		P9,341,089	P4,948,368
Accrued interest receivable		6,730,707	6,616,012
Receivables from program partners		888,580	9,555,146
Other receivables		1,478,936	1,019,403
		18,439,312	22,138,929
Less allowance for impairment losses		(3,483,765)	-
	21	P14,955,547	P22,138,929

Current portion of advances to officers and employees pertain to the advances for the Foundation's operation and personal advances subject to liquidation and payroll deductions.

Accrued interest receivable refers to interest earned on short-term investments and investments at amortized cost but not yet received.

Receivables from program partners consist of receivables from project proponents for project monitoring expenses paid by the Foundation on their behalf.

6. Financial Assets at FVTPL

This account consists of:

	Note	2025	2024
Government debt securities		P828,665,546	P815,353,614
Equity securities		460,825,774	454,629,354
Corporate debt securities		78,559,546	67,922,752
Mutual funds		39,478,294	290,375,822
Time deposits		28,061,146	5,597,312
	21	P1,435,590,306	P1,633,878,854

Investments in government and corporate debt securities earn annual interest ranging from 3.82% to 8.15% for both 2025 and 2024.

Investments in equity securities represent the Foundation's holdings in the shares of other entities, acquired with the intention of generating returns through dividends and capital appreciation.

Mutual funds represent pooled investment vehicles managed by the Foundation's fund managers.

Investment income earned from financial assets at FVTPL are as follows:

	Note	2025	2024
Interest income		P43,581,416	P33,182,633
Dividend income		28,490,109	43,858,517
Fair value changes		10,572,087	13,440,625
	15	P82,643,612	P90,481,775

7. Financial Assets at FVOCI

This account consists of:

	<i>Note</i>	2025	2024
Equity securities - traded		P12,449,163,473	P15,268,034,887
Equity securities - not traded		13,145,000	13,145,000
	21	P12,462,308,473	P15,281,179,887

Dividend income from equity securities classified by the Foundation as financial assets at FVOCI amounted to P688.59 million and P619.65 million in 2025 and 2024, respectively (see Note 15).

The Foundation recognized unrealized loss on the changes of fair value of financial assets at FVOCI amounting to P2.82 billion and P4.42 billion in 2025 and 2024, respectively.

8. Financial Assets at Amortized Cost

This account consists of:

	<i>Note</i>	2025	2024
Corporate debt securities		P600,000,000	P600,000,000
Time deposits		649,720,817	649,720,817
	21	P1,249,720,817	P1,249,720,817

Time deposits are interest bearing and have terms of 3-5 years.

Financial assets at amortized cost have annual interest rates which ranged from 6.48% to 6.80% for years 2024 and 2025.

Interest income earned on financial assets at amortized cost amounted to P62.14 million and P58.91 million in 2025 and 2024, respectively (see Note 15).

9. Property and Equipment

The balances and movements in this account are as follows:

As at December 31, 2025							
	Land	Buildings	Building Improvements	Transportation Equipment	Office Equipment, Furniture and Fixtures	Tools and Equipment	Total
Cost							
Balance at beginning of year	P132,952,904	P458,396,620	P277,263,383	P24,503,725	P223,715,732	P8,381,473	P1,125,213,837
Additions	-	-	7,074,369	3,393,560	16,342,368	-	26,810,297
Disposals	-	-	-	-	(4,982,660)	(1,260)	(4,983,920)
Balance at end of year	132,952,904	458,396,620	284,337,752	27,897,285	235,075,440	8,380,213	1,147,040,214
Accumulated Depreciation							
Balance at beginning of year	-	359,122,067	107,774,910	17,963,948	160,123,360	6,855,761	651,840,046
Depreciation for the year	-	9,616,912	12,014,726	2,073,781	29,400,664	411,545	53,517,628
Disposals	-	-	-	-	(4,330,017)	(1,260)	(4,331,277)
Balance at end of year	-	368,738,979	119,789,636	20,037,729	184,594,007	7,266,046	700,426,397
Carrying Amount	P132,952,904	P89,657,641	P164,548,116	P7,859,556	P50,481,433	P1,114,167	P446,613,817

As at December 31, 2024							
	Land	Buildings	Building Improvements	Transportation Equipment	Office Equipment, Furniture and Fixtures	Tools and Equipment	Total
Cost							
Balance at beginning of year	P132,952,904	P459,752,865	P246,137,314	P22,051,400	P215,226,597	P9,830,232	P1,085,951,312
Additions	-	-	32,785,647	3,088,675	16,237,589	468,030	52,559,941
Disposals	-	(1,356,245)	(1,659,578)	(616,350)	(7,748,454)	(1,916,789)	(13,297,416)
Balance at end of year	132,952,904	458,396,620	277,263,383	24,503,725	223,715,732	8,381,473	1,125,213,837
Accumulated Depreciation							
Balance at beginning of year	-	351,443,529	97,078,772	17,319,028	143,582,518	8,382,475	617,806,322
Depreciation for the year	-	8,560,908	10,887,352	1,233,891	23,098,959	390,075	44,171,185
Disposals	-	(882,370)	(191,214)	(588,971)	(6,558,117)	(1,916,789)	(10,137,461)
Balance at end of year	-	359,122,067	107,774,910	17,963,948	160,123,360	6,855,761	651,840,046
Carrying Amount	P132,952,904	P99,274,553	P169,488,473	P6,539,777	P63,592,372	P1,525,712	P473,373,791

Depreciation is allocated as follows:

	2025	2024
Project utilization	P46,162,549	P37,702,933
General and administrative	7,355,079	6,468,252
	P53,517,628	P44,171,185

There were no property and equipment pledged as collateral as at December 31, 2025 and 2024.

10. Intangible Assets

The balances and movements in this account are as follows:

	2025	2024
Cost		
Beginning balance	P1,375,857	P5,273,962
Additions	2,434	-
Disposals	-	(3,898,105)
Ending balance	1,378,291	1,375,857
Accumulated Amortization		
Beginning balance	486,280	2,353,371
Amortization	146,689	389,596
Disposals	-	(2,256,687)
Ending balance	632,969	486,280
Carrying Amount	P745,322	P889,577

Amortization is allocated as follows:

	2025	2024
Project utilization	P126,529	P332,545
General and administrative	20,160	57,051
	P146,689	P389,596

11. Other Noncurrent Assets

This account consists of:

	<i>Note</i>	2025	2024
Advances to officers and employees - net of current portion		P17,728,585	P21,198,116
Advances to contractors and suppliers		13,887,267	4,677,232
Museum shop inventory and other supplies		6,743,128	5,696,159
Deferred tax asset (DTA) - minimum corporate income tax (MCIT)	20	172,790	109,447
Others		4,951,363	3,963,951
		P43,483,133	P35,644,905

Advances to contractors and suppliers are down payments applicable against billings for jobs done or deliveries. These include payments for the construction of long-term assets such as wastewater treatment facility and museum enhancements. This also includes 10% retention which shall be paid once the construction is finished and surveyed by the Foundation.

12. Accounts and Other Payables

This account consists of:

	Note	2025	2024
Accounts payable		P56,782,728	P57,077,228
Other payables		13,718,719	18,258,890
	21	P70,501,447	P75,336,118

Accounts payable consists of suppliers' credits with terms ranging from 30 to 60 days.

Other payables pertain to dues to statutory agencies and partners' restricted fund intended for project and implementation in accordance with the scheduled timeline.

13. Deferred Grants

Deferred grants represent donations or funds received by the Foundation that are subject to specific conditions or restrictions imposed by the donors. These funds are accounted for initially as trust funds and are released from the restrictions upon the occurrence of the events specified by the donors. The restrictions typically require that the funds be utilized for predetermined purposes or upon the occurrence of specific events. Until these conditions are met, the grants are classified as deferred income and are not recognized as part of the Foundation's supports and other gains.

The balances and movements in this account are as follows:

	Note	2025	2024
Balance at beginning of year		P35,712,274	P33,381,242
Additional donations and funds		1,808,610	6,450,675
Recognized grants		(10,700,837)	(5,690,452)
Interest income		1,092,802	1,570,809
Balance at end of year	21	P27,912,849	P35,712,274

14. Donations

The Foundation is duly accredited by the Philippine Council for NGO Certification (PCNC) as a donee institution. The accreditation is valid until October 26, 2026.

On December 7, 2023, the Bureau of Internal Revenue (BIR) issued a certificate of registration to the Foundation as a donee institution in accordance with the provisions of Revenue Regulations (RR) No. 13-98. Donations received by the Foundation shall entitle the donors to full or limited deduction pursuant to Section 34(H)(1) and (2) an exemption from donor's tax pursuant to Section 101(A)(3) of the National Internal Revenue Code of 1997. The certificate of registration shall be valid until December 7, 2026 unless sooner revoked for violation of any provisions of RR No. 13-98, or upon withdrawal of the accreditation by the PCNC.

Donations amounted to P43.97 million and P45.21 million in 2025 and 2024, respectively.

15. Other Supports and Gains

Sources of dividend income are as follows:

	<i>Note</i>	2025	2024
Financial assets at FVOCI	7	P688,585,782	P619,650,624
Financial assets at FVTPL	6	28,490,109	43,858,517
		P717,075,891	P663,509,141

Sources of interest income are as follows:

	<i>Note</i>	2025	2024
Cash and cash equivalents	4	P64,286,763	P72,640,133
Financial assets at FVTPL	6	43,581,416	33,182,633
Financial assets at amortized cost	8	62,140,477	58,908,041
		P170,008,656	P164,730,807

Other income consists of:

	<i>Note</i>	2025	2024
Fair value changes of financial assets at FVTPL	6	P10,572,087	P13,440,625
Museum		5,021,182	4,755,342
Foreign exchange gain		784,889	107,859
		P16,378,158	P18,303,826

16. Project Utilization

The Foundation is committed to fostering sustainable social change and enhancing the wellbeing of communities in Cebu. Guided by its mission to uphold the dignity of man and its vision of "Touching People, Shaping the Future," the Foundation's 2030 Strategic Plan aims to enable resilient, prosperous, and vibrant communities by addressing key challenges through the following transformative programs:

- Disaster Resilience Program - aims to enhance disaster resilience through community-based disaster risk management and reduction, ecosystem restoration, including climate-smart solutions underlining climate change adaptation.

- Health Development Program - aims to improve healthcare access and quality by working with the local communities through capacity building, health education, and co-created development projects.
- Early Childhood Care and Development - focuses on working with the local communities and partners in improving nutrition support, early learning programs, parental education, and child health screenings to ensure that every child in Cebu is happy, healthy, and kindergarten-ready by age 5.
- Basic Education Program - aims to improve literacy and numeracy outcomes by working with communities and partners through leadership capability building, teacher training, curriculum enhancement, supplementary learning materials, and other learning loss recovery programs.
- Youth Civic Development Program - aims to empower youth through leadership training, community service projects, youth networks, and advocacy and awareness campaigns.
- Culture and Heritage Program - aims to develop a strong sense of cultural identity among local communities by promoting awareness of their heritage and enabling them to articulate their stories through cultural preservation projects, heritage site conservation, educational programs, including community festival and events.

These transformative programs are implemented following a holistic and integrated approach focusing on three key pillars of change: (1) Inspiring Actions, (2) Enabling Communities, and (3) Taking Actions, Making Impact Implementation.

Costs and expenses incurred during the year are as follows:

	2025	2024
Disaster resilience program	P276,470,551	P130,784,236
Culture and heritage program	193,518,489	87,673,902
Health development program	92,919,759	48,717,595
Basic education program	29,806,137	43,978,378
Youth civic development program	29,106,285	124,073,653
Early childhood care and development	21,563,983	61,053,438
	P643,385,204	P496,281,202

17. General and Administrative

This account consists of:

	2025	2024
Information technology unit	P26,593,403	P36,190,663
Governance, risk and compliance	19,082,054	11,460,259
People and culture	17,187,729	19,192,474
Integrated resource stewards	14,475,969	8,719,110
Communications, advocacy and partnerships	10,146,567	5,289,972
Audit	9,859,606	4,241,861
Strategy and transformation	5,165,221	-
	P102,510,549	P85,094,339

18. Personnel Costs

This account consists of:

	Note	2025	2024
Salaries and wages		P196,717,114	P146,425,077
Retirement benefits expense	19	18,451,718	14,659,121
Other employee benefits		59,673,073	46,349,509
		P274,841,905	P207,433,707

Personnel costs are charged to the following:

	2025	2024
Project utilization	P237,069,610	P177,057,940
General and administrative	37,772,295	30,375,767
	P274,841,905	P207,433,707

19. Retirement Benefits

The Foundation has a funded, noncontributory, defined benefit plan (the Plan) providing for retirement, death and disability benefits to permanent and regular employees in accordance with Republic Act (RA) No. 7641, *Retirement Pay Law*. Retirement benefits under the Plan is equal to 100% of final monthly salary for every year of service for services rendered prior to January 1, 2006 and 150% of final monthly salary for every year of service rendered starting January 1, 2006. Benefits are paid in lump-sum upon retirement or separation in accordance with the terms of the Plan. Annual cost is determined using the projected unit credit method. The most recent actuarial valuation of the Foundation was carried out as at December 31, 2025 by a qualified independent actuary.

The Plan is registered with the BIR as a tax-qualified Plan under RA No. 4917, As Amended, otherwise known as *An Act Providing that Retirement Benefits of Employees of Private Firms shall not be subject to Attachment, Levy, Execution, or any Tax whatsoever*.

The following tables show the reconciliation from the opening balances to the closing balances of retirement benefits liability and its components:

	DBO		FVPA		Retirement Benefits Liability	
	2025	2024	2025	2024	2025	2024
Beginning balance	P100,675,091	P78,139,978	(P63,611,908)	(P51,858,878)	P37,063,183	P26,281,100
Included in Statement of Activities						
Current service cost	16,201,983	12,942,965	-	-	16,201,983	12,942,965
Interest cost (income)	6,110,978	5,102,541	(3,861,243)	(3,386,385)	2,249,735	1,716,156
	22,312,961	18,045,506	(3,861,243)	(3,386,385)	18,451,718	14,659,121
Included in Other Comprehensive Loss						
Remeasurement losses (gains):						
Actuarial losses (gains) arising from:						
Changes in financial assumptions	(3,302,474)	4,585,078	-	-	(3,302,474)	4,585,078
Changes in experience adjustments	(15,593,296)	1,607,400	-	-	(15,593,296)	1,607,400
Return on plan assets excluding interest income	-	-	5,141,812	3,634,311	5,141,812	3,634,311
	(18,895,770)	6,192,478	5,141,812	3,634,311	(13,753,958)	9,826,789
Others						
Contributions	-	-	(17,180,520)	(13,703,827)	(17,180,520)	(13,703,827)
Net acquired assets due to employee transfers	-	1,499,765	-	(1,499,765)	-	-
Benefits paid	-	(3,202,636)	-	3,202,636	-	-
	-	(1,702,871)	(17,180,520)	(12,000,956)	(17,180,520)	(13,703,827)
Ending balance	P104,092,282	P100,675,091	(P79,511,859)	(P63,611,908)	P24,580,423	P37,063,183

The Foundation's plan assets amounting to P79.51 million and P63.61 million as at December 31, 2025 and 2024, respectively, consist of financial assets at amortized cost with investment yield of 5.69% and 7.00% per annum in 2025 and 2024, respectively.

The Foundation recognized retirement benefits expense amounting to P18.45 million and P14.66 million for the year ended December 31, 2025 and 2024, respectively. These were presented as part of the "Personnel Costs" account (see Notes 18).

The principal actuarial assumptions used to determine the DBO and retirement benefits expense as at and for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Discount rate	6.39%	6.07%
Future salary rate increases	7.00%	7.00%
Mortality rate	2017 Philippine Intercompany Mortality Table	
Disability rate	1952 Disability Study, Period 2, Benefit 5	

Maturity analysis of the benefit payments:

	DBO				
	Carrying Amount	Contractual Cash Flows	Within 1 Year	Within 1 - 5 Years	More than 5 Years
2025	P104,092,282	P104,092,282	P6,673,464	P31,427,538	P65,991,280
2024	P100,675,091	P100,675,091	P3,271,150	P30,111,578	P67,292,363

The average duration of the expected benefits payments is 13.49 years and 13.83 years as at December 31, 2025 and 2024, respectively.

Sensitivity Analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions was prepared by remeasuring the DBO at the reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in DBO, holding other assumptions constant, would have affected the DBO by the amounts shown below.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected DBO by the amounts shown below:

2025	DBO	
	Increase	Decrease
Discount rate (1% movement)	(P94,673,112)	P114,941,769
Future salary rate (1% movement)	115,235,750	(94,256,071)

2024	DBO	
	Increase	Decrease
Discount rate (1% movement)	(P91,012,156)	P111,839,493
Future salary rate (1% movement)	112,085,738	(90,630,439)

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable. The trustee has no specific matching strategy between the plan assets and the plan liabilities.

The Plan exposes the Foundation to actuarial risks, such as interest rate risk, and market (investment) risk.

20. Income Tax

The Foundation is a nonstock, nonprofit foundation organized and operated exclusively to provide financial aid and technical aid to prequalified deserving service agencies or communities. It is exempt from income tax pursuant to Section 30 of RA No. 8424, *Tax Reform Act of 1997*. However, income derived from its properties, real or personal, or from any of its activities conducted for profit regardless of the disposition made of such income, is subject to tax. On December 7, 2023, the BIR issued a tax exemption certificate to the Foundation valid for three (3) years from the date of issuance.

The components of the income tax expense are as follows:

	2025	2024
Current	P72,639	P64,022
Deferred	-	(61,820)
	P72,639	P2,202

The reconciliation of the income tax expense computed at the statutory rate and to the income tax expense recognized in the statement of activities and other comprehensive loss as at December 31 is as follows:

	2025	2024
Excess of supports and other gains over expenses before income tax expense	P201,536,701	P310,375,878
Income tax at statutory tax rate of 25%	P50,384,175	P77,593,970
Tax effects of:		
Nondeductible expense	142,119,712	102,697,237
Addition of MCIT	72,638	64,022
Interest income subject to final tax	(177,416,909)	(165,647,990)
Nontaxable income	(15,086,977)	(14,705,037)
	P72,639	P2,202

The components of DTA - MCIT that is creditable against regular corporate income tax within the three immediately succeeding taxable years are as follows:

Year Incurred	Expiry Date	As at December 31, 2024	Addition	Expiration/ Application	As at December 31, 2025
2025	2028	P -	P72,639	P -	P72,639
2024	2027	64,022	-	-	64,022
2023	2026	36,129	-	-	36,129
2022	2025	9,296	-	9,296	-
		P109,447	P72,639	P9,296	P172,790

The details of the unrecognized net operating loss carry-over (NOLCO) are as follows:

Year Incurred	Expiry Date	As at December 31, 2024	Addition	Expiration/ Application	As at December 31, 2025
2025	2028	P -	P8,777,155	P -	P8,777,155
2024	2027	19,745,441	-	-	19,745,441
2023	2026	6,366,978	-	-	6,366,978
2022	2025	2,777,255	-	2,777,255	-
2021	2026	4,773,178	-	-	4,773,178
2020	2025	4,382,580	-	4,382,580	-
		P38,045,432	P8,777,155	P7,159,835	P39,662,752

DTA on NOLCO has not been recognized as realization of tax benefit from NOLCO is doubtful.

21. Financial Risk, Policies and Objectives and Capital Management

Risk Management Structure

The BOT is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Organization. It also has the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Organization's approach to risk issues in order to make relevant decisions.

Risk Management Committee

Risk Management Committee is responsible for the comprehensive monitoring, evaluation and analysis of the Organization's risks in line with the policies and limits set by BOT.

Financial Risks Management Policies and Objectives

The Foundation is exposed to a variety of risks arising from financial instruments which are from its operating and investing activities.

The main risks arising from the Foundation's financial instruments are equity price risk on its traded equity instruments, credit risk involving possible exposure to counter-party default by debtors and on its cash investments and trust funds, and liquidity risk in terms of proper matching of financing for its projects and programs.

Equity Price Risk

Equity price risk is the risk that the fair value of traded equity instruments decreases as the result of the changes in the levels of equity indices and the value of the individual stocks.

The Foundation is exposed to equity price risk on its equity investments classified under financial assets at FVOCI. It manages this risk by constantly monitoring the changes of the market price of these investments.

The observed volatility rates of the fair value of the Foundation's investments held at fair value and their impact on the fund balance are as follows:

	Volatility Rate		Effect on Fund Balance	
	Increase	Decrease	Increase	Decrease
Equity Securities Listed in the Philippines				
2025	10%	5%	P1,246,230,847	(P623,115,424)
2024	10%	5%	P1,528,117,989	(P764,058,994)

Credit Risk

Credit risk is the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risks arising from debtors are mitigated by subjecting debtors to credit verification and setting of credit limits. Furthermore, the Foundation monitors receivables continuously.

Definition of default

The Foundation considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Foundation may also consider a financial asset to be in default when internal or external information indicates that the Foundation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Foundation.

Receivables of the Foundation that are neither past due nor impaired and are of standard credit quality amounted to P14.96 million and P22.14 million as of December 31, 2025 and 2024, respectively.

Credit risk from other financial assets, which comprise mainly of cash and cash equivalents, financial assets at amortized cost and trust funds, is mitigated by maintaining depository accounts and cash investments with financial institutions of high credit rating. Cash and cash equivalents, financial assets at amortized cost, and trust funds amounted to P2.57 billion and P2.15 billion and as of December 31, 2025 and 2024, respectively.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

To manage this risk, the Foundation regularly monitors its projected and actual cash flows information. Any excess cash is invested in short term placements.

The following table presents the Foundation's assets and liabilities by contractual maturities and settlement dates:

As at December 31, 2025

Financial Assets	Contractual Undiscounted Collections				Total	Total Carrying Value
	Less Than 1 Year	1 to 5 Years	> 5 Years			
Cash and cash equivalents	P1,287,180,132	P -	P -	P1,287,180,132	P1,287,180,132	
Accounts receivable	14,955,547	-	-	14,955,547	14,955,547	
Financial assets at FVTPL	1,435,590,306	-	-	1,435,590,306	1,435,590,306	
Financial assets at FVOCI	12,462,308,473	-	-	12,462,308,473	12,462,308,473	
Financial assets at amortized cost	1,249,720,817	-	-	1,249,720,817	1,249,720,817	
Trust funds	29,403,437	-	-	29,403,437	29,403,437	
	P16,479,158,712	P -	P -	P16,479,158,712	P16,479,158,712	

Financial Liabilities	Contractual Undiscounted Collections				Total	Total Carrying Value
	Less Than 1 Year	1 to 5 Years	> 5 Years			
Accounts and other payables	P70,501,447	P -	P -	P70,501,447	P70,501,447	
Deferred grants	27,912,849	-	-	27,912,849	27,912,849	
	P98,414,296	P -	P -	P98,414,296	P98,414,296	

As at December 31, 2024

Financial Assets	Contractual Undiscounted Collections				Total	Total Carrying Value
	Less Than 1 Year	1 to 5 Years	> 5 Years			
Cash and cash equivalents	P866,005,655	P -	P -	P866,005,655	P866,005,655	
Accounts receivable	22,138,929	-	-	22,138,929	22,138,929	
Financial assets at FVTPL	1,633,878,854	-	-	1,633,878,854	1,633,878,854	
Financial assets at FVOCI	15,281,179,887	-	-	15,281,179,887	15,281,179,887	
Financial assets at amortized cost	1,249,720,817	-	-	1,249,720,817	1,249,720,817	
Trust funds	35,759,901	-	-	35,759,901	35,759,901	
	P19,088,684,043	P -	P -	P19,088,684,043	P19,088,684,043	

Financial Liabilities	Contractual Undiscounted Collections			Total	Total Carrying Value
	Less Than 1 Year	1 to 5 Years	> 5 Years		
Accounts and other payables	P75,336,118	P -	P -	P75,336,118	P75,336,118
Deferred grants	35,712,274	-	-	35,712,274	35,712,274
	P111,048,392	P -	P -	P111,048,392	P111,048,392

Capital Management

The primary objective of the Foundation's capital management is to ensure the ability of the Foundation to continue as a going concern so that the Foundation can continue to support its projects and programs and thus achieve the purpose for which it was created.

The Foundation manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Foundation may sell its investments. No changes were made in the objectives, policies or processes in 2025 and 2024.

The Foundation's financial assets and financial liabilities consist of:

	Note	2025	2024
Financial Assets			
Cash and cash equivalents	4	P1,287,180,132	P866,005,655
Accounts receivable	5	14,955,547	22,138,929
Financial assets at amortized cost	8	1,249,720,817	1,249,720,817
Trust funds	13	29,403,437	35,759,901
		2,581,259,933	2,173,625,302
Financial assets at FVTPL	6	1,435,590,306	1,633,878,854
Financial assets at FVOCI	7	12,462,308,473	15,281,179,887
		P16,479,158,712	P19,088,684,043
Financial Liabilities			
Accounts and other payables	12	P70,501,447	P75,336,118
Deferred grants	13	27,912,849	35,712,274
		P98,414,296	P111,048,392

Fair Value of Financial Assets and Financial Liabilities

As of December 31, 2025 and 2024, all of the Foundation's financial instruments have carrying values that approximate their fair values.

The methods and assumptions used to estimate the fair value of each class of financial instrument are as follows:

Cash and Cash Equivalents, Accounts Receivable, Trust Funds, Accounts and Other Payables, and Deferred Grants

Carrying amounts approximate their fair values due to the relatively short-term maturities of these financial instruments.

Financial Assets at FVTPL and Financial Assets at FVOCI

Fair values of listed shares are based on quoted prices published in markets. Fair value of unlisted shares could not be reliably determined due to the unpredictable nature of cash flows and the lack of suitable methods of arriving at a reliable fair value. Unlisted shares are carried cost at less of any impairment losses.

Interest Bearing Financial Assets at Amortized Cost

Variable rate. Where the repricing of variable rate interest bearing financial asset is frequent (i.e. monthly or quarterly), the carrying value approximates the fair value. Otherwise, the fair value is determined by discounting the principal plus the known interest using current market rates.

Fixed Rate. The fair value of fixed rate interest bearing financial asset is based on the discounted value of future cash flows using current market rates of similar types of borrowings.

Fair Value Hierarchy

The Foundation's financial assets at FVTPL amounting to P1.44 billion and P1.63 billion as of December 31, 2025 and 2024, respectively, are measured using Level 1 and Level 2 valuation techniques. Financial assets at FVTPL measured using Level 1 and Level 2 valuation techniques amounted to P1.41 billion and P28.06 million, respectively, in 2025 and P1.63 billion and P5.60 million, respectively, in 2024.

The Foundation's financial assets at FVOCI amounting to P12.46 billion and P15.28 billion as of December 31, 2025 and 2024, respectively, are measured using Level 1 and Level 3 valuation techniques. Financial assets at FVOCI measured using Level 1 and Level 3 valuation techniques amounted to P12.45 billion and P13.15 million, respectively, in 2025, and P15.27 billion and P13.15 million, respectively, in 2024.

During the year ended December 31, 2025 and 2024, there were no transfers between Level 1 Level 2 and Level 3 fair value measurements.

22. Summary of Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements except for the changes in accounting policies as explained below.

Adoption of Amendment to a Standard

The Foundation has adopted the following amendment to a standard starting January 1, 2025 and accordingly, changed its accounting policies. The adoption did not have any significant impact on the Foundation's financial statements.

- ***Lack of Exchangeability (Amendments to Philippine Accounting Standard (PAS) 21 The Effects of Changes in Foreign Exchange Rates).*** The amendments clarify that a currency is exchangeable into another currency when a company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, a company needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the company because the currency is not exchangeable.

Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the company uses a presentation currency other than its functional currency.

Financial Assets and Liabilities

Recognition and Measurement

The Foundation initially recognizes financial assets and financial liabilities when the Foundation becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Classification

Financial Assets

On initial recognition, a financial asset is measured at: amortized cost, FVOCI or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective the is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Foundation may irrevocably elect to present subsequent changes in investment's fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Foundation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business Model Assessment

The Foundation makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any liabilities or expected sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Foundation's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether Contractual Cash Flows are Solely Payments of Principal and Interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Foundation considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Foundation considers:

- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms; and
- terms that limit the Foundation's claim to cash flows from specified assets (e.g. non-recourse asset arrangements).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Foundation changes its business model for managing financial assets.

Subsequent Measurement and Gains and Losses

- Financial assets at FVTPL - Measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss;

- Financial assets at amortized cost - Measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss;
- Debt securities at FVOCI - Measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss; and
- Equity investments at OCI - Measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Derecognition

Financial Asset

The Foundation derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Foundation neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

In transactions in which the Foundation neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Foundation continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial Liabilities

The Foundation derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Impairment of Nonderivative Financial Assets

The Foundation recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognized on equity investments.

The Foundation measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECLs.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognized are referred to as 'Stage 1 financial instruments'.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Foundation expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Foundation if the commitment is drawn down and the cash flows that the Foundation expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Foundation expects to recover.

Restructured Financial Assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset; and

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired Financial Assets

At each reporting date, the Foundation assesses whether financial assets carried at amortized cost and finance lease receivables are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Foundation on terms that the Foundation would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of Allowance for ECL in the Statement of Financial Position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Foundation cannot identify the ECL on the loan commitment component separately from those on the drawn component: the presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fund balance.

Fair Value Measurement

A number of the Foundation's accounting policies and disclosures require the determination of fair value, for both financial and nonfinancial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under current market conditions (i.e., an exit price) at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Foundation.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to a market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Current Versus Noncurrent Classification

The Foundation presents assets and liabilities in the statement of financial position based on current/noncurrent classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and impairment losses, if any.

Initially, an item of property and equipment is measured at its cost, which comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. Subsequent costs that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the foundation. The costs of day-to-day servicing of an asset are recognized as an expense in the period in which they are incurred.

Construction-in-progress, which represents properties under construction, is stated at cost and is depreciated only when relevant assets are completed and put into operational use. Upon completion, these properties are classified to the specific property and equipment account.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Annual depreciation rates are as follows:

	Annual rates (%)
Buildings	5%
Building improvements	5%
Transportation equipment	20%
Office equipment, furniture and fixtures	20%
Tools and equipment	20%

Depreciation methods, useful lives and estimated residual values, if any, are reviewed and adjusted, if appropriate, at each reporting date to ensure that these are consistent with the expected pattern of economic benefits from those assets.

When an asset is disposed of or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain and losses, arising from the retirement or disposal is recognized in the statement of activities and other comprehensive loss.

Trust Funds and Deferred Grants

Donations that are restricted by the donors for specific purposes are initially recognized upon receipt as trust funds and credited to deferred credits. Upon the occurrence of the events specified by donors, the trust fund utilization and the deferred credits is deemed donated and reported in the statement of operations.

Grants received to fund the acquisition of depreciable assets are likewise recognized as deferred credits. Deferred credits are recognized in the statement of operations under grants and sub-grants over the periods and in proportion to the depreciation charged for the period for the depreciable assets.

Impairment of Nonfinancial Assets

At each reporting date, the Foundation assesses whether there is any indication of impairment on other current assets, property and equipment, intangible assets and other noncurrent assets or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Foundation makes a formal estimate of the net recoverable amount.

The net recoverable amount is the higher of an asset's (or Cash Generating Unit (CGU)'s) fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the net recoverable amount is assessed as part of the CGU to which it belongs.

Value in use is the present value of future cash flows expected to be derived from an asset or CGU while fair value less cost of disposal price that would be received to sell an asset in an orderly transaction between market participants at the measurement date less any incremental costs directly attributable to disposal. Where the carrying amount of an asset (or CGU) exceeds its net recoverable amount, the asset (or CGU) is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

An impairment loss is charged against operations in the period in which it arises. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the net recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's net recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its net recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the statement of activities. After such reversal, the depreciation and amortization is adjusted in future years to allocate the asset's (or CGU) revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Fund Balance

Fund balance is composed of general fund, retirement benefits reserve and fair value reserve.

General fund comprises the net excess of net excess of supports and other gains over expenses.

Retirement benefits reserve pertains to the cumulative amount of remeasurement of retirement benefits liability arising from actuarial gains and losses due to experience and demographic assumptions.

Fair value reserve pertains to the cumulative amount of unrealized gains and losses of financial assets at FVOCI.

Revenue Recognition

Donations are recognized as revenue when no significant uncertainty to its collection exists. Donations in kind are measured at the recoverable amount of the items received.

Grants are recognized as revenue over periods to match them with the related costs which they are intended to compensate.

Interest is recognized as income using the effective interest method.

Dividends are recognized as income when the Foundation's right to receive payment is established.

Other supports and gains are recognized when earned.

Interest Income

Interest income is recognized in statement of activities using the effective interest method. The effective interest rate is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to the carrying amount of the financial asset. The effective interest rate is established on initial recognition of the financial asset and is not revised subsequently.

The calculation of the effective interest rate includes all fees, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or disposal of a financial asset.

Interest income presented in income and expenses includes interest on financial assets at amortized cost and financial asset at FVOCI on an effective interest basis.

When the related financial asset becomes impaired, the carrying value is reduced due to an impairment loss and interest income is continued to be recognized using the original effective interest rate applied to the new carrying amount.

Costs and Expenses Recognition

Project utilization consists of costs and expenses incurred by the Foundation for activities in connection with its projects and programs.

General and administrative expenses consist of costs and expenses incurred relating to administration and other operating expenses.

Foreign Currency Transactions and Translations

Transactions in foreign currencies are translated into Philippine peso using the exchange rates prevailing at the time of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated using exchange rates prevailing at reporting date. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in income and expenses.

Income Taxes

Income tax expense for the year comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI, in which case it is recognized in equity or OCI, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Final tax is a kind of withholding tax which is prescribed on certain income payments and is not creditable against the income tax due of the payee on the other income subject to regular rates of tax for the taxable year. Tax withheld constitutes the full and final payment of the tax due from the payee on the particularly income subjected to final withholding tax.

Deferred tax is provided using the balance sheet liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The deferred tax asset is reviewed at each reporting date and reduced, if appropriate.

The Foundation offsets deferred tax assets and deferred tax liabilities if the Foundation has a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Retirement Benefits

The Foundation has a funded, noncontributory, defined benefit plan covering all of its permanent employees. Contributions and costs are determined in accordance with the actuarial studies made for the Plan. Annual cost is determined using the projected unit credit method. Under this method, the current service cost is the present value of retirement liability in the future with respect to services rendered in the current year.

The projected unit credit method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive loss. Such actuarial gains and losses are also immediately recognized in equity and are not reclassified to profit or loss in subsequent period.

The retirement liability is the aggregate of the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Defined benefit costs comprise the following:

- service costs;
- net interest on the defined benefit retirement liability; and
- remeasurements of defined benefit retirement liability.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the defined benefit retirement liability is the change during the period as a result of contributions and benefit payments, which is determined by applying the discount rate based on the government bonds to the defined benefit retirement liability. Net interest on the defined benefit retirement liability is recognized as expense or income in statement of comprehensive income.

Remeasurements of DBO comprising actuarial gains and losses are recognized immediately in OCI in the period in which they arise under "Actuarial gain (loss) on retirement benefits", net of income tax effect.

Provisions

Provisions are recognized when the Foundation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingencies

Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Events After Reporting Date

The Foundation identifies post-year-end events as events that occurred after reporting date but before the date when the financial statements were authorized for issue. Any post-year-end events that provide additional information about the Foundation's financial position or performance at the end of a reporting period (adjusting events) are recognized in the financial statements. Events that are not adjusting events are disclosed in the notes to the financial statements when material.

New and Amendments to Standards Issued But Not Yet Adopted

A number of new and amendments to standards are effective for annual periods beginning after January 1, 2026. However, the Foundation has not early adopted the following new or amended standards in preparing these financial statements. Except as otherwise indicated, none of these are expected to have a significant impact on the Foundation's financial statements.

Effective January 1, 2026

- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 Financial Instruments and PFRS 7 Financial Instruments: Disclosures)*. The amendments relate to the date of recognition and derecognition, classification of financial assets, contractually linked instruments and non-recourse features, and disclosures on investments in equity instruments.

Date of Recognition and Derecognition. The amendments clarified that:

- a financial asset or financial liability is recognized on the date on which the entity becomes party to the contractual provisions of the instrument unless the regular way exemption applies;
- a financial asset is derecognized on the date on which the contractual rights to cash flows expire or the asset is transferred; and
- a financial liability is derecognized on the settlement date, which is the date on which the liability is extinguished because the obligation specified in the contract is discharged or cancelled or expires or the liability otherwise qualifies for derecognition.

However, the amendments provide an exception for the derecognition of financial liabilities where an entity may choose to derecognize a financial liability that is settled using an electronic payment system before the settlement date if, and only if, the entity has initiated the payment instruction that resulted in:

- the entity having no practical ability to withdraw, stop or cancel the payment instruction;
- the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- settlement risk associated with the electronic payment system is insignificant.

Entities may choose to apply the exception on a system-by-system basis.

Classification of Financial Assets. The amendments related to classification of financial assets introduced an additional test to assess whether the solely payments of principal and interest (SPPI) criterion is met for financial assets with contingent features that are not related directly to a change in basic lending risks or costs.

The amendments clarified that when a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs, the financial asset has contractual cash flows that are SPPI if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

Additional disclosures are required for all financial assets and financial liabilities that have certain contingent features that are not related directly to a change in basic lending risks or costs and are not measured at fair value through profit or loss.

Contractually Linked Instruments and Non-recourse Features. The amendments clarify the key characteristics of contractually linked instruments (CLIs) and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). For example, it clarifies that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets; that CLIs have non-recourse features, but not all financial assets with non-recourse features are CLIs; and that the underlying pool of instruments of CLIs may include financial assets outside the scope of PFRS 9.

Disclosures on Investments in Equity Instruments. The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The entity discloses for each class of investment the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period. It also discloses any transfers of the cumulative gain or loss within equity during the reporting period related to investments derecognized during that reporting period.

The amendments apply for reporting periods beginning on or after January 1, 2026. Earlier application is permitted. Entities may choose to early-adopt the amendments for the recognition and derecognition of financial assets and financial liabilities separately from the other amendments.

- **Annual Improvements to PFRS Accounting Standards - Volume 11.** This cycle of improvements contains amendments to five standards:
 - **Hedge Accounting by a First-time Adopter (Amendments to PFRS 1 First-time Adoption of International Financial Reporting Standards).** Amendments were made to terminology on hedge accounting by a first-time adopter of PFRS to improve consistency with the requirements of PFRS 9 Financial Instruments. The term 'conditions' was updated to 'qualifying criteria' in line with the shift from PAS 39 *Financial Instruments: Recognition and Measurement* to PFRS 9. Specific cross-references to paragraphs in PFRS 9 containing guidance on the qualifying criteria were added to improve understandability.
 - **Gain or Loss on Derecognition (Amendments to PFRS 7 Financial Instruments: Disclosure).** The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13 *Fair Value Measurement*.
 - **Introduction, Disclosure of Difference Between Fair Value and Transaction Price, and Credit Risk Disclosures (Amendments to Guidance on implementing PFRS 7 Financial Instruments: Disclosure).**

The amendments:

- clarified that the Guidance on implementing PFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7;

- made the wordings on the disclosure of deferred difference between fair value and transaction price in paragraph IG14 of PFRS 7 consistent with the requirements in paragraph 28 of PFRS 7 and with the concepts in PFRS 9 Financial Instruments and PFRS 13 Fair Value Measurement; and
 - simplified the wordings on credit risk disclosures in paragraph IG20B that the illustration does not include financial assets that are purchased or originated credit impaired.
- **Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9 Financial Instruments).** The amendments:
 - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and
 - replaced the term 'their transaction price (as defined in PFRS 15)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.
 - **Determination of 'De Facto Agent' (Amendments to PFRS 10 Consolidated Financial Statements).** The amendments revised the wording on whether a party is a de facto agent when directed by 'those that direct the activities of the investor' to be non-conclusive given this may require judgement.
 - **Cost Method (Amendments to PAS 7 Statement of Cash Flows).** The amendments replaced the term 'cost method' with 'at cost' given the definition of 'cost method' has previously been removed from PFRS Accounting Standards.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

Effective January 1, 2027

- *PFRS 18 Presentation and Disclosure in Financial Statements* will replace *PAS 1 Presentation of Financial Statements* and aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.
 - *A more structured income statement.* PFRS 18 promotes a more structured income statement. It introduces a newly defined 'operating profit or loss' and 'profit or loss before financing and income tax' subtotals, and a requirement for all income and expenses to be classified into three new distinct categories - operating, investing, and financing - based on a company's main business activities. PFRS 18 also requires companies to analyze their operating expenses directly on the face of the income statement - either by nature, by function or on a mixed basis. Companies need to choose the presentation method that provides the *most useful structured summary* of those expenses. New disclosures apply if any operating expenses are presented by function.
 - *Management-defined performance measures.* PFRS 18 provides a definition for management-defined performance measures (MPMs) and introduces specific disclosure requirements. MPMs are subtotals of income and expenses that are used in public communications outside the financial statements to communicate management's view of an aspect of the financial performance of the entity as a whole and are not a required subtotal or a common income and expense subtotal listed in PFRS 18. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under PFRS Accounting Standards.
 - *Greater disaggregation of information.* PFRS 18 provides enhanced guidance on how companies group information in the financial statements, including newly defined roles of the primary financial statements and the notes, principles of aggregation and disaggregation based on shared and non-shared characteristics, and specific guidance for labelling and describing items in a way that faithfully represents an item's characteristics.

PFRS 18 also now requires goodwill to be presented as a line item in the statement of financial position.

Consequential amendments to *PAS 7 Statement of Cash Flows* require the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividends in cash flows.

PFRS 18 also amends *PAS 33 Earnings per Share* to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

PFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Specific reconciliations are required to be disclosed. Eligible entities investing venture capital organizations, mutual funds or insurance insurers will be allowed to choose the fair value option for measuring investments in associates and joint ventures from equity method to fair value through profit or loss.

The Foundation is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Foundation's statement of activities and other comprehensive loss, the statement of cash flows and the additional disclosures required for MPMs. The Foundation is also assessing the impact on how information is grouped in the financial statements, including items currently labelled as 'other'.

- Deferral of the local implementation of Amendments to PFRS 10 and PAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
 - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 Consolidated Financial Statements and PAS 28 Investments in Associates and Joint Ventures)*. The amendments address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Originally, the amendments apply prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. However, on January 13, 2016, the Financial Reporting Standards Council decided to postpone the effective date of these amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

23. Supplementary Information Required Under RR No. 15-2010 and RR No. 34-2020 of the BIR

In addition to the disclosures mandated under PFRS Accounting Standards, and such other standards and/or conventions as may be adopted, the Foundation is required under BIR revenue regulations to provide in the notes to the basic financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the basic financial statements which were prepared in accordance with PFRS Accounting Standards. The following is the supplementary tax information required for the taxable year ended December 31, 2025:

Based on RR No. 15-2010

A. Value-Added Tax (VAT)

Output VAT	
Basis of the Output VAT	
Zero-rated sales	P -
Vatable sales	5,021,189
	P5,021,189
Input VAT	
Beginning of the year	P197,957
Current year's domestic purchases	96,475
Total	294,432
Input VAT written off	-
Less: Input VAT applied for the year	270,800
Balance at the end of the period	P23,632

B. Withholding Taxes

Withholding tax - compensation	P25,789,091
Withholding tax - expanded	4,139,323
Fringe benefit tax	1,533,930
Withholding tax - final	5,061,714
	P36,524,058

C. All Other Taxes (Local and National)

Other taxes paid during the year recognized under General and Administrative	
Fringe benefit tax	P1,533,930
License and permit fees	584,163
Real property tax	103,752
Documentary stamp tax	9,287
Others	48,380
	P2,279,512

D. Deficiency Tax Assessments Tax Cases

The Foundation has no tax cases as at taxable year ended December 31, 2025.

Based on RR No. 34-2020

In relation to Section 4 of BIR RR No. 34-2020, the Foundation is not covered by the prescribed requirements and procedures for the submission of BIR form No. 1709, *Information Return on Related Party Transactions*, Transfer Pricing Documentation and other supporting documents.

ABOUT THE THEME

2025 was a year of disruptions and transitions, with local elections and new administration in local governments in the early part of the year, and with the back-to-back disasters of the 6.9 magnitude earthquake and Typhoon Tino in the last quarter. In all these, RAFI was able to adapt, using the shift in local leadership to reassess and recalibrate plans, and switch to emergency operations for the two disasters.

Furthermore, this adaptability is what enabled RAFI to look back at its past experiences and cull the lessons to propel the organization forward towards its vision, i.e. “Past Forward”, RAFI’s call in its journey to 60 years in development work.

RAFI’s adaptability is a quality that enables the organization, its people, and even its structures, systems and processes, to quickly adjust to changing circumstances. For 2025, it also meant resilience, and the flexibility to return to what grows naturally. Thus, “*Pagpahiuli* (or Restoration).”





RAFI



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